Scaling-Up South-South Cooperation for Sustainable Development

Development Impact Group

United Nations Development Programme

Scaling-Up South-South Cooperation for Sustainable Development
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<td>AIIB</td>
<td>Asian Infrastructure Investment Bank</td>
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<td>ASEAN</td>
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<td>BRICS</td>
<td>Brazil, Russia, India, China and South Africa</td>
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<td>CSOs</td>
<td>Civil Society Organizations</td>
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<td>DRR</td>
<td>Disaster Risk Reduction</td>
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<td>FDI</td>
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<td>SIDS</td>
<td>Small Island Developing States</td>
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<td>TFM</td>
<td>Technology Facilitation Mechanism</td>
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<td>UN</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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INTRODUCTION

A major trend of the past two decades has been the transformation of growth and development performance and prospects in the global South. Increases in economic output and major improvements in key human development indicators as well as the rapid expansion of trade, investment and financial, technological and other flows between developing countries have been remarkable. Along with this trend, the global development cooperation landscape is changing rapidly. Emerging economies and other developing countries have become key actors in the new development architecture through their contribution to overcoming pressing development challenges. In addition, the diversity and richness of the shared practices and experiences, the lessons they offer for building common agendas at global and regional levels, and the leadership they promote, particularly at the local level, have also played a major part in the global transformation. South-South and Triangular Cooperation has emerged as an important vehicle to accelerate human development and will assume greater importance in the future. It has increasingly demonstrated its contribution to development results through a variety of flexible cooperation modalities, including knowledge exchanges, technology transfers, financing, peer support, and neighbourhood initiatives, as well as countries forming common development agendas and seeking collective solutions. Often under-reported and sometimes hard to quantify, the estimated value of South-South Cooperation has exceeded US$20 billion in 2013.1

While being important complements to but not substituting North-South cooperation, South-South and Triangular Cooperation has led to more diverse opportunities for development assistance and cooperation. The Third International Conference on Financing for Development (FfD) 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”2 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.”3 Additionally, the newly adopted Sustainable Development Goals (SDGs) stress the importance of South-South cooperation in implementing the 2030 agenda. Goal 17, “Revitalize the global partnership for sustainable development,” particularly places emphasis on the critical role of South-South and Triangular Cooperation in achieving this ambitious development agenda. It also set targets for South-South and Triangular Cooperation that target both technology4 and capacity-building5 in which all countries have committed to achieve. Last but not least, the Paris Agreement on Climate Change also emphasized the importance of South-South and Triangular Cooperation in tackling climate change.

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3 Ibid, para 57.
4 Target 17.6 - Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism when agreed upon. http://www.un.org/sustainabledevelopment/globalpartnerships/
5 Target 17.9 - Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and Triangular Cooperation. http://www.un.org/sustainabledevelopment/globalpartnerships/
Yet, the potential of South-South and Triangular Cooperation to contribute towards sustainable development and poverty eradication has not been fully leveraged. Knowledge gaps and uneven access to solutions and resources are major obstacles hindering progress and the full potential of South-South cooperation and its impact on sustainable development. The availability of information and quality of research on the scale and impact of South-South and Triangular Cooperation have not kept pace with the growing demand among Southern partners for peer learning to further improve results.

In order to fully leverage South-South cooperation and maximize its impact on sustainable development, some issues still need to be clarified. We need a better understanding of South-South cooperation, how it can contribute to sustainable development and what more needs to be done to scale-up and improve such cooperation for sustainable development. This paper addresses these questions and provides a framework of better understanding South-South cooperation and its role in supporting the implementation of the Sustainable Development Agenda.

II. WHAT IS SOUTH-SOUTH COOPERATION AND WHAT IS IT NOT?

While the world calls for a clearer definition of South-South cooperation due to its distinct features and diversified modalities, a United Nations (UN) working definition was developed and endorsed by the 17th High-Level Committee on South-South Cooperation in 2012 to facilitate the work of the UN system. There are other definitions in use by countries and international institutions.

‘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 organizations, 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. According to this definition, all developing countries are considered as part of the Global South, and equal partners in South-South Cooperation. Many developed countries are also actively supporting South-South Cooperation and thus form a triangular Cooperation modality. The UN working definition:


7 UNDESA, Composition of macro geographical (continental) regions, geographical sub-regions and selected economic and other groupings, http://unstats.un.org/unsd/methods/m49/m49regin.htm#ftnc. There is no established convention for the designation of “developed” and “developing” countries or areas in the United Nations system. In common practice, Japan in Asia, Canada and the United States in North America, Australia and New Zealand in Oceania, Israel and Western Europe are considered “developed” regions or areas. Countries of Eastern Europe and of the Commonwealth of Independent States in Europe are not included under either developed or developing regions, but in general, cooperation among these countries, namely East-East cooperation, is considered South-South cooperation as well.

8 One exception is Republic of Korea (ROK). While the UNDESA report on World Economic Situation and Prospects (2014) classifies ROK as an emerging economy, UN Joint Inspection Unit Report 2011 listed ROK as a triangular Cooperation partner supporting South-South Cooperation.

9 Ibid., see UNDESA http://unstats.un.org/unsd/methods/m49/m49regin.htm#ftnc
WHAT IS SOUTH-SOUTH COOPERATION AND WHAT IS IT NOT?

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.’

South-South cooperation activities are not limited to just bilateral country support or exchanges. Very often and for development impact at scale, neighbourhood initiatives, regional mechanisms and global networks are important forms of South-South cooperation. For example, the United Nations Development Programme (UNDP) initiated and supported cooperation between Armenia and Kyrgyzstan in jointly developing a Disaster Risk Reduction (DRR) strategy and a DRR legislative field. With UNDP’s support, Uganda and Rwanda shared their experiences on the decentralization process of local governments with Lesotho. This has resulted in the review of the Local Government Act to harmonize with the newly adopted National Decentralization Policy. In Jamaica, UNDP facilitated the knowledge transfer of Cuba’s Risk Reduction Management Centre model. The knowledge exchange between the two countries has resulted in the establishment of a Risk Reduction Management Centre in St. Catherine Parish Council. Additionally, under triangular cooperation framework, UNDP is working with the Governments of China and Denmark to support energy-related activities in Ghana and Zambia.

While traditionally South-South cooperation relied primarily on governments, non-state actors are increasingly playing an active role. One notable example is BRAC, the largest non-governmental development organization in the world and based in Bangladesh. It works in more than 13 countries, providing microloans and assistance in education, health, disaster relief and skills development. Furthermore, Turkey’s development cooperation, TIKA, created a dedicated unit to manage its partnerships with Turkish civil society organizations (CSOs). In Somalia, Turkish CSOs have been active in extending South-South cooperation programmes. Brazilian CSOs have also more recently initiated projects with CSOs from Colombia, India, China, South Africa and Thailand to share knowledge and experience on access to HIV/AIDS treatment.

In relations to the private sector’s engagement in South-South cooperation, its investment flows to developing countries totalled more than US$700 billion in 2014, a 4 percent increase from 2013. Many South-South cooperation projects are implemented through public-private partnerships. For example, China’s ‘Belt and Road Initiative,’ which focuses on infrastructure and interconnectivity in over 62 countries across Asia, Europe and Africa, is implemented with the assistance of the private sector. In India, the government has established the Pan African E-Network Project, with the support of the private sector and Indian universities, to connect 53 African countries by a satellite and a fibre-optic network that would provide communication for tele-education, tele–medicine, Internet and video conferencing.

One of the objectives explicitly highlighted in the definition of South-South cooperation is the notion of mutual benefits. Thus, South-South cooperation reflects the following key principles outlined in the Nairobi Outcome Document:

- Common endeavour of peoples and countries of the South, based on shared experiences, common objectives and solidarity;

- guided by the principles of respect for national sovereignty, ownership and priorities as defined on national development plans and strategies;

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11 UNDP, ‘Working with Civil Society in Foreign Aid: Possibilities for South-South Cooperation?’, Beijing, China, 2013.
12 United Nations, Review of progress made in implementing the Buenos Aires Plan of Action, the new directions strategy for South-South Cooperation and the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, New York, (SSC/19/1)
• partnership among equals and free from conditionalities;
• continuing to increase mutual accountability and transparency, while coordinating with other
development projects and programmes on the ground; and
• embracing a multi-stakeholder approach, including non-governmental organizations, the private
sector, civil society, academia and others that contribute to meeting development challenges and
objectives aligned with national development strategies and plans.

To summarize, the following features distinguish South-South cooperation from traditional North-South
cooperation:

Firstly, on the conceptual and principle level, South-South cooperation is based on solidarity and guided
by the principles of respect for national sovereignty and ownership. It seeks mutual benefits and is NOT a
zero-sum game. Rather, South-South partners believe mutual benefits can make the partnership more lasting,
reflecting the reality and common interests of developing countries.

Secondly, in terms of cooperation modality, South-South cooperation encompasses elements of trade,
investment, knowledge exchange, technology transfer and migration as well as direct financial and
humanitarian assistance. It is NOT official development assistance (ODA), or just about financial assistance
per se, and cannot be regulated by existing rules and frameworks that, quantify and qualify traditional North-
South development assistance.

Lastly but just as important, South-South cooperation is about a horizontal and inclusive relationship. It
is NOT the traditional donor-recipient relations and should not evolve towards a relationship just between
emerging economies and other developing countries. It is also inclusive and naturally embraces the roles
of civil society and private sector, and should not be framed just as government driven projects. Moreover,
South-South cooperation is a complement or even a bridge for a flatter world and eventually overcome
North-South, South-South or even South-North cooperation. It is NOT a dividing force but a converging force
that seeks to add complementary value to the development agenda, based on its own characteristics and
comparative advantage. It welcomes triangular cooperation to enable mutual learning between developed
and developing countries and together strive for a world that truly embraces unity in diversity. For example,
Brazil and Germany (through the GIZ development arm), have established triangular cooperation to implement
projects in Mozambique and Peru. Such effective cooperation is derived from the complementary strengths
of Brazil and Germany.13

III. WHAT HAS SOUTH-SOUTH COOPERATION CONTRIBUTED TO SUSTAINABLE DEVELOPMENT?

A. Liberating and strengthening productive capacity

South-South has liberated and strengthened productive capacity of developing countries. This has been
achieved mainly through increasing South-South investment and trade, often with a supportive policy
environment created by developing country governments.

Investment flows to developing economies, much of it originating from the South, reached a new high of
US$759 billion in 2013, accounting for 52 percent of global foreign direct investment (FDI) inflows.14 Developing

economies therefore extended their lead in global inflows, with China becoming the world’s largest recipient of FDI. Developing countries now provide 33 percent of global investments, up from 13 percent in 2007, and are projected by the World Bank to account for more than half of total capital stock by 2030. The share of the poorest developing regions in South-South FDI is still growing from a small base.15 FDI outward stock from developing economies to other developing economies, excluding Caribbean offshore financial centres, grew by two-thirds, from US$1.7 trillion in 2009 to US$2.9 trillion in 2013, with East Asia and South-East Asia the largest recipient developing regions. The largest outward investing economies include Brazil, China, Hong Kong (China), India, the Republic of Korea, Malaysia, Mexico, Singapore, South Africa and Taiwan Province of China.

Between January 2003 and June 2014, 64,201 jobs were created in sub-Saharan Africa by China’s FDI, according to the database produced by fDi Intelligence, a division of The Financial Times specializing in tracking FDI investment projects worldwide.16 It is estimated that the entire manufacturing industry in China employs 85 million to 150 million jobs. During the upcoming industrial transformation in China, most of these jobs will possibly be transferred to Africa. Currently, developing countries who are undergoing economic transformation to upgrade their industry system, such as China, will create unprecedented job opportunities for labour-intensive industries in low-income countries in Africa.17

For example, a group of African countries has created the “Industrialization and Job Creation for Africa” initiative to make the continent the next manufacturing hub for global markets. Through South-South cooperation with China, they have set up special economic zones and industrial parks, adopted policies for investment promotion and strengthened infrastructure and business environment. Some early results include, for instance in Ethiopia, an increase of jobs from 600 in 2013 to 3,500 in 2013 in the Eastern Industrial Park. More recently, Senegal developed its first special economic zone to attract more FDI and international buyers.

Trade, another important dimension, is rapidly increasing among Southern countries. The rise in world trade between 2004 and 2014 has been driven mainly by business among developing countries. In 2014, South-South trade in goods was valued at approximately US$5.5 trillion.18 A high proportion of South–South trade includes such business with other developing countries outside their region; followed by intraregional trade, with the highest in East Asia (excluding China) and economies in transition; and trade with China. Since 2004, China has become an increasingly significant partner for all other developing regions.19 According to the International Trade Centre, South-South trade is expected to surpass North-South trade flows by 2030.

Many South-South regional trade agreements have acted as platforms for the development of productive capacity, regional transport networks and infrastructure, and can contribute to the achievement of SDG 9.1 on regional and trans-border infrastructure. For example, in 2015, Africa established a Tripartite Free Trade Area among the countries of the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community. In 2017, it will establish a continental free-trade area. Such agreements have boosted Africa’s regional integration efforts.20

19 Ibid, pg. 15.
In Asia and the Pacific region, South-South trade accounts for 54 percent of total merchandise exports and 53 percent of imports.\(^{21}\) Asia's largest intra-subregional trade is in the Association of Southeast Asian Nations (ASEAN) plus China, Japan and the Republic of Korea (ROK), which is approximately 45 percent. Trade in this region will most likely increase as a result of coordinated trade promotion.

Promotion of trade is not an end in itself but a way to meet a broader goal for developing countries’ long-term economic growth and sustainable development. At the Financing for Development conference, held in Addis Ababa in July 2015, China committed to offer zero tariff treatment to 97 percent of the taxable items from Least Developing Countries (LDCs) in 2015, a rise from a previous 60 percent commitment. China was also among the 13 World Trade Organization (WTO) members of the Task Force on Aid for Trade. It also made financial contributions to help other developing members, LDCs in particular, better integrate into the global economy and benefit from the multilateral trading system. In recent years, China has supported setting up 19 free-trade areas involving 32 countries.

Moreover, India announced a US$10 billion concessional credit to Africa over the next five years, along with US$600 million in grant assistance, in addition to the continuing lines of credit programme in Africa. All these efforts are important South-South cooperation gains to promote South-South trade and investment, which in turn help developing countries to increase productive capacity, tax revenues and create jobs. Economic empowerment constitutes an important aspect of human development. That said, there exists little clear, objective and systematic research or evaluation on the impact of such cooperation, especially regarding poverty reduction. This is an important area for further research.

B. Returning the focus to basic infrastructure for development

Infrastructure projects account for an estimated 55 percent of South-South cooperation, and more than a third of them support social sectors.\(^{22}\) A noteworthy aspect of these flows is the involvement of both the public and private sectors, pointing to an important consideration for future growth of South-South cooperation. Infrastructures can play a critical role in growth, competitiveness, job creation and poverty alleviation. Despite growth over the last decade, the lack of infrastructure comes at an enormous economic and social cost. Today one in five people live without electricity;\(^{23}\) one billion people live more than 2 kilometres from an all-weather road;\(^{24}\) and almost 663 million\(^{25}\) people lack access to safe drinking water. There is strong unmet demand for infrastructure investment, estimated at above US$1 trillion per year for emerging and developing countries alone.\(^{26}\)

To address this challenge, many Southern partners have assisted other developing countries in basic infrastructure. India, for example, has established the Pan African E-Network Project to connect 53 African countries by a satellite and a fibre-optic network to provide communication for tele-education, tele–medicine, Internet and videoconferencing. Saudi Arabia, through its Saudi Fund for Development (SFD), provided recovery assistance to Pakistan by rehabilitating community infrastructure for access to basic social services. Additionally, China has assisted many developing countries in Asia and Africa in building roads, hospitals and schools that helped transform people's lives.


To help fill the infrastructure investment gap, South-South cooperation can play a big role, including through new initiatives such as the Asian Infrastructure Investment Bank (AIIB). It is projected to provide US$10 to US$15 billion loans annually over the next 15 years.\(^{27}\) AIIB’s investment will focus on the development of infrastructure and other productive sectors in Asia, including energy and power, transportation and telecommunications, rural infrastructure and agricultural development, water supply and sanitation, environmental protection, urban development and logistics. With the majority of its members being developing countries, the AIIB will also benefit from rich knowledge and expertise acquired through the recent modernization of infrastructures in the developing countries, including China, to benefit the region and beyond. Another example is the New Development Bank, co-founded by Brazil, Russia, India, China and South Africa (BRICS), which will focus on infrastructure and sustainable development projects in BRICS and other emerging and developing economies. It is estimated that the New Development Bank has the ability to lend an annual average of US$3.4 billion by 2020 and almost US$9 billion by 2034.\(^{28}\) For example, the first five pipeline projects of the New Development Bank will focus on renewable energy.\(^{29}\) China’s Belt and Road Initiative also has components that focus on infrastructure and interconnectivity among 62 countries across Asia, Europe, and Africa with the assistance of the private sector. This will be supported through the US$40 billion Silk Road infrastructure fund.

All these new initiatives have a major potential to bring about lasting impact on sustainable development, as well as directly address the SDG on resilient infrastructure. However, there is more to do to flesh out and consult with the developing countries on exactly how the initiatives can be designed to meet their needs – especially to complement existing development banks and what specific new instruments can be designed to fill remaining gaps in basic infrastructure development. This will require research, in-depth consultation and creativity.

**C. Skills and technology transfer at a lower cost**

In the outcome document of the United Nations ‘Transforming our world: the 2030 Agenda for Sustainable Development,’ Member States called for enhanced South-South and Triangular Cooperation on access to science, technology and innovation and knowledge sharing. Furthermore, they recognized South-South and Triangular Cooperation as an effective means to enhance the capacity of developing countries in implementing the SDGs.

The Addis Ababa Action Agenda highlighted the importance of technology transfer. As a result, in 2015, the Technology Facilitation Mechanism (TFM) was established to facilitate sustainable capacity-building and technical assistance for technology development and transfer in developing countries. The TFM will facilitate multi-stakeholder collaboration and partnerships through the sharing of information, experiences, best practices and policy advice among governments, civil society, the private sector, the scientific community, United Nations entities and other stakeholders.\(^{30}\)

South-South cooperation provides opportunities to share knowledge and expertise with low overhead. Knowledge and technology exchange among Southern partners has been increasing dramatically, most frequently generating development results at a much lower cost, compared with North-South arrangements.

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\(^{27}\) United Nations, ‘Trends and progress in international development Cooperation: Report of the Secretary-General.’ New York, 10 May 2016 (E/2016/65*).

\(^{28}\) Ibid, para. 27.

\(^{29}\) UNDESA, ‘Making development Cooperation on climate change sensitive to the needs of the most vulnerable countries,’ 2016 DCF Policy Briefs, Nr. 14 (March 2016).

As a member of the Small Island Developing States (SIDS) community, Cuba, for example, has signed agreements with African and Caribbean SIDS to provide technical expertise and transfer agriculture technologies. Cuban experts and technicians introduced the drip irrigation technique for adoption by local farmers in other SIDS countries, which proved to be cost-effective and suitable to conditions in small islands where irrigation water is particularly rare.

Additionally, Chinese expert teams sent to Botswana and Mali promoted the use of simple but effective tools such as iron harrows and plastic mulch in crop production and cultivating paddy fields. Between 2011-2013, China provided technical and on-the-job training programmes in China for over 50,000 people from other developing countries and sent over 7,000 young volunteers to other developing countries for skills transfer. Additionally, two Chinese companies, Huawei and Xiaomi, are investing in research and development and manufacturing facilities in India. To build on this success, during the recent High-Level Round Table on South-South Cooperation, China announced it would provide 20,000 training opportunities and 150,000 scholarships for citizens of other developing countries to receive training and education in China, and to help nurture 500,000 professional technicians for the rest of the developing world. It will also set up a South-South Cooperation and Development Academy to facilitate studies and exchanges by countries on theories and practices of development suited to their respective national conditions, and it will propose discussion on establishing a global energy network to facilitate efforts to meet the global power demand with clean and green alternatives.

Furthermore, several partners have launched programmes and centres to promote lessons learned from science, technology and innovation initiatives. These include the Centre for Science and Technology of the Non-Aligned and Other Developing Countries in New Delhi; the Argentine-Brazilian Biotechnology Centre; collaborative ventures between Brazil and China on climate change, new energy and nanotechnology; and the Organization of the Islamic Conference (OIC) Tech-sharing Forum.

UNDP has also supported the transfer of technology among Southern partners. It partnered with Chile to assist El Salvador communities in constructing Socially Appropriate Technology (TSA) machineries. Through UNDP’s Small Grants Programme, India is supporting “women solar engineer” projects across Africa and Asia to empower poor, illiterate women by training them to build, install, maintain and repair solar technologies. UNDP in Cambodia invited a group from Lao PDR to share successful lessons from an indigenous radio programme. Tanzania sent a team to Uganda to learn experiences of land management, aimed at enhancing simple technologies for farmers in the Kilimanjaro region.

While all of these initiatives present strong examples of support, two key issues remain in delivering South-South cooperation. First, how to tailor programmes and technologies to meet the needs of specific countries. Often, procurement and delivery is carried out by wholesale businesses and through South-South businesses or agencies, which saves money but can reduce the effectiveness of the outputs in the long term if specific needs are not met. Many countries are increasingly demanding localisation – of both labour and technology – so that they can benefit more from technology transfer to generate local innovation and productive capacity. Second, how to turn training programmes into real practical projects, and ensure lasting impact of technology shifts and skills development via enabling policy. This is an area for innovation and support in the near future.

**D. Sharing more relevant and adaptable public policies for developing countries**

In recent decades, policy innovations have mostly originated from the South. Born out of similar development contexts and sometimes even familiar cultural background, these Southern solutions often prove to be more relevant for other developing countries. The conditional cash transfer programmes from Latin American countries, rural employment guarantee programmes from India and special economic zones or PPP...
programmes for agriculture extension from China are among the initiatives that have been widely learned by other countries in Asia and Africa.

In many cases, UNDP has been actively engaged in supporting developing countries to share and adapt relevant public policies. For example, in the Caribbean, UNDP supported the establishment of risk reduction management centres in Trinidad and Tobago, the Dominican Republic, Jamaica, British Virgin Islands and Guyana to provide information on disaster risks through a South-South cooperation engagement with Cuba. Mexico collaborated with the Government of Tanzania, through the facilitation of UNDP, to share its institutional experiences in election management and electoral dispute resolution with two Tanzania electoral management bodies (EMBs).

Additionally, under the umbrella of triangular cooperation, ROK, as a new DAC donor and an emerging economy, is working with UNDP on scaling up local development solutions for sustainable livelihoods, drawing on the experiences of ROK’s Saemaul Undong (New Village Movement) – a rural development programme implemented in the early 1970s that significantly reduced rural poverty by increasing household incomes, improving basic infrastructure and services, revitalizing local communities and empowering women in the country. A main component is supporting South-South knowledge exchange and triangular cooperation through sharing evidence-based results and experiences on local development. UNDP and ROK are currently rolling out the updated model of the Saemaul Undong in six developing countries.

Again, as noted above, one issue with sharing policy experience is how to tailor programmes and technologies to relate directly to their circumstances, as no one policy fits all. UNDP tried a new approach to support the adaptation of public policies through South-South learning. Using design-thinking tools, UNDP worked with mayors from Bangladesh and China, citizens as beneficiaries of basic services and design-thinking experts from Malaysia and Singapore to build prototypes of a one-stop service shop that would work in Bangladeshi cities, adapting from China’s experiences. This approach puts the end-users at the centre of policy exchanges to create solutions to suit local needs.

E. Providing much-needed assistance in humanitarian crises

South-South Cooperation can deliver important results in fragile and conflict-affected contexts, as well as in stable situations. Humanitarian assistance from Southern partners is already rising and has a great prospective for scaling-up.

By 2014, international humanitarian assistance from Southern partners almost tripled from 2012 levels.31 In 2015, the largest percentage increases mainly came from the Gulf States.32 Arab States accounted for some 7.4 percent of global humanitarian aid in 2015.33 The Gulf States assistance, more specifically, more than doubled – rising by 120 percent from US$764 million in 2013 to nearly US$1.7 billion in 2014. Saudi Arabia became one of the 10 major donors for the first time since 2008, rising to become the 6th-largest donor in 2014, from 16th-largest the previous year. Likewise, the United Arab Emirates joined the largest 20 donors, becoming the 15th-biggest government donor in 2014.34 Emerging economies, including Brazil, China, India and South Africa, have considerably expanded their cooperation in crisis environments alongside traditional donors. India is estimated to have a budget of US$15 billion in 2012-2017 for fragile states. China is also a big contributor: in

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33 United Nations, Trends and progress in international development Cooperation: Report of the Secretary-General, New York, 10 May 2016 (E/2016/65*).
2014, it provided US$123 million for the Ebola response and in 2015 it provided US$483 million for earthquake recovery in Nepal. In addition to its substantial support to crisis recovery, China pledged at the UN General Assembly in 2016 to add US$100 million to help deal with the refugee and migrant crises. Turkey, in 2013, has spent US$1.6 billion on the Syrian refugee crisis.

Neighbouring countries are often among the first to extend a helping hand. With UNDP’s facilitation, Jordan provided training for the Iraq government to better stop gender-based violence, which often becomes more serious after conflicts. Indeed, culture and language familiarities can group countries together to pursue South-South cooperation at scale. Timor-Leste, as the rotating president of the Community of Portuguese Speaking Countries, expressed full support with a contribution of US$1.9 million to Guinea-Bissau for political stability and economic and social development. This effort further mobilized more than 1 billion euros in cash, goods and services, investments and concessional loans to finance related projects in Guinea-Bissau. This is also a demonstration of how Southern leadership can lead to scaled-up international efforts, including through triangular cooperation.

Fragile-to-Fragile cooperation is championed by the g7+ countries -- 20 countries who recognized that conflict-affected states are best positioned to learn from one another about their hard-won experiences and collectively advocate for tailored policies in their special contexts, with a stronger sense of solidarity and a common voice in the international community.

South-South cooperation is strategically relevant to countries in fragile contexts. Studies show that financial assistance from the South is more likely to use national systems and build local capacities. According to the Global Humanitarian Report 2014, during 2008-2011, non-DAC countries channeled 31 percent of their humanitarian assistance through the host governments, compared to just 10 percent of the DAC donors.³⁵

While ODA in fragile states is primarily focused on political processes, institutions and social services, which are critical, South-South cooperation complements ODA to focus on trade facilitation, basic infrastructure and productive capacity. It will have significant impact on structural changes in these countries. Reducing poverty can create important conditions for a transition out of fragility. It is about jobs and creating more jobs to help break the cycle of poverty and violence. A number of countries, including Mozambique, Ghana, Rwanda, Bosnia, Bulgaria and Malaysia, have successfully followed this path and can share important lessons.

South-South cooperation can help to address the needs in fragile contexts with a wide range of cooperation modalities, resources and a sophisticated financing toolkit, ranging from cash or human resource support to knowledge exchanges and insurance for natural disasters. A combination of approaches and options that can adapt to a given context can mitigate the escalation of high-risk situations into humanitarian crises.

F. Enabling countries to develop joint solutions to common development challenges

South-South cooperation is not just about country-to-country exchanges. It is also about seeking collective solutions through cooperation with other developing countries, especially through neighbouring countries’ joint initiatives and regional mechanisms. For example, during the Ebola crisis, the Liberian Government and the UN Mission for the Ebola Emergency Response (UNMEER) brought together the national leaders on the Ebola response from Guinea, Mali, Liberia and Sierra Leone to formulate strategies to stop the cross-border spread of Ebola. China’s support to regional mechanisms, such as African Union (AU), ASEAN and Caribbean Community (CARICOM), reflect a clear understanding of this matter.

Additionally, since South Asia is considered one of the most disaster-prone regions in the world, the South
Asian Association for Regional Cooperation (SAARC) established a Disaster Management Centre (SDMC) to assist eight SAARC countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) in effective disaster-risk management. The centre currently provides policy advice and facilitating capacity-building services that include strategic learning, research, training, system development, expertise promotion and exchange of information among the member countries.

To promote anti-corruption measures in Africa, the Southern African Development Community (SADC) established the SADC Protocol Against Corruption involving 14 members (Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe). The purpose of the protocol is to promote the development of anti-corruption mechanisms at the national level, promote cooperation measures in fighting corruption by the member states and harmonizing anti-corruption legislation in the region.

In the Europe and CIS region, the South-East European Cooperation Process (SEECP) was established as a regional mechanism to strengthen stability, security and good-neighbourly relations by combating against organized crime, illicit drug and arms trafficking, and terrorism. Thirteen countries from the South-East European countries are currently members of SEECP.

Interregional cooperation has also been on the rise due to the increasing importance of South-South cooperation as a growing mechanism of international cooperation for development. For example, the India-Africa Forum Summit, the Forum for China-Africa Cooperation, the Forum of China, the Community of Latin American and Caribbean States (CELAC), and the Summit of South American-Arab Countries (ASPA) convened to put in place strategies and agendas, enhance policy coordination and introduce joint initiatives that aim to bolster South-South trade, investment and infrastructure development to contribute to the attainment of sustainable development. These forums tend to result in concrete action plans and resources focused on strengthening Southern collaboration in areas such as health, agriculture and infrastructure development.

In terms of common agenda setting and joint advocacy in the global South, countries have various realities and needs. They also have heterogeneous understandings and views towards development cooperation. The needs of different typologies of countries have been recognized in the United Nations Millennium Declaration and in the outcome document “The future we want” of the United Nations Conference on Sustainable Development, held in Rio de Janeiro in 2012. Meanwhile, countries are increasingly coming together to form a common development agenda that addresses the specific needs for their respective typologies.

Among others, LDCs formulated the Istanbul Programme of Action, and SIDS adopted the Barbados Programme of Action, the Mauritius Strategy and, most recently, the Samoa Pathway. Similar efforts in defining common development agendas have taken place in Land-Locked Developing Countries (LLDCs) through the Vienna Programme for Action; among fragile states through the New Deal Implementation Support Facility and the group of g7+, as well as in Middle Income Countries (MICs). Meanwhile, all these countries also contribute to South-South cooperation through their knowledge, indigenous and innovative technologies, as well as financial and human resources.

Such grouping of countries is about a shared understanding of the dynamism and root causes of their development challenges and fragility. In addition to knowledge exchanges, South-South cooperation means a stronger sense of solidarity and voice as well as a deepened appreciation of Southern perspectives in the international community.

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36 United Nations, State of South-South Cooperation: Report of the Secretary-General, New York, 26 July 2016 (A/71/208)
IV. WHAT ELSE NEEDS TO BE DONE TO SCALE-UP AND IMPROVE SOUTH-SOUTH COOPERATION FOR SUSTAINABLE DEVELOPMENT?

With all the success South-South cooperation has achieved, a great deal of research and experience suggests five major and interconnected bottlenecks that are hindering the full potential of South-South and Triangular cooperation. Overall, the challenges include heterogeneity and complexity of South-South cooperation modalities; the asymmetric ability of countries to manage and participate in South-South and Triangular Cooperation, as well as partial understanding of the externalities, policy incoherence and lack of institutional capacities available in Southern countries. However, such bottlenecks can be addressed through the following:

A. Mind-set change

The world needs a better understanding of what South-South cooperation is to benefit fully from its diversity. There are still misperceptions about the concepts and many parties have concerns that South-South cooperation's heterogeneity of modalities could bring risks and uncertainties. In addition, South-South cooperation frequently happens under different modalities that are normally not assessed. For example, there is no systematic, widely available information on the trends and patterns of South-South cooperation to help partner countries to better predict and target it; and there is a lack of monitoring and evaluation frameworks to assess its strengths and weaknesses, so that partnering countries can best choose what suits them in the long-term.

As the scale and impact of South-South cooperation broadens during the next 15 years, state and non-state actors, development agencies and multilateral organizations will need to embrace it as a new area of learning and to clearly perceive its diversity as an asset for development. As explained, South-South cooperation has unique features and many parties may challenge what existing frameworks of development cooperation may entail. The world has gained enormous wisdom from traditional North-South cooperation but in facing the new momentum of South-South cooperation, all partners would also need to unlearn pass lessons and explore other modalities for cooperation. This process will require efforts from all sectors of society to join the discussion, sharing and analysing South-South cooperation and its contributions. Southern think tanks and their networks, research institutions, can play an important role. As public policy research, analysis and engagement organizations, think tanks can play a vital part in the political and policy arenas at the local, national and global levels while assisting governments in understanding and making informed choices about domestic and international concerns. Thus, they can strategically champion thought leadership on South-South and Triangular Cooperation.

To support institutions in this role, there also needs to be an enabling environment and space in which think tanks and experts from the South and the North can share information and knowledge easily and freely. Experts from the South also need global forums in which they can raise their concerns and inputs when Member States deliberate on South-South and Triangular Cooperation policies. In this regard, UN agencies can play a facilitation role. UNDP and the United Nations Office for South-South Cooperation (UNOSSC) are currently jointly supporting the establishment of a Global Coalition of Think Tank Networks for SSC (i.e. South-South Global Thinkers initiative), in partnership with various Southern-led think tank networks and private-sector entities. The coalition aims to bring forward voices and knowledge from various networks involving more than 200 think tanks and provide a platform to enable joint research and knowledge sharing to inform global policy dialogues and agenda-setting on South-South cooperation for the SDG.
**B. Systematic approach**

South-South cooperation now occurs often in an ad hoc manner, lacking a systematic supporting mechanism. It may be a result of a shake of hands between two presidents or just a random contact of two people. A systematic approach is needed to take the cooperation to scale and fully leverage the diverse cooperation modalities under the South-South cooperation framework to advance a country’s development goals.

To address this issue, involved parties must form a strategy for South-South cooperation and embed it into national development planning. China’s initiative to build the Silk Road Economic Belt and 21st-Century Maritime Silk Road (“belt and road” initiative) is a good example to move forward South-South and Triangular Cooperation with 62-plus countries across Asia, Africa and Europe more systematically, integrating resources and building long-term and multidimensional partnerships. The President of China at the General Assembly Round Table on South-South Cooperation also promoted the idea of developing countries linking national development strategies and strengthening macroeconomic policy coordination. These are ways to make South-South cooperation more strategic and have a bigger impact.

Another approach to foster more systematization in South-South cooperation would be to create and strengthen centres of excellence driven by the South. UNDP has partnered with several Southern countries in establishing such centres of excellence, covering subjects from inclusive development, private sector and public service excellence to broader issues of sustainable development. The International Poverty Reduction Center of China has been a pioneer.

South-South cooperation also needs to move beyond knowledge sharing to deliver lasting partnership and concrete results that benefit people’s lives in the long run. To do so, integrating resources and expertise from various sectors are the key. South-South cooperation needs a global marketplace where all partners can access demand and supply, playing to each other’s comparative advantages and forming partnerships to deliver on results. Such a marketplace can also be facilitated by a virtual platform using new technology and e-commerce experiences. In this regard, UNDP in November 2016 launched a global development solution exchange system – the SSMart for SDGs. This system will provide an enabling environment for governments, private sector, civil society and various actors to publicize their demand, share their solutions and connect with each other to foster South-South and Triangular Cooperation opportunities. Upon request, end-to-end services will be available to partners to broker partnerships and make the matched initiatives fully operational and effective.

**C. Maximizing development benefits from various modalities**

Through contributions to productive capacity, infrastructure, technology transfer, policy innovation, humanitarian assistance, joint solutions and common development agenda, South-South cooperation can contribute to all 17 SDGs. Such broad benefits should be embedded in various modalities of South-South cooperation to expand opportunities.

This raises challenges to the development cooperation managers and practitioners to ensure that trade, investment, technology transfer and knowledge sharing address the demands of developing countries as prioritized in their development strategies. We will need to ask questions about jobs created by trade and investment, more opportunities for women and youth, as well as the social environment impact of South-South projects to find the best results from South-South cooperation and all its modalities.
D. Develop capacity to achieve truly equal partnerships

South-South cooperation is about mutual support and should be a win-win solution. Every country has something to offer and to receive under such a framework. However, in reality capacity gaps often lead to less equal partnership or unrealized gains. Countries and non-state actors also have a disproportionate ability to manage and participate in South-South and Triangular Cooperation mostly because capacities to share, access, coordinate and monitor run variable across participants.

Despite an often high level of interest and commitment to cooperation, policies, regulations and procedures across developing countries may be having unintended effect of making it tougher for Southern partners to benefit from each other's knowledge, products and services. Policy incoherence and a lack of institutional capacities for cooperation can produce barriers between countries and hamper the growth of South-South and Triangular Cooperation. As a result, there may be many more partners who want to engage in such cooperation but cannot because of constraints.

Therefore, supporting capacities, including that of state and non-state actors, emerging economies as well as LDCs, would be important. Support is needed at strategic, policy and institutional levels. For example, UNDP assisted Mexico (AMEXCID) and Thailand (TICA) in consolidating their experiences as a South-South cooperation provider. In Iraq, UNDP supported the government in establishing a South-South cooperation unit in the Prime Minister's Advisory Commission (PMAC). In Haiti, UNDP supported better coordination of various cooperation modalities and assistances.

The world is embarking on a journey to achieve sustainable development for all, leaving no one behind. This can be achieved by maximizing South-South and Triangular Cooperation to help build an inclusive global partnership that can feature win-win strategies and equal partnership. As a Chinese saying goes, “many hands make brighter light.” As the world collectively brings energy to global development, let the warmth and light be shared by all.
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