

COOPERATION BEYOND CONVENTION SOUTH-SOUTH AND TRIANGULAR COOPERATION IN A CHANGING GLOBAL LANDSCAPE



United Nations
Office for South-South Cooperation

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It is fair to say that we live in a complicated political world. The period from the later years of the twentieth century into the early years of the twenty-first century has seen a fundamental shift from a bipolar to a multipolar world. Those countries and peoples once forgotten or overlooked in conversations about the future are themselves now defining that very tomorrow. New actors are rapidly populating the international development space, from think-do tanks and private philanthropy to multinational corporations, all of which have their own reasons for doing so. Rapid technological advancement, including digital platforms and artificial intelligence, is changing the very landscape on which international development is based, creating new challenges and opportunities for achieving the Sustainable Development Goals. The world, as is so often quoted, is changing.

With the the fortieth anniversary of the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA), which brought together the global development community at the BAPA+40 Conference, we are provided with a moment for reflection and ambitious consideration of tomorrow. How have South-South cooperation and triangular cooperation been manifested in practice? What successes have these modalities achieved, and which failings have they overcome? How have they been translated into cooperation beyond politics, economics and technical skills? What role have the historical centres of gravity for development cooperation, housed in Europe and North America, played and what role should they play going forward? Do South-South cooperation and triangular cooperation still mean what we think they mean or have they evolved into something unexpected?

Undoubtedly, the BAPA+40 Conference provides an opportunity for all of us to consider these questions and many more. More than that, however, this conference of Southern and Northern voices alike offers a chance to begin an ambitious project, one that will likely grow larger and larger: the comprehensive mapping, analysis and exploration of the poles, boundaries, tenets and prospects of South-South and triangular cooperation. A research initiative, such as the Independent Report on *South-South and Triangular Cooperation*, creates an opportunity for the Global South to collectively tell its story of assistance and development cooperation. It is a vehicle to showcase the uniqueness of its efforts and the impact of its actions. It is both an avenue for reflection on our past and a prompt for new questions, considerations, analyses and ideas on the present and future of South-South and triangular cooperation.

Perhaps above all, this report and the new ideas that it will stimulate going forward are themselves a prompt for deeper consideration of precisely what South-South cooperation and triangular cooperation are or should be in the face of the changing global geopolitical, humanitarian and economic systems into which they are being integrated.

This report is an important first step in that direction. In the future, we expect that a wide range of actors and partners will add to the story of South-South and triangular cooperation, expanding the base of knowledge. We hope that, in another forty years, development practitioners will look back at this stocktaking of the state of South-South and triangular cooperation with a sense of pride in what we began here and in what will have subsequently been accomplished.

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In 1978, at a conference in Argentina, national leaders agreed to the Buenos Aires Plan of Action (BAPA) for Promoting and Implementing Technical Cooperation among Developing Countries, formalizing a comprehensive strategy to facilitate and grow technical cooperation between and among countries of the Global South. Some 40 years later, the Global South came together at the BAPA+40 Conference in Argentina in March 2019 to evaluate the progress made in creating effective systems of South-South and triangular cooperation and to prepare for the next phase of this work. The Outcome Document of the BAPA+40 Conference, adopted by the United Nations General Assembly contains reference to enhancement of South-South Cooperation and triangular cooperation; UN support to South-South Cooperation; Science, technology and innovation; Multistakeholder partnerships; and funding. Indeed, as the world works towards the implementation of the 2030 Agenda for Sustainable Development and the achievement of the Sustainable Development Goals, South-South and triangular cooperation will become ever more important as modalities through which to address borderless challenges facing the entire world but that may disproportionately impact the Global South. The South-South and South-North sharing of knowledge, ideas and strategies for dealing with these issues remains an untapped reservoir for potential change, a spark for sustainable development thus far unrealized.

South-South and triangular cooperation represent a considerable force in international development and demonstrate our capacity as a global community to facilitate the evolution, upgrading, complementing and revision of existing systems as well as strategies for the achievement of the ambitious goals of the 2030 Agenda. Guided by the core principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit, they encourage us to think differently about development and partnership systems that have thus far remained permanent, institutionalized and unchallenged in the international system. Forty years after Buenos Aires, these principles remain pillars of South-South cooperation.

The Independent Report on South-South and Triangular Cooperation speaks to the past and the present of South-South and triangular cooperation. It reflects on the importance of the Buenos Aires Plan of Action, the progress that has been made in South-South and triangular cooperation compared with traditional development aid, and the collaborative international relations between countries of the Global South. The report presents the argument that South-South cooperation often extends far beyond the board rooms and conference centres of high-level international relations, but its effects are felt and driven by non-state actors. Furthermore, it highlights the role of emerging and smaller Southern economies as important contributors to changing the global landscape. It examines the reasons for a shift in which these nation-states are now leading defenders of both globalization and multilateralism and the various ways in which South-South cooperation has facilitated the reshaping of the extant global order politically, economically and socially. A series of case studies illustrate how far South-South cooperation and triangular cooperation have come in what has been referred to as the harbinger of a “post-Western world”. It considers the modalities and operationalization of South-South and triangular cooperation, including the scaling up of its successes for the purpose of achieving the goals of the 2030 Agenda and development goals of States of the Global South.

Beyond a stocktaking of progress over 40 years of effort, this report by the United Nations Office for South-South Cooperation also considers the future of South-South and triangular cooperation, including whether we are in an era of “new” South-South cooperation with different priority areas.

Today, South-South cooperation is a recognition that the shortest path to sustainable development lies in Southern countries interacting and engaging *more*, not less, with the global economy. The report explores the vital importance, for the Global South, of seizing the opportunities offered by the Fourth Industrial Revolution to promote South-South cooperation. Within the context of the Sustainable Development Goals, the report concludes with the identification of important gaps in the literature and proposes research studies to address a lack of knowledge about contemporary South-South and triangular cooperation.

The contributors to this independent report acknowledge that it is but a first step in the mapping of South-South and triangular cooperation in our contemporary era. It offers an opportunity to consider both successes and failings, to facilitate different thinking, to strategize about improvements to existing international development systems and institutions, and to dream about the future. The story of South-South and triangular cooperation has not yet concluded; instead, we are at a historic moment, in light of the BAPA+40 Conference, which can and will reinvigorate this work for years to come.

We would first like to acknowledge with much appreciation the crucial role of the United Nations Office for South-South Cooperation (UNOSSC) senior management whose contribution in stimulating suggestions and encouragement helped us to coordinate and write this report. A special expression of gratitude goes to Mr. Jorge Chediek, Director of UNOSSC and Envoy of the Secretary-General on South-South Cooperation for his strong leadership and guidance, and Dr. Xiaojun Grace Wang, UNOSSC Deputy Director for Programme and Operations for her valuable research oversight and important intellectual input into the report.

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Lastly, my sincere thanks go to the entire UNOSSC team for their valuable contribution towards the publication of this inaugural independent report on South-South and triangular cooperation. The report greatly benefited from their collective wisdom, intellectual input and administrative support provided over the past year.

DR. HANY BESADA

AAAA	Addis Ababa Action Agenda
AAID	Arab Authority for Agricultural Investment and Development
ABC	Brazilian Cooperation Agency
ACS	Association of Caribbean States
AfCFTA	African Continental Free Trade Area
AIDS	Acquired Immunodeficiency Syndrome
ADB	Asian Development Bank
ADF	African Development Fund/Asian Development Bank
ASEAN	Association of Southeast Asian Nations
AEC	African Economic Community
AFA	Arab Fund for technical Assistance to African Countries
AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AGFUND	Arab Gulf Programme for Development
AI	Artificial Intelligence
AiIF	Africa Infrastructure Investment Fund
AiIB	Asian Investment and Infrastructure Bank
ALADI	Latin American Integration Association
AMU	Arab Maghreb Union
AOSIS	Alliance of Small Island States
APC	Agencia Presidencial de Cooperacion Internacional
APEC	Asia Pacific Economic Cooperation
APTA	Asia-Pacific Free Trade Agreement
ARF	African Renaissance Fund
ASEAN	Association of Southern Asian Nations
AU	African Union
AUDA	African Union Development Agency
B2B	Business to Business
BADEA	Arab Bank For Economic Development in Africa
BCC	Benguela Current Commission
BDEAC	Central African States Development Bank
BID	Bank for Investment and Development
BIMSTEC	Technical and Economic Cooperation
BMICE	Maghreb Bank for Investment and Foreign Trade
BNDES	National Economic and Social Development Bank
BOAD	West African Development Bank
BPPS	Bureau for Policy Programme Support.
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China, South Africa
CABEI	Central American Bank for Economic Integration
CAR	Central African Republic
CCI	Caribbean Challenge Initiative

CDM	Clean Development Mechanism
CEMAC	Community of Central Africa
CARICOM	Caribbean Community
CEN-SAD	Sahel-Saharan States
CHAZ	Churches Health. Association of Zambia
CIM	Center for Molecular Immunology
CIVETS	Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa
COMESA	Common Market. For Eastern and Southern Africa
CEPGL	Community of Great Lakes Countries
CPRPP	Comprehensive and Progressive Transpacific Partnership
CSO	Civil Society Organization
CSR	Corporate Social Development
CWA	Compact with Africa
DAC	Development Assistance Committee
DBSA	Development Bank of Southern Africa
DCF	Development Cooperation Fund
DLT	Distributed Ledger Technology
DPA	Development Partnership Administration
DRC	Democratic Republic of Congo
EAC	East African Community
ECCAS	Economic Community of Central African States
ECLAC	Economic Commission for Latin America and the Caribbean
ECO	Economic Cooperation Organization
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
EMSD	Emerging Markets Sustainability Dialogues
ESPA	Ecosystem Services For Poverty Alleviation
EU	European Union
F2F	Fragile to Fragile
FAO	Food and Agricultural Organization
FDI	Foreign Direct Investment
FfD	Finance for Development
FOCAC	Forum on China-Africa Cooperation
FOSS	Forum of Small States
FUNAE	National Energy Fund
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GAFTA	Greater Arab Free Trade Zone
GAIN	Global Alliance for Improved Nutrition

GAVI	Global Alliance. For Vaccines and Immunization
GEF	Global Environment Fund
GIZ	German Development Cooperation Agency
GLISPA	Global Island Partnership
GNP	Gross National Product
GPEDC	Global Partnership for Effective Development Cooperation
GPI	Global Partnership Initiative
GRULAC	Latin America and Caribbean Group
GSTP	Global System of Trade Preference
HIV	Human Immunodeficiency Viruses
IADB	Inter-American Development Bank
IBSA	India, Brazil and South Africa
ICCR	Indian Council for Cultural Relations
ICGLR	International Conference of the Great Lakes Region
ICT	Information Communication Technologies
IDPS	International Dialogue on Peacebuilding and State building
IFAD	International Fund for Agriculture Development
IFI	International Financial Institutions
IGAD	Intergovernmental Authority on Development
ILO	International Labour Organization
IMF	International Monetary Fund
IoT	Internet of Things
IORA	Indian Ocean Dialogue
IsDB	Islamic Development Fund
IUCN	International Union for Conservation of Nature
KOAFEC	Korea-Africa Economic Cooperation Trust Fund
LDC	Least Developed Country
LAS	League of Arab States
LIDC	Low-Income Developing Countries
LIO	Liberal International Order
LLDC	Landlocked Developing Countries
MERCOSUR	Southern Common Market
MINT	Mexico, Indonesia, Nigeria and Turkey
MNC	Women's Peasant Movement
MPC	Popular Peasant Movement
MSG	Melanesian Spearhead Group
NAFTA	North American Free Agreement
NAM	Non-Aligned Movement
NBB	New Development Bank
NDB	New Development Bank
NDC	Nationally Determined Contributions
NGO	Non-Governmental Organization

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NEPAD	New Partnership for Africa's Development
NERC	Natural Environment Research Council
NeST	Network of Southern Think Tanks
NIEO	New International Economic Order
NME	Non-Market Economy
NSC	North-South Cooperation
NSG	National School of Government
OAPEC	Organization of Arab Petroleum Exporting Countries
OAU	Organization of African Union
OBCSDP	Opportune Breast Cancer Screening and Diagnosis Program
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OAS	Organization of American States
OFID	OPEC Fund for International Development
OIC	Organization of Islamic Countries
OPEC	Organization of Petroleum Exporting Countries
PCRD	Post-Conflict Reconstruction and Development
PICTA	Pacific Island Countries Trade Agreement
PIDA	Programme for Infrastructure Development in Africa
PIF	Pacific Islands Forum
PIFCSS	Program for the Strengthening of South-South Cooperation
PPP	Public Private Partnership
PRETAS	Preferential Tariff Scheme
PROSAVANA	Triangular Cooperation Programme for Agricultural Development of the Tropical Savannah in Mozambique
PWYF	Publish What You Fund
PWYP	Publish What You Pay
RCB	Regional Capacity Building
REC	Regional Economic Community
RCEP	Regional Comprehensive Economic Partnership
rHuEPO	Recombinant human erythropoietin
SAARC	South Asian Association for Regional Cooperation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SCO	Shanghai Cooperation Organization
SDG	Sustainable Development Goal
SEGIB	Ibero-American General Secretariat
SIDS	Small Island Developing States
SIRESS	Integrated Regional Electronic Settlement System
SME	Small Medium Enterprise
SSC	South-South Cooperation
SSN4PSIS	South-South Network for Public Service Innovation

STACL	Simultaneous Translation with Anticipation and Controllable Latency
STI	Science, Technology and Innovation
TCOE	Trust for Community Outreach and Education
TIKA	Turkish International Cooperation and Development Agency
TOSSD	Total Official Support for Sustainable Development
TPP	Trans-Pacific Partnership
TrC	Triangular Cooperation
UAE	United Arab Emirates
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children's Emergency Fund
USAN	Union of South American Nations
UNOSSC	United Nations Office for South-South Cooperation
USAID	United States Agency for International Development
USAN	Union of South American Nations
USD	United States Dollar
USMCA	US, Mexico, Canada Agreement
VISTA	Vietnam, Indonesia, South Africa, Turkey and Argentina
WAEMU	West African Economic and Monetary Union
WEF	World Economic Forum
WFP	World Food Program
WHO	World Health Organization
WTO	World Trade Organization
ZAR	South African Rands

CHAPTER I

South-South Triangular Cooperation: Forty Years After the Buenos Aires Plan of Action

1.1 South-South Cooperation – Then and Now

In March 2019, we marked the fortieth anniversary of the Buenos Aires Plan of Action¹ (BAPA), the roadmap by which the world has defined and facilitated the growth of both South-South and triangular cooperation. As confirmed by the BAPA+40 outcome document, South-South cooperation (SSC) is seen as a means by which countries of the Global South can collaborate, cooperate and engage one another in political, economic, social, cultural, environmental and technical areas. Known as technical cooperation among developing countries in the Buenos Aires Plan of Action, it was seen by the latter's authors as multidimensional process and means of promoting the creation, acquisition, adaption and transfer of knowledge for mutual benefit (1978, 6). It can occur regionally or internationally, and today is seen as an important vehicle through which developing countries can compound their capacities to achieve the Sustainable Development Goals (UNOSSC 2019).

Above all, South-South cooperation is framed amongst five core principles: respect for national sovereignty; national ownership and independence; equality; non-conditionality; non-interference in domestic affairs; and mutual benefit. For some, it is a new form of multilateralism, transitioning the Global South away from existing international systems devised in decades past. For others, South-South Cooperation is an addition to existing global systems, a new way of thinking about economic, political, social, developmental and cultural cooperation, as was originally perceived by the drafters of the Buenos Aires Plan of Action (1978, 6). Since BAPA, the world has also seen the emergence of triangular cooperation (TrC), defined as “Southern-driven partnerships between two or more developing countries, supported by a developed country(ies) or multilateral organization(s), to implement development cooperation programs and projects” (UNDP, “Frequently Asked Questions” 2014). In essence, the view of Triangular Cooperation is one of South-South cooperation, supported by a traditional development actor or donor.

The Buenos Aires Plan of Action is a momentous occasion, one underscored by the essential determination that the Global South is not without its own agency, its own critical knowledge and best practices, and its own capacity to dismiss the pervasive international development systems of old. This report is both a celebration of this momentous achievement and a cautionary tale. Work is not yet finished in the establishment of South-South and triangular cooperation as core to development dialogue and activity.

By the outcome BAPA+40 outcome document, in order to step up South-South and triangular cooperation and to bolster support for national and regional development efforts towards achieving the 2030 Agenda, there is a call for countries and relevant stakeholders to promote economic, social and environmental dimensions of sustainability, including in all South-South and triangular cooperation policies and activities. There is also a call on multilateral, regional and bilateral financial and development institutions to consider increasing financial resources and technical cooperation to promote South-South and triangular cooperation. The UN development system is called upon to assist developing countries in building the human and institutional capacity needed to formulate and implement national development policies, strategies and programmes for South-South and triangular cooperation. Member states are encouraged to increase the use of triangular cooperation. Countries that have established institutions with leading expertise in science, technical and innovation to consider providing more scholarships to enable students and young scientists, including women and girls, from Southern countries to gain greater access to

such institutions for higher studies and research. Member states are also encouraged to share knowledge, expertise and best practices on public-private partnerships, including risk assessment and regulatory frameworks.

Achieving select milestones as defined by the Plan of Action is not itself a moment to sit on one's laurels. As such, the report is both technical and aspirational, a story of the past and a plan of action for the future. It cannot hope to answer all lingering questions related to South-South and triangular cooperation. Instead, it is the opportunity to begin further efforts to learn from the past – both successes and failures – in order to improve prospects for the future, and how South-South and triangular cooperation in particular can contribute to the achievement of the Agenda 2030 on Sustainable Development.

1.1.1 South-South Cooperation Began in the Global South

Although SSC was formally presented as Technical Cooperation among Developing Countries within the text of the Buenos Aires Plan of Action in Argentina in 1978, it began far earlier than that, in 1955, with the Bandung Conference. The Conference was a formalized turning point of Global South solidarity; an attempt to rebuild the international order so as to improve equality of participation for countries of the Global South in multilateral arenas that had regularly failed to ensure their inclusion; and an opportunity to voice their own unique views, strategies, and perspectives on the global order (Hongoh 2016). The result, six years later, would be the birth of the Non-Aligned Movement (NAM), which itself was both a representation of nation-states outside the United States and Soviet Union's respective umbrellas of influence during the dual-country sabre-rattling of the Cold War and the desire to continue tangible and ideological decolonization processes away from world powers that historically had seen it as their prerogative to define their own respective colonies around the world. However, as the NAM was formally perceived as a political grouping, the physical implementation of SSC as an institutionalized and defined phenomenon as such had not yet occurred.

By 1964, calls for increased SSC among United Nations officials began to grow; Raúl Prebisch, then head of the UN Economic Commission for Latin America, denoted the now readily learned economic perspective which defined core and periphery states – also known as the Doctrine of Unequal Exchange (Love 1980). The latter formalized the top-down hegemonic concepts and theories of international development and economic growth that had been so pervasively felt by countries of the Global South. In his report to the first United Nations Conference on Trade and Development (UNCTAD), Prebisch argued for supporting the increase in trade and exchange among the groupings of developing countries to address negative imbalances and the resultant negative economic impact on Global South countries. The result of this call would be the conference's final act and its inclusion of goals for regional cooperation and integration in the Global South (Gosovic 2016; ECIDC 2015).

Shortly thereafter, in 1972 and 1974, the United Nations would establish the Working Group on Technical Cooperation Among Developing Countries and the Special Unit for South-South Cooperation, respectively (SGL 2017). The special unit, which would ultimately become the UN Office of South-South Cooperation, held a mandate of promoting technical cooperation among developing countries, while the Working Group was tasked with making recommendations on how

developing countries can share knowledge and capacities. The work of these two entities, coupled with calls for change to the dominant economic and geopolitical systems that defined the then international order, would come to culminate in the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation Among Developing Countries – the achievement for which we now celebrate forty years.

1.1.2 In Changing Development Dynamics, South-South Cooperation Matters Deeply

The history of South-South cooperation fundamentally laid the groundwork for its growing importance to development issues, including the achievement of the Sustainable Development Goals. Core to SSC is the pragmatic and achievable argument that so-called developing countries can themselves be the drivers of sustainable change within their own borders and across regions, continents and the planet as a whole. They can do so by driving innovation in local contexts, promoting collective self-reliance, increasing the importance and vigor of knowledge, sharing best practices, emphasizing solidarity and interdependence, driving new models of partnership and building localized solutions to development challenges, among many other strategies. Yet, the globalization of progress we now see as the organizing function of contemporary economics and politics has left within its wake a number of unresolved issues, from ecological and environmental challenges, to political crises, and the broaching of hegemonic controls (Gray and Gills, 2016). When successfully leveraged, SSC and TrC is a vehicle by which Southern countries can proactively and meaningfully drive international development architecture, along with the strategy and means by which we achieve the SDGs, with the result being a potential improvement in aid effectiveness and the inclusion of SSC experiences within associated principles (OECD 2011). Indeed, the principle of inclusion is of paramount importance within this context: historically, the perspectives, insights, and lessons from the progress and failures of development in the Global South have been largely ignored by traditional donors.

The result is a considerable lack of meaningful understanding about the uniqueness of the stories of development in the South and the resultant strategies needed to broach their ongoing, persistent challenges. SSC is not simply about sharing goods and services but transmitting and dispersing experiential knowledge so as to promote mutual learning and trust among nation-states; it is the creation of horizontal and inclusive relationships (BPPS, 2016). When successfully broached, SSC has achieved a host of positive results. It has strengthened productive capacity through increased South-South trade and investment – as has been seen with the rise of South-South FDI flows, with 28 per cent of new FDI in 2016 coming from the Global South; facilitated a renewed focus on infrastructure development as the stable base upon which development can occur, hallmarked by a push for closing the infrastructure gap in sub-Saharan Africa; reduced the cost of skills and technology transfer; driven the sharing of public policy options; provided financial and material assistance, both over the long term and during periods of crisis, emphasized by the Global South responses to natural disasters such as the East African famine; and, ultimately, enabled Southern countries to develop joint solutions to endemic development challenges (BPPS 2016).

1.1.3 A Borderless World Means Borderless Challenges

Despite the geopolitical borders that we have defined as the demarcation of people and places,

global issues hold themselves to no such boundaries. Resource depletion, famine, conflict, disease, ocean pollution, migration and the refugee crisis, and economic inequality are all challenges that humanity must face together, but which often disproportionately impact countries of the Global South due to resource constraints and limited adaptive capacities. Climate change, for example, has been determined as a phenomenon most readily capable of inflicting significant and long-lasting damage to Southern countries, many of which remain extremely vulnerable and underprepared for robust adaption and mitigation (Vidal 2013; Sen Roy 2018). The result, which itself is a demonstration of the interconnectivity of global challenges, is the rise of debt ratios (117 basis points on average, or \$40 billion over ten years) for developing countries and the reduction in economic sustainability (Buhr and Ulrich 2018). According to reports, borrowing for climate finance continues to incur debt expenses over time, due to increased risk from climate change vulnerability (UNFCCC 2018). But in this disheartening headline sits an opportunity, one forwarded by the prospect of ever-improving South-South cooperation. The South-South and South-North sharing of knowledge, ideas and strategies for broaching borderless challenges remains an untapped reservoir of potential change, a spark for sustainable development thus far unrealized.

1.1.4 It is South-South Cooperation that Re-imagines Development Cooperation

Development assistance and cooperation are rapidly changing in the age of South-South cooperation. Southern countries, particularly China, India, South Africa and Brazil, have in recent decades intensified their participation and support of development activities in developing states, with much of this marked by a significant departure from conditionality in favor of horizontal cooperation² (Quadir 2013). According to Mihorance and Soule-Kohndou, SSC emerged as a rising development paradigm in part because of both economic and governance gains achieved by Southern countries over the last several decades, itself driven in particular by the increase in intraregional trade in the Global South (Mihorance and Soule-Kohndou 2017). Proponents argue that Southern-led development cooperation is an opportunity to shed the remaining vestiges of colonialism and achieve the SDGs through symmetric relations and soft power³ (Amanor 2013).

Detractors, however, argue that in much the same way that DAC countries conduct development, so too do those in the Global South pursue objectives based on national and individualized conceptions of development, emphasizing different issues and themes: Brazil, for example, concerns itself primarily with technical cooperation, while Chinese development cooperation often regards economic priorities as essential (Quadir 2013). The result has been the establishment of a multipolar development axis, one where “new” development partners are challenging the status quo of foreign aid and international assistance (Kragelund, 2011).

Southern-led development cooperation showcases the fact that institutions and systems that have, for years, existed at the core of development cooperation practices can be complemented, upgraded and revised by alternative strategies. The emergence of non-state finance actors, including multinational corporations, foundations and infrastructure companies, all facilitate further choice in partnership and increased agency. Particularly for those new development actors situated in the Global South, we are required to think differently about how development occurs and who defines its parameters. Ultimately, “development” is the physical representation of improved prospects for the future, embodied today within the SDGs. To argue for a single

approach to achieving these objectives as such is to ignore the reality that non-finance actors can take multiple paths and use differential vehicles to arrive at the same destination. SSC is a framework through which these paths can effectively converge.

1.1.5 To Achieve Convergence Between South-South Cooperation and Sustainable Development, Challenges Must Be Overcome

Traditional development partners, particularly those among the ranks of DAC countries, argue that non-conditionality is a principal issue that must be addressed. According to Kragelund (2011), these countries propose that conditionality is essential to the pursuit of necessary structural and institutional reforms, while preventing an unnecessary waste of limited resources (2011). As with many issues, evidence exists on both sides of this debate that conditionality has been a fundamental detriment to development progress and a useful tool to achieving results. Observers equally contend that while political conditionality may not be readily seen among SSC agreements, they do exist in the form of economic trade-offs – the so-called “minerals-for-infrastructure” deals that some countries have seen, particularly in sub-Saharan Africa, although according to some observers, this approach to South-South cooperation differs little from previous OECD loan agreements based on resource rents (Burges 2012, 233; RAMC 2010). Although the latter is a simple illustration of the complex mix of political, economic, social and moral drivers that coalesce into the underpinnings of SSC, the quest for economic leverage in developing countries may also encourage, at times, the eschewing of governance and human rights standards in partner-states (Carter 2017, p. 11; RAMC 2010).

Transparency in financial aid and cooperation has not been addressed. Publish What You Fund, a global civil society organization working on transparency in development aid, recently argued that data remain unavailable on the amount of development aid pushed by Southern actors, marring these figures in a lack of transparency (Simons 2018; Publish What You Fund 2016). AIDDATA Research Lab argues that the impact of aid derived from emerging economies is relatively unknown due to a lack of comprehensive, transparent and accessible data on flows, as well as the fact that “no comprehensive official database exists that tracks BRICS donors’ aid contributions at the project level” (Asmus, Fuchs and Muller (2017). Improved transparency would increase recipient countries’ understanding of resources available, augment decision-making and also make it possible for donors to be recognized for their contributions and successes (Di Ciommo 2014). For Southern citizens in particular, aid transparency improvements benefit civil society’s ability to hold governments accountable for discrepancies in funding received and used, while providing those same national institutions the information they need to augment evaluation and learning (PWYF 2017). Indeed, this has been echoed by the African Development Bank, which noted that proactive act transparency is at the heart of achieving strategic priorities, improving stakeholder relations and driving open governance (ADBG 2018).

From a structural standpoint, SSC remains relatively ad hoc. On the other hand, while established mechanisms of ODA delivery operate on short planning cycles, ODA funds international cooperation based on long-term, sustainable objectives, due to a combination of the legacy policies governing ODA and the priorities of both donor and recipient countries (Quadir 2013). Institutionalization of South-South Cooperation has been burgeoning in recent years, with the advent of the New

Development Bank, the Asian Infrastructure Investment Bank and other like organizations. The New Development Bank⁴, for example, has thus far focused its efforts on financing green energy initiatives, primarily in member state countries. Coordination of priority areas would engender new opportunities to leverage the pathways and avenues of engagement, within the framework of South-South cooperation, for increased aid effectiveness.

SSC, formed to promote and facilitate development aid and assistance, technical cooperation, technology transfer and investment, offers an exciting opportunity to drive alternative strategies for the achievement of the Sustainable Development Goals. It also offers an opportunity to remedy issues endemic to ODA while testing modalities, methodologies, and approaches. Not all will work – nor should they be expected to – but core to any emergent process is the learning of both successes and failures.

This Report Is Only a First Step

It has been 40 years since the signing of the Buenos Aires Plan of Action, and this inaugural UNOSSC independent report on the global state of South-South and Triangular cooperation comes at a time when the world is reflecting on this historical milestone and the BAPA+40 outcome document summarizes the main steps forward in the short-term future. The report endeavors to investigate the progress that has been made toward effective and meaningful SSC, TrC, and the collaborative international relations between countries in the Global South. It seeks to regard SSC and TrC holistically, from the standpoint of the contributions it has made to the achievement of the Agenda 2030 and the Sustainable Development Goals, as well as the challenges and issues that remain.

As the United Nations notes:

“South-South cooperation is a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the 2030 Agenda for Sustainable Development. The South-South cooperation agenda and South-South cooperation initiatives must be determined by the countries of the South, guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit.” (UNOSSC 2019)

Despite a frame of reference that reflects on the progress made since the Buenos Aires Plan of Action, the report is forward-looking, situating itself within the global project of achieving the SDGs. It is a key step towards evaluating and learning from the steps that have been taken thus far. International and sustainable development requires the comprehensive, collaborative and equal participation of the Global South; this report explores how this can be achieved.

1.2 Global Trends and Outcomes: South-South Cooperation as a Complementary Development Strategy

Rhetoric within Southern-led development regularly rallies around the notion that it embodies an “alternative development” – horizontal cooperation, the end of conditionality, autonomous development and outward-facing priority areas defined at least in part by the collaboration of receiving countries (Quadir 2013). Certainly, while much is different with SSC as alternative development, much remains the same in terms of objectives, practices and outcomes.

Political cooperation is a prominent means by which we can explore South-South cooperation as a deeply “alternative” development. Perhaps the best known of these is the BRICS, a term first established by Goldman Sachs to facilitate ease of classification in the American banking sector (Crowe 2015). By 2008 it had spawned an institutionalized and formal relationship among the member countries: Brazil, Russia, India, China and, later on, South Africa. Since then, similar groupings have spawned – such as Mexico, Indonesia, Nigeria and Turkey (MINT) and Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa (CIVETS) – but have not yet seen the same level of formalized political cooperation. Regionally, at differing levels of integration, priority areas, mandated cooperation and legislative consistency, the African Union, the Union of South American Nations, the Association of Southeast Asian Nations, the Caribbean community, MERCOSUR, the Organization of American States, the East African community and the IBSA Dialogue Forum, among others, are physical manifestations of South-South political cooperation - one of the means by which Southern countries have amplified their voices on the global stage (as did the Non-Aligned Movement).

By examining three of these organizations more closely – the BRICS, the East African community, and the African Union – we can see how political cooperation between countries of the Global South has evolved. Commentators continue to suggest that the BRICS countries were an unlikely match, as no particular political, economic, cultural, social or other defining characteristic mandated their union (Saran 2017). Indeed, some commentators argue that there remain considerable structural obstacles to overcome among these countries, including heterogeneous political views of the global order and vast discrepancies in economic power (Liu, 2016). Yet, these countries became a political body that now defines one corner of our multi-polar world. According to the World Economic Forum, the principal drivers of this relationship were political: Russia viewed the BRICS as a counterweight to traditional power centers in Europe and the United States; South Africa as a legitimate institution on the African continent; China as an opportunity to massage change in global governance; Brazil as an entry point into multi-polar politics and a neutralizing agent for its geographical position; and India as a bridge between its position as a leading state in the developing world and its rising global status (Saran 2017; Liu 2016). Thus, each collaborating member state saw an opportunity for engagement in order to achieve its own political goals. Despite its critics, the result has been an institutionalized and often unified front of cooperation, through a regional development bank, contingency reserve, payment system and regular political summits.

In contrast, for Africa, political cooperation has long held a prominent place in continental discourse, with the African Union (AU) being the latest iteration of this objective. In particular, the AU has been steadily promoting the political integration of the African continent via a spirit of Pan-Africanism. This goal is embodied in its vision and mission statement, which states it seeks to build “an integrated, prosperous and peaceful Africa” while promoting African solutions to African problems (African Union Vision n.d.). Yet, while many responsibilities have been uploaded to this continental body, much in the same way that it has occurred in the European Union, challenges for this permanently and prominently institutionalized body to facilitate deep political cooperation abound: issues of state sovereignty; imbalance between North and South African states; cultural, religious and social divides; limited policy consistency among states; conflict; poverty; and unequal economic benefits (Mekuriyaw 2016). At the same time, regional organizations, including the East

African community, have demonstrated considerable effectiveness in driving South-South political cooperation, through the drafting of a regional constitution, a common market for the free movement of labor, goods, services and capital, a regional legislative assembly, and a judicial court.

Despite best intentions, political cooperation among countries of the Global South is a difficult affair. Some relations begin in the boardrooms of banks and become political machines, while others, designed for such a task, have considerable hurdles to overcome. Political cooperation is neither easily defined nor easily created. But certainly, in the years since the Buenos Aires Plan of Action, we've seen considerably more efforts to achieve effective political cooperation among Southern countries.

1.2.1 Economic Cooperation May Be the Most Prominent Narrative

In recent years, it has become more commonplace to find headlines boldly arguing that it is the Global South that is key to the economic growth of a particular country, region or continent. According to UNCTAD, the rise in global trade since the economic downturn of the mid-2000s has been driven in large part by intercountry flows within the Global South; estimates place the total value of South-South trade at \$5.5 trillion, or nearly the equivalent of that between developed states (TAB-UNCTAD 2017). That number, while impressive, does leave room for improvement, as low-income developing countries in particular still only represent between 3 and 4 per cent of world trade, a percentage that has largely remained stagnant over the last three decades (World Bank 2015). On the whole, however, South-South trade flows now represent, on average, half of exports and imports for developing countries, although shares of such are regionally dependent (TAB-UNCTAD 2017). This is particularly evident at a regional level, with the advent of economic and trade organizations such as SADC and MERCOSUR, which attempt to reduce barriers between states that may inhibit the free flow of goods and services. With that noted, however, and while South-South trade itself is representative of a form of cooperation among states, it is difficult to immediately and casually link this progression to specific legislation, policies or agreements between states.

Economic cooperation has been an equally important component and driving factor behind political integration. Building on the emerging theme of regionalism, the Global South has used economic cooperation to improve access and competitiveness in global markets, particularly for SMEs in sub-Saharan Africa; grow bargaining positions; stabilize internal priority areas, as has been done through regional trade organizations such as the EAC; and improve and augment relations with extra-regional trade partners, notably the BRICS states (Krapohl 2016). Of course, it is important to recall that the Global South is not a homogeneous entity, particularly as the gap between countries designated as "developing" and those that are not continues to grow (Najam and Trasher 2012). Although this prompts the not-unfounded fear of hegemonic control of Global South economic relations, cooperation through institutionalized integration has largely been a boon for economic growth in these regions.

1.2.2 Cooperation is More than Economics and Politics

Both economics and politics play a role in nearly every corner of cooperation among countries of the Global South. A prominent example is Chinese cultural diplomacy and the use of soft power

mechanisms, tools and vehicles to brand the Republic overseas, particularly those partners with which they have economic or political linkages, such as those in South-East Asia and Africa. The best known of these are the Confucius Institutes, which have spread out across the Global South, particularly in Africa, to offer Chinese language courses and cultural exhibits (Campbell 2017; Pan 2013). Similarly, the Indian government under Modi has leveraged culture as a modality of cooperation, using Buddhism, Bollywood and yoga to build linkages with other countries of the Global South (Mazumdar 2018). A prime vehicle for this has been the Indian Council for Cultural Relations (ICCR), established in 1950, which has worked to create cultural centers, festivals and research chairs worldwide. Nigeria sees the prominent export of its Nollywood content to countries across the African continent as a cultural vehicle.

Study abroad and education opportunities, exchanges, export of media and popular culture, philosophy, literature and heritage are all formative aspects of cultural cooperation among the Global South countries. With the advent of robust digital technologies and associated infrastructure, particularly in developing countries, the ability to both export and monetize culture as a core component of economic growth within a global creative and knowledge economy has become more feasible. Today, a cell phone is a movie studio, and anyone, anywhere can find an audience.

Similarly, in the years since the Buenos Aires Plan of Action, countries of the Global South have taken considerable steps to broach endemic, borderless challenges, including climate change and environmental degradation. For the BRICS states, this has been manifested as the Clean Rivers Umbrella Programme⁵, the Partnership for Urban Environment Sustainability Initiative,⁶ and the BRICS Environmentally Sound Technology Platform⁷ (IUCN 2019). In March 2018, the countries of Latin America and the Caribbean adopted their first binding regional agreement on protecting the environment, at the same time enshrining access to associated information and public participation in decision-making on protection, resource management and sustainability. The African Union has itself defined several environment-related conventions and agreements, including the Revised African Convention on the Conservation of Nature and Natural Resources, to protect national, regional and continental sustainability, promoting climate change adaptation and mitigation, broaching drought and food insecurity, and appropriately governing natural capital for future generations. The latter has been physically manifested in large-scale activities such as the Great Green Wall initiative to combat desertification.

1.2.3 Forty Years Later, the Guiding Principles Remain Touchstones

As has been noted, SSC began under the belief that the global order required changing. North-South relations were not sufficient in an increasingly globalized world. Instead, developing countries sought to build cooperation and collaboration between those states and regions far away from the centers of economic and political power in New York, London, Brussels and Tokyo. These Southern governments pressed first for collective self-sufficiency – namely, the ability to contribute and drive their own sustainable economic growth without exclusively relying on ODA of DAC countries. Forty years on, significant progress has been made in South-South cooperation.

But progress requires considerable support and innovative strategies for change. Efforts to create partnerships with traditional donors that embody the respect for national sovereignty – as has

been embedded in the development institutions of new state benefactors – should continue, as they have under the auspices of triangular cooperation. Collaborative modalities can be reviewed to reflect the importance that the Global South plays in economic, cultural, and political flows and trends. Such modalities would also help to adjust cooperation to fit the universal character of the 2030 Agenda, which called for all countries to increase international cooperation in all policy fields prosperity and provide global public goods. This reflects the importance of considering triangular cooperation as a parallel and potentially integrative tool in revitalized approaches to development cooperation. According to some observers, TrC has the potential to scale up and transfer effective and successful aid experiences, reduce costs of aid delivery, leverage the comparative advantage of all partners in a tripartite and sensitize new donors to the value of Southern-led development (Ashoff 2010). SSC is the embodiment of non-conditionality, non- interference and equality. It encourages us to think differently about development and partnership systems that have thus far remained permanent, institutionalized and unchallenged. It requires us to view cooperation as mutually beneficial and non-conditional.

1.3 Scaling Up South-South and Triangular Cooperation for Sustainable Inclusive Development

Despite 40 years of crucial progress, South-South and triangular cooperation still suffer from the ever-pervasive experiences of other forms of cooperation. The global cooperation framework is still largely dominated by “traditional” approaches of North-South support, which limit the beneficial effects of experience-sharing between countries with similar concerns. While SSC and TrC experiences underline the need to shift attitudes toward existing structures, critical development issues for least- developed countries (LDCs), which still suffer from structural economic obstacles and are subject to destabilizing external shocks, remain unaddressed.

As explored previously, economic cooperation between members of the Global South has been at the core of the international economic system at least since the 1979 Buenos Aires Conference on Technical Cooperation among Developing Countries. Subsequent initiatives supported this view, with the first being the 2009 outcome document of the High-level United Nation Conference on South- South Cooperation, held in Nairobi, Kenya (UN General Assembly 2014). The Buenos Aires Plan of Action (BAPA+40) conference in March 2019 determined next steps. Through this long-term approach, the present report aims to offer potential paths for scaling up cooperation between Global South members, to promote comprehensive and experience-based inclusive development.

1.3.1 Limitations to the Current Cooperation Framework

In a 2017 report for UNCTAD, the authors underlined the critical danger of the current development paradigm. They supported the viewpoint that “the rise of the South’, concentrated in a few economies and sectors raises questions of sustainability [of the global development system]”. Recipients of an increasing majority of global FDIs oriented toward the Global South, a few Asian economies have been concentrating growth and development in both economic and social terms, while commodity- based economies have suffered from increasingly unstable market prices (UNCTAD 2017). The commodity boom of the first decade of the twenty-first century,

spurred by the increasing demand of these fast-developing Asian economies, deeply impacted commodity-exporting countries while not changing the terms of their trade, as the end of the commodity boom showed. The quick drop in demand after 2011 made ever more fragile already weak economies suffering from Dutch disease and from an over-reliance on commodity trade. Unable to fully adjust to these constant changes in economic terms, development in emerging economies has not benefited from the short-term high demand, but was impacted negatively by unintended consequences, including the integration of these weak economies in what the UNCTAD report describes as a “hyper-globalization” system.

While developing economies accounted for a growing share of global FDI inflows in 2017, absorbing 47 per cent of the total, compared with 36 per cent in 2016 (UNCTAD 2018), tangible development outcomes have proved slow to materialize. Similarly, according to the UNCTAD, “between 1990 and 2016, the share of world exports to developing countries and transition economies increased from 26 per cent to 47 per cent. South-South trade accounted for more than half of this increase.” However, challenges remain. LDCs, including landlocked nations, are suffering both from their inability to reach global markets and from the economic, political, and social situation of neighboring countries. The absence of a littoral (or of access to it) has long been described by economists as a critical factor of underperformance in economic development (Raballand 2003). The shipping container is a symbol of globalization and economic development, but rarely reaches these countries. Isolation of global markets and trade routes is also a pervasive concern for insular economies. As such, small island developing states (SIDS) count among the poorest nations in the world and suffer from direct and indirect consequences of environmental risks, including global climate change.

There is further concern regarding the implicit promises of South-South cooperation: knowledge sharing, technology transfer and the materialization of long-term, grand strategies for sustainable growth. Amanor and Chichava argue that “interventions rarely create platforms for a more reflexive debate on sustainable agriculture or equitable development, nor do they promote forms of rural mobilization for more participatory development” (2016). In their study of PROSAVANA, Shankland and Gonçalves note that beliefs of how agriculture cooperation between Brazil and Mozambique and the ways in which they manifested themselves into support and challenge for this project highlight that South-South cooperation can often remain fractured, despite claims of similarity in belief about approaches to development (2016). Li (2018) argues that SSC faces challenges from a weak institutional framework among countries of the Global South specific to South-South cooperation, as well as a short history of cooperation, which the author says could be remedied through triangular cooperation (2018). From the perspective of African civil society organizations, South-South cooperation, particularly that led by the BRICS, MINTS, and other groupings, has sometimes led to worsening local economic conditions, including competition among old and new development aid powers for the informal sector, and a failure to meaningfully include the interventions and the voices of CSOs, charities and grassroots organizations in development conversations (Vaes and Huyse 2013).

The wide array of risks faced by the poorest nations plus the lack of long-term, broad-based economic and social development call for the adoption of more holistic approaches to developmental issues. This is where South-South and triangular frameworks, built around the identification of synergies and complementarities between countries, play a critical role for enhancing human and

economic advancement. The integration of such strategies in global development systems will prove beneficial for tackling current limitations due to the reliance on specific commodities of numerous economies of the Global South. In a 2017 report, the UNCTAD noted that 64 per cent of the developing countries are commodity-reliant, exemplifying the importance of developing innovative and experiential-based development strategies.

The risks as a result of fluctuations in global market prices are critical to understanding the need to adopt a new development strategy and to scale up successful South-South and triangular approaches. The monetary, fiscal and economic risks resulting from decreased commodity prices have proven and illustrate the importance for Global South nations to diversify their economic development to ensure poverty reduction (Hove, Mama & Tchana 2015; Alvarez, Garcia-Marin & Ilabaca 2018). While Global South countries have become more integrated in the global economic system over the last decades, positive consequences have been minimal at best. This trend highlights the need to reconceive development cooperation frameworks and the role of SSC and TrC in promoting sustainable and inclusive outcomes.

1.3.2 The Benefits of South-South Cooperation in the Global Agenda for Development

In 1989, the global community established the Global System of Trade Preference Among Developing Countries (GSTP), exemplifying the positive role that South-South trade should play in the development curb of LDCs and other nations of the South (Hoekman and Ozden 2005). As such, South-South trade and its corollary South-South and triangular cooperation have shown their critical importance in promoting trade benefits, sharing experiences and alleviating poverty among the poorest countries. In their aggregation of perspectives on South-South cooperation, Vaes and Huysse note that African civil society organizations see considerable benefits of scaling up the economic, political, social and other cooperation among members of the Global South, particularly as traditional development aid and assistance budgets continue to shrink (2013). It is now time to scale up these frameworks to offer long-term development opportunities based on synergies and common experiences between countries.

South-South and triangular cooperation constitute one of the critical tools for achieving the Sustainable Development Goals (SDGs). The replicability of experience-based initiatives that have proved successful in similar contexts is at the core of this system. Indeed, according to Li: “Experience sharing among Southern countries is practical and their outcomes very often are more easily applicable than that from advanced countries. As such kind of exchanges involves less financial cost and cover areas which could not be found in the North, like aquaculture, agroforestry, livestock, etc., these activities have been popular in SSC and their benefits are visible” (2018). As exemplified by a 2018 UNICEF report, SSC as a means to tackle children-specific challenges has proven to be highly effective in diverse contexts such as drinking water provision (SDG 6). One of the most successful programs was implemented through a partnership between the Laos People’s Democratic Republic and the Central African Republic to train former child soldiers in water drilling and pump construction.

Based on participatory approaches with local communities, as well as sharing technical expertise with Lao experts, the program proved to provide strong replicability potential as well as increased appropriation (UNICEF 2018). A previous initiative joining Chad and the Democratic Republic

of Congo (DRC) on water provision was based on training and on-the-ground supervision to promote appropriation of the techniques. Today, thanks to this highly successful initiative, 1.5 million Congolese use water points developed by local people trained by Chadian engineers. The spillover effects of this SSC initiative have been consequential, as South Sudan, Ivory Coast, Central African Republic and Burkina Faso all showed interest in similar projects (UNICEF 2018).

Updating the current legal and policy frameworks of cooperation is now needed to boost South-South and triangular cooperation. An evolution from global to regional economic markets might constitute a first step to counteract the potential negative effects of global shocks. Similarly, the current “resource nationalism” trend, particularly in the minerals value chain, shows increased cooperation between countries of the Global South to retain value and develop cross-border and regional experience sharing. (One example of this trend is the development of cobalt smelters in Tanzania.)

Expanding regional markets provides many benefits, including in terms of marketing, design, and distribution (UNCTAD 2017), but they should be developed in concert with supporting measures. The economic securitization of households, and in general terms the achievement of the SDGs as part of Agenda 2030, should integrate at their core the deepening and scaling up of South-South and triangular cooperation frameworks. These include the adoption of new economic models, focused on regionalization instead of globalization, but also on an experience-sharing approach to developmental issues faced by LDCs and other developing countries.

1.3.3 Harmonization as a Path to Success for South-South and Triangular Cooperation?

A critical challenge to the wide development of South-South and Triangular Cooperation lies in the complexity of the offer and its lack of harmonization. In a 2014 article, Esteves and Assunção describe the increasing role of South-South approaches to cooperation, promoted by the UN as a battlefield between the OECD and the New York-based organization (Esteves and Assunção 2014). This new architecture of decentralization of the international development systems, with the legitimation of new agents, has for consequence the multiplication of actors since the 1990s. The complexity of this framework, the heterogeneity of its members and their strategies of engagement blur the future of development-oriented cooperation. The increasing need for mapping of South-South cooperation coming from this trend is underlined by de Renzio and Seifert (2014). While the authors insist on the emerging actors in the field of cooperation, they also temper their enthusiasm by reminding us of the “contradictions that are not too different from those of its North–South counterpart” (de Renzio and Seifert 2014).

The future of South-South and triangular cooperation will be defined by the country’s ability to differentiate themselves from traditional North-South approaches, while simultaneously broaching the contentious issue of Southern solidarity being, at times, driven by concerns of natural resources and national security over an altruistic belief of a need for change in the international development system (Borges 2012). The risk of seeing similar limitations and contradictions is critical and should be tackled if we are to provide long-term development opportunities for LDCs and other developing countries.

1.4 Purpose and Plan of the Independent Report on South-South and Triangular Cooperation

As with any report of this scope, issue areas, themes, subjects and concepts will inevitably fall by the wayside. This is by no means a reflection of their importance to discussions on South-South cooperation, but rather a testament to the challenge of condensing this conversation and a review thereof from the previous year into a format that is meaningfully digestible. For this inaugural report, chapter subjects were the cumulative result of consultation with United Nations stakeholders, international development practitioners, civil society organizations and academics, with a specific and dedicated emphasis on voices from the Global South. Furthermore, the report team worked closely with its advisory board, while performing a deep and comprehensive literature review over several months, the latter of which sought topics of added value to discussions of South-South and triangular cooperation, the needs of member states and development actors, and persistent gaps in knowledge.

As a launching point, this effort allows us to identify areas of key importance, such as peace and security, which will themselves require distinct research and reporting in the future (cf. Paper 9 in the Annex). The report will be disseminated widely across various stakeholders inside and outside the UN system, particularly in the Global South. It will be the comment, feedback and collaboration with and among these voices that will facilitate both the shape and focus of themes found in successive reports. Proceeding chapters will contribute to the effort of integrating the essential nature of South-South and triangular cooperation into the global plan of action for achieving the Agenda 2030 on Sustainable Development. It is a monumental task to sum up forty years of progress and highlight challenges yet to be surmounted. This inaugural report – the first of many to come – is an opportunity to look back and forward; to learn, evaluate and apply the lessons thus far garnered from a thorough period of piloting, experimentation, successes and failures. Not all will be encapsulated in the coming pages, as the Global South is vast, complex, unique, interconnected and heterogeneous. But the efforts made to provide even a cursory glance through a keyhole into the world of South-South cooperation will lay the groundwork. In the following chapters, that is what has been broached – an effort to tell the story of South-South and triangular cooperation, building from its historical origins, to its settling within the discourse of the Sustainable Development Goals.

This introductory chapter (**Chapter I**) reflects on the importance of the Buenos Aires Plan of Action, the progress that has been made toward South-South and triangular cooperation versus traditional development aid, and the collaborative international relations between countries in the Global South. **Chapter II** investigates whether the Global South, through vehicles and mechanisms of SSC, has influenced the shape and space of the international economic order to improve opportunities for participation and reward. The chapter highlights the role of emerging economies as important contributors to changing the global landscape. It examines the reasons for a shift in which these nation-states are now leading defenders of both globalization and multilateralism and the various ways in which it has facilitated the reshaping of the extant global order, politically, economically and socially. A series of case studies illustrates how far SSC and triangular cooperation have come in what has been referred to as the harbinger of a “post-Western world”. Within this context, the chapter proposes that we are in an era of “new” SSC, with different priority areas. Whereas traditional North- South cooperation (NSC) in the new century focuses

on “soft” development issues, like health and education, SSC pays special attention to “hard” development issues, like infrastructure and energy. New SSC is a recognition that by successful emerging economies that the shortest path to sustainable development lies in interacting more, not less, with the global economy.

Chapter III continues this considered exploration by seeking to better understand the institutionalization of SSC and TrC, evaluating how formalized structures have played a role in attaining all the objectives of the Plan of Action, as well as how they may set the stage for further engagement by and opportunity for the Global South in the international order. Reflecting on the efforts made by select regional groupings and other collections of states, the chapter works to further understand how to develop an enabling environment for the institutionalization of SSC that is fundamentally beneficial for this enterprise and its state participants. Indeed, Chapter III argues that SSC owes its persistence to the establishment of institutions at the regional and sub-regional levels as well as national agencies for cooperation, enabling states to achieve their economic and social goals.

Apart from institutions, **Chapter IV** investigates how SSC and TrC are being actualized, perpetuated and supported by the activities of non-state and private sector actors. The chapter argues that South-South cooperation often extends far beyond the board rooms and conference centers of high-level international relations, but that its effects are felt and driven by non-state actors. Civil society organizations in particular are identified in the chapter as key change agents – actualizing the implementation of policy-mandated programming, engaging in capacity building, providing feedback from communities, liaising with key stakeholder groups. Through several case studies, the chapter denotes the importance of non-state actors in the development process, particularly as it evolves through the mechanisms of South-South cooperation.

In a necessary moment given our emergent society, **Chapter V** focuses on the role that digital technology, technology partnerships and transfer, and domestic innovation have played in both SSC and TrC. In seeking lessons from country peers, the chapter offers a robust discussion on how digital technology, as a considerably prominent trend of SSC in the last year, can continue to be leveraged as a unique tool in ushering in the widespread, sustainable development of the Global South. The chapter discusses why it is of vital importance for the Global South to seize the opportunities offered by the Fourth Industrial Revolution to promote SSC and to accelerate the completion of the UN 2030 Sustainable Development Goals. But for the digital economy to work for the Global South, the chapter first offers a recognition that this phenomenon matters differently, and it will be used differently. The chapter equally addresses the challenges faced by Global South countries in the digital technology transformation and offers suggestions for strengthening SSC in the field of frontier technologies.

Critical to this is the facilitation, mobilization and realization of effective South-South cooperation, whether for financing, knowledge sharing, technology transfer, capacity building or the collaborative addressing of endemic, borderless issues. In reflecting on this, **Chapter VI** looks at the key role that South-South cooperation plays in achieving the Sustainable Development Goals, as well as the comparative advantage that it brings in this area. Chapter VI is specifically dedicated to the realization of the SDGs through South-South and triangular cooperation, offering an expansive analysis on related points in preceding chapters. Although the chapter does reflect

on remaining challenges that may impede the ability of South-South and triangular cooperation to fulfil its potential, including issues of capacity, ownership, a trust deficit between Northern and Southern partners, and unequal power relations, it is made is clear that SSC offers a number of advantages which can help solve persistent, endemic and unexpected development challenges.

Finally, **Chapter VII** focuses on both the complementary and conflicting relationship between South- South and North-South cooperation. In doing so, it focuses on future role of South-South (SSC) and triangular cooperation (TrC) in light of its relationship with North-South cooperation and the private sector. The chapter considers the modalities and operationalization of South-South and Triangular cooperation, including considerations on the scaling up of its successes for the purpose of achieving the 2030 Agenda and development goals of states in the Global South. To conclude this first report on South-South cooperation, the chapter identifies important gaps and proposes research studies to address this lack of knowledge, while aiding in the development of policy recommendations. This chapter takes a forward-moving approach, with distinct, meaningful emphasis on innovating for the future, identifying new challenges and proposing interesting solutions.

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CHAPTER II

Participation and Leadership in the Global System

2.1 The Multidimensionality of Participation in Global Systems

Not too long ago, the notion that a country from the Global South could emerge as the leading champion of globalization and multilateralism would have seemed far-fetched (Rodrik 2011). Until recently, the conventional wisdom was that globalization favored the North (i.e. developed countries) to the detriment of the South (i.e. developing countries) (Rodrik 2011). Yet, in less than two decades, the global landscape has drastically changed. Nowadays, it is widely accepted and documented that least developed countries (LDCs) are not just recipients, but also knowledge providers and champions of SSC. LDCs and small island states are also actively and proactively engaged in equal partnerships and fragile-to-fragile cooperation.

Nevertheless, as the chapter highlights, the role of emerging economies as important contributors to changing the global landscape must be acknowledged. In January 2017, President Xi Jinping of China delivered the keynote address at the annual meeting of the World Economic Forum (WEF) in Davos, Switzerland. Widely considered as a manifesto for globalization, the speech made a plea for an open global economy and for redoubling efforts to develop global connectivity, and global free trade and investment. The leader of a country that until 1978 was largely closed to the rest of the world argued that “pursuing protectionism is like locking oneself in a dark room” (WEF 2017). Protectionism is particularly detrimental for fragile states and vulnerable economies, such as LDCs. He also made the case that economic globalization has been instrumental in the impressive poverty reduction we have seen across the world in the past two decades or so. The next day, the Chinese president gave another speech, this time at the UN headquarters in Geneva. Emphasizing once again the benefits of economic globalization, he made the case for why “we should uphold WTO rules, support an open, transparent, inclusive and non-discriminatory multilateral trading regime, and build an open economy” (UN News 2017).

At a time when both globalization and multilateralism are under strain in the North and parts of the South, such a defense from the leader of an emerging economy in the Global South underscores the swift changes we have witnessed in international affairs. What is remarkable is that, despite its differences and fragmentation, the North finds itself on the defensive when it comes to upholding the very principles that until now had sustained the international global order. In turn, countries such as China, Turkey and India from the Global South – which is itself a diversified entity – are standing up for these principles. Indeed, India has been growing at an even higher rate than China starting in 2014 and by 2030 will have an even larger population than China (Roett and Paz 2016; Ellis 2017). The implications of this “new order” for international cooperation in general, and for South-South cooperation in particular, are considerable.

In this chapter, we examine the reasons for this shift and the various ways in which it has expressed itself in the different roles played by countries from the South in distinct international arenas, and how this is reshaping the extant global order, politically, economically and socially. A series of case studies illustrate how far SSC and triangular cooperation have come in what has been referred to as the harbinger of a “post-Western world” (Stuenkel 2017). Since the Buenos Aires Plan of Action (BAPA), but especially over the last two decades, a shift in wealth has taken place. A rise in the number of emerging economies has radically transformed hierarchies and relations among countries in the Global South, as well as their individual roles in global systems (World Bank 2015).

In the 1960 and 1970s, the new nations in Asia, Africa and the Caribbean – and to some extent the older nations in Latin America – were economically weak, highly dependent on trade and investment links with the North, and vulnerable because of their colonial legacy. Believing that their strength was in their number and led by the NAM and the Group of 77 at the United Nations, they gathered together at the United Nations Conference on Trade and Development (UNCTAD). At UNCTAD, they engaged in the “diplomacy of the *cahier des doléances* (list of grievances)” (UNCTAD 2000), with proposals like that of the New International Economic Order (NIEO) demanding massive transfers of resources from the North to the South. Though they sometimes found support in the North (for a brief period during the Carter administration in the United States, as well as in documents, such as the Brandt Report, that reflect an attempt to understand and reduce the divide between the North and the South), their demands were largely ignored. Even modest proposals, such as that ODA from developed countries amount to 0.7 per cent of their respective GDPs, were never met, with the exception of a few Northern European countries (Heine 2010).

During the debt crisis of the 1980s, this dynamic contributed to what became known as Latin America’s “lost decade” (Daly Hayes 1988/89). The 1990s did not substantially change the situation – except in terms of nomenclature, with the expression Third World, coined by sociologist Peter Worsley (1964), replaced by Global South – just as the collapse of socialism in Central and Eastern Europe did (at least partially) with the Second World. However, in the 2000s, the rise of Asian giants China and India, as well as a number of countries like Brazil, Indonesia, Mexico, South Africa and Turkey, progressively led to a very different situation. Rather than speaking from their weakness, these countries started to do so from their strength. Instead of assembling in large conglomerates, they did so in smaller, informal, diplomatic coalitions, which enabled them to leverage their newly acquired resources and to trace a new path. Trade, rather than aid, was what they demanded and what they were interested in. To have their place at the high table of international politics and of global economic governance – in other words, a greater voice in international financial institutions (IFIs) such as the World Bank and International Monetary Fund (IMF) – was another concern for them.

That said, there are important differences between the “new” and “old” South, which identified with the NAM. As an important emerging economy in the Global South, India may be considered as a peculiar case, as it has been part of the NAM since 1961. At that time, much of the Global South saw itself as a victim of an exploitative international economic system geared to favor the Western countries and stressed the importance of an autonomous development and the possibility of delinking from the North. Since then, newly emerging powers like India have benefited from globalization – and thus are keen to partake more, not less, of global trade and investment flows (Kyeli, 2016). This viewpoint has triggered a very different dynamic, as far as SSC is concerned, one that permeates both the international behavior of these countries in the South and the various economic and financial entities they have set up (such as development funds and banks).

The India-Brazil-South Africa Dialogue Forum, known as IBSA, was one of the first of these groups to emerge in 2003. Though it took a bit to take off and it had some difficulties (also caused by the different macroeconomic situation among the three countries), it is now institutionalized, holds regular summits, and is a significant reference point for the Global South (see Case Study 2 below). Nonetheless, IBSA has been overshadowed by its richer and bigger cousin of sorts, the Brazil, Russia, India, China and South Africa grouping, known as BRICS. Although the British economist Jim O’Neill at Goldman Sachs initially coined the acronym in 2001 to refer to emerging economies

with large populations, a vast land mass, and high growth potential, the group actually held a summit meeting and came together formally only in 2009 (Kornegay 2011).

Although China was the driving force behind BRICS, getting all five of the group's member states on the same page for such an ambitious undertaking was not easy, especially in light of the economic difficulties faced by Brazil and South Africa leading up to the Bank's launch. Despite possible criticisms concerning the admittance of South Africa, a smaller economy, to the group, the economic prospects of South Africa are promising: its per capita income is larger than that of both China and India, and it has one of the highest ratios of market capitalization in the world (Besada, Tok, and Winters 2013). Furthermore, its presence goes far beyond its economic power: it means that the African continent is represented and can participate in the restructuring of the global political and economic landscape. Although the support of other African states to represent the interests of the entire continent must not be taken for granted, the participation of South Africa is legitimized by its economic prospects and must be seen as both a starting point and an opportunity for the African continent.

In a decade ended in the North by the financial crisis of 2008–2009, emerging countries witnessed vigorous economic growth, an ability to weather the effects of the recession, and a willingness to reach out to the rest of the developing world. While the North seemed to be absorbed in its own problems, the BRICS and MINTS countries, hailing from four different continents and bringing with them their unique differences, appeared to be forward-looking, future-oriented nations, ready to tackle not just their own, but also the world's problems. Without carrying the baggage of former colonial powers, they also represented a friendlier face to their Global South partners, as well as a different, more comprehensive conception of what international cooperation is all about (Stuenkel 2015). BRICS, MINTS and other groups such as VISTA (Vietnam, Indonesia, South Africa, Turkey and Argentina) then came to occupy a large space in the international multipolar world order of the new century (arguably bigger than their sheer economic weight warranted), one that has, if anything, grown over time (Cooper and Shaw 2009). In 2010, the establishment of the g7+ (see Case Study 3 below), bringing together twenty fragile countries, underlines the power of sharing lessons and good practices to promote cooperation among LDCs, as well as their capacity to exert pressure on the international arena, perhaps to advocate for reforms in aid management and for other international engagements (such as negotiating for SDG16).

2.1 Shaping the Global Order – Influence and Impact of the Global South

There was also another way through which countries from the South were to reshape the global order. From 1976 onward, the G7 was created to bring together six developed countries from the North Atlantic area plus Japan. As a steering committee for the world economy, the G7 holds yearly summit meetings; monitors financial, trade and capital flows; and otherwise attempts to prevent the eruption of a major financial crisis. The so-called Asian crisis of 1997–1998, however, caught the G7 flat-footed, as its mostly North Atlantic membership had little understanding of how Asian economies function. One consequence was the creation, in 1999, of the G20, a new group that brought in, in addition to the G7 nation members, some of the world's main emerging economies from Asia (China, India, Indonesia and Turkey), Africa (South Africa) and Latin America (Argentina and Brazil).

At the finance ministerial level, the G20 held low-profile meetings, but for some of its members this was not enough. With China and India growing in leaps and bounds, to exclude them from the G7 summits struck many observers as odd. The case for the creation of a G20 at the leaders' level was thus mooted for a number of years, especially by Canada. And, in a telling indication of how crisis-driven such global governance decisions are, it was the financial crisis of 2008–2009 that led the United States to call the first meeting of the G20 at the leaders' level, held in the White House in November 2008 (Cooper and Thakur 2012). The G20 played a crucial role in managing the 2008–2009 financial crisis (meeting twice in 2009, first in London in April and then in Pittsburgh in September), and since then has, to a certain degree, replaced the G7 as the steering committee of the world economy. Over time, and starting with the Seoul summit in 2010, development issues have come to the fore at G20 meetings in a way they never did at G7 meetings, where the focus was mainly on macroeconomic and financial issues. In 2015, under the Turkish Presidency, “the G20 and Low-Income Developing Countries (LIDCs) Framework” underscored not only the support of the group to the 2030 Agenda for Sustainable Development, but also the need to include all countries. Henceforth, the G20 focuses on LIDCs in Sub-Saharan Africa, strengthening the coordination in the region, in partnership with African stakeholders. This enhances opportunities for SSC and triangular cooperation (OECD 2015).

On the one hand, as countries in the South came into their own, they set up their own entities, much like the IBSA Forum and the BRICS, MINTS, and other groupings. On the other hand, by joining existing global governance mechanisms like the G20, they have helped to sensitize Northern countries to Southern concerns and priorities. That said, Northern countries have been reluctant to adjust extant, long-standing arrangements to current realities (Chin and Heine 2014). As an example, it took many years for the United States to accept the need to increase the voting rights of China within the World Bank and the IMF, to reflect the fact that China is currently the world's second largest economy. In 2018, the Chinese GDP was about two thirds of the GDP of the US (Inman and Kuo 2019).

Quite apart from these new global forums and the increased participation of economies from the South in global governance mechanisms and extant IFIs, there is also another way in which countries from the Global South are reshaping the global order. Countering charges of being mere “talk shops”, they have assigned significant budgetary resources to back up their programs. China set up the Asian Investment and Infrastructure Bank (AIIB) in Beijing (Chin 2016), while BRICS set up the New Development Bank (the BRICS Bank or NDB) in Shanghai. The first has a capital of \$100 billion and the second of \$50 billion (Stuenkel 2017).

This reflects the perceived need of rising states – and perhaps also of African and Gulf nations – to establish their own financial institutions as a way to counter the alleged pro-Western bias and control of traditional institutions. It also indicates different lending and cooperation priorities and strategies. While overtime, African and Gulf nations have shifted their lending to areas like health and education, many developing countries have acute infrastructure needs that remain unaddressed. To fill those needs in Asia is the main purpose of the AIIB and constitutes a significant part of the NDB portfolio. The same applies to the African Development Bank (AfDB), which contributes, among other efforts, to the Africa Infrastructure Investment Fund (AIIF). As demonstrated below, the Chinese Belt and Road Initiative (BRI) falls into this category, i.e. that of putting infrastructure construction and connectivity at the very center of development. The reaction against the BRI in

some Northern countries, which accuse China of engaging in debt diplomacy, underlines that these are not mere differences of emphasis, but they reflect different perspectives of development strategies. Moreover, they seem to constitute a minor obstacle toward the harmonization of global development cooperation efforts, precisely through SSC and TrC.

The AIIB and the Arab Bank for International Development in Africa are part of a new, parallel structure of IFIs that has emerged as a result of the wealth shift (see Section 2.1) as well as of the new participation of the Global South to wealth control. They complement multilateral development banks (like the Islamic Development Bank) and regional development banks (like the African Development Bank and the Inter-American Development Bank), which have existed and operated in the South for decades. Within the new and more complex finance for development landscape, some countries in the Global South may have (or have more) opportunities to gather the resources needed to back up their programmatic, policy and development cooperation priorities. As Kishore Mahbubani of Singapore framed it: “the Asian century has begun in 2015 (Hutt 2018)”, which is the year of the announcement by British Prime Minister David Cameron that the United Kingdom would in fact apply for admission to the AIIB, despite Washington’s opposition – thus leading to an avalanche of applications from many Northern countries. This gave a universal character to an entity that until then had largely been regarded as a regional bank.

These unexpected developments are a sign of the convergence of geoeconomics and geopolitics. As Asian countries like India, China, Indonesia, Malaysia, Thailand, Vietnam, Bangladesh and Sri Lanka rise to become new gravitational centers of the world economy (by 2050, it is projected that half the world’s GDP will come from Asia), the global order will be reshaped in unexpected ways (Khanna 2019). In sub-Saharan Africa, where both the United States and European countries are major ODA donors, China is an important player. It has a strong, but not homogeneous presence in most countries and has committed considerable resources to economic development in the region – as much as \$60 billion over the course of the next few years, as announced by President Xi at the 2015 Forum on China-Africa Cooperation (FOCAC) meeting (Sow 2018). This sum is quite apart from the not-inconsiderable amounts allocated to African nations in the past decades. In Latin America, as recently as in 2014, financial flows from Chinese banks were larger than those of the World Bank, IMF, Inter-American Development Bank, and Andean Development Corporation put together (Gallagher 2016). Since 2000, through the FOCAC, China has been very active in SSC in sub-Saharan Africa, especially but not only, in agricultural cooperation. India is another critical Asian player in sub-Saharan Africa. The India-Africa Forum launched its SSC development partnerships in 2008, focusing on capacity building in agriculture, but also on health. The shift from traditional aid to the transfer of capabilities (technical, financial and knowledge) is particularly relevant in Africa, and countries from the South are well placed to help.

In Latin America, and especially in South America, which had traditionally looked to North America and to Western Europe as the main international reference points both in terms of diplomatic relations and trade and investment flows, emerging Asian countries have led to a major international realignment. For countries like Brazil, Chile and Peru, China is the number one trading partner; for many others, it is the second. Countries like Chile and Uruguay export as much to China as they do to the United States and the European Union combined (Economic Commission for Latin America and the Caribbean [ECLAC] 2018). Until recently, the United States had looked at the Chinese

presence in the Western hemisphere with an attitude between downright indifference and benign neglect (Giusto 2017). This is starting to change. The rising presence of India in Latin America is significantly growing, after more than a decade of quiet investment in the region. The opening to Latin America by Turkey is meant to boost bilateral ties (especially with Mexico, Venezuela and Colombia), but it is also part of a multidimensional foreign policy strategy (also applying to Africa and South Asia) (Cengiz 2018). The opening of the first regional office of the Turkish International Cooperation and Development Agency (TIKA) in Mexico in 2018 creates new opportunities for SSC in Latin America.

2.2.1 The Contemporary Political Order: The Role of the Global South in International Relations and its Internal Diversity

While the United States is still the main global superpower, it is far from the position it enjoyed at the height of the Cold War or even in the 1990s when the world had a triad economic system (North America, the European Economic Commission, and Japan). The world is moving toward a multipolar order, with no single dominant power, marked by the unstoppable forces of globalization. The embrace by different political forces in North America and Europe of anti-globalization as an electoral plank and a key element of their respective political programs may be a sign that, at least in the North, regional integration has not anymore, the unanimous consensus that it had in the past. The power of technology and innovation in information technologies, telecom, artificial intelligence, nanotechnology and robotics (see Chapter V) is uniting and reshaping the world. This new order will also have a strong non-Western imprint (Rachman 2016).

The key elements of the political and geopolitical power are shifting from the traditional economic and military supremacy (considered to be the “hard power” of a state), which is rooted in the economic capacity to finance it, to the geostrategic capacity to influence others in international relations (the “soft power”, defined as a set of non-material capabilities, such as reputation, culture and value appeal, that can aid in the attainment of a state’s objective). Soft power was traditionally thought to be the North’s most important advantage, helping the North maintain its supremacy on the South. This is not the case anymore. For example, a Gulf country like Qatar is increasingly using its soft power in sub-Saharan Africa as a means to promote economic diversification and to implement its national development vision (Qatar National Vision 2030) in line with the 2030 Agenda for Sustainable Development (Cooper and Shaw 2009). Recent overtures by Russia (the creation of a Russian credit rating agency in 2015 to counterbalance the influence of Western agencies and the visa-free access to Russia for South Africans) support a similar commitment in Africa and beyond.

In this context, the difficulty that democracies around the world have in achieving their goals is related to each nation’s internal challenges and how to solve them. Addressing major contemporary issues like climate change, inequality, digitalization, migration and the like is to effect a real and deep change in a given society. Democracies allow citizens and groups to protest and express their dissent; in democracies, politicians at all levels have to engage in order to understand and explain problems and negotiate functional and equitable solutions. And, in this fluid moment in international affairs, when the old order has not totally vanished and the new one is yet fully in place, alternative theories and practices of international relations are emerging in China, Turkey

and Egypt, for instance. Different from Western notions of the binary extremes of alliances or conflict, the Chinese theory, for example, is anchored in what it calls “win-win cooperation”. For this reason, for countries like China, Indonesia, Vietnam and India, SSC is the critical development strategy in which to increasingly engage, as well as to enhance the role of Southern countries in the global international arena.

2.2.2 The Economic Order: A Revised Liberal International Order or a New Illiberal International Order?

Much as the political order is multipolar and globalized, the economic order is marked by both the demise of the liberal international order (LIO) which dominated for seven decades from the end of the Second World War to the present (Ikenberry 2012), and the emergence of a neo-protectionist order, with strong mercantilist components. Based on the principles of free trade and a rules-based system and anchored in a number of IFIs and entities like the World Trade Organization (WTO) and its predecessors like the General Agreement on Tariffs and Trade (GATT), the LIO is undergoing deep changes. With its withdrawal from the Paris Agreement on Climate Change, the Transpacific Partnership (TPP) and United Nations Educational, Scientific and Cultural Organization (UNESCO), the United States (the main originator and champion of the LIO) has signaled its – perhaps temporary lack of interest in multilateral agreements and institutions along with a newfound willingness to go alone. As far as the WTO is concerned, the US-Mexico-Canada Agreement (USMCA) replaces the North America Free Trade Agreement (NAFTA) agreement. The inclusion of a clause that requires member states to give three months’ advance notice before signing any trade agreement with a non-market economy (NME, meaning China) would, in turn, allow any of the other two members to expel that signatory from the trade agreement (USTR 2018). There are indications that such a clause would also be included in any future trade agreements between the United States and the EU, the United Kingdom, and Japan, as well as, potentially, with Latin American nations.

At a time when global trade has been slowing down – in fact, growing at a much lower rate than it did until 2007 – this type of measure is bound to have a detrimental effect on the global economy. Precisely at a time when Asia is the fastest-growing economic region, as well as the largest continental economy, the United States and China have difficult commercial relations. In the course of the past one hundred and fifty years, rising powers have championed free trade: Great Britain in the nineteenth century, the United States in the twentieth century and China today. Will Northern neo-protectionism stop the rise of the Global South? Will the South be able to rebuild a different economic order out of or within the existing LIO? Will China lead a new coalition of Southern countries ready to construct a different, at least partially, economic order – and if not China, then what other country or coalition of allies will lead the way? Can today’s low-income countries (or at least some of them) repeat the path to development forged by China or India?

Given that the US dollar is still the *de facto* world currency and in light of the key role played by Northern financial centers such as New York and London, the contemporary global economic landscape seems unlikely to change, at least in the short and medium term. Rather, what may emerge would be a fragmented order, with some countries gravitating around the United States and others toward other leading countries, such as China, South Africa, France, Turkey or the

United Kingdom. What happened with the TPP after the United States left it in January 2017 may well be a harbinger of things to come. Under the leadership of Chile and Japan, the remaining 11 signatories decided to give Trans-Pacific Partnership (TPP) another try; the Comprehensive and Progressive Transpacific Partnership (CPTPP), signed in Santiago in March 2018, is the result (Goodman, 2018). Though it does not include the world's two largest economies (United States and China), the CPTPP embodies a novel effort by countries from three different continents (Asia, Australasia, and the Americas) to maintain a commitment to free trade and to bolster the trans-Pacific flow of trade and investment.

In terms of this fragmented, new economic order in the making, the underlying question is how the tension between two powerful, albeit contradictory, forces will be settled: the forces of technological innovation mentioned above, which pull countries together and foster globalization and interdependence through global production chains and other mechanisms, versus the forces of protectionism and isolationism, which press for matters such as quotas of local content in products and discrimination based on the national origin of industrial inputs.

2.3 Case Studies

2.3.1 Case Study 1: The Belt and Road Initiative

As a flagship initiative championed by the Government of China, the Belt and Road Initiative (BRI) sets out a new line of thought on the part of Beijing about its globalization and industrial strategy (Miller 2017). Launched in September 2013 during a state visit by President Xi to Kazakhstan, it is emblematic of China's ambitions. It aims to rejuvenate the ancient Silk Road that once connected China to Europe, hailing back to the Han dynasty of 207 BCE–220 CE. Starting in Xian, Central China, through highways and railways across Central Asia, and reaching all the way to Europe, the BRI aims to bring development and connectivity to Central Asia, a region until now relatively less connected from the world economy, while connecting China, one of the world's fastest-growing economies, to the European Union, one of the world's biggest markets. In October 2013, during a visit to Indonesia, President Xi announced a second leg of the project initiative: The Maritime Silk Road, starting from Quanzhou City, in Fujian province and would link up to Europe across the South China Sea, through Southeast Asia, the Indian Ocean, East Africa, and across the Persian Gulf (Roell 2016).

BRI proposes to rejuvenate Eurasia—a vast landmass—while promoting infrastructure and connectivity, which are both necessary for sustainable economic growth. While its scale and ambition are dizzying yet hard to quantify, estimates of total project expenditures range from USD \$1 trillion to \$8 trillion (Hillman 2018). China has been calling for joint funding from participating countries and companies, as well as committed its contribution of funds from the China Development Bank and China's Eximbank, through a USD\$40-billion Silk Road Fund, as well as from the Asian Infrastructure Investment Bank (AIIB) (Pautasso 2018). While its main purpose is international cooperation and soft power, another objective is to give a developmental boost to the provinces of Central and Western China, like Shanxi and Xinjiang, which have grown at a comparatively lower rate than provinces in the East and South.

Given the infrastructure deficit in Asia in general and in Central Asia in particular, the BRI offers opportunities. The BRI is in the process of constructing roads, railroads, airports, logistics hubs, and

dry ports in several member countries. Such hubs are planned to be linked and enhanced by the establishment of China-led or invested industrial cooperation clusters in BRI countries, including planned industrial parks currently under construction, also in East Africa. Along the China's border with Pakistan, the China-Pakistan Economic Corridor (CPEC) was launched in 2014; it includes the expansion of the Gwadar port and construction of pipelines, power plants, highways and high-speed railways, fiber-optic cable connections, and special economic zones (cf. Paper 7 in the Annex). In this phase of globalization, a better access to international markets is key, and suitable infrastructure, both physical and digital, is a prerequisite for competitiveness.

That said, since its announcement, the BRI has faced challenges and slowdowns. Rather than retreating, however, China has extended BRI to much of the rest of the world, with at least nine Latin American and Caribbean countries signing Memorandums of Understanding to date (Belt and Road News 2019). China is also investing in Panama in an effort to make that nation, whose canal plays such a key role in maritime trade, a critical hub for Chinese trade with the Western hemisphere. Five years on, it is too soon to make any definitive assessments on BRI's success or failure. Yet, it includes a significant component of SSC (in East Africa, for instance) and responds to the real infrastructure deficit of countries in the Global South. The Bagamoyo Special Economic Zone located about 50 kilometers from the city of Dar es Salaam in Tanzania is one of these new urban and industrial developments in East Africa. The Million Industrial Park in Mombasa, Kenya, is another similar BRI initiative in the region, connected to other infrastructural projects in that country and beyond. Urban industrial coastal hubs, such as Mombasa and Bagamoyo, are also connected to multimodal development corridors starting from the Eastern coast of Africa through the inland and reaching West Africa. Facilitated by the FOCAC, China is building integrated industrial corridors in Africa. The Northern Corridor connects Mombasa to Burundi, Rwanda, Uganda, South Sudan, and the Democratic Republic of Congo. It includes soft and hard infrastructures, as well as pipelines and development projects, including residential and business developments.

In that sense, there is little doubt that BRI represents a real breakthrough in SSC and deserves careful attention in the coming years. Furthermore, the BRI may be an opportunity to enhance SSC, helping countries in the South to develop through green industrialization and infrastructural development. It is expected to ensure that national perspectives are equally reflected in the BRI strategic planning, empowering other stakeholders together with governments. The BRI also presents an opportunity to enlarge the scope of SSC and TrC in its broad five priority areas including cooperation on policy coordination, infrastructure connectivity, trade and investment, financial integration and people- to-people bond.

2.3.2 Case Study 2: The India-Brazil-South Africa Initiative

The India-Brazil-South Africa Initiative is the product of a decision by three leading countries in the Global South to join forces and establish a common platform in international affairs. These member states are large, functioning democracies that play a leading role in their respective regions of South Asia, South America and Southern Africa, and that have a number of common challenges. They also represent pluralistic, multicultural, multiethnic and multireligious nations. IBSA came about in 2003 for three reasons: to achieve greater international autonomy, share public policy experiences among themselves and project themselves more effectively in the global political arena (Stuenkel 2015). In the course of its 15-year existence, IBSA members have joined forces on issues such as

global governance, climate change, disarmament, human rights, intellectual property, trade and development, health, education, and tourism. Its 2007 Tshwane and 2008 Delhi declarations were a clarion call for more cooperation between the countries of the South, “guided by the principles of equality, economic and political non- conditionality, mutual benefit, and non-interference in each other’s domestic affairs” (Mishra 2018).

Criticisms of the grouping underline the slow progress of cooperation, the too-divergent national interests of the three member countries, and the consequent lack of high-level political support. Despite these limitations, IBSA has survived government changes in each of its member states and fifteen years on has become a fixture (albeit low key) of the global scene. Efforts to sign a free trade agreement between the three members have not come to fruition for a number of reasons, including limitations as a result of their membership in sub-regional entities, such as MERCOSUR (in the case of Brazil) and the Southern African Customs Union, SACU (in the case of South Africa). However, in recognition of SSC as a key component of their ethos, the three member states established the IBSA Fund to finance projects in developing countries with a focus on reducing poverty and hunger.

In 2004, the IBSA Facility for Poverty and Hunger Alleviation was established, with a special focus on least developed countries (LDCs) and post-conflict reconstruction and development (PCRD) countries. As of 2017, the Fund, which is managed by the United Nations Office for South-South Cooperation, had received \$39 million for 26 demand-driven projects and supported 20 partner states, including Guinea Bissau, Sierra Leone, Burundi, Cambodia, Haiti and the State of Palestine (UNDP 2018; UNOSSC 2018). The projects funded target all seventeen Sustainable Development Goals (Mishra 2018).

Although financial resources for the projects are not large and the amount provided to the IBSA Fund has remained stable without any significant increase over time, the very existence of the Fund, and its continuation, convey a significant message as far as SSC is concerned. Increasingly, emerging economies sense that, as valuable as material resources are *per se*, it may be possible to share public policy experiences. In the case of IBSA, the three countries could cooperate more to share ideas, experiences, and lessons for effective social welfare programs. Nevertheless, the IBSA experience underlines the critical importance of civil society’s role in the design and execution of the SSC program. Given the common challenges of some Southern countries, such as accelerated urbanization, the middle-income trap, and infrastructure gaps, much can be gained from these exercises in a way that would not be possible in North-South cooperation. IBSA has resulted in a distinct type of SSC – very different from that implemented by other Southern partners, and perhaps a sign of changing practices and structures. It was in fact implemented through the IBSA Fund for the Alleviation of Poverty and Hunger, created in 2003 with the objective of leading by example the SSC agenda and building new partnerships. The unique governance of the IBSA Fund, where three developing countries and the UNOSSC collectively take decisions and implement them accordingly, is a unique model of peer review, transparency and accountability executing projects based on due diligence (UNOSSC 2018).

2.3.3 Case Study 3: The Critical Role of the g7+ for Tackling the West Africa Ebola Crisis

Important challenges like hunger and poverty require appropriate resources and strategies at the global scale to be efficiently dealt with, as the MDGs have demonstrated. Their solution can also be an opportunity to strengthen national systems and build the capacities of national institutions. This has been the case for the solution of the Ebola crisis in West Africa, with the support of the g7+ to effectively tackle this regional emergency.

The g7+ is a voluntary association of twenty fragile countries from different continents¹. Their commonality is not only their widespread poverty and institutional malfunctioning, but also that they are all facing or have been recently affected by conflict. Their agenda is the fragile-to-fragile (F2F) cooperation arrangement, which defines the mutual support among its member countries. It focuses on the implementation of the New Deal for Engagement in Fragile States (New Deal), signed in 2011 and obtained through an international dialogue on peacebuilding (International Dialogue 2019). Peer learning, knowledge sharing and capacity development in relation to state building are at the core of the g7+ vision and strategy. Mutual support of member countries, especially when they are dealing with acute and emergency crisis, is their aim.

F2F and the g7+ have been inspired by and take advantage of the experience and lessons learned from forty years of SSC. Nevertheless, the g7+ has brought innovation in SSC and in development cooperation. It is in fact informal by nature, based on the political will of leaders, on their accountability, and on the will to be fast and pragmatic, especially to respond to urgent and critical needs (Garrasi 2015). The g7+ provides a platform to support and enhance SSC among fragile and conflict-affected countries, helping them to build their institutional capacities and strengthen their public sectors. If sustainable and effective over time, it will make a difference in the development cooperation arena, proving that other mechanisms, based on informal arrangements and solidarity among peers, are possible. The g7+ makes the case that even LDCs may help other fragile countries.

The Ebola pandemic started in Guinea at the end of 2013 and was declared a public international health emergency about six months later. It infected almost thirty thousand people, with the death of more than eleven thousand people (UNOSSC 2017). Even if a total of ten countries were affected by the pandemic, three of them (Guinea, Liberia and Sierra Leone) were more severely hit. These three countries are LDCs: economically fragile and socially affected by conflicts and widespread poverty. For this reason, they struggle to meet public health needs even on a general basis and more so during a severe emergency like Ebola. The international character of the emergency in these LDCs called for a coordinated response. In this context, the g7+ has been critical to deal with this emergency situation.

In September 2014, the government of Timor-Leste pledged a donation of \$2 million to help the three countries deal with the Ebola crisis:

The donation was used to pay for medical supplies, medical equipment for clinics, and hospitals, food for quarantined homes, protective equipment, payment of doctors and

¹ In 2019, g7+ member countries are Afghanistan, Burundi, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Guinea, Guinea-Bissau, Haiti, Liberia, Papua New Guinea, Sao Tome and Principe, Sierra Leone, Solomon Islands, Somalia, South Sudan, Timor Leste, Togo and Yemen.

nurses, and training. Crucially, the funds were entirely channeled through the national systems of the countries in question in order to help strengthen them at a time of acute need. This constituted a practical application of the very important New Deal principle of using country systems in the delivery of external aid. In addition to this, all the other g7+ member countries participated in the international advocacy efforts aimed at raising awareness and mobilizing support from the international community. (UNOSSC, 2017)

This donation from SIDS confirms that SIDS – affected by widespread poverty and sustainable development challenges as well as vulnerable to natural disasters and climate change due to their small size, position and growing population – may also help other countries in times of crisis.

This contribution practically expressed the solidarity of the g7+, according to their strategy to take advantage of emergencies to build institutional capacities of fragile countries. The g7+ has been able to share lessons learned due to being active in a range of different situations: supporting reconciliation in Central African Republic in 2014-2016 and contributing to state-building in South Sudan just after its independence; monitoring the electoral process at Timor-Leste in 2017 to avoid conflict; and contributing to knowledge generation on natural resource management across the g7+ member countries in 2013-2014. Just as F2F does not replace, but complements development cooperation, regional integration remains essential in the Global South to cope with common struggles and systematic challenges.

2.3.4 Case Study 4: The Role of Regional Integration in Africa

If recent groups like IBSA and BRICS have an important role to play in the contemporary global system, regional integration and cooperation remain critical in the Global South, especially in Africa, Latin America and Southeast Asia, where it has both a political and an economic dimension. From a political point of view, regional integration stabilizes institutions and deepens democracy, reducing incessant military intervention in governance and intercountry conflicts. The role of the Economic Community of West African States (ECOWAS) and SADC in West and Southern Africa in the successful transition – respectively, in Gambia and Zimbabwe – is a case in point. The political dimension of regional integration significantly contributes to the SDGs in many respects.

Regional economic integration is also crucial for the African continent. In 2018, forty-nine African countries signed an agreement to create a single market through the African Continental Free Trade Area (ACFTA). If implemented, it will make Africa the largest market after China and India. As for many African countries, where there are challenges trading with developed economies, the CFTA will facilitate the access of African economies to the global market. Small countries could leverage this to negotiate better deals. The CFTA can also fast-track the entry of countries into the middle spectrum of the global supply chain.

The history of official regional integration in Africa goes back to the 1960s and has its roots in the pan-Africanist ideology. This explains why in Africa the creation of regional economic communities (RECs) has been accompanied from the beginning by the establishment of continental institutions. The creation of the Organization of African Unity (OAU) in 1963 (then transformed in the AU in 1999) and the Abuja Treaty in 1999 are the starting points of this process, respectively at the continental and regional levels (D'Alessandro 2015). Despite ups and downs and challenges mainly related

to the lack of financial resources and to the large number of overlapping memberships, regional integration has produced important progress and results on the African continent, including in SSC. The EAC is widely considered as the most successful REC in Africa, despite the limited growth of intra-EAC trade over time (UNCTAD 2018).

The EAC is an intergovernmental organization created in 1999 and currently includes six countries: Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda. Its main objective is to promote cooperation among its member countries through policy-making and joint programmes in a wide range of political, economic and cultural domains, including research and technology, defense, security, legal issues, soft and hard infrastructure, and energy (Braude 2008). A Customs Union Treaty was signed by its member states in 2004. It was followed in 2009 by the signing of the Protocol on the Establishment of the EAC Common Market, which came into effect in 2010. The emphasis by EAC on the free movement of goods, services, labor, and capital is a clear motivator for the member states (Kenya, Uganda, Tanzania, Burundi, Rwanda and South Sudan). To this end, the Protocol for the Establishment of the EAC Monetary Union was signed in 2013. Beyond these formal agreements, the EAC is an active African REC, achieving results in many domains, including in the area of gender equality.

Despite its achievements and success, the EAC is still lagging when it comes to SSC – which is not unique to this African REC. The lack of institutionalization of SSC at the regional level is the main reason. As recommended by the BAPA framework 40 years ago, it is important to counter such bottlenecks through the creation of the enabling ecosystem to make SSC and TrC happen at the national, regional and global levels. The regional level is, in fact, critical in delivering the SDGs – and SSC has an important role to play in this regard.

2.4 Concluding Remarks

SSC has come a long way in the course of the past forty years. The rise of Asia and other emerging economies in Africa and South America has brought about a significant wealth shift from the North Atlantic to a variety of countries in different continents over the past twenty years. The Asia-Pacific, for example, went from representing between 20 and 30 per cent of trade and investment flows in the 1970s and 1980s to close to 50 per cent nowadays (World Bank 2015). In terms of global governance, this has led to a much more central role for Southern countries, which have come together to express collective developmental aspirations and goals, whether it is in the G20, within the G7+, or through the creation of cooperation arrangements such as the BRICS and IBSA. Development forums and banks are important policy platforms for regional development efforts and innovation in SSC. The South-South Network for Public Service Innovation (SSN4PSI) is an example of the important role of these platforms in implementation and innovation in SSC. SSN4PSI is a global platform where governments, private sector organizations, experts, academicians and distinguished individuals, who are members of this network, can exchange knowledge, experiences and expertise to harness innovations in public service delivery and to achieve the SDGs. Its role is especially important for countries in the Global South and even more so for fragile countries. These latter may be learners, but also teachers, sharing their experiences, successes and lessons.

Today, SIDS (such as Botswana, Djibouti, Lesotho, and Mauritius) and other LDCs (such as The Gambia, Cambodia, and Laos) enjoy a more active role and strive for equal partnerships in development cooperation. The creation and increasing success of the F2F cooperation framework is a landmark. It expresses a radical change of behavior and thinking, whereby economic wealth is not a necessity in order to engage in SSC. Lessons learned, progress made in a specific domain and also attempts to reform that did not achieve the success expected are experiential learning grounds to share.

There is little doubt that SSC has undergone quantitative and qualitative changes over time. Beyond the considerable sums involved, what stands out about this “new” SSC are the different priority areas. Whereas traditional North-South cooperation (NSC) in the new century focuses on “soft” development issues, like health and education, SSC pays special attention to “hard” development issues, like infrastructure and energy; given the huge extant deficits in both sectors in most of the Southern countries, this has been welcome. Appropriately designed and built, such infrastructure projects can significantly enhance national productivity and competitiveness in countries where logistics and transport often constitute a significant part of the export costs.

Beyond infrastructure, SSC initiatives have contributed to build important capacities, including financial, technical and other capacity gaps among cooperating countries, required for the attainment of the SDGs. As the development cooperation architecture evolves, several countries from the different continents have switched their approach and become not only recipients of development cooperation, but active South-South partners. These countries are increasingly sharing their knowledge and facilitating the transfer of skills and technology with their peer global partners in the South. Working with the UNOSSC, UNDP has gained experience with a number of emerging countries, including Mexico, Turkey, Indonesia, Iraq and Russia, providing SSC capacity development support from the institutional and policy-level perspective. More recently, through the Regional Project on South-South Cooperation, under the Regional Programme for Africa, UNDP has been working to transform the development cooperation landscape and promote the emerging development partner role of African countries in the overall development cooperation arena. Some countries that have showed successful engagement and initial results so far include Botswana, Benin, Ivory Coast, Ethiopia, Kenya, Lesotho, Mauritius, Rwanda, Uganda and South Africa.

At the regional level, as BAPA recommended, it is essential to establish a regional policy forum/committee for dialogue, consultation and consensus-building on SSC and TrC – one that is managed by regional institutions. This policy forum should include representatives from government, development partners, the private sector, civil society organizations (CSOs), think tanks and others. These regional forums and their relevant regional institutions should be the drivers to generate data on SSC and TrC. The objective is to drive evidence-based policy discussions around key SSC priorities, including on interregional development problems, relevant sectors with SSC and TrC opportunities, key SSC regional priorities, key SDGs, and other specific regional objectives. The proposed policy forum should also discuss ways to bring about uniform administrative and legal arrangements, technical standards on procurement, and trade rules at the regional level.

Another feature of the new SSC is what we might call its outward orientation. At a time when Northern countries are raising barriers to a variety of trans-border flows and have made

international economic sanctions and embargoes an everyday tool of their international policy kit, much of current SSC goes to improve international connectivity and communications, both through physical and digital infrastructure and building the required digital capacities required. Forty years ago, delinking from the global economy was seen by some theorists and governments as the best way for developing countries to achieve both development and autonomy. Today, it is the opposite, with the most successful emerging economies realizing that the shortest path to sustainable development lies in interacting *more*, not less, with the global economy. SSC and triangular cooperation focus on the implementation of the sustainable development goals in developing countries. The United Nations is at the core of this global governance framework.

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CHAPTER III

Participation and Leadership in the Global System

3.1 Importance of South-South Cooperation Institutions

From the moment the idea of South-South cooperation was first formalized on the international agenda in the 1970s, institutional arrangements emphasizing the central role played by institutions in SSC and triangular cooperation have been prioritized. After all, it was largely through NAM² and UNCTAD that developing countries brought international attention to their agenda for postcolonial development. Both these organizations in different and complementary ways support international cooperation, multilateralism, concerted action in international affairs and economic development (maximizing trade and investment) of developing countries. Their creation since the decolonization period emphasized the need for developing countries to support each other and share lessons to reach the common goal of development. The Buenos Aires Declaration of 1978 also clearly recognized the importance of sub-regional, regional and interregional organizations as channels for promoting and operationalizing SSC. After a period of relative decline (see Chapter II), Global South nations sought new opportunities for growth in the 1990s, as heightened globalization and the end of the Cold War led to the spread of liberalization. Regional institutions were revived (in 1999, the African Union replaced the Organization of African Unity) and new ones were established (the MERCOSUR and the Commonwealth of Independent States in 1991, the Association of Caribbean States in 1994, and the Community of Sahel-Saharan States in 1998), this time with a more outward-looking focus,³ and new mechanisms for interregional coordination and assistance were created (such as the NEPAD in Africa and the Asia-Pacific Economic Cooperation). The growth in SSC channels has been helped by the fact that a number of developing nations (such as India and China, but also Botswana and Uganda) had achieved relatively high – albeit variable – levels of economic and/or social development, had become more influential in international economic forums, and were thus better able than in the past to share their knowledge, best practices and tangible forms of assistance with other countries in the South.

In this chapter, we outline the main economic and political institutions of SSC today.⁴ While some institutions actually date to the 1950s, they have been revitalized with new programs in the 1990s and 2000s (like the NEPAD and the African Peer Review Mechanism for the AU), other institutions are post-Cold War creations (such as the Asia Cooperation Dialogue and the Community of Latin American and Caribbean States). The list of institutions covered in this chapter is by no means exhaustive and does not cover individual countries' SSC programs and projects – only funds that are managed by a regional institution are mentioned. Countries that have made major efforts in this regard, and on which data are readily available on UN and government websites, include Argentina, Brazil, China, Colombia, Cuba, Egypt, India, Morocco, Republic of Korea, South Africa,

² The NAM was officially created in 1961. It emerged in the context of the wave of decolonization of the 1960s and of the Cold War, to emphasize that developing countries should abstain from allying with one of the two superpowers (the United States and the U.S.S.R). The NAM is dedicated to representing the interests and aspirations of developing countries. In 2018, there were 120 member states.

³ For the African continent, the Abuja Treaty, signed in 1991, included the establishment of the African Economic Community, a common currency, the full mobility of the factors of production, and free movement of goods and services among African states, to enhance their competitiveness in global markets and their trading opportunities with non-African countries.

⁴ Although there is a real need for a discussion around peace and security analysis in the context of SSC, this critical issue would need to be addressed separately in another report.

Thailand and Turkey.

Institutions may be defined as a formal reference to persistent sets of rules that prescribe and constrain behavior and shape expectations (Keohane 1988). Institutions include treaties, charters, strategies and action plans. Of course, these legal documents usually incorporate rules for the establishment of an organizing structure, which may not involve setting up physical headquarters. In mapping the SSC institutions here, both physical organizations and rule-based mechanisms are relevant. Institutions play a vital role in the formalization and normalization of international relations and agreements. The importance of these structures is no less important in SSC and has been readily identified as such from the BAPA. This chapter seeks to better understand the institutionalization of South-South and triangular cooperation, evaluating how formalized structures have played a role in attaining all the objectives of the Plan of Action, as well as how they may set the stage for further engagement by and opportunity for the Global South in the international order. Reflecting on the efforts made by select regional groupings and other collections of states, the chapter seeks to further understand how to develop an enabling environment for the institutionalization of SSC that is fundamentally beneficial for this enterprise and its state participants.

3.2 Mapping Economic and Financial Institutions

In the 1960s and 1970s, the idea of collective self-reliance flourished, as the development strategy associated with the NAM. It was a development model based on its own resources and South-South cooperation, and it was primarily envisaged in terms of economic and technical arrangements linked to the perceived need for a new (more balanced) international economic order. As such, there was a great deal of emphasis on regionalism – specifically, regional functional and economic integration. Early UNCTAD documentation, for example, referred to the desire to promote cooperation in trade, technical and financial assistance; transportation, information and communications; and investment. A few non-economic areas were cited, such as peaceful nuclear energy and sports (NAM 1979). The NAM was formed on the basis of *political* commonality, but by the 1970s even that essential grouping had begun to prioritize economic reform. It is thus useful to begin by focusing on regional and interregional economic mechanisms (Shaw 1980; Dinkel 2018). (See “Main Regional and Interregional Economic Cooperation Institutions in the Global South in 2018” for a list of the arrangements in the free trade areas of the South, as well as a list of broader cooperative entities.)

Main Regional and Interregional Economic Cooperation Institutions in the Global South in 2018

Economic Integration/Cooperation Arrangements and Date of Signing/Date of Revitalization

Africa

African Continental Free Trade Area (AfCFTA) – 2018 African Economic Community (AEC) – 1963/2000

African Union Development Agency (AUDA, formerly NEPAD) – 2001

Sub-regional Official RECs

Arab Maghreb Union (AMU) – 1989

Common Market for Eastern and Southern Africa (COMESA) – 1994

Community of Sahel–Saharan States (CEN–SAD); includes North African members, as well as Sudan, Somalia, Djibouti and Comoro – 1998

East African Community (EAC) – 1967/1999

Economic Community of Central African States (ECCAS); umbrella organization of Economic and Monetary Community of Central Africa (CEMAC) and the Community of Great Lakes Countries (CEPGL) – 1967/1999

Economic Community of West African States (ECOWAS) – 1995

G-5 Sahel; this grouping is primarily security-oriented but has now developed an economic program – 2014

Intergovernmental Authority on Development (IGAD, formerly IGADD) – 1986/1996

Southern African Development Community (SADC); subsumes the South African Customs Union (SACU) – 1990/1992

South and Central Asia

Asia-Pacific Free Trade Agreement (APTA) – 1975

Association of Southeast Asian Nations (ASEAN)/ASEAN Economic Community (AEC) – 1967/1993 Bay of Bengal Initiative for Multi-Sectoral – 1997

Technical and Economic Cooperation (BIMSTEC); comprises South and Southeast Asian countries – 1985

Economic Cooperation Organization (ECO) – 2000/2014

Melanesian Spearhead Group (MSG) – 1986/1993

[Pacific Islands Forum (PIF)]; includes Australia and New Zealand – 1971/2000

[Shanghai Cooperation Organization (SCO)]; grouping includes Russia, Kazakhstan and Kyrgyzstan, which are also part of the Eurasian Economic Union with Armenia, Belarus and Russia – 2001

South Asian Association for Regional Cooperation (SAARC) – 1985

West Asia/Middle East/Eastern Europe

Commonwealth of Independent States (CIS)/CIS Free Trade Area – 1991/2012

Gulf Cooperation Council (GCC)/Common Market – 1981/2001/2015

League of Arab States (LAS)/Greater Arab Free Trade Zone (GAFTA) – 1945/1997/2005

Non-trade Groupings

Organization of Arab Petroleum Exporting Countries (OAPEC) – 1968

Source: Author's various compilations

As noted in the preceding text box, the majority of institutions originated from free trade arrangements. Indeed, the creation of formal regional integration institutions has long been

championed by the Group of 77⁵ as a way to overcome limitations of scale and reduce external dependence. Regional organizations have proved to be useful to this extent – facilitating internal trade, for instance, with achievements such as common markets (such as the COMESA), common free trade areas (such as the Free Trade Area of the Asia-Pacific) and regional policies (the agricultural policy of the ECOWAS: ECOWAP). Nevertheless, they are limited by financial constraints, overlapping memberships (see Case Study 4 in Chapter IV on the EAC) and critical capacity gaps. While most of the economic communities listed here are truly South-South in membership, a few do include developed country members – specifically, Australia, New Zealand, Russia and the United States, according to the triangular cooperation framework.

These institutions serve as important platforms for coordination among members in the South, which often use the platform to dialogue and affirm their collective stances. Sometimes, within such institutions, factionalization could be fostered between the developing country members vis-à-vis dominant developed partners or members. This is most notable in the Organization of American States (OAS), where Latin American countries have often chafed at US demands. In 2008, twelve Latin American countries created the Union of South American Nations (USAN) as a response to the domination of the US in the Organization of American States (OAS) (Kellogg 2007). The APEC underlines the need for regional organizations to adapt to changing situations, identifying a solid foundation of common interests and the proper use of comparative advantages.

While trade integration may be the main focus of most of the groupings listed, they all serve a broader purpose of coordinating members' policies in a wide range of functional areas: from agriculture and industrial development to infrastructure, transport and communications connectivity; from energy cooperation to science and technology; and from strategizing for poverty alleviation, health, education and gender issues to sharing best practices and negotiating economic agreements with third parties (such as the COMESA industrial policy and the ECOWAS agricultural policy).

Africa

In Africa, the AfCFTA is the planned continental free trade area approved by 49 of the 55 African Union member states (Tralac 2019). The legal documents were signed in May 2018, with 10 countries ratifying it as of November 2018 (a minimum of 22 is required for AfCFTA to come into force) (Tralac 2019). The main objectives of AfCFTA are to create a single continental market for goods, services, persons and investments, and to expand intra-African trade through better harmonization and coordination of trade liberalization and facilitation and instruments across Africa.

At the regional level, apart from fostering broad functional integration, the eight recognized RECs to date have achieved varying degrees of formal economic integration. The most advanced in terms of formal economic integration are the EAC, which has instituted a common market, is moving toward monetary union and is seeking to fast-track its goal of a federation (see Case Study 4 in Chapter II, also for references); and ECOWAS, which initiated its common external tariff

⁵ The Group of 77 was created in 1964 as a coalition of developing countries to promote its members' collective economic interests and create an enhanced joint negotiation capacity in the UN. Since then it has expanded to 134 member countries.

in 2015 (Tralac 2015) (note that French West Africans, also part of the West African Economic and Monetary Union [WAEMU], have their own common market and common currency). In Southern Africa, SADC and COMESA have embarked on free trade areas, but remain at a lower level of trade integration (Mapuva and Muyengwa-Mapuva 2014). The other RECs have been held back by political and economic differences (very diverse political regimes with varying degrees of democracy and very different economies, depending on the geography and history of each country) , although for all – AMU, CEN-SAD, ECCAS and IGAD – achieving a customs union is a major goal (Vanheulkelom et al. 2016). The sub-regional groupings are also complemented by the larger continental project, the AEC, which dates to 1994 but has its roots in the Abuja treaty. According to this treaty, African RECs are the building blocks leading to continental unity and, consequently, to one of its expressions, the AEC. Although regional integration efforts in Africa are still delayed and challenged by the constraints already previously discussed, regional integration is critical to promoting and deepening SSC and vice versa. Regional integration is useful to expand investment and trade opportunities for African stakeholders.

NEPAD, approved in 2001, has served as an umbrella for African and REC coordination in multiple areas, including security, democracy, governance, social programs, energy, infrastructure, rural development and capacity building. In 2018, the AUDA replaced the NEPAD and was given a new mandate that focuses on strengthening the capacities of AU member states. SSC corresponds to the founding philosophy of the NEPAD itself, at the time when this new partnership was created. For this reason, while closely collaborating with UNDP and other UN offices, NEPAD/AUDA supports SSC in Africa, especially (but not only) through capacity building in critical domains like trade facilitation.

South and Central Asia

In Asia, ASEAN and SAARC are the two core organizations of developing states. Both have as their main goal the strengthening of economic and functional ties among members. The ASEAN free trade area has been deepened into an ASEAN Economic Community, with further strengthening anticipated by 2025 (Santa Maria et al. 2017). SAARC has moved much more slowly: although leaders approved the creation of a free trade area more than a decade ago (in 2004-2006), there has been little progress toward the anticipated South Asian Economic Union. Initially, SAARC emphasized regional cooperation at the political level, but the legacy of conflicts creating internal divisions and a lack of enthusiasm in the political leadership of member countries delayed the implementation of regional integration. From an economic point of view, the disparities of socioeconomic benefits for member countries hindered the economic union and the development of intraregional trade (Thapar 2006).

The Asia-Pacific region is notable today for the sheer variety of ongoing plans for more intense and broader integration, with APTA being the oldest preferential trade agreement in the region. However, today's initiatives include a plan to strengthen the relationship among the ten ASEAN members and the six forum members (Japan, Republic of Korea, China, India, Australia and New Zealand) through the Regional Comprehensive Economic Partnership (RCEP), a proposed free

trade arrangement;⁶ the promotion of a Free Trade Area of Asia-Pacific by APEC,⁷ which includes both Latin American and North American members; and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11), signed in 2018 by Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam⁸ (Freiner 2019). These arrangements are multilateral platforms, including developed countries (most are listed here as interregional). They are nevertheless important, as they could enhance SSC and triangular cooperation (TrC) opportunities, with significant involvement by the Global South. They indicate that in the Asia-Pacific, regional integration is moving toward mega-trade blocs. Facilitating South-South trade and investment, if fully implemented, these innovative regional agreements would greatly enhance SSC and triangular cooperation opportunities.

The ECO and the SCO are highlights of economic cooperation (and free trade ambitions) in the Central Asian region, although SCO reaches across subregions, now that India and Pakistan are members (in a similar vein, Afghanistan is a member of ECO). Aiming to develop economic and technical infrastructure and transportation, ECO has also succeeded in facilitating bilateral contacts between member countries. Lack of funding and bureaucratic challenges have limited its effectiveness. Despite overlapping membership and shortage of funds, the SCO has been more effective in harmonizing action and policies among its member states, but managing certain conflict of interests, with China and Russia being stronger members, can be perceived as a challenge for the future (Loewen and Zorob 2018). BIMSTEC has focused on connectivity and cooperation in a wide variety of military, economic and social areas, and is close to implementing a free trade agreement. It has not yet demonstrated its relevance, but the BRI (see Case Study 1 in Chapter II) could be an opportunity for the BIMSTEC (Hussain 2018). Membership in PIF by the developed Pacific nations may make its inclusion questionable to purists; some have expressed concerns that internal tensions in PIF may reduce its effectiveness and ability to engage in SSC and TrC (Dziedzic 2018). However, it is the largest regional platform for the small territories of the Pacific to coordinate action in pertinent areas such as tourism, climate change, disaster mitigation and sustainable development. A free trade agreement, Pacific Island Countries Trade Agreement (PICTA), came into force in 2003, and negotiations for more intense integration continue. Finally, MSG may be a small subgrouping (Fiji, Vanuatu, Solomon Islands and Papua New Guinea), but its small size has facilitated its implementation.

Middle East and Western Asia/Eastern Europe

Middle East efforts at economic integration were begun by the LAS in the 1950s with the decision to create a preferential tariff zone, followed later by initiatives to create a common market. The Greater Arab Free Trade Zone was initiated in 1997 (effective in 2005) and efforts for a customs union and deeper integration continue. Like most such organizations, the LAS has emphasized

⁶ The RCEP is supposed to join the ten ASEAN member states and six Asia-Pacific states with which ASEAN has existing free trade agreements (Australia, China, India, Japan, South Korea and New Zealand).

⁷ After a formal commitment by APEC member states in 2014, in November 2016, APEC instructed a recommendation to implement the free trade area.

⁸ The TPP-11 entered into force on December 30, 2018. It is considered as a high watermark for multilateral trade and a benchmark for future trade agreements because of its comprehensive interlinked nature.

cooperation in a number of functional fields including infrastructure, energy, investment and sustainable development. The cooperation between the LAS and China on the BRI may be a blueprint of a new type of engagement in the SSC arena (Yi 2018).

At the sub-regional level, the Arab League is the most important organization in the Middle East. It promotes regional cooperation in a number of areas, especially projects relating to energy and connectivity. It also ranks ahead of many trade efforts in having a fully implemented customs union, as well as budding monetary union, which is an objective without a working timetable (Takagi 2012). SSC efforts in the GCC are still in their infancy compared to other RECs. OAPEC is devoted to ensuring Arab collaboration on energy and development issues as well as access to scientific advances in the field of energy. Launched in 1968, its role expanded as oil politics took center stage in the 1970s, and it remains an important coordinating mechanism among the subset of Arab producers.

Created in 1991 after the dissolution of the Soviet Union, the Commonwealth of Independent States (CIS) is a regional Eurasian intergovernmental organisation comprising nine post-Soviet republics. Georgia, a former member withdrew as a result of the Russo-Georgian War of 2008. Turkmenistan and Ukraine have ratified the CIS Creation Agreement, making them «founding states» of CIS but did not ratify the subsequent Charter that would make them formal members of the CIS. They are however, allowed to participate in CIS and various CIS initiatives. Through the Collective Security Treaty Organization, the Eurasian Economic Union, and the CIS Free Trade Area, the organization encourages economic, political, and military cooperation. It also has power to coordinate trade, finance, lawmaking, and security. The CIS has also promoted cooperation on cross-border crime prevention. Despite this action, it has been argued that the CIS is affected by a weak institutional machinery, the Russian hegemony, and the preference for bilateral relations on multilateral mechanisms (Kubicek 2009).

Latin America and the Caribbean

If measured by the sheer number and age of integration efforts, Latin America and the Caribbean is arguably the most integrated region of the South. Latin Americans have had a long history of dialoguing with one another, first at Pan-American conferences in the nineteenth century and later through the formalization of the inter-American system in 1948. In the 1960s, formal free trade arrangements were initiated in various subregions as well as in the larger Latin American region (O'Neil, 2012). The older ALADI (known now as the Latin American Integration Association) of 1981, with roots in the 1960s, is an umbrella organization for various preferential trade agreements, as well as regional agreements on liberalization mechanisms and technical and scientific cooperation (O'Neil, 2012). At the subregional level, the list of common markets includes older but now revitalized arrangements in Central America, the Caribbean and the Andes, as well as the newer post-Cold War free trade area of the Southern Cone, the MERCOSUR.

The newest grouping in Latin America is the Pacific Alliance (2011) comprising Chile, Colombia, Peru and Mexico – all Pacific Rim nations wishing to strengthen trade among themselves and across the Pacific. Members have moved quickly to liberalize trade among themselves. A similar subregional arrangement in the Mesoamerican area, the Mesoamerican Integration and Development Project

(MIDP), includes Colombia and the Dominican Republic and is project-oriented, with a focus on technical cooperation in infrastructure, energy and trade facilitation. They are both promising experiments of market integration, SSC and treaty innovation (Matera and Bahamon 2017).

When it comes to knowledge-generating platforms, SELA was the first major Latin American forum to exclude the United States and include Cuba, in 1975. SELA and the ACS (which advocates for cooperation in the Greater Caribbean) have recently been joined by the new, more politically oriented organizations ALBA, CELAC and UNASUR (Gardini, 2015). These were formed with a specific agenda to foster Latin American integration (without the United States) and are focused on social integration within a modular model. Serving as multilateral policy-oriented and problem-solving coordination platforms, they are potentially favorable grounds for SSC and TrC development (Gardini 2015; Lissovlik 2018).

Interregional Groupings

Along with the regional institutions in Africa, Asia, the Middle East and Latin America, a number of interregional economic institutions should also be listed as agents of SSC. Of these, the oldest institution is the OPEC, which was one of the first and the most successful producer organizations in the South – reflected in the success of its members in negotiating higher oil prices and gaining greater control over a natural resource that had been highly dependent on foreign investment: a form of South-South knowledge sharing and capacity building cooperation. Another significant older organization is the Organization of Islamic Countries (OIC), which strongly promotes economic cooperation among Islamic countries and established a preferential tariff scheme (PRETAS) across regional borders. The OIC is promoting SSC experiences such as the OIC Tech-sharing Forum. Other institutions are more recent responses to post-Cold War liberalization. The IORA, for example, is notable for its cross-regional nature – Asian, Middle Eastern and African states are members – and actively facilitates cooperation in areas such as the blue economy, maritime security, tourism and disaster risk management. The smaller Developing-8 (D-8), which is also cross-regional (Africa, Asia, and Middle East), has similar aims as the OIC and its preferential trade agreement is already in force. For these cross-regional groups, SSC is a primary and explicit goal: for the D-8, it is even clearly stated in the Charter.

The text box “Main Regional and Interregional Economic Cooperation Institutions in the Global South in 2018” also lists several interest-based coalitions that developing countries have formed within international organizations for the purpose of coordinating their demands for reform and equity within the international economic system. From the first UNCTAD meeting in 1964, the G77 – a premier grouping – has included on its agenda global trade and aid reforms, technical assistance among developing countries and between more developed and less developed countries, and measures to increase financing for trade and development. The G24 was created in 1971 as a lobby group within international financial institutions; the G20 global financial grouping – a G7 expansion in recognition of the increasing economic clout of some countries of the South – was an important innovation in the 2000s; and within the World Trade Organization (WTO) (see Chapter II), the G90 is the broadest negotiating grouping for the South. The growing differentiation among developing countries presents substantial challenges to these coalitions to represent the

interests of their members and to coordinate their demands for reform and equity within the international economic system.

3.2.1 Institutions for Financing and Development Assistance

Hand in hand with the growth in trade and functional cooperation, the Global South has seen a rise in local lending institutions. This is an important area, since most funding for the South has traditionally come from Northern countries. Multilateral development banks are conduits for SSC: they encourage greater SSC in development financing, opening the door for further cooperation.

Many of the institutions created in the South (see “Financial Institutions in the South”) are regional development banks financing local programs and projects, although it should be noted that almost all of them include of necessity non-borrowing members from the North. Beyond lending and enhancing ownership of development programs and projects, development banks in the Global South can give an important contribution to advance South–South learning and cooperation, as they expand their role as lenders for development to the knowledge frontier (Rosero, 2018). What makes them “South” is that the majority of the shareholding and decision-making remains in the South. A typical example is the African Development Bank, where regional borrowing members have 58.8 per cent voting power, or to a lesser extent the Asian Development Bank, where regional members, minus Japan and Australia, hold a 47.5 per cent voting share (Rosero and Rosero 2018). Moreover, the projects that a development bank typically funds and manages are local, including regional integration projects (such as the AfDB financing the East Africa Regional Integration Strategy Paper) Financial Institutions in the South*

Africa

African Development Bank (AfDB) with African Development Fund (ADF) AfDB: Nigerian Trust Fund
Africa Solidarity Trust Fund (of Food and Agricultural Organization, FAO)
Arab Authority for Agricultural Investment and Development (AAID); includes North African members, as well as Sudan, Somalia, Djibouti and Comoros

Subregional

Central African States Development Bank (BDEAC) Development Bank of Southern Africa (DBSA)
East African Development Bank
ECOWAS Bank for Investment and Development (BID) Eastern and Southern African Trade and Development Bank
Maghreb Bank for Investment and Foreign Trade (BMICE); launched in 2017 West African Development Bank (BOAD)

Asia (includes South and Central Asia)

Asian Development Bank (ADB) Asia Development Fund (ADF)

Asia Infrastructure Investment Bank (AIIB) ECO Trade and Development Bank SAARC Development Fund
SCO Interbank Association (IBA; member banks of SCO)

Western Asia/Eastern Europe

Common Economic Space
Central Asian Economic Union Fund
Central Asian Bank for Cooperation and Development

Middle East

Abu Dhabi Fund for Development
Arab Authority for Agricultural Investment and Development (AAID); includes North African members,
as well as Sudan, Somalia, Djibouti and Comoros
Arab Fund for Economic and Social Development Arab Monetary Fund
Kuwait Fund for Development Saudi Fund for Development

Latin America and the Caribbean

Inter-American Development Bank (IADB) OAS: Development Cooperation Fund (DCF)
Subregional
Caribbean Development Bank (CDB) ALBA Bank
Andean Development Corporation-Development Bank of Latin America (CAF) Latin American Reserve
Fund
Bank of the South; not yet operational
Central American Bank for Economic Integration (CABEI/BCIE)
Venezuela: PetroCaribe; a Venezuelan energy arrangement with Central American and Caribbean
countries

Interregional

BRICS New Development Bank (NBB) IBSA Trust Fund
Silk Road Fund – China
OPEC Fund for International Development (OFID)
Arab Fund for Economic and Social Development (AFESD) Arab Bank for Economic Development in
Africa (BADEA)
Arab League: Arab Fund for Technical Assistance to African Countries (AFTA) Arab Gulf Programme for
Development (AGFUND)
IORA Special Fund
Saudi Fund for Development Kuwait Fund for Development Abu Dhabi Fund for Development Islamic
Development Bank (IsDB)
Indian-UN Development Partnership Fund
Korean Facility for Poverty Reduction through South-South and Triangular Cooperation in Education,
Science and Technology
AfDB: Korea–Africa Economic Cooperation (KOAPEC) Trust Fund

*Note: These financial institutions are created in and for the South, but development banks usually include non-borrowing developed country members. As such, they cannot be considered as Southern institutions, as power relations in them may vary.

Source: Author's various compilations

Development funds, including trust funds, usually provide aid on generous terms for sustainable development projects on climate change, poverty alleviation, rural development, youth, nutrition, small- and medium-sized enterprises, and other pertinent socially oriented areas (such as the Kuwait Fund for development financing a power project in Cote D'Ivoire) (Arabian Business 2016). In this context, both regional and non-regional nations can establish special funding mechanisms that are managed by the regional bank or on a national level but with multilateral modalities. For the Programme for Infrastructure Development in Africa (PIDA), for example, the AfDB is the executing agency, while the initiative is led by the NEPAD Secretariat (AfDB 2019). Many banks also engage in non-lending practices, including coordinating meetings and forums and facilitating information gathering and sharing. The ADB, for example, organizes a variety of forums on a variety of themes, from clean energy to procurement to transport, within a knowledge management strategy (Serrat 2010).

Of the national funds established, the Abu Dhabi, Kuwait and Saudi funds (as well as the OPEC OFID) were a response to the growing demand of oil-importing countries for assistance in the wake of the oil price increases in the 1970s (Moubarak 1987). At the time, Venezuela also initiated a number of programs for Caribbean countries and Central America, later consolidating them into the 2005 PetroCaribe program, an Energy Cooperation Agreement meant to provide a preferential payment arrangement for petroleum and petroleum products to fourteen Caribbean and Latin American countries.

Several new financial efforts deserve some comment. The ALBA Bank and Bank of the South were specifically formed, in an ideological context, as counterweights to capitalist imperatives and consequently alternatives to the traditional IFIs, which many developing countries viewed as perpetuating indebtedness. These banks were established with the specific aim of promoting sustainable development via funding social projects. As integration platforms in defense of the independence, self-determination, and identity of the peoples comprising it, coupled with regional cooperation in sectors such education, literacy as well as health care, they indirectly champion the case and ideological points embedded around SSC.

3.3 Politics and Foreign Affairs

Finally, political coordination is the earliest and, in some ways, most important area of SSC. Without the ability of nations in the South to confer in political forums, neither economic nor security cooperation is possible. Despite the rise of some countries on the global stage, developing countries as a whole cannot hope to achieve global reforms without having a collective voice in important regional and global forums.

The earliest symbol of unity was the Afro-Asian Bandung conference of 1955.⁹ Since 1961 and despite the end of the Cold War, the NAM has taken up that mantle as a valuable platform for interregional and international networking. The central political organization for developing nations remains the UN General Assembly, where the one nation-one vote principle allows for effective involvement in decision-making. However, efforts by developing countries to address

⁹ The Bandung Conference has been a meeting of 29 African and Asian states to promote economic and cultural cooperation and to oppose colonialism and neocolonialism. It marked an important step toward the NAM.

the democratic deficit in the UN Security Council have been unsuccessful, partly due to their own differing positions on the issue. Different interest groups came together over time and key regional players like Brazil and India have their individual and peculiar interests. Political coordination is also important on economic matters: developing countries have sought greater influence in IFIs, which, however, remain dominated by the Western countries, which created the system. As it has been explained above, the ALBA Bank and the Bank of the South have been created to counter this supremacy. In addition, they have formed a number of coalitions in the WTO, with some success in negotiating on agricultural issues and bringing attention to the special status of small and least developed countries, but negotiations have stagnated on larger issues (see above on the G90).

Regional political platforms are where most coordination, including coordination on economic issues, takes place among developing countries. Summits of heads of state are the normal mechanism of decision-making, along with regularly scheduled meetings for foreign ministers and other senior officials. The following text box “Selected Arenas of Political Coordination in the South” provides a selection of these coordinating organizations and groupings, as well as “dialogue” groups and forums where nations are acting as interlocutors between regions and/or between North and South partners. Regional organizations and groupings are hardly no-conflict zones. Political differences have led countries to withdraw from or be expelled from organizations and have in some cases led to stagnation of the integration process, as in the case of the Arab Maghreb Union with political disagreements between Morocco and Algeria on the Western Sahara. For this reason, the list refers only to meetings held regularly.

Selected Arenas of Political Coordination in the South

South-South

Non-Aligned Movement Summits United Nations General Assembly:

Africa Group

Asia-Pacific Group (includes Japan and Middle Eastern states) Latin America and Caribbean Group (GRULAC)

Others

Alliance of Small Island States (AOSIS) Forum of Small States (FOSS)

Non-Aligned Group OIC Group

BASIC meetings (environment) BRICS Summits (includes Russia) IBSA Dialogue

G7+ (on conflict and capacity building)

Latin America and Caribbean

CELAC Summits UNASUR Summits

CARICOM/OECS – Summits SICA Summits

Andean Community – Summits MERCOSUR Summits

Association of Caribbean States (ACS) meetings SELA meetings

Middle East GCC: Summits LAS: Summits

Arab-African Summit

Arab-South American Summit

Asia

ASEAN Summit

ASEAN plus 3 meetings ASEAN plus 6 meetings (IORA) Indian Ocean Dialogue

Asian Regional Forum meetings Central Asia Summit

PIF Summits SAARC Summits ECO Summits

SCO Dialogue Forum

Africa

AU Summits

CEEAC (ECCAS) Conference of Heads of State and Government ECOWAS Supreme Authority Summits

EAC Summits

IGAD Assembly of Heads of State and Government SADC Summits

China-Africa Forum (FOCAC) Arab-Africa Summit

Dialogue Forums with Developed Countries

Iberoamerican Summits (with Spain)

Meetings of Community of Portuguese Speaking Peoples (with Portugal) Francophonie (with France)

Commonwealth (with UK) ASEAN-Europe Dialogue Asia-Europe Meeting

East Asia Summit (includes United States and Russia)

International Dialogue on Peacebuilding and State building (IDPS) Euro-Mediterranean Forum

EU-CELAC Summits

*Source: Author's various compilations***3.4 International Impact of South-South Institutions**

Two main impacts of SSC institutionalization are posited here: one, the growth of SSC institutions has had a positive impact on the structure of the global economy; and two, SSC institutions have had some, albeit limited, impact on the modalities of cooperation in global relations.

3.4.1 Impact on the Global Economic Structure

The establishment of institutions such as the G20 and the BRICS can be attributed less to institutional efforts than to the fact that some countries of the South experienced enough economic growth to allow them to gain stature in the international system. However, it is also true that these new institutions have, in turn, altered certain aspects of the international economic system (see Chapter II for the role of the G20 and BRICS in the new global system). The G20 has superseded the G7 as the main forum for coordination of global financial affairs (PAPDA, 2004). Although it is still an exclusive grouping, it is a channel for these developing countries to act – if they so choose – as interlocutors

regarding the concerns and perspectives of developing nations as a whole. The G20 has perhaps been created to react with an alternative framework to the common proposal of the EU and the United States on agriculture at the 5th Ministerial WTO Conference in 2003. Furthermore, Brazil, India and South Africa decided to articulate their own trade liberalization initiatives.

When it comes to development cooperation, and SSC in particular, the separate bodies within the G20 exhibit a lack of coherence and coordination. The G20 Development Working Group is a good example of this. Despite being active in supporting countries in the South in critical domains, like infrastructure and food security, the Working Group's objectives are not systematically aligned with those of other G20 bodies working on related issues. For example, the G20 Task Team on SSC is also involved in projects on food security and agriculture in developing countries with the International Fund for Agricultural Development. Rather than contributing to strengthen mutual trust and joint learning – particularly valuable in Global South and in line with SSC efforts – this lack of systematic alignment produces the opposite effect.

Beyond the role of a few countries, however, and despite both the disjointed incrementalism (a description borrowed from Ernst Haas in describing EU integration; Haas 1976) of SSC over the years and a decline in SSC institutionalization during the 1980s, cooperation among the developing countries as a whole has had an impact on the international trading system. The strengthening of regional integration arrangements is credited with reducing the imbalanced pattern of trade in the world (see "How Trade Has Changed").

How Trade Has Changed

According to UNCTAD statistics, between 1970 and 2017, the share of total merchandise exports by developing economies increased from a mere 19.1 per cent to 44.3 per cent, while the exports of developed economies declined from 76.3 per cent to 52.6 per cent. On a cautionary note, however, the increases in total exports by developing countries seen during the 1970s did not continue into the 1980s and 1990s: since 1980, the increases have been far more modest, rising from 29.7 per cent to 44.3 per cent. Moreover, a large proportion of this increase can be attributed to the emerging prominence of China. If China is omitted from this analysis, the share of world exports by the developing economies increased to only 31.6 per cent from 28.8 per cent in 1980.

With respect to world imports, the share by developing countries shows increased from 18.6 per cent in 1970 and 24 per cent in 1980 to 41.7 per cent in 2017 (31.5 per cent if China is excluded). During this same period, the share by developed countries declined from 77 per cent in 1970 to 55.8 per cent in 2017. Similar percentages are also seen in the growing trade in service exports. Today the developing countries – Asia in particular – hold a 30 per cent share of service exports (38 per cent), while the share by developed countries decreased from 75 per cent of exports in 2005 to 68 per cent in 2017 (UNCTAD n.d.).

The impact of the growth in free trade institutions is reflected in the fact that South-South trade accounted for 25 per cent of global exports in 2017 (27 per cent in 2016), up from about 11 per cent in 1995 (UNCTAD n.d.). Intragroup exports of developing countries rose to 57.2 per cent of total exports in 2017, with developing Asia at 53.1 per cent (see "Intragroup Exports"). Across the

various subgroupings, intratrade has increased somewhat (though not for all groups). A good example is the OIC, whose exports have almost doubled from 11.8 per cent in 1995 to 21.4 per cent in 2017 (UNCTAD n.d.). BRICS trade increased from less than 4 per cent to 9 per cent in the same period. While extra group trade remains higher for much of the developing world (with the exception of Asia), the trend toward greater South-South trade is noteworthy and is particularly beneficial for least developed countries in the Global South. Emerging economies like China and India are important markets for their products, giving a sizable boost to their exports, because non-price barriers are lower in developing countries. South-South trade can, therefore, promote economic diversification, which is key to offsetting the overreliance on natural resources exports that many countries in the Global South face. South-South trade has also positive consequences on SSC, as it creates opportunities for collaboration: it is often a first step toward SSC.

Intragroup Exports

Grouping	1995	2017
Developing economies	41.60	57.19
Africa	12.01	16.65
CEMAC	1.88	4.31
CEN-SAD	7.44	8.26
CEPGL	0.39	2.37
COMESA	5.70	11.50
EAC	17.50	19.35
ECCAS	1.39	2.24
ECOWAS	9.43	10.18
IGAD	11.81	16.01
SACU	7.47	13.60
SADC	14.66	19.83
WAEMU	13.10	14.57
Asia (includes West Asia)	0.51	0.35
AMU	3.90	3.45
APEC	71.68	69.15
APTA	7.07	12.24
ASEAN	24.20	23.18
CIS	13.7	56.2
ECO	8.06	9.63
GCC	6.79	10.36
LAS	9.57	15.81
MSG	n.a.	0.99
SAARC	5.10	7.20
Latin America and Caribbean	20.50	16.59

ALBA-TCP	2.35	3.58
ALADI/LAIA	17.92	13.32
CACM/SICA	15.60	22.22
CAN	8.51	7.15
CARICOM	14.41	12.38
MERCOSUR	19.07	12.62
OECS	9.77	10.66
UNASUR	24.95	17.35
Other		
ACP	13.25	18.08
BRICS	3.76	9.04
BASIC	2.04	6.92
OIC	11.82	21.35
OPEC	2.69	9.26

Source: Author's various compilations.

3.4.2 Impact of SSC Modalities and Values

Trade was one of the priority domains mentioned in the BAPA. The document, which provided early guidelines and expectations for the conduct of SSC, emphasized the central role of governments and regional institutions in SSC, and that the innovative modalities of SSC did not preclude the participation of developed countries to share their wealth of experience and to help build the required capacities in the Global South.

As a strategy, SSC was originally designed to strengthen developing economies by de-linking them from excessive reliance on the economies of developed countries. The strategy was – and remains – also relevant to advancing foreign aid, as the traditional donor-client relationship was unequal. There has been a perennial critique of the debt-inducing terms on which most aid is given through loans (with ODA grant aid being the exception in general, if it is properly accompanied by a strengthening of institutions to achieve debt sustainability). However, more recently, aid has been tied to environmental and governance performance, with the idea that there is a positive correlation between conditionality and policy changes in developing countries. Moreover, aid from the more powerful countries has often been conditional on obtaining *political* support on key issues, using the soft power strategy referred to in Chapter II.

SSC, on the other hand, is supposed to be undertaken in the spirit of mutual benefit, respect for sovereignty and non-conditionality. The lack of political and policy interference in the affairs of the recipient – referred to as the partner to emphasize horizontality in SSC – is seen as differentiating SSC from traditional assistance. SSC assistance is also intended to be more directly focused on sustainable, equitable development. Economic and technical assistance are targeted to specific areas identified by the recipients, which should help countries deal with specific human security as well as economic deficiencies. Many institutions in the South have adopted the SSC approach.

In the case of OIC, the Solidarity Fund's nomenclature speaks for itself: it is viewed as a necessary tool for the promotion of pan-Islamic solidarity and values (Estimo 2017). In the case of funds coming from ALBA and UNASUR, the prioritization of social lending stems from the fact that these institutions were established as a counterpoint to the promotion by the United States of the Free Trade Area of the Americas (Gardini 2015).

3.5 Norms Promoted by SSC Institutions

As highlighted earlier, non-conditionality and non-interference are two of the core modalities of SSC, but they are unlikely to spread as norms beyond the South, except where humanitarian aid is concerned. In the North, development assistance is rooted in the idea that aid is effective only when recipients have good governance, measured as pro-investment policies (cf. Paper 3 in the Annex), democratic institutions and political stability.

The ability to establish and monitor not just financial conditions, but also governance and democracy, is a fundamental part of the current aid architecture. Ethical concerns have also been raised about non-conditional aid, and some civil society actors in the South are also concerned that non-conditionality may lead to missed opportunities to reinforce important commitments to human rights, anti-corruption and environmental sustainability. Some Southern CSOs have expressed support for some forms of political conditionality. Conditions should nevertheless not be imposed from the top without any kind of regard for the local context, as countries in the North do. Rather, they should emanate from below and be the result of an open and frank dialogue between donors and Southern CSOs (Menocal and Rogerson 2006). Although almost all of the institutions discussed here have included commitments to these norms in their charters and additional declarations, the balance between the two sets of values – democracy and sovereignty – must be established.

On the other hand, the push for more local input into aid giving for equality and mutual benefit is compatible with the approaches many Northern countries have adopted with respect to ODA. This push is also reflected in the changes that have been made to the language of cooperation now used by Northern countries. Since the 1990s, for example, both the United States and the EU have referred to their relationships with developing regions as *partnerships* (Hazel and Gordon 2006). Since SSC proponents recognize that their efforts alone are unlikely to allow them to achieve sustainable development, both public and private partnerships have been encouraged. Public funding for development is often used only when private funding is not available: this is perhaps what the World Bank does. Illustrative of valuable multilateral partnerships today are the relations between regional institutions in the South and the EU EDF; the Japan-UNDP Partnership Fund; the GEF; the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the Iberoamerican Program for the Strengthening of South-South Cooperation (PIFCSS/SEGIB). Among the UN bodies that are partners in SSC are all the regional commissions and agencies, as well as the Trust Fund for Human Security. Of these, IFAD holds a special place in terms of its active efforts to promote agricultural sustainability. IFAD was the first UN agency (established in 1977) to be heavily funded by OPEC in cooperation with the OECD and other developing countries. The UN commitment to SSC, as well as to the achievement of the Millennium Development Goals (MDGs) and now Sustainable Development Goals (SDGs), has led to the establishment of numerous channels of support.

Institutions in the South helped countries meet the MDGs, and the wide acceptance of the SDG agenda is reflected in the fact that the agenda is already being used as an umbrella under which policy planning in both North and South institutions is proceeding. Regional institutions like the AfDB and the ADB have been instrumental in implementing and monitoring the MDGs. In coordination with the UNECA and the AU, the AfDB has for instance published an annual report to follow the progress and gaps of the MDGs in Africa. When the post-2015 Agenda was under preparation, the AfDB and the ADB actively participated to the policy dialogue. Their analyses have been critical to bring to the table the peculiar needs and status of their respective regions and of relevant stakeholders. This has contributed to shape the SDGs in such a way that SSC could be the main strategy to realize them, through the SDG17. As examples, the African Union has noted that it the SDGs are in harmony with its own Agenda 2063 (Kunowu 2015).

ASEAN documentation points to complementarities between its Vision 2025 plan and the SDGs (ESCAP 2017). Even at the narrower sectoral level, the SDGs are being cited, whether to boost water security planning among Arab states or anti-drug planning in the OAS. In fact, in describing the OAS Hemispheric Plan of Action on Drugs, the secretariat CICAD states that “the Plan of Action acknowledges the 2030 Agenda on Sustainable Development and notes that the efforts made towards achieving the Sustainable Development Goals and [efforts] to effectively address the world drug problem, are complementary and mutually reinforcing” (OAS- CICAD, 2016). At the cross-regional level, Islamic Development Bank documentation asserts that the “2030 Agenda aspires to achieve ... human dignity, and ‘to leave no one behind’, [and] is fully in line with the principles and objectives of development from an Islamic perspective” (IsDB 2019).

3.6 Concluding Remarks

SSC owes its development as a strategy for self-reliance to institutions such as the NAM, UNCTAD and UN ECLAC, which vigorously promoted it in the 1960s and 1970s. Furthermore, it owes its persistence to the establishment of institutions at the regional and subregional levels in particular, but also to national agencies for cooperation. SSC institutions are needed at both the regional and national levels to enable states to achieve their economic and social goals. These institutions also provide a cost-effective platform for knowledge sharing and political coordination. SSC institutions provide the opportunity to share knowledge and expertise through the transfer of technology and experts between countries with similar needs. Furthermore, regional organizations can promote multinational centers of research that will develop solutions at a lower cost to be used by other countries in the region. The objective is to ensure the access to information of what development solutions could be subject of interest and therefore transferred (with the proper adaptation) to other potential partners.

This is perhaps what the South-South Galaxy platform (<http://www.unsouthsouth-galaxy.org/>) does to implement the SDGs, placing importance on supporting Southern countries' demand to connect, learn and collaborate with potential partners digitally. This is a clear example of how Southern partners can utilize digital technology to learn from each other, share good practices and lessons learned as well as foster collaborations. It serves as a consolidated South-South solutions platform “one-stop-shop” for the UN system and development partners to contribute to and utilize.

Finally, SSC has had consequences far beyond the Global South, in the sense that patterns of trade have changed (South-South trade has increased) and some developing countries now sit at the global decision-making table. However, there is a need for far more sustainable financial assistance from all quarters: financing from the South is not sufficient for SSC and private sources of funding and investments must complement public financing partnerships. The SDGs do provide a framework for developed countries to provide more concessional aid for sustainable development, and the principles of partnership and mutual benefit have taken hold to some degree. National and regional institutions in the South can take advantage of this to stress the concept of interdependence. In light of an increased call for collective solutions to problems such as climate change, sustainable development can only be achieved through cooperation between the institutions of the various countries and regions of the South (including continental institutions), as well as cooperation between the South and the North in the spirit of mutual interdependence and triangular cooperation.

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CHAPTER IV

A Diversity of Actors and South-South Triangular Cooperation

4.1 An Expansion of Non-State Actors in International Development

Discussions about the need for cooperation among developing countries have a long history. Today, cooperation remains central to discussions among states and non-state actors (civil society, the private sector, philanthropy, and academia and think tanks) within the Global South. The SSC platform, which emerged in 1955, is designed to foster the necessary cooperation among Southern states for development of the regions. SSC represents a global call for alternatives to global development especially as it pertains to the Global South (D'Alessandro 2019). It emphasizes a move beyond the unidirectional process of aid to a bidirectional and more inclusive process of knowledge and resource exchange as well as comprehensive and contextual development modeling, in which non-state actors are partners and active stakeholders (D'Alessandro 2019). Thus, the SSC not only promotes interstate collaboration among Southern states, but also fosters TrC, which entails collaboration among bilateral providers of development engagements, partners in SSC and/or international organizations (UNOSSC 2019).

The SSC mandate and contribution to the development efforts of the Global South and in the larger world community continue to evolve along global development thinking, praxis and reality. Various forums have undertaken to revise and refine the operational mandate and/or trajectory of SSC in order to advance development among Southern countries. Significantly, both the Paris Declaration (2005) and the Accra Agenda for Action (2008) underscored the essence of a more decentralized approach to promoting development that involves various substate and non-state actors, which is a major departure from the traditional state-to-state model of development engagement in the North-South setting (D'Alessandro 2019). This new approach to development cooperation emphasizes and targets local interventions that are not only identified by actors within the target localities but are also more focused and specific. The utilization of substate and non-state elements in development efforts is a key feature of the SSC development model – one that distinguishes it from earlier North-South frameworks.

The Accra Agenda for Action highlighted the essential complementary role of SSC to traditional North-South cooperation (NSC) and underscored the imperative for SSC to trigger triangular cooperation, and to play a role in accessing and incorporating development ideas and knowledge from Southern countries (D'Alessandro 2019). Subsequent High-Level Forums on South-South Cooperation and Capacity Development in Bogotá (2010) and on Aid Effectiveness in Busan (2011) echoed the reforms and, in the latter instance, underscored the imperative for a wider group of stakeholders in SSC, including subregional, regional and multilateral organizations, as key non-state agents of knowledge, ideas and broad development thinking and practice (D'Alessandro 2019). These revisions have helped orchestrate development across the regions and have become a highlight of global development discussions concerning Southern countries.

Through an examination of these actor-engagement changes as part of South-South and triangular cooperation, this chapter discusses the relevance and roles of these key stakeholders as brokers of development cooperation, along with an exposition of the emergence of SSC as a global development constituency with specific regional foci. It provides focus on the essence of triangular cooperation with these actor types – state, substate, and non-state – while examining how they can facilitate a process to address the development needs of Southern countries, particularly in situations marred by issues of coordination, management, bureaucratic burden, lack

of government trust or legitimacy, and financing. The chapter includes a particular emphasis on the importance of civil society organizations (CSOs), private sector, philanthropy, and academia in the development process, primarily within the context of the SDGs.

4.2 Importance of Non-State Actors in South-South and Triangular Cooperation

In the current global order, SSC helps to promote development broadly; in the context of the new sustainable development paradigm, it helps to enhance the efforts of developing countries in achieving the SDGs (UNOSSC 2019). A major component of the roadmap to achieving the Agenda 2030 on sustainable development is the formation and utilization of collaborative engagements across areas of expertise – highlighted in Goal 17. Thus, in the case of the Global South, where most states have insufficient human resources expertise, SSC provides an important avenue for states to work together and access the necessary expertise from member-states.

Despite some criticisms (Quadir 2013), the essence of SSC for development engagements among Southern states cannot be overemphasized; its impact over the years provides significant testimony to this fact. Fundamentally, its emergence has led to the establishment of not only new development partners, whose role in development has challenged the status quo on Global South development processes (Kragelund 2010), but also to a realization of the importance of alternative ideas and strategies for development. Moreover, SSC also facilitates the transfer of essential skills and knowledge and mutual trust – which is necessary for stronger cooperation and peaceful coexistence – among states through various horizontal and inclusive relationships (BPPS, 2016).

Furthermore, SSC has evolved into a major global development structure, one that fosters significant triangular cooperation for development and growth. In the context of this chapter, triangular cooperation is defined broadly as a cooperative agreement, relationship, or engagement between two or more actors (state/non-state) from the Global South, with one or more Northern actor (state/non-state).

SSC plays a major role in efforts to alleviate poverty and encourage growth and development broadly (UNOSSC 2019), particularly in consideration of the limited capacity to address some endemic development problems, placing an economic burden on most Southern states. According to Buhr and Volz (2018), a key economic manifestation of this development burden is rising indebtedness (totaling about \$40 billion in the last decade) and diminishing economic sustainability. A significant component of this indebtedness results from efforts to address the impact of climate change on the economies of the Global South, where economic activity and hence growth depend primarily on the natural environment: Southern communities are mostly agrarian, and productivity depends on regular rainfall. Irregular and extreme weather patterns, which are becoming more common, thus undermine Global South economic activity. It is unsurprising, therefore, that recent reports indicate that climate financing has become a major trigger of borrowing by Southern states and, consequently, a source of high indebtedness (UNFCCC 2018).

In addition, the traditional North-South financial model of development assistance has not been universally effective in addressing the development challenges of the South, garnering mixed results in terms of their impact. On the one hand, indebtedness has created other problems, some of which continue to manifest in various forms, including the emergence of “beleaguered regimes

and endangered infrastructures”(Shaw 1995). On the other hand, this failure can be viewed as a blessing with respect to the rise and involvement of non-state actors in development processes within local communities and states and increasingly through interstate platforms.

Indeed, SSC has a compelling role to play in ensuring that the Global South emerges from and transcends its development conundrum. The lack of or low participation of the South in global political and development policy discussions in the past (at least prior to the emergence of the SSC) has contributed to the inability of the region to adopt relevant development strategies (Shaw 1995). However, in the current global development sphere, SSC is not only well-positioned but has a responsibility to the development of the Global South. SSC can function both in direct intraregional development discussions and on the larger global platform in the interest of the Global South.

The Cooperation is not only strategically positioned but also structurally solidified both within the parent SSC platform and through the various coalitions and agreements spreading across and reflecting interests of specific geopolitical, economic and even cultural conclaves. Prior to, along with and following the emergence of the larger Global South platform for development cooperation, various other bodies and institutions with specific developmental or regional foci have progressively positioned themselves to facilitate the larger development process. From the early post-colonial efforts that saw the formation of the OAU (AU) and the NAM, the Global South has a strong base (Marchand 1994).

Yet, the buildup continues along contemporary development needs and trends. The global political/economic landscape of the 1990s orchestrated the emergence of more structures, organizations and communities, as well as a restructuring of existing ones, to enhance a renaissance of the Global South within the global arena (Shaw, 1995). Among others, the APEC, SACU and ASEAN reflected a broad Global South geopolitical outlook and global repositioning/reordering in development discussions (Shaw 1995). The structural base has continued to evolve and new forms of engagement and partnerships that are essential for enhancing the role of SSC have formed and reformed to conform to contemporary development needs. Moreover, these reforms and reformations are increasingly taking into account the presence and role of non-state actors and informal processes (Felsen and Besada 2013).

It is important to note that the various bilateral and multilateral engagements taking place within the context of SSC are driven by the pursuit of mutual interests. This mutuality manifests itself not only in policy deliberations, but also in tangible development projects. The construction of development infrastructure across the Global South, mostly under the auspices of the Chinese government and other key emerging/middle powers, is a manifestation of the mutual interest in South-South development engagements (OECD 2012). In addition to China, Turkey, South Africa and Brazil also have bilateral development engagements with individual states and subregional bodies.

A major development in the increased input of SSC into the enhancement of growth in the Global South is the Chinese One Belt One Road initiative, an intercontinental project involving a Maritime Silk Road and intercontinental Silk Road Economic Belt. This visionary project, which began to take shape in 2013, will have multiple long-term benefits for states involved in SSC due to the implementation of various SSC projects, including essential trading ports along the vast coastal areas (D'Alessandro 2019). The One Belt One Road initiative will significantly enhance the political/

economic face of the Global South, as well as its position and participation in global development discussions, and will strengthen private sector participation in the development processes of individual states and the entire Southern region (AllAfrica 2015).

Amongst all this burgeoning South-South and triangular cooperation, we should recall the key non-state and sub-state actors contributing to its successes and failures. First, a strong, determined and engaged CSO community – and larger third sector – is essential for development in the Global South (MacDonald 1995). It is important to underscore the role of the *civil society* community; one can argue that this community is the engine (or a major component) of SSC development. The collaboration of CSO groups through transnational spaces can propel a recapture and ownership of Southern development (Macdonald 1995). Through bilateral and multilateral processes, SSC provides an essential footing for these actors and the spaces within which they operate. The significance of decentralized SSC further underscores the centrality of non-state actors in development processes. Thus, it is important to examine the ways in which non-state actors or the third sector contribute to the broad development process of SSC, on their own and/or in triangular engagements.

The growth of *Southern companies* as key South-South and triangular cooperation actors within the region is also providing significant impetus to the growth of local industry and the expansion of regionally integrated markets (Carmody 2015). This is essential for sustained development across the region. A good example of this is the considerable investment taking place in resource extraction. Local industrial development results in multiple economic, political and social effects/impacts within individual states and holds broad geopolitical significance for the South in the global arena (Mbanga 2015). When it comes to the general security of the region, SSC efforts and those of individual actors within subregional arrangements and operations is noteworthy. For instance, apart from the AU and other subregional bodies like the ECOWAS, individual states have been instrumental in addressing security needs: an example is South African military support there in the subregion. Turkey has also become a key player in the provision of humanitarian assistance and post-conflict reconstruction, mostly in North Africa (Tok 2015). The growing capacity of intervention by Southern states is a remarkable indication of the significance of SSC in facilitating regional development.

Agriculture is the mainstay of most communities and as such is still a major economic focus of SSC. Northern-led development efforts in the South, and especially in Africa in the 1970s and 1980s, adopted agricultural projects in the larger context of their overseas development assistance (ODA) initiatives, focusing on rural livelihoods (Assogba 2008). However, the commercial focus of colonial agricultural productivity undermined food production, thereby causing high malnutrition rates. Although later Northern-led ODA efforts sought to address the problems faced by the post-colonial agricultural sector, they have barely reformed the entrenched commercialization of the sector or its dependence on natural irrigation methods. Thus, agriculture continues to be a major focus of most bilateral and multilateral SSC development engagements and forms a key aspect of DSSC (D'Alessandro 2019).

In what can be described as the agricultural “renaissance” of the Global South, the emphasis of various multi-scale programs and projects on reviving and strengthening this sector has been on providing the necessary industrial resources for sustaining regional development (Aderinwale and Sanusi 2011). For instance, through various programs at the national and subnational levels, India is playing a major role in the advancement of agriculture in several African states (Frimpong,

2017 and Modi 2011). State, substate, and non-state efforts for food security (or “food sovereignty”) include promoting trade and investment; providing technical assistance; offering training, research and knowledge transfer; providing agricultural scholarships; collaborating on climate-smart agriculture; engaging in livestock development; and agro-processing (Modi 2011) for which academia and scientific research are critical.

Furthermore, the voices of philanthropic organizations, academics, think tanks, and researchers must equally be included in discussions and deliberations that form the basis of Southern cooperation.

Through public-private and blended finance initiatives, philanthropy and private sector financing can bridge funding gaps left through traditional mechanisms. Academics and think tanks, for their part, engender critical perspectives on social, contextual ethical, policy, behavioral and other insights that can often be neglected in the halls of high-level politicking, or in offices of development agencies geographically and normatively removed from the populations and communities. SSC must work to foster and utilize the resources and expertise of non-state actors in transnational and triangular development efforts, as they are key to contemporary development in the Global South. SSC continues to serve a vital role in the development processes of many individual states and provides a key vehicle for Agenda 2030’s sustainable development goals for the region.

4.3 The Role of Non-State Actors in South-South and Triangular Cooperation

In contemporary global development processes, the role of non-state actors and especially CSOs is fundamental (see text box “CSOs Explained”). These actors increasingly work through various transnational networks to engage in the policy process. Consequently, they have become the main agents of development in target communities – and a major engine for social progress globally and especially within the context of SSC.

CSOs Explained

The term “civil society” refers to a wide array of non-governmental and not-for-profit organizations that have a presence and role in public life. CSOs are community groups, labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations and foundations. They express the interests and values (ethical, cultural, political, scientific, religious or philanthropic) of their members (Fee 2012).

There are three main sources of funding for the activities of CSOs: private donations, governments and private foundations. The activities funded, supported and promoted by CSOs also include advocacy, lobbying and campaigning activities, awareness-raising and other development work. Some CSOs have undertaken the job to review and monitor the activities of other agents of development – governments, aid agencies and private sector stakeholders, for example. Equitable Cambodia, an advocacy NGO championing the cause of protection and defense of individual and community rights to housing and natural resources in Cambodia, has supported people who were forcibly displaced and dispossessed for various large-scale commercial and industrial projects (Equitable Cambodia, n.d.). Also, resistance led by Trinamool Congress, a regional opposition political party to a motor factory project in the West Bengal Province of India by Tata Motors, resulted in the defeat of the then government by the party that led the resistance against the project (Chandran and Dhar 2008).

According to Shaw (1995), the global democratization process has contributed to a worldwide acceptance of the role and legitimacy of non-state actors as development agents. In addition to the historically established ones like multinational corporations and major religious organizations, more and more international and local NGOs that focus on development issues as well as CSOs have become significant partners in contemporary development. Although the non-state development agency emerged much earlier in the Global North (Börzel and Risse 2005), it has now become a global phenomenon – and an increasingly vibrant actor – in the Global South.

Felsen and Besada (2013) argue that a more networked and interconnected world has produced NGOs that connect with governments across all levels, thereby making them integral to the global commitment to “bottom-up” development. The central role of NGOs in postwar development was in fact acknowledged when the United Nations (UN) was founded in 1945, when Article 71 further enjoined the Economic and Social Council of the UN to support the activities of NGOs (Otto 1996). Despite the fact that funding and global political factors initially undermined the function and impact of NGOs (Fowler 2000), they gradually began to collaborate and partner with state governments (Bräutigam and Segarra 2007). This trend was first manifested in the developed world, where attention was paid to environmental, social and cultural development issues, including gender, race, indigenous rights, environmental protection, sustainable development, and democratic participation and socio-economic justice (Otto 1996).

Based on the nature and operational scope in the contemporary development landscape, scholars have categorized third-sector actors into three broad groups: capacity champions, policy champions and grassroots champions (Felsen and Besada 2013). Capacity champions are non-state actors that are capable and resourced enough to initiate and carry out large-scale development projects. Most notable example is the Alwaleed Philanthropies, a charitable and philanthropic organization founded by Prince Al-Waleed bin Talal of Saudi Arabia and Princess Ameerah aimed at alleviating poverty, empower women and the youth, develop communities, provide disaster relief and create cultural understanding through education in the Global South. In the area of Triangular cooperation, key examples of this category include philanthropic organizations such as the Bill & Melinda Gates Foundation, Aga Khan Foundation, and Global Fund to Fight AIDS, Tuberculosis and Malaria that engage with Southern institutions and organizations. Philanthropic organizations bring a complementary and beneficial set of new actors, approaches, and types of funding. Philanthropy’s contributions to SSC should be better measured and there is a need for more accurate data in terms of both measuring progress and enabling a better understanding of the range of potential grantees working on development.

These groups often partner with other stakeholders, especially those with the requisite expertise in shared project areas, such as private firms and academic institutions or researchers on corporate social responsibility (CSR) initiatives (Seitanidi and Crane, 2009). Philanthropic organizations provide crucial funding for research in areas such as agriculture, improvements in health care systems, improvements in legal aid systems, and promotion of arts and culture. The Ford Foundation, for example, collaborated with the Third Sector Foundation of Turkey (TUSEV) in supporting a unique research project on the history of philanthropy including its practice in a predominantly Muslim society.

Policy champions focus on local, national and international policy processes with the aim to influence government decisions and actions on specific issues. Their expertise in “information politics” (Ron

et al. 2005) enables them to navigate the complex terrain of governmental interactions and policy deliberations – especially behind the scenes. Academic professors and researchers, but also think tanks and policy institutes, and institutions such as the United Nations University are key players in this context. Their major focus is often social values and issues of public morality, including rights and freedoms, social justice, transparency, accountability and anti-corruption. This group's main partners are usually legislators, decision-makers in multilateral institutions, think tanks, academic institutions and other policy communities.

The primary goal of grassroots champions is to facilitate development by helping to properly channel and efficiently utilize resources within target grassroots communities. For the most part, these organizations are intrinsically connected to their communities and focus on health, education and poverty reduction. Their primary aim is to help achieve long-term and sustainable outcomes. Notable examples of grassroots champions in the Global South include the Bangladesh Rehabilitation (formerly Rural) Assistance Committee (BRAC), which has undertaken long-term community development projects across Asia, Africa and the Americas; and the Churches Health Association of Zambia (CHAZ), an umbrella organization for faith-based health institutions that complements the government's insufficient health delivery system in rural communities, with a particular focus on HIV/AIDS (CHAZ 2011).

The presence and role of such transnational actors is significant in the contemporary development and policy processes. Indeed, scholars have emphasized the centrality of, and hence need for, increased and continual involvement of non-state actors in global governance processes (Bulkeley, Andonova, Betsill, Compagnon and Hale 2015). Bulkeley et al. (2015) highlight their significance for addressing technical and experiential issues along the policy spectrum. Because of their significance in global governance and policy processes, former UN Secretary-General Kofi Atta Annan officially launched and created a vehicle for the formal participation of CSOs as consultants in the policy processes of the UN (Richter 2004). Today, various transnational actors, including CSOs, participate in a number of capacities and at various levels in the governance and policy processes for a range of development issues (Andonova 2017).

The transnational input to governance and policy in various sectors has been an essential contribution to Global South development. In the extractive sector, in Africa in particular, CSOs and other non-state actors working separately and in partnership with states and interstate organizations have introduced better governance standards and instruments. For instance, their watchdog role in resource exploitation and other corporate industrial activity has contributed to the establishment of corporate social responsibility (CSR) (Doh and Guay 2006). The Extractive Industries Transparency Initiative (EITI) – a result of the Publish What You Pay (PWYP) program and formed by a coalition of global CSOs, was established to promote fiscal transparency in the extractive industry (PWYP, n.d.). Partnerships between international institutions and transnational non-state organizations are playing an important role in enhancing environmental governance and promoting sustainability (Andonova 2010), as well as in helping states overcome challenges in the provision of essential public services, including the delivery of health care (Liese and Beisheim, 2011).

According to Cutler et al. (1999), self-regulation is a key function of industry and private sector entities. Leveraging the private sector's role in SSC is needed to achieve the SDGs and, in this sense, investment must require innovative and scalable solutions. For instance, South-South investment

flows are an important financing source for developing countries, allowing technological and knowledge spillovers, while strengthening their productive capacity. In fact, private sector engagement in development and economic cooperation provides significant impact through its agility, innovative spirit, and efficiency. The Organization of Islamic Cooperation 2025 Programme of Action (OIC-POA) explicitly recognizes the importance of the private sector and its reinforcing role in development cooperation by using SSC tools and approaches.

Through transnational engagements, these non-state actors can facilitate the regulation of businesses by establishing rules and regulations to govern businesses operating within SSC. Through cross-border interactions – which scholars have termed “transnational municipal networks” (Betsill and Bulkeley 2004) – non-state can engage substate institutions in the execution of key development policy initiatives. Through “transgovernmental” collaborations with public officials at various levels across borders, non-state actors can also facilitate policy and governance processes in technically challenged areas. Given the various roles they play in policy and governance, especially through transnational engagements, some scholars describe non-state actors as the “governance entrepreneurs” of the modern era of globalization (Green 2013).

As demonstrated, the third sector can help enhance the development agenda of SSC. Indeed, the Busan Partnership for Effective Development Cooperation (2011) recognized the vital and complementary role of CSOs in shaping development policies and partnerships, with the Nairobi outcome document on Global Partnership for Effective Development Cooperation (2016) reaffirming it. Because CSOs are directly connected to their respective communities and relevant development stakeholders, they can help to translate SSC governance policy as well as act as the conduit for societal engagement with the various actors involved in governance policy-making, thereby providing the necessary coordination between and among stakeholders across all levels, including other non-state actors (Riddell 2007). Moreover, within the space of transnational advocacy networking, CSOs foster strong cross-border ties among states, substate actors, and individuals involved in SSC. Based on and driven by shared values, CSOs engage each other in collaborative efforts to address common development problems across borders (Keck and Sikkink 1998) and in poor and deprived communities at the grassroots level.

Despite the ability of collaborators to innovate and achieve successful outcomes, on the whole, it can be difficult to evaluate and measure the impact of collaborative projects. For example, Indian universities have signed many agreements for collaborative research with foreign universities, but few of these have generated any results.¹⁰ Nonetheless, there are exceptions: Brazil has been successful in undertaking collaborative projects in agricultural technology. The regional office for Latin America and the Caribbean of the UN-based Food and Agricultural Organization is collaborating with a number of Brazilian organizations, in conjunction with the Brazilian Cooperation Agency of the Ministry of Foreign Relations of Brazil, to implement six broad projects (FAO 2019). A publication (Antoniazzi, Nassar, Moura & Kimura 2013) identified 126 private and public initiatives for Brazilian cooperation with Africa in agriculture. Of this total, 116 are public and 4 are private. While there is considerably more scope for collaborative research projects in

¹⁰ For instance, while the annual reports of Jawaharlal Nehru University in Delhi, India, note the many agreements the university has signed with foreign universities, few successful outcomes are noted.

other fields, these have not been sufficiently explored. For example, large numbers of students from developing countries pursue higher education studies in developed countries. Developing countries need to explore the possibility of increasing exchanges of students among themselves, perhaps with support from countries in the North.

In addition to advocacy and monitoring government schemes, non-state actors may be directly involved in the implementation of projects. There has been a phenomenal growth in the contribution of CSOs to development cooperation, with NGOs organizing far more developmental projects than those funded by official aid agencies, often in partnership with private-sector actors. Whereas the volume of funding is important for the planning and execution of projects, the actual number and spread of projects across issue areas determine the reach and impact of development efforts – whether through aid agencies or NGOs. By 2004, the total value of aid-funded activities was almost \$24 billion, equivalent to 30 per cent of ODA (Riddell 2007). In Bangladesh, one NGO alone, the Bangladesh Rural Advancement Committee (BRAC), provides basic curative and preventive health and education services to more than ninety-seven million people out of a population of one hundred forty-three million (Riddell 2007). BRAC has engaged in capacity building and training in many development sectors in developing countries. For example, in Sierra Leone it is providing third-party social audits of artisanal mining projects, as well as helping various communities in the education and empowerment of adolescents, health care, agriculture and livestock production, and microfinance loans (BRAC 2019).

Just as a product composed of components can be built in several countries, a development project can constitute different parts and involve CSOs from different countries. The collaborations between CSOs from India, Bangladesh and Cambodia; India and South Africa; and Brazil, Mozambique and South Africa (provided later in this chapter) are examples of this. Cooperation among CSOs can lead to better implementation of projects, because of their complementary capacities and specialization. The involvement of CSOs from Northern countries could be particularly helpful in tapping their particular knowledge and expertise.

Also important to the ability to tackle development challenges is the ability to problem-solve, which often requires the development of technologies and transferring those technologies to the local situation. Technological diffusion is usually easier when technologies are developed within the developing country rather than a developed country and academic institutions have a growing role to play. They lend themselves better to transference. Southern CSOs can be instrumental in technology transfer (see the example of a collaboration between Brazil, Mozambique and South Africa given later in the chapter) as they have a greater understanding of what is locally available and suitable. During the process of transferring technology, Southern CSOs could also engage in capacity building. It is important to note that think tanks in developing countries are already cooperating to solve common problems and conduct training sessions in many areas.

As the following case studies will illustrate, non-state-actor efforts cover a variety of development issues that are pertinent to communities. On various environmental, social, economic and political issues, non-state actors have been known to perform better than state governments (Fowler 2000). Political motivations and demands or administrative pulls can undermine efforts by even the most committed government to sufficiently engage deprived and removed communities on pertinent development issues. The cases studies that follow provide examples of non-state actors

providing needed support to communities, enhancing ineffective governmental development processes, fostering stronger cooperation and enhancing mutuality among states within the SSC.

4.3.1 Economic Contributions: Civil Society Organizations with the Support of the Private Sector – Cuba-Brazil Entrepreneurial Collaboration in Biotechnology

The following case study highlights the capacity of CSOs with the help of the private sector and academic institutions to foster stronger ties between Southern countries.

Science and technology cooperation between Cuba and Brazil began in the 1990s. The innovations of Cuba in developing and marketing effective biotechnology products, coupled with the social and economic need in Brazil to reduce dependence on imports, led the two countries to initiate negotiations on technology transfer of biotechnology products. Initially, the collaboration included two Cuban products:

1. Interferon alpha-2b, an antiviral or antineoplastic drug, developed and produced by the Center for Genetic Engineering and Biotechnology (CIGB),¹¹ to treat various cancers and virus infections; and
2. Recombinant human erythropoietin (rHuEPO), developed and produced by the Center for Molecular Immunology (CIM), to treat patients with anemia due to chronic renal disease and other non-uremic conditions including hematological and oncological disorders, prematurity, HIV infection, and perioperative therapies (Ng et al. 2003), as well as chemotherapy-induced anemia in children (Varan et al. 1999).

Technology-transfer negotiations for Interferon alpha 2b were started by Heber Biotec, the export enterprise linked to CIGB, and for rHuEPO by CIMAB, the entrepreneurial arm of CIM. Cooperation was established between public institutions in both countries, with Bio-Manguinhos (Institute of Technology in Immunology in Brazil) being responsible for supplying products to the public market through the Unified Health System of Brazil (Sáenz et al. 2010). For receiving a royalty, Cuba provided the necessary documentation, training and technical assistance to Brazil. One important result was to lower prices of these products, making them more easily accessible to the public and providing significant savings for the Brazilian public health system.

The Cuba-Brazil joint production of the meningitis vaccine for Africa is a good example of how research institutions can promote capacity building and provide cost-effective solutions for developing countries through SSC. In response to an outbreak of *Neisseria meningitidis* serogroup A in Africa in 2007, the World Health Organization (WHO) identified Bio-Manguinhos (Brazil) in collaboration with the Finlay Institute (Cuba) as suitable suppliers. This collaboration drew on the experience of the Finlay Institute in meningitis vaccine development and technology and Bio-Manguinhos in the lyophilization processes necessary for scaling up the manufacture of the vaccine. The joint effort permitted a fast and positive response to the call from WHO, with the vaccine distributed by WHO in several African countries. According to the Finlay Institute, between 2007 and 2009, some nineteen million vaccines were produced and distributed in Burkina Faso,

¹¹ For information on Interferon alpha-2B, see <https://www.webmd.com/drugs/2/drug-37/interferon-alfa-2b-injection/details> (accessed 21 January 2019).

Ethiopia, Mali and Nigeria. The price of these vaccines is much lower than that in the international market (Sáenz et al. 2010).

4.3.2 Multi-Partner Cooperation

There are many examples of multi-partner cooperation in SSC and TrC, including the following three projects.

In Bangladesh and Cambodia, a SSC civic engagement and local governance project to tackle health, education and clean water challenges drew on the experience of CSOs in influencing local governance reform and promoting social accountability in India since the 1990s. The Society for Participatory Research in Asia (PRIA), which is known for its pioneer work on social accountability in India, provided technical assistance in both countries. This initiative involved training and mentoring local stakeholders on innovative social accountability tools. While the results for improved services in health and education have been promising, those related to social accountability have been limited due to electoral pressure and the implementation of weak forms of social accountability by governments and NGOs. This example emphasizes that only collaborative efforts among all the relevant stakeholders and levels can engender sizeable results.

In India and South Africa, a program called Shack/Slum Dwellers International (SDI) was launched in 1996 when federations representing the urban poor in India and South Africa agreed that a global platform could help their local initiatives develop alternatives to evictions. While the program started as SSC, it transformed into multi-partner cooperation when a network of community-based organizations supporting housing rights through horizontal exchanges was created to propel the global agenda for urban development. Through SDI, groups of the urban poor share and adapt experiences of mobilization, advocacy and women's leadership while addressing practical needs through microfinance services. Over the years, a working relationship with major international development agencies and donors, such as the Bill & Melinda Gates Foundation, Ford Foundation, Charles Steward Mott Foundation, Comic Relief and Misereor has developed (SA SDI 2019).

In Brazil, Mozambique and South Africa, a native seed bank project promotes the exchange of experiences between family farmers, technicians and rural leaders. The intent is to rescue, use and multiply native seeds, and establish community native seed banks. The project was launched and mobilized by IBASE, a Brazilian NGO, with funding support from the Brazilian Cooperation Agency (ABC). The Women's Peasant Movement (MMC) and the Popular Peasant Movement (MPC), both with extensive experience in establishing native seed banks and fairs in Brazil, carry out capacity-building initiatives. African civil society partners include the national peasant movement organization UNAC in Mozambique and six NGOs affiliated with the Trust for Community Outreach and Education (TCOE) in South Africa.

As these three examples illustrate, globalization engenders cross-border trade and the exchange of ideas on many issues, including human rights, gender equity in the policy process and governance, and social and environmental questions – all areas in which the transnational community of actors has become adept (Keck and Sikkink 1998). At a micro level, CSOs facilitate the exchange of best practices as well as foster practical developmental interactions across borders through the provision of essential social services like education and health care within the Global South (cf. Paper 1 in the Annex). Non-state actors are not only a key machinery of global governance, but

their role in generating and spreading ideas and best practices has also significantly enhanced the multi-actor/multi-level problem-solving process.

It is in the ideational niche of global interactions propelled by non-state actors that the CSO community is creating a positive impact on state relations – if only through goodwill gestures – within the broader Global South. Although their functions/activities often target and lead them to engage within specific communities across borders, they tend to draw states closer through these cross-border engagements. Significantly, engagement among academic communities and think tanks not only generates policy ideas that serve individual states, but also directly feeds into international policy and governance deliberations on various bilateral and multilateral SSC platforms. Indeed, interactions made at research and academic conferences has led to the emergence of established SSC epistemic communities, which are providing ideas on a range of development issues. The many forms of cross-border collaborations in which CSOs, the private sector, and broader NGO communities engage – as evident from the examples and case studies provided in this chapter – indirectly foster good relations, and therefore have the potential to produce stronger bilateral, multilateral and regional interactions.

Moreover, the capacity and expertise of CSOs and the transnational community broadly enables them to be effective partners with governments in the policy process on various issues. Non-state actors have become active partners with most states, not only those of the Global South, but other nations around the world. Private partners in modern governance such as CSOs/NGOs, think tanks and academic institutions provide key technical expertise and experiential knowledge that state officials often lack – or lack the ability to utilize their skills. In many cases, these partnerships draw non-state experts from other states. In these engagements, while CSOs function in their capacities as non-state or non-governmental actors, they inadvertently serve as ambassadors between and among governments. In all of these ways, therefore, the CSO community within the Global South is serving to consolidate interstate relations at bilateral, multilateral and regional levels.

Despite these positives, there is room for improvement. Some non-state actors can exploit their role in global governance and development for the wrong purpose – or undertake ineffective development projects. NGOs may lack managerial and technical skills with which to implement projects (Riddell 2007). For example, the UNDP cited the case of income-generating projects in Africa supported by the Ford Foundation and concluded that there were few successes to talk about. NGO projects may also fail because of the diversion of funds and corrupt practices (Riddell 2007). For instance, in India, the Consumer Social Welfare Board blacklisted over three thousand NGOs for failing to submit accounts on projects funded by the Board. In some instances, it was apparent that funds had been misappropriated. One study of NGOs in Dehradun, India, revealed that out of 221 NGOs surveyed, 139 were found to be fraudulent or existed only on paper (Saxena 2003).

These few examples illustrate the need for non-state actors to be properly vetted before they are involved in projects. This requires the development of Southern institutions that may help to spread knowledge of successful CSO performance. The SSC, which has a major stake in the continued work of CSOs within the various communities of individual countries, and the incentive to support the work of such non-state actors, could play an important role in this respect. SSC can assist CSOs by facilitating the vetting, review and evaluation of projects. Not only would CSOs gain the trust of the donor community – on whose funding support they

depend – but also remain relevant partners in the development of individual states and the entire region.

4.4 Southern Philanthropy in South-South Cooperation: A Case Study

Philanthropies or aid agencies may help build modern specialty facilities, but these are generally underused because the need in Southern countries is for general medical facilities. The involvement of philanthropies, especially Southern philanthropies, is a recent phenomenon, although these have been functioning for a longer period of time in the Middle East. Dubai Cares, a philanthropic foundation based in the United Arab Emirates (UAE), has engaged in many development activities, especially in the areas of health care and education, across developing countries (for example, sanitation improvements in the schools of Haiti). According to a publication on access to water and sanitation in these schools (see the Dubai Cares webpage), more than 60 per cent of public and private schools in the country have no access to water or sanitation facilities as a consequence of the 2010 earthquake, which caused a cholera outbreak and killed more than seventy thousand people. The lack of water and sanitation facilities creates a difficult living and learning environment for children and puts them at risk of contracting a waterborne disease (Dubai Cares n.d.).

With the support of Dubai Cares, UNICEF provided WASH services in displacement camps in the aftermath of the disaster. From 2010 to 2011, UNICEF responded with WASH improvements to two hundred and twenty schools, including new latrines and handwashing stands. These schools were considered a priority by the Ministry of Education. The WASH program also provided schools with chlorine tabs and soap and distributed posters about cholera prevention in an effort to change student attitudes about hygiene. Through this program, Dubai Cares reached one hundred thirty-two thousand children and six thousand six hundred teachers who benefited from the installation of child-friendly water, sanitation and handwashing facilities (Dubai Cares n.d.).

The Noor Dubai Foundation, a charitable organization based in the UAE, launched the trachoma elimination program in Ethiopia in collaboration with the US-based NGO the Carter Center in November 2013. The goal of the three-year program was to treat eighteen million people living in poverty in one hundred and sixty-seven districts across the Amhara region, which is the most trachoma epidemic region in the world. Trachoma is a bacterial eye infection that eventually causes blindness if left untreated. It is mainly caused by the lack of basic hygiene, clean water and adequate sanitation. The program included mass drug distribution, health education, surgery and latrine construction (Noor Dubai 2014). Noor Dubai also completed a blindness prevention program in Ain-Chock, Casablanca, Kingdom of Morocco, in 2015, having set up a camp in Morocco. The camp was supported by the Dubai Islamic Humanitarian Foundation, a subsidiary of the Dubai Islamic Bank. The Foundation conducted four thousand two hundred examinations (53 per cent of patients were female): one thousand five hundred people were given eye glasses and medications, and four hundred and four surgeries were conducted on patients who suffered from treatable blindness and visual impairment (Noor Dubai 2015).

But where is the scope for cooperation, particularly SSC cooperation? Different non-state actors and governments cooperate in the delivery of development assistance, giving the needed expertise or local knowledge, building capacities or undertaking academic or policy research, or providing technical support. For example, India, Brazil and South Africa (IBSA) have cooperated

in implementing development projects (see Chapter II), particularly in the areas of health and agriculture, and India and Japan are working together to implement projects in Africa. A third example of SSC – a collaboration between Cuba and Brazil – is our next case study.

4.5 The Role of Academia and Think Tanks

Universities and think tanks also play a significant and enabling role in the development of SSC. Their contribution to SSC is at multiple levels: documenting CSO practices; providing analyses on what succeeds and how countries or regional organizations should proceed in order to further SSC; creating platforms for dialogue and debate; providing opportunities for other stakeholders to participate in such platforms to generate valuable information and options related to developmental issues; contributing to more informed public policy-making (RIS, 2016); and educating people on such issues.

One noteworthy initiative is the South-South Global Thinkers initiative (<https://www.ssc-globalthinkers.org/>), a global coalition of think-tank networks involving more than 200 think tanks from the Global South and North that promote and enable joint research. It also helps to facilitate the sharing of knowledge, expertise and perspectives from the Global South to inform policy dialogues and agenda-setting on South-South Cooperation. Its research agenda focuses on the opportunities and challenges of scaling-up South-South and Triangular Cooperation for the achievement of the Sustainable Development Goals.

Another important initiative is the Network of Southern Think Tanks (NeST), a collaborative initiative working *for* the South and *by* the South, which provides policy inputs in the arena of SSC.¹² The concept for NeST arose on the sidelines of the first high-level meeting of the Global Partnership for Effective Development Cooperation (GPEDC), held in Mexico in April 2014 and as a follow-up to the April 2013 Conference of Southern Providers in Delhi. NeST was then formally launched at the 2nd Delhi Conference on South-South Cooperation on 10 March 2016. Its aim is to provide a global platform for Southern think tanks to collaboratively generate, systematize, consolidate and share knowledge on SSC approaches, and to contribute toward creating a unified understanding and framework for debates around SSC. It welcomes input from a diversity of Southern stakeholders through the open engagement of governments, CSOs, private sector institutions and different Southern practitioners.

While think tanks have been making attempts to collaborate, universities and academic institutions have not been very active in collaborating through either teaching or research. Attempts by Jawaharlal Nehru University in Delhi, India, to examine why many collaborative agreements have not been successful reveal that major barriers to research collaborative efforts include a lack of funding for visits and the reluctance of individual researchers to collaborate with researchers with whom they are not very well acquainted.

¹² For a description of its activities, see <https://saiia.org.za/about/network-of-southern-think-tanks/> (accessed 7 January 2019).

4.6 Concluding Remarks

The intricacies of South-South Cooperation extend far beyond high-level international relations. Indeed, much of the programmatic outputs and activities impacting daily lives and the physical transformations at the core of many success stories are driven by non-state actors – CSOs, the private sector, academia and new development cooperation partners such as foundations and philanthropists. Non-state actors can play a much more critical role in helping countries achieve the SDGs.

Non-state actors can be instrumental in convincing governments on the need for social programs, a role they are playing in many countries. They can improve the delivery of services and the adoption and implementation of sound policies. They can also play an important role in technological development, capacity-training and capacity building. Because non-state actors understand the local conditions and how demand drives various types of skills, they can provide useful feedback on what training courses are needed and what changes should be made to meet local demand and needs. In the context of SSC, the diversity of actors and the involvement of non-state actors as partners in Global South development can help produce tangible results as well as contribute to stronger and sustained cooperation and collaboration across borders. Indeed, the strength of the diversity of the pool of actors and their expertise further engenders more effective triangular engagements for sustainable development thinking and practices.

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CHAPTER V

Technological Revolution

5.1 Digitalization Driving the Fourth Industrial Revolution

Technology is a cornerstone of efficient and effective human development. Digital technologies such as big data, artificial intelligence (AI), robotics, the Internet of Things (IoT) and blockchain have rapidly transformed economic activities and even social interaction. The evolution of digital technology has become an important topic of SSC and will have a profound impact on the goal of sustainable development by 2030. From the steam engine and electricity to the computer, to the availability and use of big and open data, every technological revolution has the potential to promote human liberation and freedom and enhance the standard of living of entire societies. Unfortunately, the idyllic view of innovation as a driver of human betterment has often been proven limited, as technological revolutions have fueled inequalities, oppression and conflicts in many contexts. To avoid these pitfalls, technology transfer and technical cooperation among nations are of great significance when it comes to sharing the achievements of the scientific community. While society is experiencing the Fourth Industrial Revolution – also known as the industrial revolution or Industry 4.0 when referring to the use of technology in modern production, communication and service delivery process (Schwab 2016) – it is only by adopting a broad-based approach to technological progress that humanity will accelerate its progression toward sustainable development of the international community.

The OECD (2016) believes that cutting-edge technologies represented by digital technologies, biotechnologies, advanced materials and new energy and environmental technologies will have a critical impact on society, the economy and sustainable development. Although many still struggle to close the digital divide, the UNCTAD argues that the exponential character of new digital technologies, which underpin the digital economy and the Fourth Industrial Revolution, will rapidly close this gap. The Fourth Industrial Revolution marks the advent of cheap and effective production of so-called frontier technologies, from cloud computing and robotics to 3D printing and the IoT. However, the unintended consequences (or the belief thereof) brought by these innovations, including negative impacts on environmental protection, unsustainable climate change adaptation and limited economic and social sustainability, threaten the “no one left behind” motto of Agenda 2030.

This chapter mainly analyzes the impacts of digital technologies such as the IoT, AI, robotics and blockchain systems on developing countries. For these countries, it is of vital importance to seize the opportunities offered by the Fourth Industrial Revolution to promote SSC and to accelerate the completion of the UN 2030 Sustainable Development Goals (Agenda 2030). Divided into four sections, this chapter discusses the development status of global digital technology, then analyzes the impact of digital technology on the economies and societies of developing countries. The third part explores the challenges faced by Global South countries in the digital technology transformation, while the fourth section makes suggestions for strengthening SSC in the field of frontier technologies.

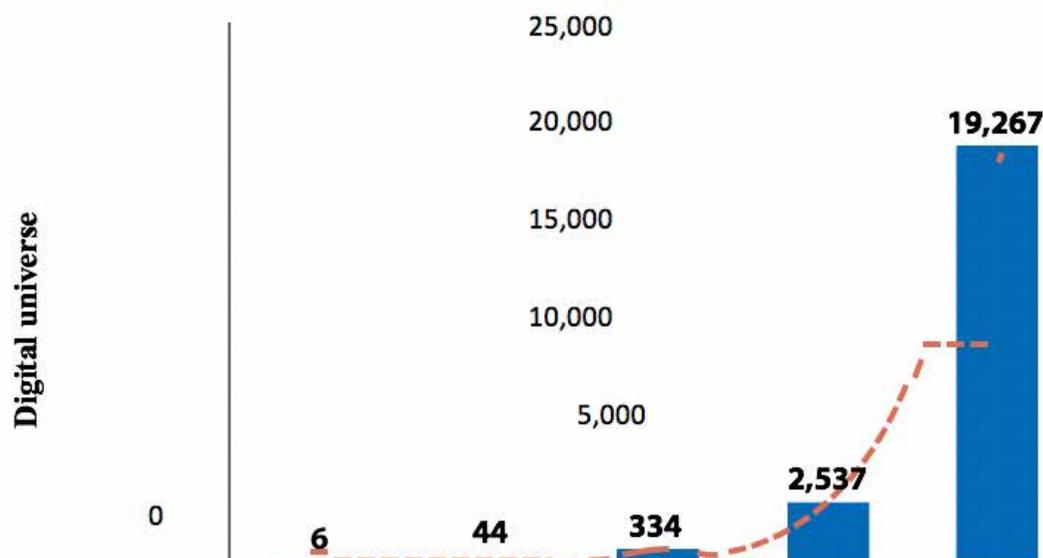
5.2 Global Digital Technology Advancement

According to the principles defined by classical economists, land, labor and capital are the three factors of production of any economic system. Increasing the productivity of these three pillars through technological progress and organizational innovation has always been one of the core

issues of economic research. The division of labor and the allocation of resources in international economic cooperation are also based on the flow and effective use of productive factors. However, excessive utilization of land (natural resources) has resulted in severe environmental degradation, including the depletion of resources such as clean air, water and soil. In this context, tackling climate change and its consequences, and enhancing the sustainable use of natural resources, are key to the UN 2030 Agenda. In some regions, resource exhaustion parallels aging demographics that challenge the dividends of labor force. Human societies must explore new growth avenues to achieve sustainable development.

The Austrian economist Joseph Alois Schumpeter argued that the essence of entrepreneurship is innovation, and that innovation has the ability to promote economic growth through revolutionary change and destruction of the previous system. The current technological innovation driven by digital technologies has opened up a new approach to sustainable development for human societies. With the advancement of digital technologies such as big data, AI and IoT, the digital universe is increasing exponentially. The post-Second World War era defined new paradigms, including what Harnad (1991) called a “post-Gutenberg galaxy” and spurred the Third Revolution, defined by its computing and Internet tools. Through miniaturized, increasingly powerful and mobile innovations, including machine learning, the Fourth Industrial Revolution is marked by the ubiquity of technology. As Figure 1 indicates, with the rapid growth of global data volume and the increasing reliance of human activities on data, decision-making in economic, social and political sectors all depends on digital information.

Data access and gathering has now become a strategic resource for the development of a country or region, and digitalized knowledge and information have reached the status of key factors of productions (Ali Research Institute 2018). In the era of information as one of the definers of the economic system, knowledge is becoming a vital driving force for economic growth and social development. While human society will embrace intelligent lifestyles with the emergence and advancement of new-generation technologies, business and social activities and forms will undergo tremendous changes (Zhang 2018). As such, innovations of the Fourth Industrial Revolution must be fully integrated as part of the global cooperation framework, particularly in the SSC and TrC approaches.

Figure 1. Rapid Growth of Global Data Volume

Source: Authors compilation

The new factors of production, digitalized knowledge and information differ considerably from the three traditionally accepted, usually exclusive, productive factors: land, labor and capital. For example, the economic use of a piece of land by one party negates the ability of another party to develop the same area. On the contrary, digitalized knowledge and information are usually non-exclusive and feature zero marginal cost. For example, the use of WeChat, a Chinese social networking app, by one individual does not impede others from using the same app simultaneously. This nature changes the structure of the classical economic model from an exclusive-based approach to a sharing-based model. Data are also characterized by their ability to “flow” at a much faster speed and at a negligible cost compared to the exchange of land, labor and capital. The substantial liquidity of data enables us to quickly allocate resources across the world, and even, if we consider spatial exploration, across the universe. The core of business modes of the platform economy lies in effective data flow and matching on bilateral or multilateral platforms. Emerging as a new factor of production, data could allow societies to reduce and potentially eliminate inequalities while reducing humankind’s dependence on non-renewable energy and resources. However, like every innovation, the ability to generate sustainable production modes and lifestyles, while including all individuals, will be defined by the capacity of humans to use these tools for the common good.

5.2.1 Digital Technology Innovation Drives Industry Integration

Historically, companies operate under certain boundaries and scope. In order to pursue economies of scale, corporations adopt integrated business management and operating strategies for merging and restructuring. Today, driven by innovations in digital technologies, the boundaries of companies and industries are no longer as clear as they used to be. This appears evident when analyzing the rise of digital marketplaces, which create a new market value. Alongside the digitalization

of economic activities, distributed storage of data brings distributed business and industrial organization modes. Innovative digital technologies such as IoT, AI, robotics and blockchain are changing traditional business approaches and replacing existing products and services. The top fifteen public platform companies already represent \$2.6 trillion in market capitalization worldwide. Powered from the outside in by buyers and sellers, these technology-driven business models are redefining the future of industries. Using digital technologies, entrepreneurs are creating global platform-based businesses that differ from traditional production processes in which inputs are provided at one end and output delivered at the other (World Bank 2018). Companies such as eBay, Google, Alibaba and Uber have grown their businesses on powerful platforms that understand what consumers value and allow people to connect with one another.

Technological innovations such as the IoT, AI, robotics and blockchain are rapidly changing traditional business models and replacing existing products and services – and in doing so are creating new market value. The development of supply chain blockchain systems, and the securitization of data it entails as an added market value, is one example of this trend. The convergence of these emerging technologies is driving profound change and impacting businesses, consumers and the environment (KPMG 2018). One of the most obvious features is that, after digital information and knowledge become new factors of production, the platform has grown into a new model of industrial organization. This platform economy has further brought about cross-border or cross- industry integration. This is clear with business-to-business (B2B) platforms that link tens of thousands of platform-based customers with independent business operations, which may be businesses of different sizes or large numbers of individuals operating independently. Alibaba, JD, Airbnb or Flipkart are a few examples of such platforms.

Internet of Things (IoT)

As a leading trend of the digital economy, the IoT is driving the interconnection of all things by using network, sensor and actuator, big data analysis engine, and other digital technologies based on a large amount of data and computing. Constantly shaping new business models in the stated goal of making people's lives more convenient and intelligent, the IoT has not only witnessed rapid development in the developed countries, but also sparked great interests in the Global South. According to a survey by KPMG (2018), IoT innovation and investment activities are led not only by the United States, Great Britain and Japan, but also by China and India. Ericsson (2015), who has pointed out that two hundred thirty million mobile phones have subscribed to IoT applications, estimated that by 2020, the number of connected devices will reach twenty-six billion. The application of the IoT will profoundly change the way we approach smart life, smart cities and intelligent manufacturing, but IoT also has the potential to tackle challenges of our times, including global warming, inequality and development. The ability of the IoT to achieve long-lasting development goals such as the Agenda 2030 is seen by some observers as particularly attractive to regions with low levels of existing digital infrastructures. Contrary to Western countries that need to completely reshape their infrastructures, the absence of existing systems in some regions allows for the greatest agility in the adoption of IoT systems (Butterworth 2018).

Artificial Intelligence (AI)

With the technological development of computer vision, natural language, virtual assistants, robotic process automation and advanced machine learning, artificial intelligence is moving from laboratories to real-life application scenarios. Closely integrated with business models, AI is beginning to show real value in the industry (Li Kaifu 2017). Information and communication technologies (ICT) companies such as Google, IBM, Facebook, Baidu and Alibaba are investing heavily in research and development in the AI field. AI and cognitive technologies are driving the rapid transformation of business models. In fact, IBM researchers found that 41 per cent of electronics companies will develop or reshape their business models in the next two to three years to respond to this new trend (compared to the 17 per cent that did so in the past two to three years). Developing countries such as China and India have become the main battlefield of AI investments and business activities, decentering technology innovation from developed countries to the Global South.

On October 2018, Baidu announced STACL (Simultaneous Translation with Anticipation and Controllable Latency), the first simultaneous machine translation system with anticipation capabilities and controllable latency. It is an automated system that is able to conduct high-quality translation concurrently between two languages. STACL represents a major breakthrough in natural language processing due in large part to the challenges presented by word order differences between the source and target languages, and the latency requirements in real-world applications of simultaneous translation or interpretation. In sum: artificial intelligence has not only witnessed rapid development in agriculture, intelligent transportation, intelligent manufacturing, medical care and elder care, but the transition to previously unattainable growth has been enabled by data, insight and AI (Bodley 2018).

Despite this transition, as argued by Cisse, Africa remains sidelined in AI development, which could “entrench unintended algorithmic biases and build discrimination into AI products” (Cisse 2018). Globally, the market intelligence firm forecasts that global revenue from AI software implementations will increase from \$8.1 billion in 2018 to \$105.8 billion by 2025 (Tractica 2018) and that the Asia Pacific region should concentrate 50 per cent of the compound annual growth rate of the AI chip market (Allied Market Research 2018). However, only a more inclusive AI development could have positive and long-lasting impacts on poverty reduction and the fulfillment of the Agenda 2030. Indeed, Kshetri argued that “the diverse applications that are possible with the IoT make it an attractive tool to address a number of developmental problems. The visible impacts of the IoT are already in evidence in primary industries, such as agriculture, forestry and mining, as well as in financial services industries. The IoT is likely to play a key role in protecting wildlife, their habitats, landscape and ecosystems, conserving biodiversity and securing sustainable economic development” (Kshetri 2017). In this context, the application of AI in SSC frameworks would help increase the sharing of knowledge and experiences between and among nations in the Global South.

Robotics

With the emergence of robots, repetitive manual operations are being performed by machines and can be conducted in high-risk environments. “Codable” jobs will mainly be achieved by machines in the next decade or two, and even skill-based jobs, such as reading and interpretation of medical images, will also be completed by robots. Automated monitoring of light, temperature, moisture and nutrition has been widely used in agriculture. Autonomous navigation, pilotless automobile, robot-assisted surgery and robotic care services are penetrating into traditional agricultural, industrial and service sectors, and boosting their integrated development. The widespread use of robots will therefore change the traditional division of labor and promote cross-industry integration and development – and offer a major opportunity for developing countries. Between 2012 and 2017, the average compound annual growth rate of sales in robots was 19 per cent per year, the fastest increase ever, while in 2017, robot sales increased by 30 per cent to 381,335 units, a new peak for the fifth year in a row. China has significantly expanded its leading position as the biggest market with a 36 per cent share of the total supply in 2017 (30 per cent in 2016). About 137,900 industrial robots were sold to China in 2017, 59 per cent more than in 2016 (IFR 2018).

Blockchain

After making a breakthrough by combining mathematics, cryptography, computer science and game theory, the blockchain technology characterized by decentralization, distribution and tamper resistance is expanding beyond the traditional game and digital money applications to new applications. Blockchain has turned the data Internet into the value Internet and built a trustworthy architecture for it. From upstream to downstream brands and consumers, the production, supply and value chains are complex entities to control, and material risks in every supply chain can affect the ability of the consumer to access the product, including in cases of basic needs like food, water and clothing. In this context, blockchain can provide a new way to secure economic players. While the most common use of blockchain, in cryptocurrency, is criticized and restricted by some countries, this innovation will change the traditional mode of division of labor and competition – giving birth to a new cooperative game – as well as the structure of investment and trade among developing countries.

Blockchain and other distributed ledger technology (DLT) solutions have the potential to globally impact economic development, increase efficiency and improve outcomes in many sectors, including public and private sectors. The trust, transparency, identity and centralized authority accompanying DLT can fundamentally change how markets are structured, with implications for labor markets, development, monetary policy and more, and has the potential to replace every existing infrastructure that proves to be inefficient, underdeveloped, and unstable or distrusted by consumers, particularly in the developing countries of Latin America, Africa and South East Asia. Blockchain could influence trade policy (cf. Paper 3 in the Annex) and regulation and thus offer a new paradigm in how globalized trade is conducted and reform the global trade system into a more customer-friendly environment.

The wide adoption of technology tools in Asia – where emerging markets could become global leaders in blockchain-based solutions for the financial services industry and many other applications – has been facilitated by the massive digitalization of payment solutions, particularly in China.

Indeed, Asia has become the most comprehensive ecosystem for blockchain development due to a combination of strong government and regulatory support and mobilization of capital from both industry players and venture capitalists. Cryptocurrencies are being adopted and integrated into mature and well-functioning financial systems (both private and public) and innovative solutions are being tested for trade finance and securities trading, as well as for non-financial processes such as e-proxy voting, land registry management and supply chain management. These factors, coupled with the global ambitions of Chinese companies, will help to position China as a global leader for blockchain innovation in the financial services sector and beyond.

The ability of blockchain systems to secure supply chains for the common good will also impact development goals. Different industries – in particular the mining industry – have already adopted this strategy in the hope of providing “conflict-free” minerals to consumers and a living wage to artisanal producers. From a governance standpoint, blockchain could also support the goals of Agenda 2030 by securing voting rights in countries with poor infrastructure and ensuring democratic and peaceful electoral processes. In this context, SSC should be seen as a critical tool to spread good practices concerning blockchain systems between countries with governance, food security, poverty reduction or inequality issues.

5.3 Impact of Digital Technology on Developing Countries

Over the past 250 years, three industrial revolutions have changed how humans create value and produce goods, with each industrial revolution generating new inequalities. Given that the digital technology innovations of the Fourth Industrial Revolution may engender new, even greater inequalities, developing countries should be challenged to analyze the potential impacts of digital technologies, including their capacity to enhance cyber connectivity (Manyika et al., 2013). In the case of Africa, connectivity in most communities across the continent is poor as well as costly, making the Internet inaccessible to many (Siemens 2017).

In light of the increasing reliance of the global economy on digitalization, the need for efficient digital systems is fundamental. Industrial development and growth depend on the rapid exchange of information, services and goods. Communication and transportation are not only key to industrial development but are also the hub of the digital economy. Digital innovation is essential not only for industrialization but also in the modern development landscape, which relies on digitalization and automation in service delivery, financial transactions and cyber communication. However, the poor state of the digital infrastructure in Africa means the rising cost of high-speed Internet is out of reach for large segments of the productive population of Africa. It also undermines the continent’s industrialization efforts and progress.

It is important to be aware of these opportunities and challenges and develop a strategy that will enable developing countries to benefit from digital technology innovations and reduce the risk of growing inequalities. The following case studies offer an analysis of the impact of digital technology on the development of developing countries.

5.4 Economic Impact of Digital Technology

Digital technology is rapidly changing the strategies adopted by industry and business. It is influencing the division of labor, increasing global competition for manufactured goods and significantly impacting marketing and services. This section attempts to analyze the role of digital technology in promoting financial inclusion, cross-border trade and employment in developing countries.

Digital Finance Has the Potential to Promote Financial Inclusion

Access to universal financial services by small and micro-enterprises and poor populations has been a challenge to financial inclusiveness worldwide. Two billion individuals and two hundred million businesses in emerging economies today lack access to savings and credit, and even those with access can pay dearly for a limited range of products (McKinsey 2016). Muhammad Yunus founded Grameen Bank in 1983 to creatively provide “affordable” financial products and services for the poor. This kind of poverty-relief microfinance, however, has failed to solve the high interest rate issue. “High interest rate” is a mechanism used by various microfinance institutions worldwide that claim to help the poor are charging the poor interest rates that are higher than the rates being charged to wealthy borrowers, claiming that these rates are necessary given the high operating costs associated with small microloans.

This strategy effectively limits the financial means of poorer populations and their ability to access financial tools. The emergence of the mobile payment option, however, has changed the landscape, with the poorest populations now able to gain access to lower interest rate loans. Indeed, mobile payment and digital banking may be a powerful tool in the ability of the poorest countries to achieve the goal of sustainable development by 2030. Currently, in China, mobile payments represented by WeChat and Alipay have reached the poorest areas of that country. According to iMedia Research data, in the first quarter of 2018, 34.4 per cent of online consumers used Alipay, while 59.5 per cent of offline consumers used WeChat as a payment method. Among users of micropayments, 65.3 per cent of Internet users tend to use WeChat and 59.5 per cent tend to use Alipay for large-value payments (iMedia 2018).

The mobile banking service M-Pesa allows users to store and transfer money through their mobile phones. M-Pesa was originally introduced in Kenya as an alternative way for regions of the country where there are no banks to access financial services (Kagen 2018). M-Pesa, developed by telecommunications giant Vodafone and first applied to Tanzania and Kenya, has successfully proven its value. In 2006, the per capita GDP of Kenya was only \$2,156, and only one seventh of the population had bank accounts. People had to walk an average of two hundred kilometers to pay or get cash, and most Kenyan people were excluded from financial services. M-Pesa was created to provide cash transfer services for Kenyans through mobile phone technology (Evans and Schmalensee 2018). Thanks to M-Pesa, 1.7 billion transactions were registered in Kenya alone between July 2016 and July 2017 – representing almost 50 per cent of the country’s GDP (McGath 2018) – and in 2018, 29.5 million active Kenyan customers with access to a mobile phone but with limited or no access to a bank account were able to send and receive money, top up airtime, make bill payments and much more. As market traders, debt collectors, farmers, cab drivers and so on do not have to carry around or transact in large amounts of cash, the occurrence of theft, robbery

and fraud has also been reduced. Moreover, individuals and business owners no longer have to wait in queues for long hours to pay their electricity and water bills (Kagen, 2018). Indeed, mobile payment services like M-PESA have contributed greatly to an increase in the standard of living of the Kenyan population.

Over the past decade, M-Pesa has evolved into a global influential mobile payment provider of financial services for individuals, women, students, and small and micro businesses. Through SSC, it began operating in developing countries such as Tanzania, Afghanistan, South Africa, India, Mozambique and those in the East European Union. The company is also in negotiations with the Ethiopian government to access the immense \$100-million market in the horn of Africa region. Through 4G communication technology, M-Pesa is gradually exchanging the traditional 2G information services for digital communication services and supports the sustainable development goals of Agenda 2030.

Platform Economy: Cross-border E-commerce Promotes Trade Facilitation.

The platform economy is essentially a business mode or intermediary mechanism that links members of one group (e.g. room-bookers) to members of another group (e.g. hotels or families that want to rent out their rooms) – effectively connecting customers, producers and providers; optimizing resource utilization; satisfying customers’ demands; and reducing search costs. In recent years, global platform companies such as Alibaba, JD, Tencent, Airbnb, Didi, Flipkart, and M-Pesa have grown rapidly due to their ability to reach isolated populations and the marginal access cost of their services compared with traditional enterprises. Platform enterprises always create value by creating network effects among customers, producers and suppliers, and by promoting interaction in multilateral models. These innovative digital platforms are on the rise in every country: for example, Flipkart in India saw a compound annual growth rate of 30 per cent over the last five years, and Jumia in Nigeria saw a fivefold increase in its sales between 2014 and 2016 (World Bank 2019). While not unique to developing countries, the growth in the use of these platforms by consumers in Global South economies not only illustrates their utility and popularity, but also promotes economic development at the micro level. Moreover, the ability of individuals to access global markets through the use of such platforms supports the Agenda 2030 – and highlights the importance of these new models to South-South cooperative systems.

E-commerce plays a key role in promoting trade facilitation. In particular, platform-based businesses connect the main bodies of bilateral and multilateral markets to achieve economies of scale and create new value units. Platform companies such as Amazon, Alibaba, JD.com, eBay, FunMart or Flipkart are providing e-commerce services with more convenient services, including browsing multiple websites simultaneously or accessing fresh products. According to Statista, retail e-commerce sales amounted to over \$2.3 trillion worldwide in 2017, an increase of 24.8 per cent from 2016. That same year, the ratio of global online retail sales in global total retail sales increased to 10.2 per cent from 8.6. It is projected that global online retail sales will exceed \$4 trillion in 2020 (see Figure 2). Chinese and US platform companies now lead their counterparts around the world. In addition, platform-based businesses also allow personalized, customized goods and services to be produced at a zero-marginal cost. The emergence of the platform has promoted the development of cross-border e-commerce in developing countries and changed the traditional mode of trade. China is the world’s largest e-commerce market, with annual earned

revenues of nearly \$636.09 billion. Currently at \$78.5 billion, its cross-border e-commerce is set to reach \$140 billion by 2021, with the country establishing e-commerce special trade zones in thirteen cities (Fan and Backaler 2018).

China-Africa Network: A B2B Cross-Border E-commerce Platform

The platform is designed to promote trade, investment, and cooperation between China and eighteen African countries, including Ethiopia, Kenya and Senegal. It provides online payment, foreign exchange services, and electronic declaration and electronic signature services for both sides of the multinational trade equation. The platform also accepts third-party service providers in legal affairs, logistics and insurance – thus providing a full-line one-stop international trade service system. Supporting services through the China-Africa Network are also provided for handicraft, general merchandise, cosmetics, daily necessities, oil and natural gas, communications and information equipment, basic raw materials, automobiles, medical equipment, clothing, shoes and hats, hardware and construction materials, food, intelligent equipment, machinery, maternal and infant supplies, household appliances, and agricultural products.

Impact of Digital Technology Revolution on Employment

The impact of technological innovation on job structure and human capital is apparent in three aspects. First, skills that are repetitive and can be mastered by memory and practice alone will become the least valuable and will almost certainly be mastered by machines (Li Kaifu, 2017). For example, Foxconn Technology Group, the world's largest electronics assembler, cut its workforce by 30 per cent when it introduced robots into the production process (World Bank 2019). A side effect of this trend is the relocation of production facilities closer to consumer markets when the cost of robots is cheaper than the cost of maintaining existing manufacturing processes (World Bank 2019). Second, the demand for non-repetitive cognitive skills and social behavioral skills seems to be on the rise (World Bank 2019). Third, the ability to analyze and make decisions in light of complex systems, to appreciate beauty, think creatively, use intuition and common sense, and interact with others will become valuable skills in the AI era (Li 2019).

New technologies will not only create new jobs but will also destroy old jobs, which could present a challenge for low-income countries trying to achieve the goal of sustainable development by 2030. According to UNESCAP (2018), the risk of job substitution due to automation is high in developing countries. For example, in Nepal, according to a number of differing studies, between 41 and 80 per cent of jobs can be automated (University of Oxford 2016). Other studies predict similar results for Cambodia, with 41 to 78 per cent of jobs lost due to automation (ILO 2016). In contrast, in advanced economies such as Japan and South Korea where jobs are more highly specialized, some studies estimate that less than 10 per cent of the jobs could be lost to automation. Although researchers have repeatedly argued that labor-intensive manufacturing will shift to more labor-dividend-advantaged regions such as Africa and Southeast Asia – which would help developing countries create jobs and, over the long term, achieve broad-based economic development – robotics could replace “codable” labor on a large scale, thus allowing companies to maintain production in consuming countries. It is critical to strengthen SSC in the new technology field to increase employment specialization and limit the impact of the robotic revolution on job creation.

5.3.2 Social Impact of Digital Technology

The 2030 Agenda is a plan of action for human development, environmental protection and global prosperity, and for equal delivery and access to various public services such as education and health care. Populations in developing countries usually have difficulty obtaining basic public services: for example, it is estimated that fifty-seven million primary-aged children remain out of school, more than half of them in sub-Saharan Africa. In the Global South, one in four girls is not in school, while globally, six out of ten children and teenagers are not achieving a minimum level of proficiency in reading and math (UNDP 2019). Digital technology can be channeled to address the world's most pressing needs (GGTF 2017); deliver services; improve equity; reduce inequality and promote inclusiveness in education, health and e-governance; and improve energy access.

Digital technology has a profound impact on individuals, families, and communities. According to economic analysis, the digitalization of economic processes, activities and value could bring as much as \$4.1 trillion in increase of GDP among developing countries – and, in turn, improve education access, increase employment opportunities and link small- and medium-sized enterprises in the Global South to international markets (Dorji 2017).

Mei Chang suggests that the use of the digital economy to alleviate poverty – the first sustainable development goal in Agenda 2030 – will require catalyzing connectivity, enabling digital workforces through training and education, and increasing the accessibility of digital financial services (2015). Adhikari and Dorji argue that improving competition in the telecommunications sectors in Global South countries, easing the costs of doing business through e-government programs, expanding Internet access and political capital, identifying priority areas, and blending finance and partnership initiatives are all essential actions to achieve the SDGs (2017). Focusing on digital finance, others argue that biometrics, increases in direct deposit services, end of cash payments for social benefits and customer access to cheaper and more effective digital tools are also critical (Hess 2016).

To achieve sustainable development, countries, governments, the private sector and international organizations must collectively broach the digital divide – what the World Economic Forum terms “digital poverty” (Cann 2015). While access to information and ICTs is expanding globally, including in Africa, where rates of cellphone adoption almost surpass those in North America, this is not ubiquitous, as broadband or Internet availability are still lacking (Cann 2015). According to Robert Pepper, of Cisco's Global Technology Policy unit, “Broadband is an income multiplier ... unconnected countries and people are being left behind” (Cann 2015). The digital economy alone is not a powerful enough tool for poverty alleviation, as both its potential and its accessibility must be inclusive (Pazarbasioglu and Irigoyen 2018). As referenced previously, the problem may not be one of job creation, but of good job creation. It is expected that, while the digital economy will offer unparalleled opportunities to access new employment, it might not be enough to lift populations out of poverty (Berger 2015). However, with three billion new users expected to come online in the next decade, coupled with the decreasing cost of service provision which had historically been a significant impediment to the private sector working with the poor, opportunities to anticipate and pre-empt poverty-enabling employment do exist.

Online Education

With the development of online education technology and digital education resources, people living in remote areas can now access open and shared education services and build their social networks through mobile social media platforms to enhance social interaction. When it comes to education, eLearning may be the greatest revolution, with many international organizations, NGOs and private sector corporations adopting this powerful tool to foster human and social development in developing countries. This trend is exemplified by the \$6 million investment in ICT, and in particular mobile learning, by the UNESCO-Korea Funds-in-Trust to improve education services in Mozambique, Rwanda and Zimbabwe. (UNESCO 2019). This program is an important example of the use of new technologies in SSC to enhance education practices and reach an increased number of students.

VIPKID, created in 2013, is another example of an online eLearning platform. Through the Internet, it links Chinese children with North American teachers; contracts with some six hundred thousand teachers and more than five hundred thousand primary students have been signed to date. VIPKID's innovation in English learning should inspire South-South cooperative frameworks to adopt digital technologies to further education and disseminate knowledge. Countries with similar educational challenges would benefit from this form of cooperation.

The Green Pepper Program is jointly initiated by more than thirty public welfare educational organizations, educational enterprises, universities, and academic research institutions, such as the China Social Entrepreneur Foundation and the Beijing Normal University. A community learning platform for rural teachers, the Program is designed to address the shortage of teachers and the low teaching quality in the poor rural areas of China. By facilitating the sharing of high-quality teaching resources available in developed metropolitan areas such as Beijing and Shanghai, this open platform has adopted a community learning approach of everyone learning, learning everywhere and learning all the time. By the end of 2017, the Program had supported the online training of 22,804 teachers from 3,491 schools in 63 districts and 18 provinces. This model could be adopted by countries facing similar education gaps between metropolitan and rural areas.

eHealth

A variety of medical services, such as remote diagnosis, treatment, consultation, health consultation and management, and education comprise eHealth services. Telemedicine and other eHealth services are designed to overcome distance barriers and increase access to medical services, which are often unsustainable in remote and rural communities. eHealth services have also been used to save lives in critical illness and emergency situations (Matusitz and Breen 2007). The popularity of mobile health applications and wearable devices has enabled remote health checkups, previously only available in hospitals, to be carried out in real time with the support of digital technology. These innovations are not only changing the provision of medical and health services but are also transforming society from a focus on treating the disease or condition to a focus on managing one's own health. The World Health Assembly's resolution on digital health in 2018 is a testimony to the potential of digital technologies to play a major role in improving public health. The resolution urges member states to prioritize the development and greater use of digital technologies for

health-related matters as a means of promoting universal health coverage and advancing the third pillar of the SDGs (WHO 2018).

Regarding the use of eHealth systems in South-South and triangular cooperation, different programs have been developed. For example, the Opportune Breast Cancer Screening and Diagnosis Program (OBCSDP) was implemented using ICTs to reduce the breast cancer mortality rate among women in rural Mexico. Seed funding of over 34 million Mexican pesos from the federal and state governments and not-for-profit groups helped to establish 30 screening sites in 11 states, which were linked via the Internet to two interpretation centers. Here, the results of the screenings could be viewed by radiologists (IIMB 2012).

In 2014, the World Health Organization (WHO) Regional Office for South-East Asia prepared a strategy for strengthening eHealth in that region using the principles of affordability, appropriateness and sustainability. SSC in the field of health biotechnology has also flourished in the past decade, with intracontinental projects in Africa seeing South Africa cooperation with Kenya and Zambia following the NEPAD Bioscience Initiative of 2005 (Thorsteinsdóttir 2012).

Blockchain Improves the Efficiency of Social Assistance

Cash transfer payment has always been an important social assistance strategy, but countries around the world are facing difficulties in accurately identifying and targeting beneficiaries. Since 2017, blockchain technology has been applied in poverty alleviation and social assistance projects in China, Pakistan and other developing countries. As a distributed, trusted digital ledger technology that can be used to track the ownership of assets without the need for a central authority and to prevent cash transfer payments from being appropriated by “elites” or non-beneficiary people, blockchain is of particular interest. One example of its use is the World Food Program’s (WFP) implementation of a “proof of concept” in January 2017 to authenticate and register transactions in the Sindh province of Pakistan.

Taking lessons learned from this example, the WFP built and implemented a more robust blockchain system in refugee camps in Jordan. Since October 2018, more than one hundred thousand people residing in camps redeem their WFP-provided assistance through the blockchain-based system. Thanks to this technology, the WFP has a full, in-house record of every transaction that occurs at each retailer, ensuring greater security and privacy for the refugees fleeing Syria. Since 2017, the ten thousand refugees of the Azra camp in Jordan can pay for their food using their rights recorded on a blockchain-based computing platform. The WFP Building Blocks project has been described by Robert Opp, Director of the WFP Innovation and Change Management Division, as a way to reduce payment costs, offer better protection to beneficiaries and control financial risks (WFP 2017).

Examples of successful blockchain applications in Africa include the development of a system for land registrations in Ghana, as well as several blockchain projects in Kenya, including an electronic motor vehicle identification service and the creation of a smart platform in the country’s 98 public hospitals where crucial data such as a patient’s history, hospital management and use of public resources is monitored. In Nigeria, blockchain has made it possible to implement the Cryptography Development Initiative of Nigeria (CDIN) in the education sector.

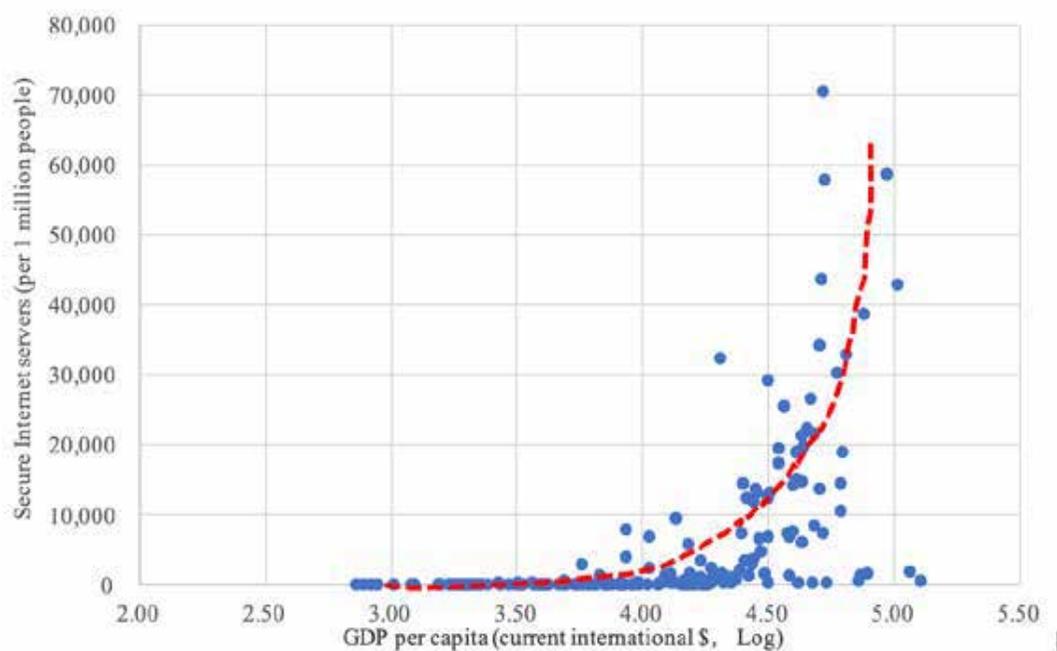
Blockchain systems have been used to support the creation of the Chinese ZhongAn pilot project, which combines blockchain and artificial intelligence to provide assurance on the provenance of chickens to in-store consumers and to set up smart insurance contracts for farmers in the event of unexpected deaths of chickens as a result of fire, flood and so on. Other examples of the application of blockchain systems in global supply chains include: the World Wildlife Fund's (WWF) tuna tracking system in Fiji from catch to final consumer, aimed at managing population stocks and prevent illegal fishing; Toronto-based Peat Resources, which is using blockchain to meet the OECD Due Diligence Guidance on Responsible Mineral Supply Chains in its cobalt mining operations in the Democratic Republic of Congo (DRC); and pilot projects by central banks such as the Monetary Authority of Singapore to use blockchain for clearing and settling payments and securities.

5.4 Digital Technology Challenges Faced by Developing Countries

In general, innovation has been a catalyst for improving people's quality of life. In the developing world, life expectancy has increased, basic medical services and education are more accessible, and the average income of most people has increased (World Bank 2019). However, there is a chance that the rapid development of the digital economy brought about by new technologies could increase inequalities, particularly if developing countries fail to invest quickly in infrastructure and human capital.

5.4.1 Digital Infrastructure

Digital infrastructure such as clouds, networks and terminals are the basis of the digital economy. Developing countries may achieve leapfrog development in ICT infrastructure due to the absence or low level of established systems. For instance, low-income countries need not follow the roadmap from analog network to 2G, 3G, 4G and 5G; instead, they can directly usher in the 4G or even 5G era. Nevertheless, it is undeniable that low- to middle-income countries lag behind in terms of their digital infrastructure. The distribution of secured Internet servers and per capita GDP (see Figure 2) indicates that there is an immense gap between various countries in the number of computer servers, with underdeveloped countries left far behind developed nations in terms of digital infrastructure. The gap in digital infrastructure will definitely result in a digital gap and an increased inequality of digital dividends.

Figure 2. Worldwide Distribution of Secured Internet Servers and Per Capita GDP

Source: The World Bank Open Data sources drawn by the author.

The limitations of a lack of infrastructure is best exemplified by the OBCSDP pilot program in Mexico, which adopted ICT-based remote diagnosis technology. However, due to inadequate digital bandwidth, users in some areas of the country have to store data on CDs and then take the CDs to diagnosis centers. Insufficient digital infrastructure is limiting the service provision capacity of the pilot program.

5.4.2 Human Capital

Human capital consists of three dimensions: physical health, cognitive skills, and social and emotional skills. In agricultural societies, physical strength is far more important than higher education. In industrial societies, the demand is higher for cognitive skills, although physical health does come into play for assembly/production workers. In the digital economy, however, where robots do the repetitive work on the traditional assembly line, a large number of emerging services need higher social and emotional skills – in other words, the focus is on workers with higher human capital. As a result of this evolution, there are new requirements for sustainable development in developing countries, especially the least developed countries. These countries must increase their investment in human capital, as SSC in the new technology era will be defined by technical cooperation as well as human capital cooperation in education and health.

According to the World Bank (2019), three types of skills will become increasingly important in the twenty-first-century labor market: advanced cognitive skills (including the ability to solve complex problems), social behavioral skills (including teamwork ability) and skill sets (including reasoning ability and self-efficacy). Lifelong learning, starting in the early stages of childhood development,

will be critical. However, faced with many developmental challenges, governments in developing countries do not usually regard early childhood programs as a priority. Investment in human capital requires a lifelong investment in people's education, nutrition and health, starting at birth. SSC should address these deficiencies in most middle- and low-income countries by promoting health and education programs that have the potential to lift remote areas and impoverished communities out of poverty.

Digital technology innovation and the universal application of data technology are human capital-intensive industries. To cope with the potential inequalities caused by digital technologies, governments will need to invest in long-term human capital. This means strengthening early childhood development; using the technological advantage of "internet+" education to promote lifelong learning to continuously enhance human capital in developing countries; and strengthening digital technology cooperation, technology transfer and capacity building among developing countries. Both SSC and triangular cooperation can play an important role in enhancing the capacity of low-income countries to utilize advanced statistical, monitoring and evaluation technologies (cf. Paper 8 in the Annex).

5.4.3 Technology and Independent Innovation Capability

With the development of IoT, AI, robots, blockchains and other digital technologies, there is a higher demand for technology and innovation capability – to master computer vision, natural language processing, virtual aid, advanced machine learning, automatic planning and advanced computer games, for example. Currently, such innovation capabilities are concentrated in few countries. According to McKinsey (2018), artificial intelligence could generate about \$13 trillion of additional economic output by 2030, increasing global GDP by about 1.2 per cent a year. A key challenge is that the adoption of AI may widen the gap between countries, companies and workers. Leading countries such as the United States and China have high yields on AI, while other emerging economies are likely to receive only half of the benefits. The gap between companies will also widen, and the situation of workers will depend on their cognitive ability and how well they master digital technology.

According to the research results of Li Kaifu (2019) and McKinsey (2018), the societal inequality caused by AI may be greater than the gap created with the invention of the steam engine, electricity and the computer. AI technology will impact workers, enterprises and whole countries, and more than 40 per cent of jobs in many countries will probably be automated. If such change is accomplished in a short period of time rather than hundreds of years – like the process of industrialization in the past – most low- and middle-income countries will be unable to adapt. In other words, AI may create greater economic inequalities around the world in the short run. Developing countries need to prepare for this, which means placing an emphasis on technology transfer and promoting independent innovation in SSC programs.

5.5 Strengthening South-South Cooperation in the Field of Digital Technology

ICT has the potential to help developing countries achieve their sustainable development goals. More and more research points to the impact of ICT in eliminating poverty and in turn realizing gender equality, ensuring environmental sustainability and combating disease – all UN

millennium development goals. Digital technologies, on the other hand, could be a double-edged sword in the process of achieving the sustainable development goals outlined in Agenda 2030. Digital technologies can help to promote financial inclusiveness, as in the case of M-Pesa; they can also widen development gaps and create new inequalities. In this period of globalization and connectivity, SSC will play an increasingly significant role in finding a balance. The goal of SSC policy will be to ensure that cutting-edge technologies engender more benefits to the poor and promote more inclusive and sustainable development.

5.5.1 Strengthening Transnational Transfer of Digital Infrastructure Technology

Inadequate digital infrastructure for mobile communications, storage, and computing hinders universal access to digital technologies. Strengthened SSC can help to facilitate the transnational transfer of digital infrastructure, spread knowledge and narrow the digital technology gap. For developing countries, this means attracting foreign direct investment in digital infrastructure; for the UN, this means helping to strengthen technology transfer cooperation in digital infrastructure investment and trade and enhancing digital infrastructure connectivity (clouds, networks and terminals), such as the enhancements being done through the Belt and Road Initiative.

5.5.2 Building Independent Innovation Capabilities in Developing Countries

Independent innovation is a creative activity related to technology development and imitation. It refers to the process of realizing the value of new products through unique core technologies that safeguard intellectual property rights. Independent innovation is not an isolated innovation process within a country, but a two-way learning and cooperation process. Strengthening the transnational dissemination of knowledge for independent innovation through the development of policies, systems and environments that promote innovation, particularly with respect to the protection of intellectual property rights, is a critical step for developing countries to take.

Encouraging independent innovation for low-income communities is also crucial. Innovations should not only meet the consumption needs of high-income groups, but also answer to the basic needs of the poorest populations, to promote universal access to basic services. This is a key approach to achieving the goal of sustainable development by 2030 through digital technology. Speeding up the sharing of knowledge and experience by promoting knowledge dissemination through SSC will spur an increase in independent innovation and cutting-edge technology.

5.6 Concluding Remarks

South-South economic cooperation is growing at an incessant pace, framed by a belief that interdependence can drive reliance, self-reliance and increased participation in global affairs. Through the digital economy, the Global South has an opportunity to dramatically enhance this cause, to use ICT and computer technologies to drive development changes and create a more prosperous and inclusive development. The digital economy raises labor and capital productivity by enabling a direct participation in global markets and value chains. Technologies within the digital economy equally lower transaction costs and improve access to essential information, the latter being particularly evident through the advent of democratized service access in education and open online courses, mobile finance and lending, sharing economy, crowdfunding, e-government, and career and employment tools.

Notwithstanding the economic opportunities that the digital economy presents to countries of the Global South, barrier to entry on a national scale, namely cost of infrastructure installation and upgrades, remains a debilitating factor for Global South participation in the digital economy and the closing of the digital divide. For the digital economy to work for the Global South, there must first be an inherent recognition that it matters differently, and it will be used differently. The Global South spends more time online although they remain deeply concerned about their privacy and are distrustful of news distributed through social media platforms. The Global South likely will not, and indeed should not, follow the precedent set by developed countries with regard to the digital economy. The populations of Southern countries may be replete with digital optimists, seeing technology as an essential tool for sustainable growth, but it must occur on their own terms.

From building a data economy and robust broadband Internet infrastructure, to driving expedited growth in cross-border e-commerce and technology innovation, the Global South holds innate and untapped potential to lead a transformational shift in the digital economy, one that enables their ability to achieve sustainable development. For an economic sector that itself requires connection, sharing, engagement and mutual cooperation, the Global South must work together to foster closer ties, so as to collectively tap into the immense opportunity made available by the digital economy.

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CHAPTER VI

South-South and
Triangular Cooperation
in the Context of
the Sustainable
Development Goals

6.1 South-South and Triangular Cooperation and Ending Poverty: Decent Work, Inequality and Economic Growth

It is arguable that countries in the Global South do not necessarily need a UN declaration to understand the importance of sustainable development at home, although it does support global coordination and mobilization efforts to eradicate poverty. Domestic pressures provide enough of an incentive for some countries to understand the importance of channeling resources toward initiatives that uplift people from poverty and improve their livelihoods (AfricAvenir 2014). Recent positive experiences of a number of developing countries have given analysts the *how* in terms of poverty eradication. They have also inspired fellow developing countries to seek to learn and emulate relevant lessons at the national level. For example, South Korea's policy reforms aimed to open the country to foreign markets. The export-oriented policies of the country were one of the most important factors of its success, and wan improvement in the business environment and policies incentivized investment in innovation – and served to inspire other nations.

Other nations besides the BRICS countries have lessons worthy of sharing with their peers. African, Asian and Latin American countries such as Ghana, Ethiopia, Tanzania, Rwanda, Botswana, India, Indonesia, Chile and Columbia all gained valuable lessons in the course of pursuing sustainable development, poverty eradication, responsible natural resources use and/or post conflict reconstruction (World Economic Forum 2013). Ghana, Chile, Namibia and Botswana are examples of countries where natural resources have been used for the betterment of the populace by contributing to sustained socioeconomic development over the past decade, with varying degrees of success and under different conditions and challenges (Grant, Compaore, Mitchell and Iglustad 2015). The question at stake here is not to know if these countries still face more or less serious developmental challenges, but how they made such visible and tangible strides in tackling some of their most pressing social and economic challenges (AfricAvenir 2014). It is evident that the sharing of lessons from the Global South will become even more important in implementing the SDGs through South-South and triangular cooperation.

The 2030 Agenda for Sustainable Development has thus ushered in an era of more diversity in partnerships and modes of cooperation. In acknowledging the potential role of South-South and triangular cooperation in the context of global partnerships for sustainable development, the report of the High-Level Panel on the Post-2015 Development Agenda (UN 2015a p. 10) states that “[d]eveloping countries, including ones with major pockets of poverty, are cooperating among themselves, and jointly with developed countries and international institutions, in South-South and Triangular cooperation activities that have become highly valued.”Indeed, “much can be learnt from the current experience and evolution of South-South and Triangular cooperation as a mode of building development partnerships. It must thus be brought into the fold when discussing implementation strategies for the post-2015 development agenda”(Mthembu 2017).

While still constituting a small part of international development cooperation, various development partners have expressed an interest in TrC, with countries such as Japan, Germany, the United States, the United Kingdom, Spain and France forming part of the leading players in the OECD-DAC. Meanwhile, Canada is the current co-chair with Japan of the Global Partnership Initiative (GPI) on effective triangular cooperation with representatives from Mexico, the Islamic Development Bank, the OECD and the UN Office for South-South Cooperation (UNOSSC). The GPI, a multi-stakeholder

initiative that was launched at the 2016 High Level Meeting of the Global Partnership for Effective Development Cooperation in Nairobi, aims to bring together different stakeholders to strengthen the effectiveness and role of TrC in the current development landscape (UNOSSC 2019). Leading countries among Southern states include South Africa, Brazil, China and India, while countries such as Mexico, Colombia and Chile have also been enthusiastic participants in triangular partnerships (Mthembu 2017; OECD 2013b).

While not all developing countries are able to adopt homegrown solutions to other socio-political situations, some countries of the Global South will certainly be keen to experiment with locally developed solutions as their policy space expands in the near future. This will have an impact on the manner in which global partnerships for development are structured, with the likely possibility of a development landscape increasingly rich in choices. Developing countries will thus be able to absorb lessons from the obstacles faced by social transformation programs in South Africa, poverty and inequalities re-education in Brazil, soft infrastructure knowledge development and acquisition in India, and hard infrastructure planning and development in China. This evolving landscape means that developing countries now have a wider array of options for policy advice (Mthembu 2017). Equally important will be their experience with private sector investment growth and development. In recent years, India has been focusing on providing a friendlier environment to small- and medium- sized enterprises (SMEs) and on recognizing that start-ups play a crucial role in supporting jobs, growth, exports and innovation within most economies. India has collaborated with Southeast Asian and East African countries in sharing its experiences. These efforts have been prioritized under the current government's foreign policy, in line with Delhi's Make in India and Start-Up India campaigns – and have been emphasized in the various India-Africa Forum Summits that have become important avenues of enhanced cooperation.

Some of the South-South and triangular cooperation examples, which are explored in-depth later in this chapter, emphasize the valuable experiences of other developing countries, and not just emerging powers. These countries will be of great importance in successfully implementing the SDGs through SSC and TrC. Rwanda, Sierra Leone, Botswana, Senegal, Ghana, Liberia, Chile and Indonesia have all been praised by development practitioners and the international community for their progress in mitigating conflict and recording remarkable economic growth while reducing extreme poverty through their own homegrown or hybrid policies. Indeed, countries such as Sierra Leone and Liberia could share considerable lessons for fragile states such as South Sudan in the area of post-conflict peacebuilding and economic and social reconstruction efforts.

The dynamics currently under way in the area of international development cooperation certainly point to a development landscape more diverse in terms of the actors involved and the modes of cooperation. This is further exemplified by the increasing involvement of countries such as Chile, Mexico, Peru, Bolivia, India, China, Brazil, South Africa and Indonesia in multi-partner partnerships involving Germany, Japan, the United States and Spain (OECD 2013a, 2013b). Meanwhile, through the Inter-Governmental Authority on Development (IGAD), which comprises six countries in eastern Africa, and financed by Norway, approximately two hundred civil servants from Uganda, Kenya and Ethiopia have been seconded to national and local government offices throughout South Sudan (UNDP 2011). This multi-partner initiative is designed to help support capacity needs and peacebuilding efforts. The IGAD civil servants were also co-located with South Sudanese officials through a capacity-transfer initiative (Tarp and Rosén 2011).

Japan and Brazil have worked together in Mozambique to assist farmers grow soybeans and other crops under a joint project called ProSavana. With Japan's financial support and Brazil's technical expertise, the program aimed to increase crop production and promote food security across the country (Hongo 2012). This large-scale agricultural development project covers an area of approximately fourteen million hectares in the northern provinces of Mozambique. Its roots lie in the successful projects undertaken by the Japanese government in Brazil during the 1970s (JVC 2018). Despite challenges and obstacles, the ProSavana project has been credited with supporting approximately four hundred thousand people engaged in small- to medium-sized farms and indirectly benefiting 3.6 million people working in agriculture (JVC 2018). South Africa has also worked with Germany, the United States and Irish Aid on various security reform and food security multi-partner projects in the Southern Africa region, some of which are explored in the following sections of this chapter.

6.2 Comparative Advantages of South-South and Triangular Cooperation – Origins and Opportunities for Achieving Agenda 2030

International gatherings such as the United Nations High-Level Conference on South-South Cooperation in 2009 in Nairobi, Kenya, and the High-Level Forum on Aid Effectiveness in 2011 in Busan, South Korea, have recognized the potential of South-South and triangular cooperation as a means of achieving the sustainable development goals (OECD 2013a). To strengthen the role and comparative advantages of SSC and TrC, the Nairobi Outcome "invites developed countries to expand their participation in triangular arrangements, in particular capacity building and training, and to follow through on the ODA commitments. It also encourages developing countries to assess the effectiveness of SSC and TrC and to promote the development of methodologies and statistics to enhance national coordination mechanisms, and to share lessons learned to that end" (UN, Adopting Nairobi Outcome Document 2009). Participants at the Nairobi Outcome conference largely reaffirmed that South-South cooperation differed from ODA as "a partnership among equals, based on solidarity," and guided by the principles of respect for national sovereignty and ownership, free of any conditions (UN, Adopting Nairobi Outcome Document 2009). These were seen as important elements contributing to their comparative advantages.

Triangular cooperation was first conceived in the context of dissatisfaction with what was seen as a paternalistic model of North-South development assistance, while recognizing the strong developmental value of technical cooperation among developing countries. At its core was the need for mechanisms that would harness the comparative advantages of both North-South and South-South cooperation as perceived by developing countries. Despite misgivings over the policy prescriptions of Western donors, the unique contribution of North-South cooperation that would be readily acceptable to developing countries was its financial support to South-South technical cooperation (Nganje 2019).

In this regard, the 1978 BAPA for Promoting and Implementing TCDC encouraged developed countries to increase "their voluntary contributions to the operational programmes of the UN development system in order to permit a greater quantum of multilateral technical cooperation funds to be devoted to TCDC" (BAPA 1978 Article 60[a]). In its most explicit reference to the idea of triangular cooperation as a North-South-South development cooperation mechanism, Articles 60[b] and 65[h] of the BAPA recommended that developed countries should "provide financial

support on a voluntary basis to technical cooperation between two or more developing countries ... for example through third country financing arrangements”

While triangular cooperation is still minor in comparison to bilateral development cooperation, it takes place throughout the world in the form of projects in Africa, Asia, and Latin America (OECD 2013a, 2013b). Most projects have focused on technical assistance, which usually includes “sharing technical expertise, joint research, training programs, dispatching experts (e.g. to provide specialized technicians, field experts or public officials), study tours, scholarships, internships and volunteering in developing countries” (OECD 2013a). The completed projects in which Germany was involved- primarily in Latin America and Africa – illustrate the different types of TrC projects and the actors involved (see Table 2).

Table 2. Overview of Germany’s Completed Multi-Partner Cooperation Projects

Program	Project Title	Duration	Countries	Volume
Triangular Cooperation between Brazil, Peru, and Germany with additional funding provided by the Regional Fund for Triangular Cooperation in Latin America and the Caribbean	Centre for Environmental Technology (CTA) in Peru	2010-2014	Brazil, Peru, Germany	\$5.3 million German Contribution: \$1.3 million
South African-German Trilateral Cooperation Fund (TriCo Fund)	Tanzania-South Africa Fire Management Coordination Project	Jan. 2011- Feb. 2013	South Africa, Tanzania, Germany	N.A.
Regional Fund for Triangular Cooperation in Latin America	Promoting recycling of treated wastewater and water protection as ways of adapting to climate change	2012-2013	Mexico, Bolivia, Germany	€600,000; German Contribution €300,000
German-Brazilian Triangular Cooperation Programmewith additional funding provided by the Regional Fund for Triangular Cooperation in Latin America and the Caribbean	Disaster Reduction in Mozambique (INGC)	2011-2013	Brazil, Mozambique, Germany	\$2.3 million; German Contribution \$1.4 million

Regional Fund for Triangular Cooperation in Latin America	Paraguay para todos y todas - Strengthening the national strategy for social policy	2011-2013	Chile, Paraguay, Australia, Germany	€4.4 million; German Contribution €0.4 million
South African-German Trilateral Cooperation Fund (TriCo Fund)	The Establishment of the African Ombudsman Research Centre (AORC)	2010-2013	South Africa, Germany, further African states	N.A.

Source: Authors' Compilation from various German Development Cooperation Agency Reports

In terms of the rationale for TrC, much of the emphasis from Germany is on the mutual learning that can be achieved when projects are jointly conceptualized and implemented, especially given the particular know-how of emerging economies in the regions in which they are engaged (BMZ 2013).

Brazil has also been one of the more active Southern partners engaged in triangular cooperation-particularly in the agricultural sector. The Japan-Brazil-Mozambique scheme that supported the development of agriculture in the Mozambican savannah (Milani 2014; Saravia 2012) is a good example. Projects that involve India, Brazil and South Africa (IBSA) through the IBSA Fund have also received special attention from the UN for their added value in various developing countries (Sidiropoulos 2019). At present, apart from capacity building (which continues to be the focus in India), development cooperation in India is manifested through its development compact in five key areas: capacity building and skills transfer; technology and technical assistance; development finance, which includes concessional loans and lines of credit (cf. Paper 3 in the Annex); grants; and trade and investment, which also include credit lines (Chaturvedi 2015).

The African Renaissance Fund (ARF) in South Africa also started with R210 million (\$15.2 million), which had grown by the 2012-2013 financial year to fund projects worth R1.1 billion (\$80 million) (Le Pere, Gabriel & Associates and University of Pretoria 2014). The fund has been used to support Zimbabwe's elections, peacebuilding in Burundi, post-conflict development in the DRC and Comoros, humanitarian aid in Western Sahara, public administration capacity development in southern Sudan and institutional development in Liberia. It has also supported the AU Commission on Terrorism in Africa, small business development through the SADC Chamber of Commerce and Industry, and a conference on financing for cities and local government in Africa, as well as the preservation of the Timbuktu manuscripts in Mali (Le Pere, Gabriel & Associates and University of Pretoria 2014). All of these projects have drawn on the comparative advantages of SSC and TrC and made an important contribution to efforts to bring peace, security and development in a number of developing countries.

The comparative advantages of developing countries have also been applied at the sub-national level of government. In South Africa, sub-national tiers of government have been involved with their counterparts in various South-South and triangular partnerships, including the following projects (Nganje 2019):

- eThekweni Municipality's cooperation with the London Borough of Greenwich in the United Kingdom and Tema Metropolitan Assembly in Ghana, with a focus on promoting economic development through sports;
- cooperation between eThekweni Municipality, the City of Maputo in Mozambique and the Brazilian cities of Belo Horizonte and Porto Alegre on informal markets; and
- partnership between the Bojanala Platinum District Municipality, the City of Lahti in Finland, and Ho Municipality in Ghana on environmental conservation.

These projects show the diversity of partnerships evolving through South-South and Triangular cooperation for solving development challenges in other developing countries, and that partnerships are also occurring at the subnational level. It is an opportune time to reflect on the comparative advantages from developing countries that must be scaled up in implementing the SDGs. The fortieth anniversary of BAPA provides an opportunity for both practitioners and non-practitioners to start this conversation. Besides adopting lessons from individual case studies in the past few years, it will be important to discuss the results of the ongoing evaluation of Germany's TrC projects, which will be made available in 2019 and which cover some of the completed projects in the table above.

6.3 Leading From the Front, Middle or Behind: The Global South as Best Practice Leaders for the Sustainable Development Goals

Developing countries, especially middle-income countries,¹³ will be proof of the success or failure of Agenda 2030. These countries have been exploring new ways to implement their development cooperation agenda (Angelino 2019) and undertaking different roles depending on the type of project or partnership. While they have been leading forces in areas where they possess comparative advantages, at times they have led from the back or the middle – excelling in South-South cooperation but negotiating their role in triangular arrangements involving Northern donors. To this end, Southern countries sometimes find themselves in a coordinating role, balancing the needs and interests of the recipient country and Northern donor.

In the case of the eThekweni program based on a horizontal relationship with resources facilitating cooperation not originating from or not channeled through one of the Brazilian and Mozambican partners, the South African local government played an active role, commensurate with its expertise and experience in this specific area of cooperation. Conversely, when funding for the initiative has been contingent on the expertise and experience of the Northern partner, the developing country tends to assume a leadership role in the partnership. In such instances, the South African local authority in question has either played the role of a passive or reluctant partner – as in the eThekweni's triangular arrangement with Greenwich and Tema – or become one of the beneficiaries of the initiative – as in the Bojanala District Municipality and its constituent local municipalities in the Lahti-led trilateral partnership (Nganje 2019). This shows that Southern countries take on different roles depending on the dynamics of the partnerships involved.

¹³ According to the World Bank (2018), the world's middle-income countries are a diverse group by size, population, and income level. They are defined as lower middle-income economies with a GNI per capita between \$1,006 and \$3,955, and upper middle-income economies with a GNI per capita between \$3,956 and \$12,235.

Agriculture, health and education were the three main sectors of the Brazilian international development cooperation initiatives, which tend to be concentrated in two main regions, Latin America and Africa. The participation of the civil service of Brazil in international development cooperation has so far contributed to hindering the increase of an “aid industry” in Brazil. The result has been the exclusion of many civil society organizations from international development cooperation projects and programs (Milani 2014). A critical approach toward traditional aid, as well as the country’s own capacities to promote its development without much dependency on North-South cooperation, have fostered the emergence of Brazil’s development cooperation based on horizontality and non- conditionality, and driven by the demand (Milani 2014). The country’s leadership will, however, be tested given the outcome of the recent elections and ongoing changes to its development cooperation infrastructure.

It will be important for countries of the Global South to consolidate their development cooperation architecture at home in order to continue to play a leadership role in implementing the SDGs. This will allow them to better track their own contribution to the SDGs, while building up a steady flow of information and data on their South-South and triangular cooperation activities. As stated earlier, the Global South is no longer a passive recipient of ideas and tools on the path to development. Stakeholders from the Global South now bring important lessons to share with their peers in the Global South and North about efforts to eradicate poverty and address inequality, decent work and economic growth challenges.

Namibia has made considerable strides in alleviating poverty, and post-conflict countries such as Sierra Leone have recorded double-digit economic growth over the past decade, with Rwanda continuously breaking its own world record in terms of gender representation in parliament. There are also lessons to be shared with respect to investments by Rwanda in technology-based development solutions and local manufacturing, which has even caused a rift with the United States when Rwanda increased tariffs on imported second-hand clothes from the US (and elsewhere) in order to boost domestic manufacturing. Kenyan innovation through M-Pesa and various mobile banking innovations in South Africa also present valuable and practical lessons in confronting various development challenges. Indeed, many of the banking options available to African customers provide tools that are far more advanced than those available in Europe and other developed regions of the world.

Sharing learned lessons is not only confined to the large developing countries such as the BRICS. The contemporary experiences of African countries such as Ghana, Ethiopia, Tanzania, Rwanda, Botswana, Namibia and Mauritius have all added value to the development landscape. While South Africa continues to have one of the largest and most diversified economies in Africa, it does not lead in every area. Countries such as Rwanda, Mauritius, Botswana, Namibia and Kenya have been performing better in critical areas such as the support being provided to SMEs and the improvements that have been made to spur business competitiveness. When it comes to economic policies, the larger economies such as South Africa and Nigeria are actually dragging African growth rates down instead of boosting them as they struggle to achieve higher growth levels. There are thus valuable lessons for them to learn from their counterparts on the continent as they try to improve their economic performance.

Countries such as Rwanda, Sierra Leone, Botswana, Senegal, Ghana, Liberia, Chile and Indonesia have received praise from development practitioners and the international community for the progress they have made in reducing conflict and recording remarkable economic growth while reducing extreme poverty as a result of their homegrown or hybrid policies. Indeed, countries such as Sierra Leone and Liberia have considerable lessons to share for a country such as South Sudan when it comes to post-conflict peacebuilding and economic reconstruction. The increasing involvement of countries such as Chile, Mexico, Peru, Bolivia, India, China, Brazil, South Africa and Indonesia in multi-partner partnerships involving Germany, Japan, the United States and Spain will also continue to yield valuable practical lessons and insights as Southern countries play a more proactive role in the move to achieve the SDGs (OECD 2013a, 2013b).

6.4 Implementing the SDGs through South-South and Triangular Cooperation

Goal 17 of the SDGs asks nation-states to “strengthen the means of implementation and revitalize the global partnership for sustainable development” (UN 2015a). This is a critical step in the continued efforts to end poverty, create decent work, and tackle inequality and economic growth. Critical to this is the facilitation, mobilization and realization of effective SSC, whether in financing, knowledge sharing, technology transfer, capacity building or the collaborative addressing of endemic, borderless issues. Goal 17 is thus central to the achievement of all the SDGs; it connects the other SDGs and creates a shared pathway to sustainable development. This chapter not only reflects on the key roles that SSC and TrC will play in achieving the SDGs, but also argues that SSC and TrC present important ways in which to operationalize the call for global partnerships within the SDG framework.

The importance of SSC and TrC for achieving the 2030 Agenda for Sustainable Development was underlined by Secretary-General António Guterres when, in 2017, he highlighted to the ECOSOC the importance of these cooperative frameworks in his report *Repositioning the UN Development System to Deliver on the 2030 Agenda: Ensuring a Better Future for All* (Secretary-General of the United Nations, 2017). Goal 17 aims to bring together not only the international community but also civil society, the private sector and national governments to strengthen global partnerships critical to achieving the SDG targets. This puts emphasis on the need to pursue track one, track two and track three diplomacy, which enable not only state actors, but also people-to-people relations and exchanges between research institutions, think tanks and civil society organizations. Such a multimodal approach will create additional venues for SSC and TrC to support the global goals of the SDGs.

The work and recommendations of the Open Working Group (2013) of the United Nations General Assembly, the High-Level Panel of Eminent Persons (2013) and the Intergovernmental Committee of Experts on Sustainable Development Financing (UN General Assembly, 2014) all emphasize the importance of global partnerships in achieving the SDGs. Countries such as South Africa, India, China, Brazil, Chile, Argentina and Mexico have been involved at varying levels in South-South and triangular frameworks that promote various forms of global partnerships (Gray and Gills 2016). To different degrees, these countries have also institutionalized their development-oriented cooperation architecture. Countries such as Rwanda, Kenya, Mauritius, Botswana, Namibia and Ghana have also been vocal in their support for global partnerships to alleviate poverty, reduce inequalities and create decent work for everyone (ILO 2015). It will thus be increasingly important

to understand the role of SSC and TrC in the successful implementation of the SDGs – especially in light of the fortieth anniversary of the Buenos Aires Plan of Action. Forty years after its adoption, Global South countries can no longer be considered passive recipients of ideas and tools on the pathway to development but are stakeholders that can share important lessons with their peers about their efforts to eradicate poverty, address challenges of inequality, promote decent work and support economic growth. For example, countries such as Namibia have made considerable strides in poverty alleviation while post- conflict countries such as Sierra Leone have recorded double-digit economic growth over the past decade (AfDB 2018). Rwanda continues to break its own record in terms of gender representation in parliament while investing in technology-based development solutions and local manufacturing (UN Women, 2018). New technologies such as M-Pesa in Kenya and various mobile banking innovations in South Africa present valuable and practical lessons in confronting various developmental challenges.

As countries grapple with their own challenges and opportunities in implementing the SDGs, it remains important to reflect on the fundamental changes that have taken place since one hundred eighty-nine UN member states and at least twenty-two international organizations adopted the Millennium Declaration in 2000. The road map to implement the UN Millennium Declaration Report of the UN Secretary-General served to translate this vision into what has been referred to as the Millennium Development Goals, which were to be achieved in 2015. The MDGs emphasized the role of Northern donors in providing development assistance to Southern countries, as outlined in Goal 8, which sets objectives and targets for these countries to help achieve a “global partnership for development by supporting debt relief, access to essential medicines, increasing development assistance, access to trade markets and promoting the transfer of technology” (Bhat 2013). The SDGs are more grounded in the nature of the contemporary global political and economic order, which sees Southern powers playing increased roles in the international development landscape (Mthembu 2017).

Thus, implementing the SDGs places a greater emphasis on South-South and triangular cooperation, with the development landscape being characterized by greater freedom for some nation-states to experiment with endogenous policies and systems. As stated by AfricAvenir: “Rather than defining a single path to development, the post-MDGs development agenda has already been forced to acknowledge different paths to development and allow for more policy space” (AfricAvenir 2014). This chapter draws on years of ongoing work on SSC and TrC – and their impacts on implementing the SDGs (from presentations made at various local and international conferences, workshops and exchanges with practitioners and non-practitioners); discussions conducted at various Southern networks such as the Network on Southern Think Tanks (NeST)¹⁴ and Southern Voice¹⁵; and recent case studies conducted in South Africa, India, China, Mexico, Germany, France, Brussels, Mexico and Brazil.

To engage in this exploration, the chapter begins by addressing both the comparative advantages, and the origins thereof, of South-South and triangular cooperation for achieving the Agenda 2030. It further broaches how Global South actors and states have become leaders in this space by being

¹⁴ For more information on the network, see: <http://southernthinktanks.org/>.

¹⁵ For more information on the network, see: <http://southernvoice.org/about-southern-voice/>.

first movers, supportive peers, and essential partners. Proceeding from this, the chapter regards priority action areas under the Agenda 2030 for the Global South, focusing on the influence and impact the latter can have in their remedy and achievement: poverty reduction; economic growth; education and skills development; climate change; and diplomacy. The chapter then concludes with a discussion on multidimensionality as a key ingredient for fostering effectiveness when broaching multiple sustainable development issues simultaneously.

6.5 Capacity and Multidimensionality: How to Bolster Effectiveness to Address Multiple Sustainability Issues

While it is clear that South-South and triangular cooperation present opportunities for implementing the SDGs, triangular cooperation must overcome the challenges of high transaction costs, limited funds for projects, lack of trust between OECD DAC countries and their counterparts among emerging economies, and the possibility of adding to the already strained bureaucracies in the Global South. Addressing these challenges would help to bolster effectiveness and address multiple sustainability issues in South-South and triangular projects. Furthermore, triangular cooperation also has to be more than a case of Southern countries implementing Northern initiatives (Saravia 2012). There are also important lessons for such Southern countries in avoiding the pitfalls of stratified partnerships vis-à-vis their Southern partners in the project (Sidiropoulos 2012).

When it comes to capacity building, it is important that Southern countries not replicate the hierarchical relations seen in North-South development cooperation. Indeed, case studies from Lesotho and Malawi, which involved triangular partnerships with South Africa, United States Agency for International Development (USAID) and Irish Aid to develop and support drought-resistant and pestilence-resistant potato cultures, highlight the fact that emerging economies can be perceived as implementing development projects from the North. Of interest for Southern countries is that the institutional arrangements of triangular cooperation projects can at times place a disproportional amount of responsibility on the Southern actor given its proximity to the developing country. This might work where capacity exists but can lead to resentment where resources are overstretched. In the case of South Africa, the Department of Science and Technology (DST) has been an active player in the area of triangular cooperation.

This reflects the diversity of actors that have the capacity in various parts of the state in a country like South Africa. Equally important in the context of the achievement of the SDGs is that South Africa DST is now focusing on how to harness science, technology and innovation (STI) as an enabler and catalyst for improving societal well-being, such as through innovative technology solutions for equitable access to nutritious food, health, education, sanitation and energy services (Mkhize 2018). There is much potential for both SSC as well as triangular cooperation in the area of STI that can build on existing partnerships and that can focus on developing an indicators framework to evaluate the impact of STI on well-being, inclusive growth, and environmental sustainability. It is now time for Global South countries to promote equal partnerships with their Southern peers and for Northern donors to provide long-term benefits based on experience-sharing at the international, national and local levels.

6.6 Education and Skills Development: Achieving Agenda 2030 Through Activity Reprioritization

Various international gatherings such as the Addis Ababa Financing for Development meeting in 2015 have recognized the need for increasing the number and types of partners involved in socio-political and economic transformation, which is required for sustainable development to occur. Increased public- and private sector investment is thus encouraged, and there exists a strong call for multi-stakeholder collaboration to ensure the development of sustainable, resilient, quality infrastructure (Makokera and Wentworth 2019).

It is important to note that the Addis Ababa Action Agenda acknowledges the role and potential contribution of the new infrastructure facilities, including through the AIIB, the Global Infrastructure Hub, the BRICS NDB, the Asia Pacific Project Preparation Facility, the World Bank Group's Global Infrastructure Facility, the Africa50 Infrastructure Fund and the Inter-American Investment Corporation. These institutions are important in addressing the infrastructure shortfall in developing countries, estimated to range from \$1 trillion to \$1.5 trillion annually (UN 2015b).

The NDB and the AIIB, led by China, have indeed captured the imagination of the global development finance community. While often seen by some as a challenge to the current global financial structure - in particular the Bretton Woods institutions - they underline the principle of complementarity to existing global structures. Despite much of the concern about the emergence of the AIIB and the NDB, many recognize that these institutions are stepping in to reduce the infrastructure gaps in developing regions (Makokera and Wentworth 2019).

South Africa has been at the forefront of the African Presidential Infrastructure Champions Initiative (PICI), which involves the NEPAD Planning and Coordinating Agency. The PIDA has also identified 42 transport or development corridor elements to make up the transport network on the continent. If implemented, these corridors would form the backbone of integration and connectivity within Africa but would also help to connect the continent to global markets (Makokera and Wentworth 2019). Despite this focus on infrastructure, it is also critical to note that South-South cooperation is not only about large infrastructure projects - confined strictly to major hydro, transportation, or economic projects. Both SSC and TrC also involve a diversity of modalities and focus areas such as technical cooperation based on the needs and priorities of the respective developing countries and the capacity of Southern nations.

Over the years, India has been involved in a variety of projects under the ambit of SSC. These have ranged from hard infrastructure projects to showcasing the country's soft power in the realm of capacity building through different fellowship and scholarship programs. Moreover, the country enjoys a sectoral advantage when it comes to health care, information technology, education and agricultural-related services. A recent example is the Gandhi Mandela Centre for Specialization for Artisanal Skills in South Africa, which was established in 2018 to enhance skills development cooperation between India and South Africa. This example indicates that infrastructure is not the only form of cooperation. Indeed, even countries such as China, known widely for their role in infrastructure financing, have grown their footprint in other forms of cooperation such as technical cooperation and skills training, and the provision of scholarships and health care workers (Mthembu 2018). According to Deborah Brautigam:

Since 2000, the Chinese government has accelerated the training component of its foreign aid, focusing in part on transferring information about China's own experience with urbanization, economic growth, and poverty alleviation. By 2007, the Ministry of Commerce reported that, over the years, China had held 2500 short and medium courses in twenty different fields (management, economics, agriculture, health, justice, education, etc.) with more than 80 000 people participating. (2009)

Countries such as Brazil have also been heavily involved in agriculture, health and technical cooperation, while South Africa has been very active in peace diplomacy and technical cooperation through South-South and triangular frameworks. Indeed, the challenge for developing countries is now to ensure the prioritization of development projects based on local needs and demands. While supporting infrastructure development will remain important in developing countries, supporting education and skills development as well as innovation and entrepreneurship will be the key tenets of South-South cooperation.

6.7 Climate Change and South-South and Triangular Cooperation

The growing African population will reach around 2.3 billion by 2050, surpassing India and China. In the meantime, India is set to surpass China, making it the most populous single country in the world by mid-century. These demographics will exert major environmental pressures throughout the Afro-asiatic rim of the Indian Ocean, as climate change projections threaten rising sea levels, which in turn will impact coastal communities and insular states. These environmental changes emphasize the importance of cooperation in addressing Goal 14 regarding the conservation and "sustainable use of the oceans, seas and marine resources for sustainable development" (Kornegay and Royeppen 2019). In this regard, development cooperation initiatives involving developing island states and traditional donor countries already exist (Kornegay and Royeppen 2019).

Examples include Blue Grenada in the Caribbean involving Grenada and the Netherlands, where the focus is on marine development aimed at mitigating the threat of climate change. Also, in the Caribbean, the Caribbean Challenge Initiative (CCI) involves nine insular states and Germany; in the southern Pacific, cooperation between Samoa and the United Kingdom focuses on energy and the ocean's economy, along with the Micronesian Challenge. This latter initiative involves Pacific Palau encompassing the Northern Mariana Islands, the Federated States of Micronesia and the Republic of the Marshall Islands, and is supported by the Nature Conservancy and the Global Environment Facility, with funds going into the Micronesia Environment Trust (Kornegay and Royeppen 2019). Evolving forms of cooperation within the African continent include the convention signed by South Africa, Namibia, and Angola, which spurred the establishment of the Benguela Current Commission (BCC). The BCC has tremendous potential and is one of the world's largest marine economy conventions of its kind. This commission outlines a regional approach to protect, harness and enhance the South Atlantic marine ecosystem for economic and social benefits while addressing challenges brought on by climate change (Kornegay and Royeppen, 2019).

Other interesting initiatives involving non-state actors include the Mikoko Pamoja project in Kenya, which sells mangrove carbon credits to companies and individuals interested in improving their

green credentials. The revenue is channeled into a community benefit fund, which supports local development projects in education, water and sanitation, and mangrove reforestation (known as the SDG multiplier effect). The project is backed by the Earth watch Institute, World Wildlife Fund, Ecosystem Services for Poverty Alleviation (ESPA) programme, AVIVA PLC and Natural Environment Research Council (NERC). The success of this project led ESPA to award a research grant to fund a similar project in Tanzania (SAIIA 2019). In the Seychelles, where the country is no longer eligible for concessional financing, the government has developed an innovative financing instrument – the Seychelles Blue Bond. The bond issue was possible because of a World Bank guarantee and a GEF guarantee (FAO 2019).

Recognized by the UN, the Small Island Developing States (SIDS) grouping allows insular states to strengthen and unify their position in larger multilateral forums (for example, at the Paris Conference on Climate Change). Among the other important development cooperation initiatives within the group, the Global Island Partnership (GLIPSA 2018) represents an important South-South development cooperation system among member island states worldwide. The program facilitates collaboration among governments, civil society and donors at the regional and global levels. Partnerships like the Micronesia and Caribbean Challenge Initiative and the West Indian Ocean Coastal Challenge are all managed within GLIPSA. Previously known as an informal collaboration of governments and participants, GLIPSA was officially launched in 2006. Focus areas include island conservation for combating loss of biodiversity, climate change, and marine conservation and sustainability; and the development of new commitments to challenges faced by insular state. It links sustainability and conservation to socio-economic development. Since its formal launch, GLIPSA has helped over thirty countries strengthen island commitments on conservation and marine management and raised over \$150 million in implementing funds (UN Sustainable Development Knowledge Platform 2016).

Through GLIPSA, SIDS has established the Island Resilience Initiative, which is intended to attract public and private investment in resilient infrastructure to mitigate the risks posed by climate change. The program builds on existing and new sustainable development projects, with a focus on engaging communities to address island threats and will be financed through the Green Climate Fund (Kornegay and Royeppen 2019). These initiatives show the multiplicity of cooperation agreements involving Southern countries as well as countries from the North. They also highlight the partnership forums and platforms that countries have built on through South-South and triangular partnerships. Addressing the challenges posed by climate change will require global solutions and cooperation. It will also be important to draw from the local knowledge of countries of the Global South to combat the effects of climate change and build resilient societies that can adapt to the changes already taking place.

6.8 South-South and Triangular Cooperation and Diplomacy: Building Inter-State Relations and Peace through Multi-Partner Ventures

The emerging profile of South Africa as a development partner and its active role as a peace actor present an interesting dynamic in analyzing the uptake of triangular cooperation in the African peace and security landscape (Mabera and Royeppen 2019). South Africa has also been one of the first Southern actors to actively work on conflict resolution and peacebuilding in other Southern states as a pillar of its SSC (Besharati and Rawhani 2016). Apart from post-conflict reconstruction

and development (PCRD), mediation and peacekeeping have become potential avenues for TrC. A case in point is the EU-UN-AU partnership, where the three multilateral bodies work together for peacekeeping operations in a fourth beneficiary country (Lotze and Pietz 2015a). This model of cooperation has gained importance in response to complex conflicts and the high demand for peacekeepers, which has at times resulted in parallel missions that require a joint coordinated arrangement and model (Derbloom, Frisell and Schmidt 2008). The IGAD mandate to Djibouti and Somalia to deploy troops in South Sudan is also an example of security-related cooperation between the regional bloc, the AU Peace Security Council and the UN Security Council.

The assumption in these partnerships is often that the AU and regional organizations share similar experiences and proximity to the beneficiary country through history, language, culture and geography. However, the necessity of such partnerships is also based on the fact that AU operations are largely funded from external donors (McEwan and Mawdsley 2012). In cases such as these, TrC has become an important way of adding resources to peace diplomacy operations.

Three important examples of the application of TrC in peace operations in Africa have taken place in Somalia, Mali and the Central African Republic (CAR). In these countries, peace operation partnerships were effectively multilateral operations, with all three organizations engaged at the same time (Mabera and Royeppen 2019). The three cases shed light on whether TrC arrangements meet the needs of the beneficiary country in peace operations (Mabera and Royeppen 2019). In the case of Mali, the ECOWAS, AU and UN came together to collaborate but failed to agree on a mandate (Mabera and Royeppen 2019), thus paving the way for intervention by France at the request of the Malian authorities. By April 2014, the EU, UN and AU were all involved in Mali. In the case of Somalia, the limited success of AMISOM in stabilizing and restoring peace has been linked to the rigid structure of the operation (Mabera and Royeppen 2019). This goes to show the importance of paying close attention to the institutional arrangements in triangular partnerships in peace diplomacy and other areas. In a similar approach, the peace process in Colombia and the cooperation between the Agencia Presidencial de Cooperación Internacional (APC Colombia) and the UNOSSC has allowed for a peaceful end of the forty-year FARC rebellion (UNOSSC 2018).

The bulk of South African engagement in triangular cooperation has been in the form of projects in fragile and conflict-affected states such as Burundi, Rwanda, South Sudan and the DRC, where OECD DAC donors have provided financial resources or support training to the technical expertise provided by South Africa. South Africa has then taken the lead in implementation, coordination and knowledge-management processes (Chiwandamira 2015). A good example of a project highlighting the positive aspects of TrC was the five-year (2008-2013) Canadian International Development Agency (CIDA)-funded regional capacity building (RCB) project, implemented by the South African National School of Government (NSG) in Rwanda, Burundi and South Sudan. The RCB project was successful in meeting the development needs of the beneficiaries in terms of enhancing their management development institutes; it also promoted ownership of the process through “the indigenization of training and capacity building through South-South teams of experts working in partnership” (Besada and Tok 2015, p. 280). These were important lessons for South Africa in doing triangular cooperation, especially around working with local partners as co-designers and co-researchers and recognizing participants as teachers rather than specimens (Sidiropoulos 2012).

With reference to its peace diplomacy, another noteworthy case is the role of South Africa in the Trilateral Mechanism on Dialogue and Cooperation, signed in August 2013 between South Africa, Angola and the DRC. The trilateral mechanism was established with a view to fast-track the implementation of the Peace and Security Cooperation Framework of the DRC and the Great Lakes Region, which was signed in 2013 by eleven African countries under the auspices of the AU, UN, SADC, and the International Conference of the Great Lakes Region (ICGLR) (Secretary General, 2013). With respect to fostering development conditions to answer the needs of the DRC, the tripartite agreement focuses on cooperation between the three countries in four sectoral areas: policies and diplomacy; defense, security and internal order; economy and infrastructures; and local public administration (Angola Press Agency 2014).

6.9 Concluding Remarks

Unlike the MDGs focusing on developing countries in which to end poverty, the 2030 Agenda is a universal agenda that creates a joint objective for all the world's nations but also for non-state actors (from the private sector to NGOs) to harness their efforts, and their innovations, to achieve economic and social well-being – and doing so within the earth's planetary boundaries. Goal 17 addresses the means for implementing the Global Partnership on Sustainable Development. These include finance, technology, capacity building, trade and systemic issues such as multi-stakeholder partnerships and data, monitoring and accountability.

This chapter, highlights the role of South-South and triangular cooperation in advancing the goals set out by Agenda 2030. Starting with the role of South-South and triangular cooperation in ending poverty from the MDG time, the chapter moves to their comparative advantages for achieving the Agenda 2030. It then focuses on the Global South countries as best practice leaders for the SDGs and on their implementation through South-South and triangular cooperation. It subsequently presents a series of examples in critical areas, such as capacity building, education, climate change, and diplomacy.

In this era where multi-stakeholder partnership is recognized as an imperative, both traditional government-to-government SSC and non-state exchanges and collaboration are advancing the means of implementation of SDGs. The Global South countries are no longer passive recipients of development or of innovation. Rather, they are initiators of knowledge, ideas, and, increasingly, finance. Their own developmental efforts over the last few decades have been significant building blocks in this regard. Through the analysis of South-South and triangular cooperation as an effective instrument to implement the Agenda 2030, this chapter points out the critical role of the Global South in shaping a global developmental agenda and sustainable development as a universal framework.

Clearly, a number of challenges remain that may impede the ability of South-South and triangular cooperation to fulfil its potential. These relate to issues of capacity, ownership, a trust deficit between Northern and Southern partners and the inevitable challenges posed by unequal power relations among the three partners. But in the case studies above, it is clear that there are a number of advantages, such as a diversity of partnerships, which can help solve development challenges in other developing countries both at a national and subnational level. The fortieth anniversary of the BAPA provides an opportune time for all SDG actors to reflect on the comparative advantages and ways of optimizing cooperation among developing countries in achieving the SDGs.

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CHAPTER VII

Forward and Beyond

7.1 Setting the Agenda

In light of the BAPA+40 outcome document, this chapter examines the future role of SSC and TrC. In doing so, it will explore the modalities and operationalization of South-South cooperation, and its sibling approach, TrC, including consideration on the scaling up of its successes for the purpose of achieving the 2030 Agenda and development goals of states in the Global South. The role of SSC and TrC are examined amid an environment of rapidly changing technologies and demographics, as well as ongoing shifts in the global distribution of power. The discussion focuses on the conflicting *and* complementary relationship between North and South cooperation; the emergence of technologies such as ICT, artificial intelligence and automation; the role of public-private partnerships; the challenges brought about by the youth bulge and climate change; and the implications of multipolarity for SSC and TrC. The chapter also identifies important gaps and proposes research studies to address these gaps and help in the development of policy recommendations. It will take a moving forward approach, with distinct, meaningful and overweighed emphasis on innovating for the future, identifying new challenges and proposing interesting solutions.

7.2 The Evolving Relationship Between North and South and the Future of South-South and Triangular Cooperation

The end of the Cold War in the early 1990s marked the development of the SSC and TrC framework. Free of the influence of the two super powers, countries explored new ways of cooperation. Some countries developed an international model – as was the case with Germany and Japan, which absorbed TrC as part of the foreign policy instrument and advanced new partnerships across continents in a more structured manner. Other countries adopted disparate, sporadic approaches.

7.2.1 Peculiarities of South-South Cooperation

Amid this environment, SSC evolved out of a respect for national sovereignty, independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit. It could be said that SSC is a model more suited to the needs of partner countries, in terms of country-specific cooperative projects that respect national ownership and local needs and priorities. For example, increased contributions designed to strengthen development cooperation, which focused on providing financial aid to less developed countries, have helped to promote long-term social and economic human development and, by extension, peace and security (Janus, Klingebiel, and Paulo 2015). For example, Brazil built a pharmaceutical plant in Mozambique to develop the AIDS drug (Esteves and Assunção 2017).

One peculiar feature of South-South cooperation is the importance that it attaches to the notion of self-reliance and self-help – considered central elements of any growth plan. Thus, within the SSC framework, the development agendas of partner countries are given priority. The range of resources and opportunities that SSC provides through alternate approaches – for example, combining multiple modalities such as capacity building, concessional finance and technology transfer – are also more suitable for recipient countries. In Mozambique, for example, the Indian rural electrification cooperation project not only provided financial, technological and the requisite

training support for a solar panel production unit, but also provided help for rural installations. The factory, located in the Beluluane Industrial Park on the outskirts of Maputo, belongs to the National Energy Fund (FUNAE) and is capable of generating five megawatts of electricity annually. Such a joint development project demonstrates that SSC has the ability to transform a region's socioeconomic landscape.

While the intent of SSC is to encourage win-win partnerships where the benefits are mutual, the NSC approach hinges on the belief that rich countries have a historical responsibility to provide aid to the South. While developing countries have common development priorities in terms of industrialization and trade promotion (where the emphasis is on the manufacturing sector), the recent economic growth and expansion of economies has placed some of the actors from the Global South on a different trajectory. Though many Global South countries may still prefer strategies to help them reduce their dependence on having to export raw materials and to overcome agricultural production constraints, countries such as China, Bangladesh and Brazil have joined manufacturing and food global value chains. The transfer of affordable medicines from India to African countries (Ngangom 2016) and cost-effective agriculture technology from China to Nigeria (Amanor 2017) are examples of this.

7.2.2 Evolving Structure of Official Development Assistance

One particular feature of SSC is its emphasis on the need to reduce the dependence by the Global South on an administered aid and assistance regime – a hallmark of NSC. The evolution of the ODA program is critical to understanding this. ODA is defined as the “flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries (‘bilateral ODA’) and to multilateral institutions” (OECD 2003).

However, monitoring and measuring the ODA should be at an international forum such as the UNDESA DCF. This forum is expected to review trends in international development cooperation, promote greater coherence among the development activities of different development partners and help promote policy integration for strengthening normative and operational links. It is important that the ODA program adhere to the UN target of 0.7 per cent of a country's gross national product (GNP). This target has been long recognized as a vital step toward promoting international commitment for development. However, only a handful of countries, mainly the Scandinavian countries and recently the UK, adhere to the 0.7 per cent GNP target on a consistent basis. There is no enforcement mechanism or accountability (Martin 2018). Moreover, mechanisms for enforcement have not evolved. There should be sincere efforts to improve the registration of all development expenditures and contributions. More relevant forms of financing should help to steer total donor spending in a positive direction and subsequently facilitate adherence to the international GNP target.

7.2.3 Features of Triangular Cooperation

New forms of partnerships for ODA providers are developing as a consequence of triangular

cooperation, which hinges on one developed and one developing country working together to support a third developing country. The visible impact of TrC – initially conceived as a partnership between traditional donors such as OECD-DAC members and emerging economies as well as other developing states functioning as pivotal actors in order to provide development assistance to other less-developed and low-income countries – is the diversity in development cooperation that this instrument brings to the table.

A recent OECD survey (OECD 2016a) captured information on over four hundred fifty TrC activities from 62 countries and international organizations. Although the survey found that only 17 instances of Arab countries and institutions engaged in TrC [about 4 per cent of the database] (Casado-Asensio and Piefer 2018), TrC is proving to be a dynamic, evolving instrument.

But the modalities of engagement among Southern and Northern partners in a triangular arrangement may vary from case to case. In fact, very few leading OECD-DAC member countries, like Japan and Germany, have demonstrated confidence in selecting their partners using a TrC arrangement. For a multi-partner cooperation project to succeed, there must be mutual consensus between the two developing countries in selecting a OECD-DAC country that can meet the project terms. It is also important to bring on-board a third country to support the partnership – preferably one with whom the two partnering countries already have a working relationship at the bilateral level. Recently, China, Afghanistan and Pakistan initiated dialogue to enhance multi-partner cooperation to support the peace process in Afghanistan, boost connectivity and fight terrorism (Xinhua 2018). In many of these arrangements, the resources have come from the Northern partner and the technical capacity from the Southern actor.

As may be expected, Southern contributors are considered to have more relevant and transferable technical experience and skills, and as such have a pivotal role to play in a TrC arrangement. For example, India and Brazil have strengthened their bilateral relations by transferring technologies in pharmaceutical, green technologies and ICT through platforms like BRICS and IBSA (Upadhyaya, Fridahl, Linner and Roman 2018 & Kale 2018). TrC is also useful for the beneficiary country as a cost-effective, successful option. Moreover, the pivotal country has the financial and administrative capability to oversee the project. However, amid the rise of new technologies and the emergence of new production possibilities, it will be necessary to explore new modalities for cooperation to ensure that the Plan of Action's Sustainable Development Goals are met.

7.3 Future Technologies and Their Relevance for South-South and Triangular Cooperation

Several developing countries have explored diverse avenues to advance technologies and innovation-based solutions capable of transforming social and economic development. As the world experiences the Fourth Industrial Revolution, China, India and Kenya, for example, are exploring digital financial services such as online banking, e-payments and digital currencies. Such changes are happening at a rapid pace, not only in technologically advanced countries but also in the Global South – where SSC has already helped to advance the digital economy.

UNCTAD defined ten unique opportunities that would help developing countries to overcome difficulties of digital industrialization and promote equitable entry into the digital economy. Among these was the suggestion for collaboration among continental and regional blocs on infrastructure development, which would include digital data such as cloud computing and data management

(Banga and Kozul-Wright 2018). Exploring avenues of collaborations between southern countries on policy development and harmonization in the realm of e-commerce and digital payments is also critical (Banga and Kozul-Wright 2018). Moreover, SSC should support a digital single market to share best practices for e-governance, develop smart cities and promote innovations in digital technologies (Banga and Kozul-Wright 2018).

The UN Secretary-General convened a High-Level Panel on Digital Cooperation in July 2018, asserting: “Digital technologies make a significant contribution to the realization of the Sustainable Development Goals and they cut uniquely across international boundaries. Therefore, cooperation across domains and across borders is critical to realizing the full social and economic potential of digital technologies as well as mitigating the risks that they pose and curtailing any unintended consequences” (UN India 2018). His report advocated for significant changes in countries occupying the Digital South, in terms of increased online usage and digital consumption, and supported the premise that digital technologies are the precursor to sustainable growth and development. It also suggested that, while in past years, countries experiencing rapid growth in digitalization were more trusting of those tools, this correlation is now changing. Digital South countries are becoming cautious of data integrity and finding alternatives for securing and managing information online. The benefits of such collective engagements will enhance utility of the digital economy for the Digital South, aid regional integration efforts, support digital industrialization and prepare these economies for Industry 4.0. Digital cooperation should build capacity, promote infrastructure development and support competitiveness (Banga and Kozul-Wright 2018).

7.3.1 Emerging Applications

Digital technologies have major implications for financial inclusion and availability of financial services for a large proportion of citizens for whom banking services have been unavailable. Access to the Internet has also led to virtual markets replacing physical transactions. According to UNCTAD Information Economy Report (2017), global e-commerce was estimated at \$25 trillion in 2015, up from \$16 trillion in 2013. With its expanding middle class, the Global South will be a prominent beneficiary of such technology-led transformation. Indeed, initiatives to improve competition in the telecommunications sectors in the Global South through e-government programs, expanded Internet access, a commitment for political capital, the identification of priority areas, and blended finance and partnership initiatives will all help in the goal to meet the SDGs (Adhikari and Dorji 2017). In order to guide such activity, UNCTAD (2018) has proposed 10 principles for the South-South Digital Cooperation Agenda to boost industrialization:

1. Building a data economy
2. Building cloud computing infrastructure
3. Strengthening broadband infrastructure
4. Promoting e-commerce in the region
5. Promoting regional digital payments
6. Progressing on a digital market in the region
7. Sharing experiences on e-government

8. Forging partnerships for building smart cities
9. Promoting digital innovations and technologies
10. Building statistics for measuring digitalization

It is important that investments and innovations not exacerbate existing inequalities in citizens' ability to access basic services and goods. Studies show that access to water, energy and housing as well as to education and health care services impact people's standard of living and well-being (Rao and Pachauri 2017; Rao and Min 2018). Although innovations may appear to be neutral and accessible, the reality may be significantly different. As it stands, due to high cost, scale and adaptability issues, infrastructure development often excludes regions and different categories of users, including women, people with disabilities and people who are poor. Numerous studies highlight the fact that multiple inequities contribute to unequal access and utilization. The infrastructure needs of low-income neighborhoods and areas where the poorest citizens and immigrants live are generally not addressed in planning decisions; or, if there is infrastructure, services are inadequate. Heating and lighting issues are also an issue. The large-scale application of ICT, 3D and digital technologies would be helpful in assessing exclusions and gaps.

7.3.2 National and Regional Experiences

Digital technologies offer enormous opportunities when it comes to achieving economic inclusion within a short time span. The scale of Aadhaar, a twelve-digit unique identification number issued by the Government of India, is by far the largest biometrics-based identification system in the world, with a total of 1,229,704,204 Aadhaar numbers generated (UIDAI 2018). Aadhaar is used as a permanent financial address, thus making it possible for the underprivileged and weaker sections of society to access financial services. In this respect, it can be considered a tool of distributive justice and equality. With its inherent features of uniqueness, authentication, financial address and e-KYC (linking Aadhaar to bank accounts), the platform enables the Government of India to directly reach citizens who rely on government subsidies, including food and LPG subsidies (Pahal). Other key initiatives include the BPO Promotion Scheme, an initiative to incentivize BO/ITES operations across the country, to create employment opportunities in the IT-ITES sector (MEITY, 2018); the Software Procurement Policy for faster delivery and effective monitoring of services such as payments and exchange rates; provisions for start-ups and small- and medium-sized enterprises through the Make in India/Preference for Domestically Manufactured Electronic Goods (PMA) Schemes (Government of India 2017); and the Tele-law initiative to mainstream legal aid in rural India, accessed through common service centers, which have been set up to bridge the urban-rural gap.

Similarly, in Kenya, the success of M-Pesa has opened new doors. Transactions through M-Pesa now stand at more than \$1 billion and may even be higher than the GDP of Kenya (Anderson 2017). A UK Department for International Development-funded project that provided microloans was behind the M-Pesa revolution in Kenya, with more than half a dozen companies now providing mobile-based payment options. Kenya's Safaricom, a Vodafone, pioneered this success, and in February 2018, Google integrated M-Pesa as a form of payment into its App Store, making it easier for Kenyans to make purchases – and launching Google Pay as a global e-commerce leader (see

Table 1). “In Kenya, more than 250 government services are now available digitally through the country’s e-government platform, e-Citizen. Over 90 per cent of all digital payments on e-Citizen are made through mobile money” (Ngunjiri 2018). This platform has significantly streamlined the collection process: it now takes just one financial day to complete collections, settlement and reporting, down from six months before 2014 (Ngunjiri 2018).

At the regional level, the Integrated Regional Electronic Settlement System (SIRESS) of the SADC is another major success. SIRESS is a regional cross-border settlement system that enables the direct cross-border interbank payments between participating banks on a real-time or delayed basis (South African Reserve Bank 2018). Currently, more than eighty-four banks participate in SIRESS. Payments are in South African Rand (ZAR) and in US dollars. In March 2018 alone, SIRESS processed 28,305 transactions with a total value of R107.61 billion (SADC 2018).

7.3.3 Institutional Issues

The fundamental issues in proceeding with Industry 4.0, which incorporates digital technology in modern production, communication and service delivery processes (World Economic Forum 2016), will be the ability to produce, connect and use. Policy frameworks that ignore any of these would result in suboptimal, even adverse, outcomes. Most knowledge underlying Industry 4.0 would eventually be proprietary; there is also the possibility it would be owned by a few companies based in select countries. Integration in new supply chains, information networks, and data repositories would be critically linked to relevant knowledge in other countries and societies. Innovation systems that foster widespread innovation under Industry 4.0, technology pooling and open source models across countries will be highly desirable.

According to a recent paper by the South Centre and the African Trade Policy Centre, the digital economy of the future will take speed when the world enters the era of 5G, when data rates of tens of megabits per second can move for tens of thousands of users. The 5G technology will help developing countries fully realize the potential of the Internet of Things (IoT), cloud computing, artificial intelligence and blockchain technology. Unimaginable volumes of data would be generated in real time, the speed of data analysis would define the scope of production and consumption, and the digital economy would be driven by data analytics. *The Economist* (2017) suggests that the world’s most valuable resource is no longer oil, but data; as devices from watches to cars connect to the Internet, the data volume will increase (estimates indicate that a self-driving car will generate 100 gigabytes per second).

Technology giants in software, social media and e-commerce that generate enormous volumes of data are currently the most valuable companies – and shall remain so. Sophisticated algorithms should be able to predict when a customer is ready to buy, a jet-engine needs servicing or a person is at risk of a disease. On the downside, legal, regulatory and anti-trust jurisdictional issues pose serious challenges to the future application of these technologies. While digital technologies in the era of 5G and IoT would attract substantial attention for security and privacy concerns, it may be important to also highlight the need for protocols and procedures around upgrading, risk evaluation, monitoring and data analysis in the digital space. Finally, rural-urban gaps in digital connectivity would have to be rectified quickly to facilitate interoperability of various digital service delivery platforms, both public and private.

In addressing such challenges, SSC is a way forward, creating partnerships through intergovernmental, non-governmental and other private sector channels for development, while individual states develop their own paths and processes. In the arena of digital economy, other actors – especially those operating in the private sector – have become major participants in advancing modern development processes. For example, in Africa, while state corporations consistently failed to manage and provide efficient communication services, private sector players have stepped up to the plate. In 2018, the top five players in this field were Samsung, Tecno, iTel, Huawei and Infinix (Yun 2018). New development, trade and other partnerships have become instrumental in various processes across levels and spaces of engagement through bilateral and multilateral platforms, especially the BRICS countries – Brazil, Russia, India, China and South Africa.

An SSC approach in this arena is evident in Africa, where traditionally the development partnerships have been confined to Western Europe and North America. Recently, actors from the Global South are extensively supporting development in Africa. Forums such as the Forum on China Africa Cooperation (FOCAC) and BRICS are fostering regional development efforts designed to give African states and citizens access to technology markets, especially in China, in order to undertake communication, trade and other economic activities (Chidzonga 2016; Yun 2018). Some studies have analyzed the impact of Chinese (and more broadly Asian) industrialization efforts and investments in African economic growth (Doku, Akuma and Owusu-Afriyie 2017; Eisenman, Heginbotham and Mitchell 2015).

7.4 The Role of Public-Private Partnerships for South-South and Triangular Cooperation

In addition to these new, powerful technologies, the private sector is also expected to gain prominence, due in part to the rise and proliferation of public-private partnerships (PPPs). Many PPPs involve financial and/or in-kind support from non-state actors to enhance public projects. Ideally, the public-private partners share common goals and approaches to attain these goals.

It is expected that this expanded role will be reflected in the 2030 Agenda for Sustainable Development. Notably, the Addis Ababa Action Agenda (AAAA) – adopted in July 2015 as a foundational framework for the 2030 Agenda – emphasizes the importance of infrastructure investment for achieving the SDGs and points to an infrastructure gap of between \$1 trillion and \$1.5 trillion annually in developing countries, which is to be increasingly filled by the private sector (United Nations 2015a). SDG 17 encourages resourcing strategies of partnerships, including promoting effective PPPs (United Nations 2015b).

The ever-growing influence of the private sector in international development cooperation reflects broader transformations that have taken place in global governance. Indeed, since the late twentieth century, partnership models involving governments, non-governmental organizations (NGOs), for-profit companies, foundations and other non-state actors are increasingly viewed as necessary institutional innovations to address the complex and often rapidly evolving problems that arise from intensified international interdependence. Such innovations were arguably first applied in the issue-area of global health, particularly in addressing infectious diseases with the Global Fund to Fight AIDS, Tuberculosis and Malaria; childhood vaccinations with the Global Alliance for Vaccines and Immunization (GAVI), and food security with the Global Alliance for Improved Nutrition (GAIN) (Clinton and Sridhar 2017).

The rise of PPPs has been attributed to a broad ideological change that favors working with, rather than against, the private sector, especially to correct market failures. Compared to highly bureaucratized governments and intergovernmental organizations, the private sector business model is considered to be more cost-effective and to deliver better results. A widespread and rising disappointment with the ability of governments and some organizations in the UN system to accomplish development goals – particularly in light of lingering funding shortages – also helps to explain the future proliferation of PPPs (Walt, Brughla and Haines 2002). In addition, PPPs are considered to be more inclusive and more legitimate than traditional partnerships and institutions set up between governments.

In this light, traditional bilateral and multilateral sources of aid have proven unreliable and will likely dwindle even more over time. A prime example is the ODA, which has been decreasing as a source of development financing relative to cross-border flows such as climate financing, philanthropy, remittances and corporate social investments (Greenhill, Prizzon and Rogerson, 2013; Besharati 2013, p. 16). Moreover, high-income donor countries expect emerging countries to share a greater burden. The adoption of new measurement metrics such as the TOSSD, a new international statistical standard designed by the OECD to track resources invested to achieve the SDGs, is evidence of this expectation. The TOSSD serves to shift the focus to other cross-border flows such as non-concessional loans and many types of private financing, including through PPPs (Besharati, 2017).

Finally, more complex development challenges have arisen as a result of globalization and the growing number of interrelated issues and stakeholders involved. As a consequence, more and more stakeholders acknowledge that meeting these challenges is beyond the capacity of any one stakeholder. Collaboration between and among national governments and the private sector is what is required, and it is anticipated that as the need for more affordable global public goods increases, non-state actors such as transnational corporations, NGOs and philanthropic foundations will increase their role as providers of such public goods (Clinton and Sridhar, 2017). From both a political and practical standpoint, it will become inviable to exclude these actors from international development cooperation. Currently, the overall volume of PPPs in developing countries is currently less than 10 per cent of the country's total estimated infrastructure investment needs – many countries make very little or no use of PPPs (Inderst and Stewart, 2014). The potential for growth in both SSC and TrC projects that use PPS is therefore significant.

Beyond financing, private sector actors can also enhance SSC and TrC by diversifying the traditional state-led approach – where responsibility is shared between non-governmental and for-profit private organizations. While such a transformation is neither uniform nor linear, experiences from Asia suggest that governments can best use partnerships with the private sector when they offer capacity building, particularly in project management and implementation; streamline institutional frameworks for precise and engaged coordination with NGOs; loosen regulations; and promote policy dialogue and knowledge sharing with civil society organizations on development cooperation approaches (Mulakala 2017).

There are significant challenges to the future expansion of PPPs in SSC. The inclusion of more partners in SSC means higher transaction costs – as is the case with TrC – due to the way PPPs govern themselves, as well as complex financing arrangements. There are also costs associated

with legal, financial and technical matters; organizing and participating in the bidding process; negotiating concession contracts; and monitoring and managing contracts (Ho and Tsui, 2009, p. 2). Since PPPs often involve long-term projects with lengthy execution times, unforeseen or underestimated risks may significantly compound these costs (Benedito da Silva Filho 2015).

Another concern involves the risks of misuse of public goods by the private sector, either by means of privatization or subsidization. In developing countries, institutional mechanisms to regulate and monitor PPPs are often lacking or non-existent. Water PPPs are a case in point. After a wave of privatization of many water services in the 1990s, mostly in developing countries, the available evidence shows that global water companies have not brought the promised improvements in public water utilities. Instead of lower prices, large volumes of investment and improvements in the connection of the poor to water and sanitation, water tariffs have increased and become unaffordable to poor households (Hoedeman, Kishimoto, and Terhorst 2005). Regarding the use of subsidies (and tax waivers), during the two decades and a half of implementation of the unified health system in Brazil, the results were underfinancing of the public system and the increasing allocation of public resources to the lucrative private sector, which expanded considerably (Batista de Sá et al. 2015). Private firms also often lack the skills and experience to engage with local communities; yet their impact in PPPs may depend precisely on such engagement. Moreover, SSC principles require local ownership of implemented projects. For NGOs, the main challenges involve avoiding excessive financial dependence on government grants and retaining their autonomy (Mulakala 2017).

A related problem specific to the developing world is that the bulk of the financing risk is concentrated by the public sector and borne by taxpayers (Inderst and Stewart, 2014; Benedito da Silva Filho 2015). If they are to realize their potential in the future development agenda, PPPs in the Global South must mobilize a greater share of private resources. For instance, in Brazil – which accounts for the largest share of PPPs in the Global South, at 20 per cent – 27.4 per cent of PPP financing comes from the National Economic and Social Development Bank (BNDES).

It is crucial that PPP partners share the same goals and approaches, to mitigate transaction costs and risks of failure in project implementation. Partners also need to have the necessary skills and means to engage local communities as per the SSC principles of horizontality, local ownership, mutual gains and demand-driven cooperation. It is likewise important that the division of responsibilities, finance burden and risks be clearly specified and balanced between the public and private sectors. Finally, PPP partners, be they governments, firms, foundations and/or NGOs, must play their role autonomously throughout the project implementation phase if the benefits of complementarity and burden sharing are to be maximized.

7.5 How Will the Global South Cooperate in the Future on Emerging Development Challenges? Climate Change and the Youth Bulge

Undoubtedly, as this chapter has shown, developmental solutions to today's critical developmental challenges exist in the Global South. All Southern countries, including least developed countries, have an important role to play in this regard. Through SSC, Southern states could cooperate on pressing current and future transnational development challenges that would be otherwise be difficult to tackle independently. In doing so, it could be effective in spurring transformational

change and contribute to the achievement of the 2030 Sustainable Development Agenda. Climate change and demographic transformation – two main challenges facing international development in the coming decades – will require new approaches, actors, partnerships and technologies.

7.5.1 Climate Change

Perhaps more than any other emerging development challenge, the fight against climate change can only succeed through international cooperation. The recently ratified Paris Agreement suggests as much, as it recognizes the importance of cooperation at all levels. To encourage greater levels of international cooperation on climate change, it lays out a plan of action that progresses over time and that recognizes the need to support developing country parties (UNFCCC 2015).

The other landmark agreement is the 2030 Agenda for Sustainable Development. Goal 17 stresses the importance of the role of South-South and triangular cooperation, while Goal 13 sets a target to “promote mechanisms for raising capacity for effective climate-change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities” (United Nations 2015b). Climate change is closely related to and will surely impact all the other SDGs as well, as climate change exacerbates threats, reverses positive trends, creates new uncertainties and raises the costs of adaptation and resilience building (UNOSSC and South Centre 2017).

The growing adverse impacts of climate change will be felt most in developing countries, with least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS) being disproportionately impacted (UNOSSC and South Centre 2017, p. 10). As the poorest continent, Africa is considered most susceptible to climate change due to its vulnerability and inability to cope with the physical, human and socioeconomic consequences of climate extremes. Moreover, achieving the SDGs by 2030 will be a difficult task, particularly for those countries already facing multiple development challenges and with little capacity to mobilize the necessary human and financial resources to enhance sustainability (UNEOSG and UNFCCC 2017).

Another disadvantage for the Global South is the current international regimes created to address climate change. Most analyses of the impacts of climate change that have influenced UNFCCC agreements focus on medium- to long-term projections of carbon emissions. Forecasting models cover mainly countries and regions for which relevant data are readily available. This leaves out most developing countries and regions, particularly Africa – a serious and costly omission from their perspective.

Over and above these issues, current mechanisms and resources under the Kyoto agreement designed to mitigate climate change’s effects on Africa and other developing regions have been directed at limiting future carbon emissions, rather than addressing a region’s vulnerability and lack of resilience to the impacts of climate change on its economy and population. Any evaluation of the meager actions taken by Africa to stem the dire economic and environmental consequences of greenhouse gas emissions generally overlook a region’s main concern around modern-day disasters that threaten lives and livelihoods and hinder the continent’s economic growth and social progress – droughts, desertification, floods, coastal storms, soil erosion and so on. Global climate

change agreements focus almost exclusively on funding and investments for green, low carbon growth projects, and thus have limited relevance for Africa. For example, African participation to date in the Clean Development Mechanism (CDM) and carbon trading arrangements under the Kyoto Protocol has been minimal.

It is expected that China will take the lead in providing SSC to fight climate change impacts in light of President Xi Jinping's announcement of the establishment of a \$3.1 billion China South-South Climate Cooperation Fund. Significantly, he adopted the framework of SSC as the basis of this fund (Khor 2016). Conversely, as President Donald Trump has announced the withdrawal of the US from the Paris Agreement, many stakeholders expect SSC to play an increasingly important role and to have an enhanced impact on addressing global climate change (UNEOG and UNFCCC 2017). TrC may also provide a valuable contribution to these efforts by allowing broader stakeholder cooperation and resource mobilization beyond governments, thereby promoting greater inclusiveness, recognition and resource mobilization for the Global South (UNEOG and UNFCCC 2017).

The Paris Agreement (UNFCCC 2015, Article 4, par. 2) requires each party to prepare, communicate and maintain successive nationally determined contributions (NDCs) that it intends to achieve. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions. The analysis of NDCs suggests that many Southern countries have prioritized similar climate adaptation and mitigation goals. For instance, almost all of them have indicated energy is a priority for their mitigation activities, such as enhanced access to electricity as well as energy security, and recognize the considerable benefits of low emissions and renewable energy sources (cf. Paper 5 in the Annex). Similarly, 97 per cent of developing countries have identified mitigation actions in the use of land, land-use change, and the forestry sector in their NDCs. The reduction of greenhouse gas emissions in the transportation sector is another mitigation priority identified in these countries' NDCs. With regard to adaptation efforts, NDCs of developing countries highlight the agricultural and health sectors as key (UNEOG and UNFCCC 2017).

When it comes to implementing policies and measures to achieve low emission and climate resilient development, developing countries share similar hurdles: scarce financial resources, weak organizational and institutionalized technical support, and lack of appropriate technologies and expertise. Yet, these hurdles can present opportunities for mutual learning and cooperation, particularly in areas such as sustainable energy, low carbon agriculture, biofuels, forest monitoring systems, restoration and reforestation activities, and sustainable transport.

The experiences of a number of countries show this can be achieved. The Renewable Energy Development Project in China supplied four hundred thousand rural households with solar- and wind-powered electricity, and in 2002 the country launched the Township Electrification Program, one of the world's most ambitious global renewable energy rural electrification programs (NREL, 2004). Similarly, learning from Brazil and its experiences in reducing emissions from deforestation and forest degradation and adapting approaches to local contexts and capacities, Mozambique successfully established a REDD-plus process at the national level, which resulted in a draft national REDD-plus strategy and REDD-plus readiness preparation proposal (Nhantumbo 2013). (REDD involves reducing emissions from deforestation and forest degradation as well as conserving, managing forests sustainably and enhancing forest carbon stocks in developing countries.)

Finally, from 1997 to 2007 Thailand cooperated trilaterally with Germany in a community waste management project in Phitsanulok, Cambodia, which led to an 84 per cent reduction of greenhouse gas emissions from the municipality's waste sector (Sang-Arun, Heng, Rithy and Phalla 2011).

Facilitated through bilateral, triangular or multi-partner arrangements, or regional or international development banks, South-South cooperation on climate change should focus on capacity building/ technical support; provision of financial support; technology development and transfer; infrastructure development; and support for institution building (UNOSSC and South Centre 2017). A good example is Chinese SSC in Africa, which supported technical training seminars on small-sized hydropower stations; water-soil conservation and rain-fed farming; solar energy applications, water-saving irrigation; forest conservation and exploitation; CDM training workshops; rainwater collection and utilization; and climate system and climate change analysis. India funded the building of a solar panel assembly plant in Mozambique, with the output helping to lower the cost of solar panels in the country while providing locals with training opportunities in solar panel assembly and installation. India also funded the Nyabarongo Hydropower Project in Rwanda, largely through concessional loans from the Export-Import Bank of India (with smaller funding from Rwanda). Brazil, China, Colombia and India include information in their INDCs and NDCs on their plan to enhance SSC, while other countries refer to SSC in different ways (UNEOSG and UNFCCC 2017).

Finally, the rise of new Southern-led institutions such as the NDB and the AIIB – both have acknowledged climate change action to be an important aspect of their mandates – along with the establishment of national agencies to undertake SSC in key Southern countries and the higher priority being placed by the United Nations system and its agencies on supporting SSC climate change projects are all positive signs.

7.5.2 The Youth Bulge

Over the past two decades, the developing world has witnessed a demographic shift, from societies that had many offspring and died young to societies that have fewer offspring but live longer – from high fertility and mortality rates to low fertility and mortality rates (UNDESA 2017).¹⁶ This so-called youth bulge is nearing its historical peak, with the exception of sub-Saharan Africa, where the youth bulge is expected to extend into the next decade or so. The share of the population in the 15-29 age bracket is about seven percentage points higher in less developed countries compared to more developed regions. In Africa (both Sub-Saharan and North Africa) alone, about 40 per cent of the population is under 15 and nearly 70 per cent is under 30. Hence, long-term prosperity and stability hinges on the opportunities afforded to the younger generation.

Another significant outcome of such a demographic transformation is the aging of the population in the developing world. Sixty per cent of the world's elderly live in developing countries, and by 2050, these countries' share of the aged population is expected to rise to 80 per cent (Lutz and KC

¹⁶ Even in Africa, where fertility levels are the highest of any region, total fertility has fallen from 5.1 births per woman in 2000-2005 to 4.7 in 2010-2015 (UNDESA, 2017).

2014, p. 526). In Africa alone, the percentage of the population aged 60 or over is expected to rise from 5 per cent (2017 figure) to 9 per cent in 2050 and to 20 per cent by the end of the century (UNDESA 2017).

Both demographic transformations present challenges for the Global South. In terms of the youth bulge, a relative increase in the economically active population will create a demographic “bonus” or “dividend”. Recent empirical literature supports this finding that there is a robust association between age and economic growth (Bloom, Canning and Sevilla 2003). There is, therefore, a direct labor-supply effect – the economy grows at higher rates as working-age groups expand. (This effect will disappear some years later, when large youth cohorts reach retirement age, leading to an increase in old-age dependency ratios, i.e. population aging.)

More working-age people in a region/country translates into more support for retirees and a reduced demand for elementary schooling. In Brazil, for example, this demographic pressure is among the most important contextual factors to influence the enrolment numbers of children in the elementary school system (Riani, Lucena and Rios-Neto 2007). The downside of the youth bulge is the need to create jobs for this growing cohort – a necessity in order to achieve income sustainability and avoid criminality and delinquency, which are generally a by-product of high unemployment rates. As for the aftermath of the youth bulge, aging populations will put pressure on health and pension systems and affect income generation.

Both SSC and TrC can play a key role in helping Southern countries address the challenges and opportunities created by a peaking youth bulge. A key sector is education, so essential for ensuring a qualified labor force, raising incomes and increasing productivity. Empirical observations of the effects of the demographic dividend on economic growth suggest that these effects are most likely influenced by changes in the education level of the population (Rentería, Souto, Mejia-Guevara and Patxot 2016). Hence, timely projects to enhance educational reach and quality in the developing world are crucial. Moreover, educational attainment tends to be achieved at young ages and typically remains invariant for the rest of one’s life (Lutz and KC, 2014 p. 520).

SSC and TrC may also help Global South countries address their considerable health care challenges. Only 5.6 per cent of the global population lives in countries that legislate and provide long-term, universal coverage (Morrissey, Lang and Newman 2019) – clearly an issue for the elderly who need access to affordable mobility equipment, medicine, home-based care devices and other services or goods. Another vulnerable group is the aging worker, who are adversely affected by work hazards, lower wages that impact the value of pensions, and untreated diseases.

With SSC’s focus on building capacity and promoting holistic approaches designed to improve entire health systems, SSC (and TrC) is particularly suitable for addressing the health challenges of an aging population. In Brazil, for example, efforts are under way to promote capacity building and the exchange of information and experiences in the area of pharmaceutical regulation. The goal is to strengthen the Mozambique Drug Regulatory Authority, to enable it to autonomously regulate the Mozambican pharmaceutical sector (Santos and Cerqueira 2015). The Miracle Mission (Misión Milagro) initiative, led by Cuba and Venezuela, is focused on addressing the vision challenges of older people living primarily in South America. However, instead of developing integrated and self-sustainable eye care services at the local and national levels by improving local ophthalmological services, Miracle Mission relies on the temporary professional help of foreign ophthalmologists

(Furtado, Cade, Lansingh, Zin, Arieta, Fabiani, Luco and Resnikoff 2010).

In the area of pension reform – currently a major policy concern and source of social unrest in many developing countries – there are few adequate models that can be used to guide such reforms. One TrC initiative involving the Chinese Ministry of Human Resources and Social Security and the ILO is looking at reforming the social security system to address new forms of non-standard employment in the digital economy. The initiative involves combining policy-level advisory services with capacity building support services that will be delivered jointly by the ILO and public labor market research and social security research institutions from China and selected ASEAN countries (Tzvetkova, and Tran 2018). With regard to employment, SSC and TrC can help pave the way for an older workforce by supporting workplace retention practices, particularly for women. The challenge is that older workers are usually less prepared for technological and educational changes (Hardy 2016).

SSC initiatives between China, a country that has enjoyed a 42-year-long demographic dividend (now diminishing), and Africa, a continent that is on the cusp of its own demographic dividend, are promising – and have the potential to showcase lessons learned. According to the United Nations Population Fund (UNFPA), there are four main areas where the experience of China can offer lessons for African countries: employment and entrepreneurship; education and skill development; health and well-being; and rights, governance and youth empowerment¹⁷ (Johnston 2018).

7.6 South-South and Triangular Cooperation in a Multipolar World

In addition to its valuable contribution in helping to address pressing global developmental challenges impacting the Global South, SSC has gained traction as one of the key global arenas where policy makers could learn how the dynamics of South-South and TrC can help shape the new global development cooperation architecture. Multipolarity is the new reality for South-South cooperation, which hitherto shined in the glory of political solidarity and the narrow confines of broader commitments from the North. The rise of the South has added a financial and geopolitical counterweight and is paving the way for triangularity. It has advanced the idea of a state, in terms of the number of actors involved, beyond the 1648 Treaty of Westphalia, which established nation-states, with dominance from the West. The contours of the new norms for partnership would emerge out of a shared global view of the collective challenges, differing responsibilities with respect to emerging economies, along with an understanding or appreciation of the need for emerging economies to develop using their own expertise. This new reality would create what India's Prime Minister Narendra Modi has eloquently articulated as a vision of an "equator-less" world, with developing countries cooperating to confront common challenges and address socio-economic issues in the spirit of solidarity. President Xi calls this form of cooperation "sharing prosperity".

The German-led G20 Compact with Africa (CWA) is a clear way forward on how global institutions can really shape the emerging narrative on inclusion and partnership, in terms of mutual economic

¹⁷ The African Union's 2017 summit theme of "Harnessing the Demographic Dividend through Investments in Youth", the first-ever China-Africa Conference on Population and Development was held under the same banner in April 2017 in Nairobi.

growth and trade relations. The CWA, in fact, has emerged as a new instrument for promoting investment and value chains for regional economic development (cf. Paper 6 in the Annex). Thus far, 11 African countries have joined the initiative: Benin, Ivory Coast, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia. After Argentina, Japan has also promised to embrace this commitment with Africa when it assumes presidency of the G20 for 2019 and has already pledged a greater focus on SMEs, agriculture, and industrial transformation.

The joint report from AfDB, IMF and WBG (2017) suggests:

The G-20 CWA Initiative, under the G-20 Finance Track, provides a framework for boosting private investment and increasing the provision of infrastructure in Africa, amid reluctance from the financial institutions and developed countries of the global north to support Africa's socio-economic development. The emerging economies in the South, like China and India, are significantly investing in such endeavors. The initiative aims to help African countries seize their potential for sustained and inclusive economic growth by mobilizing governments and their international partners to implement concrete measures to significantly increase private and infrastructure investment in Africa.

Areas proposed for detailed engagement include the Macroeconomic Framework, which comprises economic policies for macro stability and provision for public infrastructure; the Business Framework, which focuses on the business environment, regulations, sectoral policies and capacity development through public-private partnerships; and the Financing Framework, which includes development of local capital markets and potential support from long-term institutional investors in major financial systems (G20 Compact with Africa 2019). These areas are likely to provide the enabling mechanisms for higher economic growth.

International organizations and UN agencies will need to reorient themselves to this new reality or scenario. This would involve the adoption of a much larger and diversified agenda, where the perspectives of and discourses with developing countries would be sought out during the formulation of regulations/protocols to achieve Agenda 2030. This may be a challenge in a world that is becoming increasingly depolarized. The integrated nature of Agenda 2030 – a prime UN mandate – may offer opportunities for joint SSC and TrC projects.

Recent SSC initiatives where development agencies from emerging powers are creating a sense of shared sense of cooperation and solidarity in the Global South could possibly provide some lessons learned for traditional agencies. For example, the TICA has undertaken several new development projects in the African region, particularly in Chad and Somalia, as well as in other developing countries. These include TICA of Thai Development Cooperation Agency; ABC of Brazil; and Development Partnership Administration (DPA) of India.

7.7 Future Areas of Research and Policy Recommendations

While SSC has played an increasing role in global development forums and appeared prominently in many of forum declarations, there is still remarkably little evidence-based knowledge available about SSC. This paucity of information makes it difficult to gather general, cumulative and comparative knowledge on SSC approaches and practices. To complicate matters, each country adopts its own definition of SSC, and most of the research that has been carried out is anecdotal, is

often based on case studies and lacks comparative data – thus undermining an assessment of the effectiveness of SSC practices. Future research could go beyond the traditional focus on bilateral and multilateral SSC and investigate intraregional specificities and ways to learn from them and bridge them. For instance, much has been said of distinctively Asian or Latin American approaches to SSC.

Despite the efforts of some Southern countries and regional organizations such as the Ibero-American General Secretariat (SEGIB) to quantify SSC, a broader, accurate portrayal of SSC globally is lacking: it is fragmented, largely absent or incomplete, or unreliable. There have been many proposals for a collective platform for aggregating data on SSC. Such data could be both quantitative and qualitative, and the platform needs to be sufficiently flexible to accommodate the significant diversity of SSC. It should also be voluntary to encourage collaboration and avoid political distrust that often comes with data sharing. As with the work on SSC conceptualization, even if no common approach for measuring and reporting SSC is reached, it would be useful to outline the different approaches. The database could, for instance, shed light on the convergence or divergence of modalities within SSC. Greater quantity and quality of data would also be valuable when it comes time to build performance or impact assessment indicators. Think-tanks are uniquely positioned to build, host and manage such a platform.

From a substantive perspective, future research on SSC would fill in missing data on non-traditional modalities as well as on the differences between sectors or modalities that are unique to SSC and how they are changing. There is also an opportunity to investigate “second-generation issues” that emerged following the Nairobi Outcome Document (2009) (Southern Voice, 2016). These issues include: the impact of trade facilitation, peacekeeping missions, refugee, migrant and student support, debt relief, private investment, less concessional loans and credit lines, SME development, reducing costs of remittance transfers, and relaxing intellectual property laws, for example. This research could also shed light on the advantages of approaches based on the “development compact” proposed by India (Chaturvedi 2016).

Finally, studies that highlight the potential trade-offs between pursuing different targets will be important to undertake if we are to maximize the impact of SSC, strengthen synergies between different efforts and prevent wasteful duplication or overlapping of initiatives. This line of research will be particularly valuable because policy coherence imperatives in Southern countries surely differ from those observed in high-income countries. For instance, the relations between promoting health, protecting the environment and fighting poverty tend to be both stronger and more complex in the former.

More research is also needed for TrC, where there is even less data. There is still much to be learned about the relative costs and benefits of TrC – particularly transaction costs – and the extent to which TrC complies with SSC principles. It would also be important to empirically clarify whether TrC requires distinctive assessment and accountability mechanisms; given the larger number of partners involved, it may even require entirely different institutional frameworks (cf. Paper 4 in the Annex). TrC also offers opportunities to learn about “bridging” initiatives and mutual impact of intersection points (Abdenur and Marques Da Fonseca 2013) between ODA and SSC practices. Finally, another potential area for future research would investigate the differences between TrC arrangements that involve different partners, such as traditional donors, other Southern providers

or intergovernmental organizations (Southern Voice 2016).

Beyond research, the report brings a number of policy recommendations to the fore, that should be considered in continuing the South-South and triangular cooperation story long after the conclusion of BAPA+40:

1. Countries of the Global South must continue to look outwards, rather than engaging in isolationism or delinking from international systems, particularly under the guise of sovereignty or self-reliance. The world needs more Southern voices, knowledge, and ideas. It needs these countries to drive improved equality in entrenched systems, to press for evolution to the international order and to lead the application of new and innovative solutions to endemic development issues.
2. South-South cooperation is premised on the notion of self-reliance, particularly via the exit of a traditional resource relationship between partners. But as economic powerhouses including China, Brazil and India join the same global markets and value chains as traditional partners, consideration must be given to how to maintain the value-addition of South-South cooperation in the context of traditional economic system encroachment.
3. Policymakers must continue to promote agency in the Global South. These countries are not passive recipients, but initiators, leaders, knowledge creators, and partnership brokers. In order to align with, and, ultimately evolve, the principles that define South-South and triangular cooperation, policymakers must work to ensure that local context, needs, values, and perspectives are integrated in all funding and development relationships, particularly when in a situation of unequal power relations. The SDGs themselves provide a framework for developed countries to provide more concessional aid for sustainable development, and the principles of partnership and mutual benefit have taken hold to some degree. National and regional institutions in the South can take advantage of this to stress the concept of interdependence as well as respect for sovereignty and agency.
4. Countries and the international community must improve transparency in ODA, whether it comes from a traditional development partnership, or through South-South cooperation. The report recommends that monitoring and measuring the ODA should be at an international forum such as the UNDESA Development Cooperation Forum, which can also work to promote greater coherence among the development activities of different development partners.
5. Policymakers must broach how considerations of national sovereignty can exist simultaneously with increasing globalization and regionalization, particularly with the advent of digital and e-commerce. Partnership, relationships, and individual connection are increasingly borderless. Policymakers may consider how balance is achieved between the apparent necessity of globalized engagement, and the imperative of respect for national sovereignty, particularly as SMEs, multinationals, and individuals are increasingly connected with global markets regardless of national policy positions.
6. Through the digital economy, the Global South does have an opportunity to dramatically enhance this cause, to use ICT and computer technologies to drive development changes and create a more prosperous and inclusive development. The digital economy raises labor

and capital productivity by enabling a direct participation in global markets and value chains, lowers transaction costs and improves access to essential information. There is an inherent excitement embedded in new technology, particularly when accompanied by the promise of revolutionary change. However, policymakers should be cautious about innovation and new technology and avoid heavy cost adoption at the expense of matured processes, systems and approaches. The adoption should not come at the expense of citizen access to basic services, equality of access or adoption, ethical considerations or the protection of human rights.

7. There should be a persistent recognition, in policy and programming, that new partners now exist in contemporary international development, not the least of whom are civil society organisations, the private sector, academics and think tanks, and philanthropy. Policymakers should revise systematised and institutionalised perspectives so as to view the strength of the diversity of the pool of actors and their expertise as further engendering more effective triangular engagements for sustainable development thinking and practices.
8. Policymakers should embrace, and define for their appropriate contexts, “new” South-South cooperation. Emphasis should continue to be placed on hard development issues, including infrastructure, in conjunction with soft development issues, such as healthcare and education. More Southern countries should be encouraged to continue the transition from simple recipients of assistance to active partners in South-South and triangular cooperation. The importance of regional organisations, including a policy coordination committee or forum, should be recognized and leveraged; driving data for decision-making, establishing regional objectives, framing key priorities and improving common approaches to public administration, trade rules, and protection of human and citizen rights.

7.8 Concluding Remarks

To maximize the benefits of SSC and TrC, efforts should be made to identify and explore partner complementarities, particularly in the areas of production, consumption, trade, investment and technology. Complementarities are critical to SSC and appear to be the backbone to private sector development, particularly PPPs in the Global South. With an increased number of innovative methods of development assistance, development instruments are no longer limited to loans and grants, as innovating financing instruments have been introduced, particularly through public-private investments involving non-state Southern actors. Given the potential of SSC and TrC in enabling developing countries to leapfrog technological developments and promote economic transformation and the generation of more accessible services and information, PPPs’ impact on poverty reduction is immense. Affordable technologies are a powerful and revolutionary instrument for integrating poor and isolated communities as well as for disseminating crucial information. PPPs will and must continue to grow given the increasing number and importance, particularly for development financing, of private actors, and the lack of resources of governments and intergovernmental organizations, as emphasized in the BAPA+40 outcome document. However, it is critical that SSC frameworks avoid having the financial burden fall disproportionately on governments, as well as the private sector misuse of public good.

Given Southern countries have prioritized similar climate adaptation and mitigation goals, and deal with common economic, technological and capacity-related challenges and restraints, mutual learning and cooperation is also critical, particularly in the areas of sustainable energy, low carbon agriculture, biofuels, forest monitoring systems, restoration and reforestation activities, and sustainable transport. South-South cooperation on climate change should be carried out by means of wide-ranging modalities, including bilateral; triangular; multi-partner, UN-facilitated; regional, international development bank-facilitated; as well as multilateral or globally-focused; and should concentrate on capacity building/technical support; provision of financial support; technology development and transfer; infrastructure development; and support for institution building. SSC should focus on the central adaptation concerns of developing countries related to climate change, most notably the vulnerability and lack of resilience to the impacts of global warming, rather than solely on mitigation efforts limiting carbon emissions.

When it comes to dealing with future demographic challenges, the focus of SSC should be on educating youth, enhancing health care systems, reforming the pension system, creating employment opportunities and retaining older workers. Finally, research on SSC and TrC is critical for identifying synergies, complementarities and best practices, and thereby guiding future policy development. Policy-relevant research should explore the role of distinctive and changing modalities, sectors and levels in both forms of cooperation, highlighting their diversity and uniqueness between partners and across regions.

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Annex

(Background Papers: Executive Summaries)

The Independent Report benefited from some of the analysis contained in the following Papers commissioned by the UN Office for South-South Cooperation. The papers were drafted by some of the leading think-tanks in the Global South, members of the South-South Global Thinkers (<https://www.ssc-globalthinkers.org/about-us>).

Paper 1**THE ROLE OF CIVIL SOCIETY ORGANIZATIONS IN IMPROVING THE QUALITY OF EDUCATION: THE CASES OF ECUADOR AND EL SALVADOR**

GRUPO FARO & FUNDACIÓN SALVADOREÑA PARA EL DESARROLLO ECONÓMICO Y SOCIAL

This research is focused on the role of Civil Society Organizations (CSOs) in advancing education in Latin America. The investigation proposes a qualitative approach to this subject, based on the analysis and comparison of four different case studies, projects implemented by CSOs in Ecuador and El Salvador, two different Latin American contexts. The research aims to investigate which methods and approaches are CSOs implementing to advance education in the region. At the same time, the research states South-South Cooperation (SSC) as a good practice that has been actively used in the Latin American region, particularly in the exchanges between CSOs implementing educational projects. Due to the importance of Civil Society Organizations and South-South Cooperation to improve and innovate education in the region, and additional objective of this research is to propose public policy recommendations that will facilitate CSOs to implement educational projects and different sort of organizations to benefit from the tools and networks provided by South-South Cooperation mechanisms.

In general terms, we have identified that the four projects executed by CSOs in Ecuador and El Salvador, have allowed the development of innovation, critical thinking and leadership skills in students. Furthermore, it is important to emphasize that, in the processes developed by each of the organizations reviewed, South-South Cooperation has played an essential role, providing networks that have facilitated the exchange of knowledge, experiences and tools, which have allowed collective reflections, identification of common problems and proposing solutions adapted to the regional context. Additionally, teacher's training and formation was a key element for the execution of projects and its success, as it allowed transformation in the classrooms in the long term; another similarity between the cases related to the conception of community and the establishment of general communal living codes.

We conclude this document by providing a final reflection on these matters and offering specific policy recommendations, among which we advise governments to design policies, programs and mechanisms that enable civil society organizations to implement educational projects and initiatives, which complements the work of governing bodies in educational issues, as these have a greater field of action in terms of innovative methodologies and their application. Additionally, based on the results obtained by CSOs in their execution of educational projects thanks to mechanisms of South-South Cooperation, it is recommended to encourage and promote these channels of cooperation among the governments of the region, which will allow the promotion of work network, particularly in national and regional networks, as they allow access to knowledge, tools and know-how of interest in educational issues.

Paper 2

SSC COHERENCE IN A COMPLEX ASSISTANCE FRAMEWORK FOR DEVELOPMENT: THE CASE OF NIGERIA

CENTRE FOR THE STUDY OF ECONOMICS OF AFRICA & SOUTH VOICE

Despite the enormous potential, presently, there is paucity of a systematic framework to account for and compare SSC experiences and interventions. Solutions to development problems learned in each SSC experience are mostly considered as unique cases. The present study attempts to address this key shortcoming by proposing a conceptual framework useful for comparison and assessment of SSC initiatives. In the spirit of SSC, three research teams from different parts of the global south jointly developed the conceptual framework: The Centre for the Study of the Economies of Africa (CSEA) in Nigeria, Asociación de Investigación y Estudios Sociales (ASIES) in Guatemala and Southern Voice, a coalition of 50 think tanks in the global south, in Bangladesh. The framework was constructed based on documentary review and focus group discussions with key actors within the development assistance landscape in Nigeria. This elicited a number of important characteristics for an SSC initiative, which are classified under 8 components: (1) challenges addressed, (2) actors involved, (3) relationship between actors, (4) modality of cooperation, (5) strategy of implementation, (6) time of implementation, (7) reporting, and (8) evaluation of impact.

What Initiatives does the Study Examine?

The framework is employed to analyze two cases of SSC projects and compare with two similar North South Cooperation (NSC) initiatives in Nigeria. First is the South-South Cooperation Programme (SSCP), a technical assistance to Nigerian farmers implemented by the Chinese government. This was juxtaposed with the Feed the Future Nigeria Agricultural Policy Project, another technical support programme by the US government. Also, we examined Nigerian technical assistance to Gambia under the Technical Aid Corps (TAC) programme and compare it with the Overseas Development Initiative (ODI) Fellowship Scheme, a capacity-building programme supported by UK and Australia governments.

How Can Partnerships between Countries in the Global South be Improved?

Going forward, the following specific policy recommendations will be crucial to strengthen SSC development pathways:

- i Predictability of funding: SSC needs to embrace the aid predictability. Depending on the programme, matching fund or triangular cooperation might be considered to improve funding and reduce uncertainty.
- ii Addressing the policy and institutional lacuna: There is an opportunity to scale up SSC through exploiting its unique modalities. In Nigeria, there is need for policy coherence to mobilize and target these important development pathways. However, it is important to ensure that development cooperation fits into the national development plan. At present, coordination between donors and government is mostly limited to large-scale philanthropic support and development assistance. Developing a strategic institution and partnership between providers and recipients will be crucial.

Paper 3

How Coherent Are Trade and Investment Policies of the Southern Finance Providers? A Case Study on Indo-Bangla Lines of Credit

CENTER FOR POLICY DIALOGUE

The issue of development effectiveness of South-South cooperation (SSC) has come to the forefront of development effectiveness discourse in view of the large-scale involvement of financial flows moving horizontally from South to South under a new dispensation. Indeed, Bangladesh has been a prime beneficiary of the recent surge in SSC, having received a total of \$8 billion worth of credit support from India, one of the major Southern providers, under three Lines of Credit (LoCs) since 2010. China has also emerged as a major Southern provider for Bangladesh. In this context, it is felt that there is renewed need to examine issues of coherence in order to derive insights to raise efficacy of SSC (cf. Paper 2 in the Annex). This study uses the Indo-Bangla LoCs as a test case to determine the extent to which the projects undertaken under the LoCs are aligned with Bangladesh's national policy. The study proposes a framework that takes into account: (i) national policy alignment; (ii) priorities alignment; (iii) SDG coherence; (iv) process efficiency; and (v) accountability modalities, to assess the level of policy coherence in the context of the SSC.

The study finds that, broadly speaking, the LoC projects under the three LoCs, are aligned with Bangladesh's development policies and priorities as envisaged under the Seventh Five Year Plans and sectoral plans. The projects under the LoCs are expected to help the cause of Bangladesh's industrialisation, a key developmental focus of the country, and also overall economic growth by establishing seamless connectivity in major transport corridors. The projects are also expected to attract investment to Bangladesh from India taking advantage of the duty-free, quota-free market access offered by India. In addition to directly contributing to achieving SDG9, the projects are also expected to contribute to attainment of some of the other SDGs such as SDG1, SDG2, SDG7, SDG8, SDG10 and SDG17.

At the same time, as is argued in the paper, the LoCs do not give Bangladesh the best "value for money". Embedding conditionalities in Indian LoCs have adverse implications in terms of forgone benefits and reduced returns on investment. Issues that undermine development effectiveness include upfront payment, relatively lower maturity period, higher than IDA type interest rate (though less than commercial interest rates), and procurement- and service-tie conditionalities (65% to 85% of the contracted amount). The study also finds that while in general, projects related to procurement tend to be delivered on time, implementation of infrastructure projects under LoCs gets delayed for various reasons leading to cost escalation.

The study recommends that Southern provider countries relax some of the more stringent conditionalities, such as the existing compulsory goods and services procurement from India, or at the minimum, consider relaxation on a case-by-case basis in line with the spirit of the SSC. The study also recommends greater involvement of local government bodies, civil society organisations and private sector in the monitoring mechanism of the LoCs.

Paper 4

South-South Cooperation: A Theoretical and Institutional Framework

RESEARCH AND INFORMATION SYSTEM FOR DEVELOPING COUNTRIES & NETWORK OF SOUTHERN THINK-TANKS

In spite of calls given repeatedly to initiate a process of convergence between SSC and NSC, some structural and systemic differences still exist that are very difficult to be eliminated. Further, SSC is gradually moving beyond the earlier focus on import substitution to providing development finance to partner countries. SSC does not merely involve transfer of public money from one to another partner country. Most of the transfers are, unlike those followed by OECD countries, non-monetary in nature. Net capital inflows into southern countries show a volatile trend, even though intra-South flow of FDI has been increasing. Premature deindustrialization, resulting in “Dutch disease”, has been a bane for many southern countries. Many developing countries have either graduated into the group of MICs or are in the process of doing so. Given the restrictive access to ODA accorded to them, SSC has the potential to emerge as more prominent source of development assistance for them. SSC has been playing an increasingly important role in contributing to the National Development Cooperation Policies prepared by the Southern nations.

W. Arthur Lewis observed that a developing country is characterized by dualism in their domestic economic structures with simultaneous existence of a capitalist sector and a subsistence sector. The proponents of South-South Cooperation (SSC) did visualize the role of skilling the labor force in developing countries to break the scourge of this dualism. It is the insight generated from the Lewis model that, one may argue, has contributed to the increasing confidence in SSC to help their southern partners in capacity building and thereby remove the “bottlenecks” in generating skilled labor force necessary to combine with the flow of physical capital from the developed world. This was the Southern contribution in reducing dualism, which the “big push” argument could not address to.

Different approaches and understanding of SSC have led to the evolution of basic principles of SSC. It shares the structuralist view that macroeconomic management should address supply constraints. The approach emphasises income redistribution in the recipient economy as an important condition for growth. SSC has been aimed to create income in specific locales, through small projects that may generate local employment. Employing ‘appropriate technology’ in these projects leads to gainful jobs for local populations. In short, we can see the ‘mission approach’ as articulating the broad theoretical basis of SSC, while the ‘development compact’ represents the broad strategies flowing from that approach. The approach shuns big push, attempts to conquer the existing dualism in partner countries through mutual benefits and follow a structuralist philosophy of unbalanced strategic development path proposed by Hirschman.

To conclude, SSC may be looked at pursuing a development process that involves the Southern nations in engaging themselves in a mission mode shunning “big push” but coming out of the vicious circle of poverty through taking care of the structural dualities in their respective social systems.

Paper 5

Renewable Energy in the Middle East and North African Region: Potential and Limits

MIDDLE EAST AND NORTH AFRICA PUBLIC ADMINISTRATION RESEARCH

This study contributes to the knowledge on what determines Renewable Energy demand (adoption) in MENA Countries. The increased concern over the issues related to energy security, climate change, and global warming suggest that there will be a greater reliance on the demand of renewable energy in the near future in MENA Region. According to the last International Renewable Energy Agency (IRENA 2017), in 2008, the amount of investment in renewable energy in the Arab Region was USD 1.2 billion. In 2016, it has reached the value of USD 11 billion, and the amount investment will reach \$35 billion per year by 2020.

In the first part of the study we developed an econometric model in order to examine the macro- level determinants of renewable energy demand in MENA countries by analyzing the contribution of financial development, international trade, oil price, CO₂ emissions to renewable energy demand. The empirical model that we develop in this study is consistent with the broader literature on the determinants of renewable energy consumption.

Taking all the MENA countries as a unique sample, our results show that in the case of carbon emissions, a 1% increase in CO₂ emissions raises per capita renewable energy consumption between 0.149% and 0.221%.

The second part of the study presented four cases studies based on semi-structured interviews and questionnaires with selected stakeholders (policy makers, researchers and development agencies) in the Renewable Energy sector (Algeria, Bahrain, Morocco and Tunisia). Morocco has one of the most ambitious renewable energy targets. The most important lesson learnt is that regulator need a deep understanding of the business model of investors in order to sustain their activities. Given the first iteration of tenders a revision of the repurchase tariff (PPAs), deep change in the procedures and the need for a de-risking strategy were successfully made. Algeria is another interesting case where public policy are shifting toward renewable energies despite the important endowment in gas and oil. Finally, Bahrain has to increase the share of renewables in the generation mix not only to boost hydrocarbon export revenues but also to enhance the security of supply and diversify the energy mix in order to attract private capital to the country.

From the perspective of South-South cooperation four possible areas were discussed. Firstly, Renewable Energies deployment need that MENA Countries strengthen their interconnection (among themselves and with the neighboring countries). Secondly, there is a need to adapt existent technologies to the local needs and local context. Joint research and development and scientific watch can avoid duplication of efforts and money. South-South cooperation is key for these activities (Technical exchange, capacity building, resource-sharing...). Thirdly, MENA Countries need to learn from other southern countries in matter of regulation and governance of this specific sector. There is no one best way of regulating the RE markets. Best practices can be duplicated from one country to another. Increasing the knowledge and sharing best practices through think tanks is key for the deployment of renewable energy markets in MENA Countries.

Paper 6

Sustainable Rubber Value Chain Development: Analyzing Myanmar's Opportunities and Challenges for Green Transformation through South-South Cooperation

CENTRE FOR ECONOMIC AND SOCIAL DEVELOPMENT

Myanmar's rubber sector is at a critical juncture. Rubber production in the country is projected to increase in the coming years while international market demands suggest a continuing downward price trend for natural rubber. Among a few agriculture value chains that exist in southeast Myanmar, natural rubber provides a unique opportunity to address the political economy of inclusive growth. This study uses value chain analysis to understand the challenges and opportunities facing primary producers in Myanmar or rubber small-holders in this case, who are trying to engage with global markets in a manner which would provide for sustainable income growth.

the study has undertaken a rapid survey with 80 upstream on-farm and middle-stream off-farm stakeholders including small-holder rubber farmers, plantation workers, tappers, traders, SMEs and, primary processors and the workers working in processing factories along the chain. It observes both vertical linkages and horizontal linkages within the sector in Southeast Myanmar. The survey found that the strengthening of vertical linkages between actors can create synergies leading to higher value addition along the whole value chain. More importantly, the findings also highlight the importance of horizontal linkages particularly among primary producers to enable value chain upgrade covering functional, product, and process dimensions critical for Myanmar to achieve sustainable goals in the sector. The study compares and contrasts Myanmar's situations with experiences from neighboring rubber economies and it concludes that horizontal linkages in the forms of farmer organizations or producer cooperatives are important to overcome the scale threshold to upgrade their products from low quality to high quality grades, improve processes from manual to machine processing and innovate functions by focusing more agro-forestry and farm inter-cropping to support income of small-holders.

The study recommends a concerted effort is needed on the part of public institutions to support all value chain actors of the rubber sector. Most important of all, it suggests targeting reform policies towards small-holding farmers who also represent the weakest link in quality and productivity reforms Myanmar needed critically. Finally, the study suggests that the government of Myanmar can gain immense benefits from learning the lessons of various value chain upgrade experiences from neighboring rubber-producing countries such as China, Vietnam, Indonesia and Thailand. Through the South-South Cooperation framework, Myanmar may consider seeking technical assistance and capacity building support for effective value chain upgrade that are suitable to Myanmar's context.

Paper 7

Potential for Monitoring and Evaluation of Special Economic Zones in Bangladesh

BANGLADESH INSTITUTE OF DEVELOPMENT STUDIES AND THE INSTITUTE OF NEW STRUCTURAL ECONOMICS AT PEKING UNIVERSITY

This research report presents the results of a scoping visit realized in Bangladesh to assess the potential of its new Economic Zone (EZ) program for inclusion as a pilot in the Monitoring and Evaluation (M+E) program for Special Economic Zones (SEZs). It was jointly conducted by the Bangladesh Institute of Development Studies and the Institute of New Structural Economics at Peking University (INSE). The discussion of the EZ program is presented contextualized with a regional analysis comparing the historical evolution of zone programs in India, Pakistan and Bangladesh. Further insight is provided with consideration of the success and evolution of SEZs as a development tool in China.

The INSE M+E project aims at overcoming data gaps on SEZs by creating a normalized, multi-country dataset that is collected on an ongoing basis incorporating both quantitative and qualitative data. The data to be collected fall into four broad domains: (1) Descriptive Statistics on the SEZs and their firms;

(2) Infrastructure; (3) Legal Regulatory and Management framework; (4) Panel Case studies to capture the stories behind the data. This is expected to deliver actionable insights to help governments and their international partners to make decisions regarding SEZs that maximize their benefits, including structural transformation and the pursuit of the Sustainable Development Goals (SDGs). In line with the principals of South-South Cooperation, the indicators within these domains are being developed from the bottom up, using actual country experiences investigated through pilot country programs.

This study concludes that the EZ program is too underdeveloped for inclusion in the M+E program. The goal of a scoping visit is to assess whether there is a strong enthusiasm for participation on the part of the SEZ administrator, who has a central role to play in an M+E pilot program. For now, BEZA is primarily focused on developing EZs rather than data collection systems, which would translate into insufficient ownership of the project. Nevertheless, the approach being taken in Bangladesh is of interest and should be followed in the international community. As such, it is recommended to initiate the M+E program with the more established EPZs for which a second scoping study would be required.

The comparative country studies found that like Bangladesh, India and Pakistan recently entered a new phase of SEZ development but have started earlier programs decades ago. In all three countries, the government often tried to use industrial zones as socio-political development tool by locating them in backward regions in the hope of fair repartition of growth and job. These SEZs performed significantly less than those closer to urban centers and transport axis. A striking difference is that in Pakistan and India, previous programs of EPZs were launched without a wider export-oriented economic vision. Although contexts differ, similar characteristics can be observed in China, where the first SEZs established in 1978 were meant to become an integral part of the government's opening and reform process and were empowered to do so by an exceptional level of administrative autonomy and special policies.

Paper 8

Assessing Impact of SSC: Variation in Perspectives: Select Country Case Studies

NETWORK OF SOUTHERN THINK-TANKS

Two important questions on the norms of SSC have contributed to some intense debates over the last few years. The first is concerned about the relevance or otherwise of evaluation of contributions under SSC, whereas the second relates the necessity of developing a common standardized template for reporting of SSC activities of the development partners from the South. The study considers an examination of the first issue raising a set of two research questions, namely, 1) why should SSC be assessed and b) should there be a common framework for such a purpose? The forthcoming General Assembly meeting of the UN to commemorate forty years of Buenos Aires Plan of Action (BAPA+40) is expected to spur debates and engagement to arrive at a meaningful consensus on this issue.

Research clearly underscores that while evaluation is prescriptive, assessment is reflective. Considering the “demand –driven” characteristics of SSC, it cannot afford to be prescriptive and go for an evaluation of the SSC activity. It has to rather take recourse of a reflective mechanism in the form of assessment that helps mutual learning and consequent mutual benefit. Further, SSC is more centred towards a process-oriented understanding of an initiative, rather than being keen only on the outcome/ product of the activity. Hence, the understanding has to be formative in nature, rather than being summative. Taking the argument further, understanding out of an SSC initiative cannot be judgemental; it is required to be diagnostic. Finally, the approach has to have no business to derive comparative results, as is done in an evaluation. SSC is not premised on a competitive philosophy; rather its philosophy of sharing highlights the degree of cooperation among the partners. The study therefore, argues that, SSC activities are suitable for assessment.

The four case studies simultaneously revealed some interesting commonalities and differences as well. Although the dimensions, principles and indicators were independently chosen by respective researchers, the emphasis on sticking to the non-negotiable principles of SSC is visible across all of them. However, there are variations in terms of the modalities used. While the modalities identified under ‘Development Compact’ provide a semblance of a holistic structure of development cooperation principles, it is found that countries took liberty in identifying the relevant ones according to the need of the partners. The cases reflect the variations across modalities used. Optimum utilization of resources, both in terms of their quantity and quality, is an established and well recognized process followed in SSC (Kumar, 1987). Assessment of SSC has to capture the variations in the process involved. The results of SSC are also required to be assessed not only from the perspectives of the recipient countries, but also from that of the providers, given the SSC emphasis on mutual benefits.

In the future, the unique features of SSC should be sustained, and diversification of assessment frameworks should be encouraged, as each southern country is different from others with its own historical, cultural, developmental background. The purpose of SSC assessment is not to make international comparison in a competitive spirit but to enhance mutual learning and experience sharing. Further, being pluralistic in nature, SSC activities cannot be assessed using a common template.

Paper 9

The Case for South-South Cooperation on Peace and Development

GLOBAL SOUTH THINKERS ON PEACE AND DEVELOPMENT AND BRICS POLICY CENTER

As we approach the Second High-level United Nations Conference on South-South Cooperation (BAPA+40), South-South Cooperation (SSC) faces a much different political world than that of its first meeting in 1978. While there was no mention of peace in that first plan of action, the United Nations 2030 Agenda, approved in 2015, makes peace and development intrinsically connected. Moreover, the Sustainable Development Goals (SDGs) place a premium in a global partnership for development and reinforces the role of SSC in that partnership. With estimates that by 2030—the same deadline set to achieve the SDGs—over half of the world’s population will be living in countries affected by high levels of violence, with the majority in the Global South, there is a window of opportunity for Southern countries to advance an agenda for peace and development (P&D). Most importantly, as we take note of the positive contributions of SSC in past decades, this document shows that SSC on P&D is already taking place and that there is much to be known about these initiatives, especially if Southern countries are to make use of this political momentum.

This document takes two steps and makes two general, related arguments: we mobilize existing cases of SSC on P&D and suggest this valuable knowledge needs to be systematized and made accessible, so that SSC can be better equipped to address the P&D challenges that are now at the center of the international political agenda. In addition, this document scrutinizes the notions of peace, sustaining peace, P&D and the positions of some Southern countries and organizations relative to these notions and SDG16 on peaceful, just and inclusive societies. With that, we generally identify an opportunity and a risk: the document suggests not only SSC can contribute to P&D but, more importantly, that SSC may do so in its own way. SSC on P&D has been influenced by SSC principles and values, which are importantly connected to more holistic approaches to P&D. Therefore, not addressing the role of SSC on P&D risks that not only might SSC fail to occupy the important role it can occupy in the global partnership for the SDGs and, consequently, for P&D, but it might also lose momentum by not facing the challenge that is becoming central to the current international agenda.

We consider SSC initiatives on P&D and SSC values and principles and how they connect to specific views on peace, P&D and SDG16 to make specific recommendations for BAPA+40. We recommend first and foremost that SSC actors turn their attention in decisive ways to P&D – because this is already being done to some extent with considerable positive results; most Southern actors have stated their desire to take part in engaging with P&D initiatives; and there is a window of opportunity for doing it and doing it well. We also specifically recommend that the understanding of results not be restricted to traditional views on effectiveness but be open to coherence, which invokes principles, values and commitments already present in the field. In addition, we recommend that SSC M&E systems rely equally on qualitative and quantitative analysis, and that SSC bodies study the potential for further cross-regional cooperation. Finally, the document recommends Southern countries clearly express their commitment to sustaining peace and SDG16, even if that means offering caveats, because a cohesive discourse can lead to more coherent cooperation and strengthen SSC as a block in terms of cooperation modalities.

Endnotes

1 The Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation Among Developing Countries was an international covenant signed in 1978, providing the conceptual base upon which multilateral technical cooperation between countries of the Global South could be initialized.

2 Horizontal cooperation entails the equitable relationship between state parties, rather than top-down, vertical development cooperation.

3 Soft power is the ability for a party to achieve action or change from another through attraction, cooption, attraction or conviction, rather than through coercion or the use of force. See Nye, "Soft Power" (1990).

4 The New Development Bank, formerly the BRICS Development Bank, is a multilateral finance institution founded in 2017 by Brazil, Russia, India, China, and South Africa

5 Working group established to consider action plans to address water body and river contamination.

6 Intended as a means to promote sustainable development in urban areas, including the sharing of policies, knowledge, communications, and best practices.

7 Intended as a means to promote sustainable development in urban areas, including the sharing of policies, knowledge, communications, and best practices.

