

Conference of Southern Providers South-South Cooperation: Issues and Emerging Challenges

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BACKGROUND NOTE

South-South cooperation (SSC) has existed for at least six decades. In recent years, SSC has become more prominent in discussions on international cooperation for development as the rapid economic growth experienced by many Southern economies has enhanced their visibility in global affairs. This includes intensified intergovernmental dialogue on SSC in the United Nations as well as the High-Level Forums (HLF) on Aid Effectiveness of the OECD/DAC.

In some circles there have been efforts to define SSC by the paradigm of North-South cooperation. As a result, the expectations from SSC have multiplied several times over in recent past to the extent that the basic principles of this form of cooperation may be compromised.

It is against this backdrop that the Conference of Southern Providers will aim to explore the fundamental principles and modalities of SSC.

Many elements of SSC are well captured in the Nairobi Outcome Document adopted by the UN General Assembly in 2010. This includes SSC being a modality to promote self-reliance in respective efforts for development by offering opportunities for development partner countries for pursuing collectively the goal of sustainable development. The central idea of self-reliance and self-help is not to make the development process autarkic but rather demand driven.

In the SSC framework, both the provider and the partner country have a responsibility for self-development while also being engaged in a mutually beneficial relationship. The policy of self-reliance rests on strengthening autonomous capacity for goal-

setting, decision-making and national implementation. It introduces the idea of domestic capacity to deal with domestic resources. The element of cooperation is critical to the extent that it enables a particular country to progress on its own, which, in turn, presupposes horizontal supportive flows in the form of trade, technology and investment.

The essential principles that govern SSC are thus, respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference and mutual benefit.

The modalities for SSC have taken different and evolving forms, which include capacity-building, training, technology transfer and financial assistance. SSC has developed in such a way that the process has become a multifaceted engagement. This signals the importance of ensuring equitable access of countries to trade, investment and technology within a multilateral institutional framework.

SSC aims to discover and exploit the principle of 'complementarity' in production, consumption, trade, investment, and technological and development cooperation. These processes are inter-linked and may in turn generate forward and backward linkages, which eventually may produce positive synergies across Southern economies. The sharp expansion in trade and investment linkages among Southern countries underlines this phenomenon. The GSTP is emerging as a new model of partnership in trade among developing countries. The current flow of OFDI from developing countries may be seen as a new source of investment flows and technology transfer to South.

With similar development experiences and resource base, Southern countries can share development strategies and priorities which are most suitable to other developing countries. In fact, several of the mega economies in the South with large global footprints have domestic pockets of poverty and deprivation posing large policy challenges. However, with adequate experience and development insights, efforts are being undertaken by the respective governments to address these challenges. This may very well explain why most of the SSC at the early stages has focused primarily on capacity-building.

Analysis & information exchange could be improved

Authoritative evidence-based analysis of South-South cooperation is limited, which partially contributes to misperceptions and hinders the translation of good practices into international standards. Countries engaged in SSC see their cooperation as a partnership among equals and anchored in the principles of solidarity and non-conditionality and tailored to the respective countries' needs. Others claim that SSC lacks adequate consideration of environmental and human rights concerns as well as local procurement and employment. Existing analysis indicates that the reality is more nuanced than the general statements.

Strengthening of national development cooperation agencies

Institution-building for SSC also deserves greater attention. Several Southern providers have established or are planning to establish their own development cooperation agencies. With the scope and scale of South-South flows increasing, recipient countries also see the need to set-up dedicated units to manage SSC. The demands to learn from each other in institution-building were voiced strongly during the 2012 Development Cooperation Forum of ECOSOC. Such exchanges among SSC partners, however, remain ad-hoc at present.

Greater support from regional and multilateral institutions needed

Support from regional and multilateral institutions for SSC needs to be strengthened. They assume a role in facilitating SSC, including deepening of cooperation. Among the regional institutions and within the UN, more proactive engagement and support of Southern provider countries are critical.

In operational terms, regional and multilateral institutions have shown interest in serving as delivery channels for SSC, but their administrative systems are more influenced by the ideology emanating from North-South Cooperation. In the similar way institutional structures are generally not oriented

towards this type of cooperation. For example, multilaterals are sometimes seen as too slow, costly and tailored towards the modalities of North-South cooperation and few of them have accorded high priority to understanding and supporting SSC and exchange. Similarly, there are few regional institutions which have promoted deeper SSC.

Emerging issues and opportunities

Enhanced communication needs to be established among Southern providers to address these gaps in response to the current challenges and opportunities. The Busan High-Level Forum on Aid Effectiveness aimed to forge a "new partnership" that is broader and more inclusive than before, founded on shared principles, common goals and differential commitments for effective international development cooperation.

The post-Busan Interim Group decided to establish the Global Partnership for Effective Development Cooperation (BGP) with due provisions for international accountability for implementation. A selective and relevant set of indicators and targets will be used for monitoring progress on a rolling basis, based on information primarily collected at the recipients' end.

There are concerns among Southern providers that the indicators and targets of the BGP may gradually become the norm for all development cooperation stakeholders including the issuance of scorecards. Discussing openly the implications of the BGP among Southern providers and formulating coordinated positions will be more beneficial than simply neglecting the BGP.

Objective

The Conference of Southern Partners aims to start a dialogue on the nature and contours of SSC and how such a discussion can be purposeful and sustained while building on the individual and collective accomplishments of the respective countries. The Conference would also explore possible future course of action.

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