



South-South cooperation for development

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Review of progress made in implementing the Buenos Aires Plan of Action, the new directions strategy for South-South cooperation and the Nairobi outcome document of the High-level United Nations Conference on South-South cooperation

Report of the Administrator of UNDP

Summary

The present report, which responds to decisions 19/1 and 19/2 adopted by the High-level Committee on South-South Cooperation at its nineteenth session in 2016, provides an overview of progress made in South-South cooperation during the period 2016–2020. It also focuses on the measures taken to implement the operational guidelines on United Nations system support to South-South and triangular cooperation, and on the implementation of the recommendations contained in the report of the United Nations Development Programme (UNDP) Office of Audit and Investigations in 2017, including on improving the efficiency, effectiveness, transparency and accountability of the United Nations Office for South-South Cooperation. In addition, it discusses the continued support of UNDP to the United Nations Office for South-South Cooperation. It also describes the role of South-South and triangular cooperation in the response of the United Nations system to the impact of the coronavirus disease (COVID-19) and other development challenges. The purpose is to illustrate the ways in which the objectives and priorities of South-South cooperation, as described in the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, the new directions strategy for South-South cooperation, and the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, are reflected in that response. The report concludes with recommendations to all relevant stakeholders, including the United Nations system, on further leveraging South-South and triangular cooperation to recover from the COVID-19 pandemic and achieve the 2030 Agenda for Sustainable Development.



I. Introduction

1. The present report, which responds to decisions 19/1 and 19/2 adopted by the High-level Committee on South-South Cooperation at its nineteenth session in 2016, describes progress made in South-South cooperation for development during the period 2016–2020. In doing so, it adheres to the framework set by the 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA), the new directions strategy for South-South cooperation (1995) and the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation (2009).

2. The High-level Committee on South-South Cooperation traditionally requests the Administrator of the United Nations Development Programme (UNDP) to report every two years on progress made in the implementation of those three foundational documents. That request stems from the founding years of international cooperation for development. Given the passage of time since the General Assembly endorsed those three documents, an explanation of their continued relevance as benchmarks for measuring the application of South-South cooperation is warranted as a prelude to the rest of the report.

3. First, during the 1970s, UNDP played a key role in welcoming newly independent developing countries into the United Nations family and in convening the conference in Buenos Aires that resulted in BAPA to guide what came to be known as “South-South cooperation”. The plan articulated the basic philosophy and programmatic goals for South-South cooperation at the national, subregional, regional and interregional levels. Efforts to bolster regional integration in the Global South, for example, are inspired by BAPA. The plan also set out the objectives for South-South cooperation that influenced many of the South-South initiatives in various thematic and geographical areas described in the present report.

4. Second, it is important to recognize the salient features that make BAPA, as the blueprint for South-South cooperation, highly relevant to the measures taken to achieve the Sustainable Development Goals (SDGs) and to how the Global South and its partners respond to the COVID-19 pandemic and other global crises. Key objectives of South-South cooperation that BAPA identified and that UNDP and other United Nations entities have supported for decades include: (a) fostering the self-reliance of developing countries based on the enhancement of their creative capacities to envision solutions to their development challenges in line with their aspirations, values and special needs; (b) the exchange of experiences and the pooling and sharing of technical resources; (c) the transfer of technology and skills appropriate to the needs and development potential of developing countries; (d) the building of capacities of developing countries to identify and analyse development challenges and formulate remedial strategies; and (e) the strengthening of technological competencies in the Global South. Many initiatives in the present report were designed to realize those objectives.

5. Third, it is worth noting that, as the current phase of globalization took hold, the General Assembly, in its resolution 49/96, requested the High-level Committee on South-South Cooperation to include an item on new directions for technical cooperation among developing countries (TCDC) (now South-South cooperation) in the agenda of its ninth session in 1995. In response, UNDP and the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC), now the United Nations Office for South-South Cooperation (UNOSSC), prepared a report (TCDC/9/3) with concrete recommendations on

how South-South cooperation should be reoriented to enable development countries to adjust to globalization. The new directions strategy highlighted measures needed to ensure that developing countries simultaneously meet their national development objectives and participate effectively in the global economic system. It further counselled that South-South cooperation should focus on high-priority areas such as trade and investment, production and employment, macroeconomic policy coordination, poverty eradication and the environment. The choice of areas was based on the understanding that related initiatives would have a major development impact on many developing countries; the emphasis on those areas is reflected in the present report. The new directions strategy also introduced the concept of “triangular cooperation” based on the understanding that developing countries needed the complementary support of developed countries and United Nations organizations to advance South-South cooperation. The General Assembly, in its resolution 50/119 of 16 February 1996, welcomed the report on new directions (TCDC/9/3).

6. Fourth, the General Assembly, in its resolutions 62/209 of December 2007, decided to convene the High-level United Nations Conference on South-South Cooperation to mark the thirtieth anniversary of its endorsement of BAPA. The UNDP Administrator served as the Secretary-General of the Conference, which issued the Nairobi outcome document that the General Assembly endorsed in its resolution 64/222 of 21 December 2009. That outcome document sets out the principles that should guide South-South cooperation and includes a call by Member States for United Nations entities to invigorate their support for South-South and triangular cooperation. The UNDP Administrator also served as the Secretary-General of the second High-level United Nations Conference on South-South Cooperation, which was held in Buenos Aires in March 2019.

7. Therefore, the High-level Committee continues to mandate the Administrator of UNDP to monitor and report on progress in implementing those three foundational documents that set out the purpose, strategic priorities and principles of South-South cooperation in addition to convening the High-level Committee. On that basis, section II of the present report looks at the global context in which South-South cooperation and triangular cooperation were brought to bear during 2016–2020 in efforts to achieve the SDGs and other national and regional development objectives. Section III discusses South-South cooperation initiatives of developing countries in the Africa, Arab States, Asia and the Pacific, and Latin America and the Caribbean regions. Section IV focuses on triangular cooperation involving developed countries and other relevant partners while section V concentrates on South-South cooperation involving civil society, think tanks and the private sector. Section VI examines South-South and triangular cooperation in responding to the coronavirus disease (COVID-19) pandemic. Section VII covers the implementation of the framework of operational guidelines on United Nations support to South-South and triangular cooperation, while section VIII highlights the organizational, administrative and financial arrangements of UNDP in support of South-South cooperation. Section IX describes the steps that UNDP and UNOSSC took to follow up on the recommendations in the 2017 report of the UNDP Office of Audit and Investigations (OAI). The report concludes with recommendations to all relevant stakeholders, including the United Nations system, on further leveraging South-South and triangular cooperation to recover from the COVID-19 pandemic and achieve the 2030 Agenda for Sustainable Development.

II. Global context and trends

8. The period 2016-2020 witnessed a mix of significant human progress and devastating shocks. Poverty rates had dropped from 35 per cent in 1990 to below 10 per cent in 2016; by 2019, the number of people living in extreme poverty (on less than \$1.90 a day) had shrunk to 630 million from 2 billion in 1990. The situation had changed by 2020, however, with the severe negative impact of the COVID-19 crisis, as seen in its global death toll of over 2.8 million people as of April 2021¹ in addition to its devastating economic effects. Among numerous concerns, fears arose that the gains in poverty alleviation during the past three decades could be reversed owing to crises including violent conflicts, climate change and pandemics such as COVID-19.²

9. Other major drawbacks witnessed during the reporting period were widespread protests marked by demands for political freedom, fairness and justice as well as appeals for affordable goods and services. Equally troubling were widening inequalities within and between countries. These asymmetries were seen, for example, in uneven access to education, health care, food, decent housing and many other essentials.³ Such deprivations disproportionately exposed the poor and other vulnerable individuals and groups that are affected most by COVID-19 and other crises due to climate change, including floods, droughts, wildfires and other hazards.

10. Amid such challenges, UNDP maintained that human progress needs to be viewed from a perspective broader than monetary income. In partnership with Oxford University, UNDP advanced the concept of “multidimensional poverty” by which policymakers and development practitioners began to trace poverty to its roots seen in the nuanced living conditions of impoverished people and communities. This approach enables development actors to adopt remedial measures that would leave no one behind, as the 2030 Agenda for Sustainable Development requires. For example, the UNDP 2020 index on multidimensional poverty reveals that about 803 million people who are multidimensionally poor live in a household experiencing undernourishment, 1.03 billion people have substandard housing and 476 million children are out of school.⁴

11. Nevertheless, the crisis has highlighted the vitality of Southern financial institutions. For example, the New Development Bank, the Asian Infrastructure Investment Bank (AIIB) and the Islamic Development Bank (IsDB) redirected their lending programmes towards health-related investment projects. To further scale up external financing for developing countries, estimated at \$2.5 trillion over the next two years, the United Nations Conference on Trade and Development (UNCTAD) estimated “that a prudent lowering of the equity-to-loan ratios by the sub-regional development banks in Latin America and the Caribbean, Asia and Africa could expand their loan portfolios by nearly \$25 billion. Southern countries could also use existing Southern-based funds to expand much-needed liquidity”,⁵ including regional liquidity funds, which could be funding sources especially for countries with limited alternatives.

¹ Johns Hopkins University & Medicine, COVID-19 Dashboard by the Center for Systems Science and Engineering. Available at <https://coronavirus.jhu.edu/map.html>. Accessed 7 April 2021.

² See World Bank, *Poverty and Shared Prosperity 2020: Reversals of Fortune* (Washington, D.C., World Bank, 2020).

³ See UNDP, *Human Development Report 2019: Beyond Income, beyond Averages, beyond Today – Inequalities in Human Development in the 21st Century* (Sales No. E.20.III.B.1).

⁴ UNDP, 2020 Multidimension Poverty Index, p. 3.

⁵ R. Kozul-Wright, “COVID-19 crisis: How South-South cooperation can support economic recovery”, UNCTAD, 3 June 2020.

12. The traditional architecture of international development cooperation is being complemented and reshaped by new players from the South. Aside from the Organization for Economic Cooperation and Development (OECD), Brazil, China and India are the three largest providers of development assistance and new players in international development cooperation, particularly South-South cooperation. Other countries are also taking a lead in South-South cooperation, especially in regional and interregional development, including Malaysia, Saudi Arabia, South Africa, Thailand, Turkey and the United Arab Emirates.

13. The foregoing account shows the uneven global context for South-South and triangular cooperation. Before the pandemic, much had been achieved to reduce poverty and related deprivations, but much more remains to be done to fulfil the aspirations and programmatic goals set out in BAPA, the new directions strategy for South-South cooperation and the Nairobi outcome document. The following sections highlight some of the major trends as well as examples of South-South cooperation and triangular cooperation, including intraregional and interregional cooperation and partnerships with civil society and the private sector, during the period 2016–2020.

III. Developing countries

14. Developing countries faced multiple, interlinked macroeconomic, financial and climatic development challenges during the reporting period. Thus, South-South cooperation remained an important cooperation model as developing countries and their partners sought to accelerate the achievement of the 2030 Agenda and the related SDGs.

A. Africa

15. In Africa, a combination of noteworthy internal and external factors underpinned South-South and triangular cooperation during the reporting period. To bolster regional integration, in May 2019 after many prolonged difficult negotiations, the landmark Agreement Establishing the African Continental Free Trade Area (AfCFTA) came into force – a major achievement of the priority objectives of the Global South articulated in BAPA and in the new directions strategy for South-South cooperation. The creation of the Free Trade Area promises to have significant socioeconomic impact since Africa offers an expansive single market of more than 1.3 billion people and a combined annual output of \$2.2 trillion with great potential to grow. Additional gains are expected from intra-African trade, which could expand 33 per cent alongside welfare gains of \$16.1 billion that could also be generated during the transition phase to the Continental Free Trade Area.⁶

16. Before the pandemic, the increased attraction of Africa for foreign Governments and firms led many commentators to warn of a new “scramble” for Africa that included countries of the Global North and the Global South that seek to benefit from the strategic geographical location, abundant natural resources, an expanding middle class and a large market.⁷ In that context, new major actors in South-South cooperation increased their activities in the region and influenced the agenda for trade, investment, infrastructure development and international cooperation for development in Africa.⁸ Many countries of the South, including Brazil, China, India, Turkey and the United Arab Emirates, took a more proactive role in

⁶ UNCTAD, *Economic Development in Africa Report 2019: Made in Africa – Rules of Origin for Enhanced Intra-African Trade* (United Nations publication, Sales No. E.19.II.D.7), p. xiii.

⁷ “The new scramble for Africa”, *The Economist*, 7 March 2019.

⁸ *Ibid.*

South-South cooperation on the continent. Corporations such as those from African middle-income countries such as Egypt, Morocco and South Africa also increased their economic outreach within the region in line with the priorities outlined in the new directions strategy. In addition, support from Southern partners such as the New Development Bank is expected to become an important vehicle for financing South-South and triangular cooperation in Africa. The number of African leaders who exercised leadership to set terms of engagement with the outside world also increased, albeit slowly. Such leadership will, however, be crucial to avert inequalities that can reduce the benefits that Africa can accrue from surging South-South and triangular cooperation on the continent.

17. Besides trade and investment, other trends of South-South cooperation in Africa included greater efforts towards regional integration, as noted earlier. The African Union developed many additional frameworks in line with the recommendations in BAPA. For example, it formulated plans for industrialization, agriculture and infrastructure development across the continent. During the reporting period, the effects of COVID-19 made it all the more imperative to use entities such as the Economic Commission of West African States and the East African Community to pool resources and enhance collective self-reliance in responding to crises across the continent.

18. The role of partnerships and economic ventures also grew in importance in terms of the volume of resources dedicated to interregional forms of South-South cooperation. For example, in 2018,⁹ China committed \$60 billion to benefit Africa under the Forum on China-Africa Cooperation. In November 2016, the framework agreement of the International Solar Alliance initiated in 2015 was opened for signature in Morocco. Many African countries joined the Alliance, which can enable them to improve rural electrification, among other benefits. These developments were made possible by improved policies and the rapid, sustained economic growth in many African countries before the COVID-19 pandemic. There was also a push in 2016 to reform the African Union by making it more capable of implementing Agenda 2063 of the African Union towards inclusive growth and sustainable development.

19. Africa is forecast to see a modest recovery in 2021 but that depends on greater international cooperation to end the spread of the pandemic, relax lockdowns, improve prospects for trade and other activities. The need for enhanced South-South and triangular cooperation in that regard can be deduced from the dire need for collaboration to strengthen health systems in Africa. According to the United Nations policy brief of 20 May 2020 on the impact of COVID-19 on the continent, “the global health response must emphasize solidarity towards developing countries, guided by the notion of health as a global public good...it is critical that Africa benefits from equal access” to vaccines and medical treatments.¹⁰ The foregoing developments underscore the need for measures to restore the region to its growth path after the pandemic.

B. Arab States

20. Arab States at different levels of economic development have embraced South-South cooperation as a more cost-effective approach than other traditional models of cooperation.¹¹

⁹ <http://english.mofcom.gov.cn/article/policyrelease/Cocoon/201809/20180902788698.shtml>.

¹⁰ Policy-brief-Impact-of-COVID-19-in-Africa (1).pdf (reliefweb.int), p. 3.

¹¹ United Nations, Report of the Secretary-General on the role of South-South cooperation and the implementation of the 2030 Agenda for Sustainable Development: Challenges and opportunities (A/73/383), para. 106.

In the past, more than 80 per cent of Arab South-South cooperation involved other Arab States; the main partners in other regions were countries in Africa and Central and Eastern Europe.

21. National development banks, such as the Saudi Fund for Development, the Kuwait Fund for Arab Economic Development and the Abu Dhabi Fund for Development, were among the key actors promoting South-South cooperation in the Arab States region.¹² Their support comes mostly in the form of soft loans, investments, debt relief, infrastructure-building, technical cooperation, and experimentation in new technologies and products. In addition, the International Islamic Trade Finance Corporation provides sharia-compliant trade financing for member States of the Organization of Islamic Cooperation, with a particular focus on financing trade between member countries. Similarly, the Arab Investment and Export Credit Guarantee Corporation runs the Arab Export Credit Insurance Scheme designed to support and encourage Arab exporters' efforts to enhance their exports to Arab and non-Arab markets, thus increasing inter-Arab trade and exports worldwide. However, to further increase South-South cooperation in the Arab States region, there is a need to strengthen local capacity, ensure adequate resources and enhance coordination mechanisms.

22. Member States in the region will need enhanced South-South cooperation to address the many challenges caused by the pandemic. The regional economy is projected to contract by 5.7 per cent,¹³ aggravated by a steep drop in oil prices. The pandemic is also posing a threat to the humanitarian aid needed by about 55 million people in the region.¹⁴ One solution could be found in South-South collaborative arrangements to establish a regional social solidarity fund financed through a social solidarity tax rooted in zakat to support the poorest groups and countries.¹⁵

C. Asia and the Pacific

23. Asia continued to be the epicentre of economic South-South cooperation owing to its elevated level of regional integration, which facilitates intraregional trade, among many other exchanges. In 2017, the trade growth of the region surpassed global trade growth, with exports growing at 11.5 per cent and imports at 15 per cent.¹⁶ At the subregional level, FDI flows to South Asia increased by 10 per cent, reaching \$60 billion,¹⁷ while flows to developing Asia fell by 6 per cent. Regional investment hubs and value chains drove much of the intraregional and South-South FDI. Asian economies accounted for 80 per cent of all South-South exports. China remained the engine for growth in trade and investment in the

¹² S.A. Mahmoud, "South-South Cooperation in the Arab Region," *Global Issues and Local Actions in South-South Cooperation*, p. 80.

¹³ United Nations, *The impact of COVID-19 on the Arab region: an opportunity to build back better*, policy brief, July 2020, p. 2.

¹⁴ United Nations Economic and Social Commission for Western Asia, "Regional emergency response to mitigate the impact of COVID-19", p. 3.

¹⁵ United Nations, *The impact of COVID-19 on the Arab region...*, July 2020, p. 5.

¹⁶ Economic and Social Commission for Asia and the Pacific (ESCAP), *Note by the secretariat on the Summary of the Asia-Pacific Trade and Investment Report 2018 (ESCAP/CTI/ 2019/1)*, para. 2.

¹⁷ "India among top 10 FDI recipients, attracts \$49 billion inflows in 2019: UN report", *The Hindu Business Line*, 20 January 2020.

region, and 19 economies in the region “reported China as their first- or second-largest export market in 2017”.¹⁸

24. Prior to the COVID-19 pandemic, it was expected that for 2020, Asian economies “would become larger than the rest of the world combined” in purchasing power parity (PPP) terms.¹⁹ The growth in regional cooperation platforms such as the Association of Southeast Asian Nations and the Shanghai Cooperation Organization have placed Asia at the heart of multilateral trade liberalization. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership and ongoing progress towards the Regional Comprehensive Economic Partnership are boosting pan-Asian coordination on connectivity and trade liberalization.²⁰

25. Despite its outstanding performance in South-South trade and other exchanges, the region still faced major infrastructure gaps that impeded development and further integration. The small island developing States in the Pacific region also remained vulnerable to climate shocks. Therefore, enhancing South-South cooperation is of crucial importance for capacity-building towards economic resilience to natural shocks in the Pacific and Southeast Asia. Moreover, there are practices in Asia on public-private partnerships from which other regions could draw lessons. For example, AIIB and Amundi, the largest asset manager in Europe, announced a \$500 million Asia Climate Bond Portfolio in 2019. The purpose of that initiative was to accelerate climate action in the Bank members, including increasing climate resilience and green leadership, and to address the underdevelopment of the climate bond market.²¹ It is instructive for other regions of the South that, despite a sharp decline in trade and FDI in 2020, the Asia and the Pacific region fared better than the rest of the world owing to greater regional integration.

D. Latin America and the Caribbean

26. In 2016 and 2017, Ibero-American countries were strongly engaged in South-South cooperation. In 2016, there were 1,355 South-South cooperation initiatives,²² while in 2017, the 19 Ibero-American countries participating in bilateral South-South cooperation exchanged 733 projects and 160 actions.²³ The commitment of the Ibero-American community to South-South and triangular cooperation was further evidenced by the Special Communiqué on the second High-level United Nations Conference on South-South Cooperation (BAPA+40) issued by the Heads of State and Government of the Ibero-American countries during the 26th Ibero-American Summit of Heads of State and Government in November 2018. In 2019, the Community of Latin American and Caribbean States decided to develop a regional cooperation policy regarding development-project priorities for South-South and triangular cooperation.²⁴

27. Before COVID-19, the rise in FDI to Latin America and the Caribbean had been uneven, with most flows going to only a few countries, mainly Mexico and Brazil. However,

¹⁸ ESCAP, Note by the secretariat..., para. 4.

¹⁹ W. Huiyao, “In 2020, Asian economies will become larger than the rest of the world combined: here’s how”, World Economic Forum, 25 July 2019.

²⁰ Ibid.

²¹ AIIB, “AIIB and Amundi launch innovative USD500-million climate bond portfolio to mobilize climate action”, 10 Sept. 2019.

²² Ibero-American General Secretariat (SEGIB), *Report on South-South Cooperation in Ibero-America 2018*, p. 17.

²³ Ibero-American General Secretariat (SEGIB), *Report on South-South Cooperation in Ibero-America 2019*, p. 17.

²⁴ E.G. Ramirez, South-South cooperation in Latin America, Briefing, March 2019, p. 4.

FDI to Chile, Colombia and Peru increased significantly owing to their economic growth, which was above the regional average, and to the new public investments in infrastructure and mining in Chile and Peru.²⁵ Despite the progress in the region, the many effects of the pandemic resulted in uneven economic performance, hindering optimal South-South and triangular cooperation in the region. In 2020, FDI decreased by 37 per cent²⁶ to an estimated \$101 billion from an estimated \$170 billion in 2019²⁷ amid one of the deepest recessions across the developing world. Investments in oil-related industries and market-seeking flows recorded steep declines.

28. The benefits of South-South cooperation extended beyond economic considerations to other areas such as health. For example, the Latin American and Caribbean Network for Strengthening Health Information Systems was established to boost those systems and the availability of vital statistics. The Pan American Health Organization, which serves as its technical secretariat, pushed South-South and triangular cooperation to centre stage through its strategic plan for 2020–2025 on the theme “equity at the heart of health”. The Network, which is an open platform for learning, helps to transfer technology to participating countries.

29. One could conclude from the foregoing information that it is imperative to further improve the development model of Latin America and the Caribbean, including with measures to reduce inequality, as suggested in a United Nations policy brief of July 2020 on the impact of COVID-19 on Latin America and the Caribbean.²⁸ In the same spirit, Latin America and the Caribbean, along with other regions in the developing world, needs additional policy measures to foster comprehensive welfare systems, regional economic integration, and sustainable industrial and technological development, including measures to foster the participation of women and youth in economic recovery.

IV. Developed countries

30. Many developed countries and multilateral organizations continued to support South-South cooperation through triangular cooperation. Such cooperation contributes to the achievement of the SDGs in collaborative ways and can help to overcome today's most pressing environmental, economic and social challenges, ensuring sustainable development in partner countries. It builds on and combines the strengths of different development partners to implement innovative and flexible solutions to address development challenges and to contribute to achieving the 2030 Agenda.

31. Key success factors for effective triangular cooperation are a national ecosystem and an enabling environment that support partnerships among diverse actors. However, a 2019 OECD study, based on discussions at BAPA+40 in the Group of 20 Development Working Group, the development effectiveness community and the Global Partnership Initiative on Effective Triangular Cooperation, found that, despite the growing interest in and political attention to triangular cooperation, only 30 countries and international organizations had established triangular cooperation policies, strategies or guiding documents. Nevertheless, foreign policy or overall development cooperation strategy guided triangular cooperation for the majority of partners. Sometimes, those strategies referred to triangular cooperation specifically, namely, the strategies of Japan, the Republic of Korea and Spain.²⁹ However,

²⁵ Ibid., p. 5.

²⁶ UNCTAD, “Global FDI flows down 42% in 2020”, Investment Trends Monitor, No. 38, 24 Jan. 2021, p. 1.

²⁷ UNCTAD, “Global FDI flows flat in 2019”, Investment Trends Monitor, No. 33, 20 January 2020, p. 4.

²⁸ https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_lac.pdf.

²⁹ OECD, “Enabling effective triangular co-operation”, OECD Development Policy Papers, No. 23 (Paris, OECD Publishing, 2019), p. 18.

the study noted that there was a need for a shift in attitude from “donor-recipient” to “partnership”³⁰ as well as a need to underscore that “value added and benefits of triangular cooperation outweigh possible additional costs”.³¹

32. Many Central and Eastern European countries still faced challenges despite their economic development processes. The development financial assistance of the European Union to those countries included many projects with South-South and triangular cooperation components. For example, through bilateral cooperation, Georgia shared expertise in launching the justice reform in Moldova.³² Other Member States having similar development experiences – Chile, China, Hungary, the Russian Federation, and Turkey – shared knowledge and built capacities in the region in the areas of agricultural development and food security. Triangular partners such as MASHAV, the Agency for International Development Cooperation of Israel, also played a key role in exchanges of expertise in the region.

33. Southern investments and trade in Montenegro accounted for 31 per cent of the total flow of FDI, and the country has been transforming itself into an important international actor and an active triangular cooperation partner.³³ As an example of interregional South-South cooperation, the most active Southern trade partners with Montenegro were Brazil, China and Turkey.³⁴

34. Japan, in its Development Cooperation Charter, emphasizes the importance of continuing support for South-South and triangular cooperation. The Government of Japan organizes the Tokyo International Conference on African Development (TICAD) in close cooperation with the United Nations, UNDP, the World Bank and the African Union Commission. The Conference emphasizes particularly South-South and triangular cooperation between Asia and Africa. Within the framework of TICAD, Japan considers triangular cooperation as the modality that is essential to achieving the SDGs and the development of African countries.

35. Triangular cooperation activities can contribute to a green economy in innovative, flexible and cost-effective ways and could therefore help to accelerate the implementation of international environmental agreements. Notable successful examples of such initiatives include the project Sustainable Agriculture for Climate Change Adaptation that involved Cambodia, the Lao People’s Democratic Republic, Norway, Sri Lanka and Thailand during 2010–2017. The project assisted small-scale farmers to adapt to climate change through sustainable agriculture techniques and appropriated technology. Another example is the Amazonia without Fire Programme (2010–2018), a partnership involving the Plurinational State of Bolivia, Brazil, Ecuador, Italy and the Development Bank of Latin America. That programme developed alternative methods to using fire in livestock and agriculture in the Amazon region.³⁵

V. Civil society, think tanks and the private sector

³⁰ Ibid., p. 15.

³¹ Ibid., p. 9.

³² S. Arifdjanova, Trends and opportunities in advancing South-South and triangular cooperation in Georgia, 2018, p. 19.

³³ N. Bozorova, Trends and opportunities in advancing South-South and triangular cooperation in Montenegro, 2018, p. 15.

³⁴ Ibid., p. 16.

³⁵ OECD, “Green triangular cooperation: An accelerator to sustainable development”, OECD Development Policy Papers, No. 21 (Paris, OECD Publishing, November 2019), p. 26.

36. Civil society, think tanks and the private sector are important stakeholders in development cooperation that can be instrumental in scaling up the implementation of the 2030 Agenda through South-South and triangular cooperation. In many countries, national South-South cooperation strategies are anchored in national development plans and have evolved through inclusive partnerships with the private sector, civil society and academia. UNOSSC worked with the Alliance of NGOs and CSOs for South-South Cooperation (ANCSSC), an international network of non-governmental organizations (NGOs) and civil society organizations (CSOs), to enhance the understanding by civil society of the value of South-South cooperation in development, humanitarian and related spheres. The ANCSSC is building the capacity of governmental and civil society organizations of the Global South through the sharing and exchange of knowledge, resources, skills, expertise and innovative ideas to accelerate the achievement of the SDGs.³⁶

37. While Governments and international organizations are the main actors in triangular cooperation, it must be noted that 47 per cent of the projects reported to OECD involve multiple stakeholders beyond governments and international organizations: actors from the private sector, CSOs, philanthropic institutions, academia and research institutes as well as subnational actors.³⁷

38. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) and UNDP supported the creation of the International Think Tank for Landlocked Developing Countries, launched in Ulaanbaatar, Mongolia, in July 2009. The think tank seeks to promote collaboration among landlocked developing countries and partners of the South to undertake quality research, provide policy advice and assist in capacity-building. It also provides a platform for those countries and partners of the South and the North to disseminate and share information and good practices and support the countries in the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024. In that context, under the South-South Global Thinkers initiative, UNOSSC convened four policy dialogues with members of that global coalition during the reporting period.

VI. South-South and triangular cooperation in responding to the COVID-19 pandemic

39. The urgent need for solutions to the effects of the COVID-19 pandemic has opened a window of opportunity for South-South cooperation initiatives in health and related areas. That is the reason why, during the early phase of the COVID-19 outbreak, about 79 countries, the majority being countries of the Global South, donated medical supplies and other materials to China. As the pandemic continues to spread globally, China has sent medical experts and provided support to over 150 countries, both developing and developed, and to multilateral organizations.

40. Innovative initiatives for South-South regional health cooperation are exemplified by the Africa Centre for Disease Control and Prevention, which has boosted the capacities of the region by building testing capabilities, promoting knowledge-based pandemic management, and supporting Government efforts to mobilize resources for a sustained health response. Moreover, countries of the South, notably China and India, are strategic partners in the global inoculation against COVID-19. For example, India became the world's largest

³⁶ See <https://www.unsouthsouth.org/partner-with-us/alliance-of-ngos-and-csos-for-south-south-cooperation/>.

³⁷ Global Partnership Initiative on Effective Triangular Co-operation, *Triangular Co-operation in the Era of the 2030 Agenda: Sharing Evidence and Stories from the Field* (2019), p. 17.

COVID-19 vaccine maker. The country was a manufacturing hub for vaccines even before the pandemic, producing up to about 60 per cent of the world's vaccines and at a relatively low cost, and it has the capacity to produce for both its own population and that of other developing countries. India, along with the United Kingdom of Great Britain and Northern Ireland, and the Russian Federation, made separate agreements to deliver COVID-19 vaccines to Serbia.³⁸ Serbia further took the lead in donating COVID-19 vaccines to Bosnia and Herzegovina, North Macedonia and Montenegro.

41. To mobilize finances to strengthen health systems and enhance country, regional and global health-emergency preparedness beyond the COVID-19 pandemic, the African, Caribbean and Pacific States are collaborating with the European Union to mobilize a further €25 million from the appropriate eleventh European Development Fund instrument. That is the kind of triangular cooperation that the world needs in addressing COVID-19 and in building back better from the pandemic.

42. The Caribbean Development Bank and the Southern Common Market (MERCOSUR) scaled up finances and opened up credit lines to fight the pandemic. The Central American Bank for Economic Integration approved \$1.96 billion “for emergency aid, regional purchase and supply of medicines and medical equipment, finance to public-sector operations...”³⁹ It had previously agreed to a \$200 million credit line to the Central Bank of Honduras, underlining the significance of regional financial integration. Similarly, the Development Bank of Latin America “announced...emergency credit lines of rapid disbursement of up to \$2.5 billion for crisis response and support to business operations”.⁴⁰ MERCOSUR agreed on a \$16 million structural convergence fund to support virus-related research, education and biotechnology.⁴¹

43. Similarly, AIIB committed to double the funds available under its COVID-19 Crisis Recovery Facility to provide \$5 billion to \$10 billion owing to high demand. AIIB is also collaborating with other international financial institutions (IFIs) to rally networked support, especially for the world's most vulnerable economies.⁴² IsDB had given \$1.86 billion of assistance to 27 member States to fight COVID-19 as of May 2020.⁴³ Through its special \$730 million Strategic Preparedness and Response Facility for Islamic countries, it aims to mitigate the negative health and socioeconomic effects of the COVID-19 pandemic.⁴⁴

44. During a March 2020 video conference of the leaders of the member States of the South Asian Association for Regional Cooperation (SAARC), the Prime Minister of India proposed the creation of a COVID-19 Emergency Fund with voluntary contributions from all member States, pledging an initial contribution of \$10 million from India. By mid-April of that year, voluntary commitments by SAARC member States totalled \$18.8 million, and

³⁸ <https://www.predsednik.rs/en/press-center/news/astrazeneca-vaccine-arrives-in-serbia> and <https://www.srbija.gov.rs/vest/en/169735/100000-more-doses-of-sputnik-v-vaccine-arrive.php>.

³⁹ UNCTAD, *South-South Cooperation at the Time of COVID-19: Building Solidarity among Developing Countries*, May 2020, pp. 8–9.

⁴⁰ *Ibid.*, p. 9.

⁴¹ <https://www.weforum.org/agenda/2020/05/covid-19-what-the-world-can-learn-from-regional-responses/>

⁴² AIIB, “AIIB doubles COVID-19 crisis response to USD10 billion”, 17 April 2020.

⁴³ IsDB, “As part of the US\$ 2.3 billion package, IsDB provides US\$1.86 billion to 27 member countries to contain COVID-19”, 14 May 2020.

⁴⁴ IsDB, “Second statement on IsDB Group emergency response to the impact of the COVID-19 pandemic in member countries”, 16 March 2020.

as of September 2020, “interventions and proactive measures [were] required to be continued.”⁴⁵

45. The Gulf Cooperation Council established a joint operations room to share experiences of how each member State has been handling and containing the spread of the virus, informed by the latest data, statistics and level of preparedness.

46. COVID-19 underscores the need for participants in South-South and triangular cooperation to collectively identify ways and means to provide universal health care globally, since no country is safe unless all countries are safe, as many commentators have argued.

VII. Implementation of the framework of operational guidelines on United Nations support to South-South and triangular cooperation

47. The operational guidelines on United Nations support to South-South and triangular cooperation (SSC/17/3) provided a common framework for priority mainstreaming of actions and financing modalities at the country, regional and global levels, with performance indicators at each level to measure progress and results. The guidelines will be revised in line with the recently endorsed United Nations system-wide strategy on South-South and triangular cooperation.

48. UNOSSC supported the increased integration of South-South and triangular cooperation elements into the strategies and frameworks of entities of the United Nations development system. Out of 27 United Nations entities responding to a UNOSSC survey, six had a dedicated South-South cooperation strategy in place. Others integrated “South-South and triangular cooperation...into their organizational workplans and monitoring frameworks.”⁴⁶ For example, the UNDP Strategic Plan, 2018–2021, includes South-South cooperation and triangular cooperation among the means to implement the 2030 Agenda. In implementing the plan, “in 2019, between 10 and 22 per cent of initiatives under each UNDP signature solution utilized South-South and triangular cooperation to help countries to achieve their development objectives.”⁴⁷

49. Other United Nations entities that developed a well-articulated South-South cooperation strategy include the International Fund for Agricultural Development, the International Labour Organization, the United Nations Environment Programme, the United Nations Children’s Fund, the World Food Programme and the World Health Organization.⁴⁸ Notably, the United Nations Volunteers programme positioned volunteerism as an integral component of South-South and triangular cooperation in its strategic framework, 2018–2021 (DP/2018/6). In 2018, 81 per cent of UNV volunteers were from the Global South.

50. Nineteen of the 26 United Nations entities covered in the 2018 Joint Inspection Unit progress report (JIU/REP/2018/2) had established dedicated and identifiable South-South

⁴⁵ See SAARC, “[Press release of the Fifteenth Informal Meeting of SAARC Finance Ministers](https://saarc-sec.org)”, 16 Sept 2020 (saarc-sec.org).

⁴⁶ United Nations, Report of the Secretary-General on the state of South-South cooperation (A/75/371), para 5.

⁴⁷ Ibid., para. 29.

⁴⁸ For more details, see the report of the Secretary-General on the state of South-South cooperation (A/73/321), paras. 23–36.

and triangular cooperation units or focal points at their headquarters. As a result, there was a surge in South-South and triangular cooperation activities, with over 140 policy dialogues and more than 175 programmes and capacity-building activities convened by 27 United Nations entities.⁴⁹

51. Only 11 of the 26 entities covered by the 2018 JIU progress report had achieved the target proposed in the previous JIU review in 2011 concerning the allocation of not less than 0.5 per cent of core budget and extrabudgetary resources for South-South and triangular cooperation initiatives. Hence, the review of the progress made regarding the recommendations from the 2011 JIU report highlighted inadequate resources as a major stumbling block in advancing support to South-South cooperation. By 2020, more than 175 partnerships had been established by United Nations entities to advance South-South cooperation; other partnerships had established various financing mechanisms to support South-South and triangular cooperation.⁵⁰

52. The 2018 JIU progress report noted significant progress in the number of United Nations entities that contribute to the Secretary-General's reports on the state of South-South cooperation, the primary periodic reporting mechanism for activities of the United Nations organizations in support of South-South and triangular cooperation. According to internal assessments of UNOSSC, only seven entities had contributed in 2014 compared to 24 in 2020.

53. A total of 23 of the 26 United Nations entities that had responded to the survey conducted by UNOSSC in June 2019 had incorporated South-South elements into their strategies and monitoring frameworks for 2018–2021.⁵¹ Examples include UNDP results-oriented annual reporting, the United Nations Children's Fund corporate plan and country programmes, the World Food Programme project design and implementation plans, and the International Fund for Agricultural Development South-South and triangular cooperation database and dashboard, which critically integrate South-South and triangular cooperation elements into their monitoring and evaluation systems. Some United Nations entities, such as the United Nations Population Fund and the Economic Commission for Latin America and the Caribbean, also conducted an evaluation of their support to South-South and triangular cooperation.⁵²

VIII. Organizational, administrative and financial arrangements of UNDP in support of South-South cooperation

54. UNDP continued to comply with BAPA, the new directions strategy for South-South cooperation, the Nairobi outcome document and relevant decisions of the High-level Committee as well as resolutions of the General Assembly regarding organizational, administrative and financial arrangements in support of South-South cooperation. To that end, in 2018, it remained committed "to ensuring a stable and predictable allocation of regular (core) resources towards the implementation of the UNOSSC strategic framework, 2018–2021".⁵³ UNDP thus proposed to the Executive Board that UNDP "maintain its support of UNOSSC at the same level as allocations for the UNOSSC strategic framework

⁴⁹ See A/75/371.

⁵⁰ Ibid., para 42.

⁵¹ United Nations, Report of the Secretary-General on the state of South-South cooperation (A/74/336), para. 24.

⁵² See <https://www.unfpa.org/updates/out-now-first-formative-evaluation-unfpa-approach-south-south-and-triangular-cooperation> and <https://repositorio.cepal.org/handle/11362/46042>.

⁵³ DP/CF/SSC/6, para. 48.

for 2014–2017, based on projected regular resource contributions for the [UNDP] integrated budget, 2018–2021.”⁵⁴ On that basis, UNDP committed a total of \$23.3 million: \$14.2 million under the programmatic component of the integrated budget (development effectiveness line) and \$9.1 million under the institutional component.

55. With those resources, UNOSSC formulated and implemented its strategic framework, 2018–2021, which supported intergovernmental processes that set policies to further advance South-South cooperation across the United Nations system. The Office also catalysed greater research and analysis to inform South-South policies and programmes of both Member States and the United Nations system while forging partnerships and mobilizing resources to advance South-South cooperation.⁵⁵ Details of the work of UNOSSC during the reporting period are described in the report of the Secretary-General (SSC/20/2) for the twentieth session of the High-level Committee on South-South Cooperation.

IX. Follow-up by UNDP and UNOSSC on the recommendations contained in the UNDP Office of Audit and Investigations audit report on UNOSSC

56. In February 2017, the UNDP OAI presented a report⁵⁶ on the follow-up to the audit of UNOSSC of February 2016 as updated in May 2016.⁵⁷ The auditors reviewed the implementation of the 16 recommendations of the audit report of 2016 and concluded that 15 of the 16 recommendations had been fully implemented while one was ongoing. The remaining recommendation was subsequently implemented.

57. To facilitate the closer working relationship of UNOSSC with UNDP, the reporting lines of UNOSSC were clarified, as were the relationship and accountability of UNOSSC with respect to the UNDP Administrator. This was achieved through a delegation of authority including procurement authority to the Director of UNOSSC from the UNDP Assistant Administrator and the Director of the Bureau for Management Services.

58. UNOSSC continued to assess its organizational effectiveness in collaboration with UNDP, leading to efforts to strengthen its programme management, monitoring, evaluation and results-based management capacities, building on its 2018–2021 strategic framework and in keeping with the recommendations of OAI. Deficiencies in programme and project management, human resources, procurement, travel management and financial management had also been addressed by UNOSSC in 2017. Moreover, UNOSSC continued to leverage the vast network of UNDP country offices, United Nations organizations and United Nations country teams as well as the network of national focal points for South-South cooperation. In addition, and following the 2015 OAI recommendation, the Office set up a Programme Support Unit to ensure that all operations are consistent with UNDP corporate policies and procedures. In line with UNDP rules, regulations and procedures, the Programme Support Unit fosters the transparency and accountability of UNOSSC through the submission to UNDP of a UNOSSC integrated work plan as part of the annual corporate resources plan of the organization. As per delegated authority, the Director of UNOSSC regularly reports on the implementation of the annual integrated work plan to the UNDP Associate

⁵⁴ Ibid.

⁵⁵ See DP/CF/SSC/6.

⁵⁶ UNDP, OAI, Audit of United Nations Office for South-South Cooperation: Follow-up of OAI Report No. 1580 dated 24 February 2016 (Updated: 2 May 2016). Report No. 1754 dated 22 February 2017.

⁵⁷ UNDP, OAI, Audit of United Nations Office for South-South Cooperation, Report No. 1580 dated 24 February 2016 (Updated: 2 May 2016).

Administrator. Furthermore, the Director of UNOSSC is a member of the Organizational Performance Group (OPG), one of the internal governance mechanisms chaired by the Associate Administrator.

59. UNOSSC also designed a comprehensive office-wide evaluation plan to track and report on progress towards the achievement of the outcomes of the UNOSSC strategic framework, 2018–2021, and committed to work closely with the Independent Evaluation Office on the implementation of the evaluation plan. This is also in line with UNDP/UNFPA/UNOPS Executive Board decision 2018/5. In response to calls by Member States for coherent United Nations support to their development initiatives, the activities under the present UNOSSC strategic framework are aligned with the UNDP Strategic Plan, 2018–2021, as well as with the strategic frameworks and plans of other relevant United Nations system organizations so as to better leverage system-wide assets as needed. This investment in organizational quality assurance also requires increased technical collaboration between UNDP and UNOSSC and continuous evaluation of institutional priorities, resource management practices and substantive quality standards. Thus, the UNOSSC and UNDP leadership also conducted a rapid functional review of the collaboration between UNOSSC and UNDP in 2019.

60. Moreover, a 2020 audit of UNOSSC by OAI⁵⁸ proposed the development of a UNDP/UNOSSC cooperation framework to strengthen strategic collaboration and a joint work plan that would define areas of collaboration and delineate respective roles and responsibilities, given the continued hosting of UNOSSC by UNDP as well as its own work in the area of South-South and triangular cooperation. This framework will be developed after the development of the new UNDP Strategic Plan and the UNOSSC strategic framework for the period 2022–2025. Through an annex to the annual report of the Administrator to the UNDP/UNFPA/UNOPS Executive Board, UNOSSC informs members of the Board regarding the implementation of its strategic framework, as mandated by Executive Board decision 2018/5. Similarly, the General Assembly monitors and assesses United Nations system-wide support to South-South cooperation based on the information that UNOSSC channels through the annual reports of the Secretary-General on the state of South-South cooperation.

X. Conclusions and recommendations

61. Findings in the present report show that, before the pandemic, the scope and scale of South-South cooperation had expanded, with positive impacts on trade, investment, financial flows, technological capabilities and economic growth. In all regions of the Global South, South-South cooperation plays a pivotal role in promoting partnership for the achievement of the Goals of the 2030 Agenda and other internationally agreed development goals. Countries of the North, along with other stakeholders, are also contributing, through triangular cooperation, to the implementation of the SDGs in the Global South.

62. Given the threat posed by the COVID-19 pandemic and other global crises such as climate change, countries of the South, with the support of partners, including the countries of the North, IFIs and the private sector, should establish or strengthen national policies and units or departments to bolster South-South and triangular cooperation.

63. As UNDP embarks on the preparation of its Strategic Plan, 2022–2025, it is committed to using South-South and triangular cooperation as essential elements for the implementation

⁵⁸ UNDP, OAI, Audit of United Nations Office for South-South Cooperation, Report No. 2214, issued on 11 December 2020.

of the 2030 Agenda. Building on its integrator function in support of countries in their efforts to respond to complex development challenges and the impact of COVID-19, UNDP, with its network of country offices, will play a pivotal role to help UNOSSC and other United Nations entities to implement the United Nations system-wide strategy on South-South and triangular cooperation.

64. BAPA, the new directions strategy, the Nairobi outcome document and BAPA+40 outcome document should give new impetus to the effective leveraging of South-South and triangular approaches to achieve sustainable development. Measures to further harness such cooperation to this end should include the following:

(a) Since some developing countries have established financing facilities and trust funds to address development challenges through South-South cooperation, the robust scaling up of public and private financial contributions to such trust funds should include increased contributions, by all countries in a position to do so, to the United Nations Fund for South-South Cooperation to support further efforts to achieve the SDGs.

(b) There is a need for more effective engagement of the public and private sectors in South-South and triangular initiatives for sustainable development. Such actors should generate more resources for concrete programmes with well-defined time frames and measurable results. This multi-stakeholder engagement should be aligned with the SDGs and their targets, the principles of South-South cooperation, and the national plans and priorities of the countries of the South.

(c) Multilateral and regional banks and other financial institutions, including those newly established by countries of the South, should continue to play an active role, through their financial support and technical expertise, in supporting feasibility studies, and the formulation and implementation of innovative programmes that would enable developing countries to achieve the SDGs by scaling up proven development solutions and good development practices from the Global South.

(d) United Nations entities and developed countries should leverage existing national policies and strategies to advance triangular partnerships for the achievement of the SDGs. Such partnerships should also support the efforts of developing countries to enhance the human and institutional capacities and coordination mechanisms required to accelerate the achievement of the SDGs.

(e) To reduce inequalities within and between countries, developing countries should foster institutional linkages, with the support of relevant United Nations entities and the private sector, to improve access to quality education in science, technology and innovation, with a view to increasing the capacities of developing countries to leverage new technologies and accelerate their sustainable development.

(f) In implementing the United Nations system-wide strategy on South-South and triangular cooperation, UNDP, UNOSSC and other United Nations entities should devise ways to systematically share policies and strategies proven effective in reducing multidimensional poverty and related deprivations, including to enable LDCs to graduate from that status.