

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

Organised by
Research and Information System for Developing Countries (RIS)
in collaboration with
United Nations Department of Economic and Social Affairs (UNDESA)
Supported by the
Ministry of External Affairs, Government of India
April 15th and 16th, 2013
The Taj Mahal Hotel, Mansingh Road, New Delhi

Conference Report

I. Background

Despite the fact that South–South cooperation (SSC) has been into existence for the last several decades, it is only in the recent past that it has attracted huge attention across various discussions on international cooperation. This includes intensified inter-governmental dialogue on SSC in the United Nations as well as at the High Level Forums (HLF) on Aid Effectiveness of the OECD/DAC, where a larger role for SSC is being discussed, given the rapid economic growth experienced by many Southern economies. In some of these discussions, there have been efforts to define SSC by the paradigm of North–South cooperation. As a result, the expectations from SSC have increased manifold to the extent that the basic principles of this form of cooperation may be compromised.

It is against this backdrop that RIS and UNDESA, with support from the Government of India, organised the Conference of Southern Providers in New Delhi on 15 and 16 April 2013. The Conference was the first self-supported dialogue on development cooperation among the South over the recent past. It aimed to advance the dialogue on the nature and contours of SSC, while providing an opportunity to address issues of common concern and interest for a coordinated action. By collectively exploring the fundamental principles and modalities of SSC, the dialogue also helped to foster common

ground among the South in preparation for the post-2015 global development agenda and in response to the post-Busan emerging global development cooperation architecture.

II. Key features of SSC – What is the common ground underlining the diversity?

a. Principles and comparative advantage

SSC represents a different paradigm from North–South Cooperation (NSC). While NSC is seen as a historical responsibility, which should be continued and expanded further as a mechanism in its own right filling a specific niche, SSC should be viewed as a voluntary partnership, which has now developed into a more matured platform transcending the initial foundations of political solidarity. It should not substitute but complement traditional development cooperation wherever possible. Despite the increased South-South cooperation both in scale and importance, its fundamental principles have remained valid, including demand-driven approach; non-conditionality; respect for national sovereignty; national ownership and independence as well as mutual benefit. Some of them are captured in the Nairobi Outcome Document adopted by the UN General Assembly in 2010.

National ownership and leadership is at the core of SSC. SSC promotes self-reliance in respective efforts for development by offering opportunities for development partners to pursue collectively the goal of sustainable development. The central idea of self-reliance and self-help is not to make the development process autarchic but rather demand driven. The policy of self-reliance rests on strengthening autonomous capacity for goal-setting, decision-making and national implementation.

Mutual benefit ensures the long-term sustainability of SSC. Southern partners focus on the needs of the beneficiary countries and on what they can do best. The absence of impositions or conditionalities makes SSC stand out for cost-effectiveness.

The principle of common but differentiated responsibilities continues to guide the South's engagement in global affairs. While recognizing the tremendous domestic challenges, some also felt that the more advanced developing economies, e.g. those with higher GNI per capita should also assume responsibilities that are appropriate for their capacity.

b. Modalities

The modalities for SSC have taken different and evolving forms, which include capacity building, training, technology transfer and financial assistance. SSC has evolved in such a way that it is multifaceted engagement covering different areas, such as trade, investment, S&T cooperation, SMEs, trade facilitation, etc., with the potential to foster regional integration, which is a stepping stone for global integration.

The South is not homogenous. Southern partners come from varied experiences and background. Its diversity is enriching and valuable. It is a strength that should be acknowledged and built upon. There is a need to capitalize the diversity of the Southern partners.

While recognizing the diversity in development stage, capacity, approaches and responsibilities, participants underscored the value of a coherent voice to proactively drive an agenda for the development of SSC.

III. Emerging challenges – What are the building blocks to further strengthen the impact of South-South development cooperation on global norm-setting and on the ground?

a. Strengthening demand-driven and systematic collection and analysis of evidence

Evidence-based analysis offers a powerful tool for policy and strategy development and should be exploited with greater attention as it also helps to dispel the misconceptions about SSC. Authoritative evidence-based analysis of SSC is limited, which partially hinders the translation of good practices into international standards.

Currently, good data systems are available in some areas like SSC on Trade and FDI, but are limited in the area of services and development cooperation or in countries with weak economic institutions. There is a need for a demand-driven and structured data collection and information analysis system in order to support the growth and impact of SSC, with a focus on developing corresponding support institutions. This challenge of data gathering and analysis limits the scope for evidence-based analysis.

Due to the diversity of SSC approaches, SSC is meant differently in different contexts. Broadly speaking, South-South trade, investment and development cooperation

are all components of SSC. But, what is contained in South-South development cooperation lacks clarity. There was recognition of the need to further clarify the definition of “South-South development cooperation”.

b. Strengthening the evaluation of SSC programmes and projects

Evaluation has a central role to play in improving SSC projects for example through institution building. 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, beneficiary countries also see the need to set-up dedicated units to manage SSC. Evaluation can foster peer learning and inform institution building.

There is also a need to assess the implications of SSC in order to harness the opportunities it offers. Think tanks and policy research institutions can lead the work in this area. They can develop evaluation frameworks and sharpen evaluation methodologies. In this regard, it is extremely important that the South should mobilise their own resources to strengthen research collaborations and information exchanges. Dependency in this crucial area on international agencies or DAC donors is not a sustainable solution.

Prudent evaluation would require extensive and costly databases and techniques, which will be time consuming. New coalition among researchers, practitioners and policy makers at national and regional level would enhance the processes of partnership among countries. Student exchange programmes need to be strengthened among the developing countries, as this will improve people-to-people interaction and researchers can learn from the innovative ways of the host countries. Building a research base for SSC as well as creating a dedicated SSC fund for research can go a long way in maximising the potential of SSC.

c. Establishing platforms to address issues of common concern and interest

The changing development landscape and global norm-setting increasingly calls on Southern partners to coordinate on strategy, policy and operations. Such coordination must be anchored in appropriate platform. The platform must be credible and inclusive. The existing institutions, including OECD/DAC, G20 and BRICs Summit etc either lack

credibility or inclusiveness, therefore can not be the option. It was cautioned that the concept of a “Southern DAC” risks repeating the mistakes of the North in reaffirming a “give and take” relationship. A UN supported platform is thus the most preferable option for dialogue and consensus building.

At national and regional level, mainstreaming of SSC into national and regional systems and processes will ensure that SSC targets its contribution to overall development and towards efficiently utilizing resources. The importance of working with region- and country-specific instruments for self-assessment will lead to better socio-economic gains and political governance, which would intensify mutual commitment for development.

d. Strengthening multilateral regional support

Multilateral and regional institutions play a very important role in creating a platform for knowledge management, which in turn must be further strengthened. The multilateral institutions assume the role of conveners, norm setters, capacity builders, delivery channels and connectors. In these roles, multilateral institutions should include SSC principles and absorb differentiated role for SSC. This conference discussed several instances where multilateral institutions have undermined specific features of SSC while evolving their own work programme.

SSC can enjoy positive externalities through engagement with multilateral institutions by way of using the existing structures of multilateral institutions, which these institutions have created overtime, as well as including networks that can help Southern partners reach a wider audience and can further lead to higher dividends. This multiplier effect can enhance the effectiveness of Southern partners. Multilateral organizations play an important role, which is more than just providing funds. It was also agreed that the role of multilateral institutions should be more in terms of knowledge brokers or facilitators rather than their traditional role of knowledge provider. They also help in breaking barriers between the developing countries. In order to maximize the potential offered by multilateral institutions for SSC, a transformation of the relationship between Southern partners and multilateral institutions is required. The regional institutions can

create a multi-level approach where all countries can articulate their views through a coordinating mechanism.

Support from regional and multilateral institutions for SSC is seen inadequate. It was felt that there is a stronger need to tackle inefficiency in multilateral institutions in order to be more sensitive to the needs and the challenges of the South. Multilateral institutions are not yet geared up to meet the diversified needs of Southern countries, and practical challenges in terms of delivering needs are still to be addressed. Challenge for SSC in dealing with multilateral institutions needs to be highlighted. The lack of mechanism in SSC to use multilateral institutions is seen as an impediment to the communication line between multilateral institution and Southern partners. Such a mechanism can address a variety of issues and challenges that Southern countries need to tackle. This issue is further aggravated due to the lack of resources particularly the funds at the disposal of Southern Partners, which are not sufficient to create structures that can complement the mechanism and further facilitate the process. Legislative challenges and legislation formats of the partner countries is also seen as a block to fostering relations and it was agreed that legal framework should be more accommodative to the needs of SSC.

e. Cultivating coherent response to the Post-Busan Process and other global processes

Based on historical trust deficit, there are concerns among the Southern partners that the proposed indicators and targets of the Global Partnership for Effective Development Cooperation (PBG) may gradually become the norm for all development cooperation stakeholders, which eventually may result in the issuance of scorecards. South would benefit from discussing at least among them the implications of the PBG in order to formulate coordinated positions before the next meeting of the PBG. This will be more beneficial than simply observing and silently consenting to the DAC agenda. Neglecting this process would be at the expense of SSC.

Although some are of the view that the Busan outcome document provided useful reference for SSC, some mega economies cautioned its relevance for their practices. It was felt that donors and Southern partners to some extent share common principles, but imposing the practice and standard of the North is not acceptable.

In principle, partners agreed that the South should shift from a reactive mood towards a proactive approach to global processes. Adequate response from the South should be explored further in the follow-up consultations to this conference. A smaller group of academics and think tanks from the South should get together to evolve future roadmap in this context.

IV. Way Forward

The Conference of Southern partners was seen as a timely and transformational event. The dialogue on the broad spectrum of SSC showed the potential to catalyze a more collaborative and intensive engagement of Southern partners on development cooperation issues, global partnership and global development agenda.

Moving forward, there was strong support for continued dialogue among the South with a view of concrete deliverables. In the meantime, it was emphasized that such dialogue should be driven, led and supported by Southern partners.

A few areas have the potential to yield concrete results in the medium-term, including better evidence-based analysis as well as knowledge and information sharing among the countries. Effort is also required for improving multilateral support in terms of financial and knowledge brokering that is functionally linked to regional support through political and knowledge exchange mechanisms. This may serve as building block for strengthened coordination of SSC at global level and on the ground. Governments will use the meeting of Directors-General in Ethiopia on 7 June to discuss the practical steps.