

Concept Note Session III

Southern partners advancing mutual learning and envisioning the contribution of South-South cooperation for sustainable development

*Thursday, 21 July 2016
17:30 -19:00
ECOSOC Chamber
UN Headquarters, New York*

South-South cooperation continued to grow despite the slowing down of the emerging economies and dropping commodity prices. It is estimated that South-South cooperation exceeded \$20 billion in 2013.¹ Based on partial data for 2014, South-South cooperation might have far exceeded the total for 2013 in monetary terms, mainly owing to the significant scale-up by Saudi Arabia, which more than doubled its assistance in 2014. Existing data also indicates the steady growth of development cooperation provided by China and India.

The adoption of the Addis Ababa Action Agenda, the 2030 Agenda and the Paris Agreement under the United Nations Framework Convention on climate change further boosted the momentum of South-South cooperation and precipitated the launch of several major initiatives. India announced a \$10 billion concessional credit to Africa in the five years to come, along with \$600 million in grant assistance, in addition to the ongoing lines of credit programme of India in Africa. China announced the establishment of a \$2 billion fund to assist developing countries in implementing the 2030 Agenda and launched its China South-South Climate Cooperation Fund.

Southern partners have become an increasingly important source of humanitarian assistance. Arab States accounted for some 7.4 per cent of global humanitarian aid in 2015. A higher proportion of the humanitarian assistance from Southern partners is channelled through the public sector of the developing countries involved.

There has been growing diversification of financing sources for South-South cooperation beyond government revenues. National development banks, including in Africa, have taken a more

¹This note is based on an extract from the Report of the Secretary-General on “Trends and progress in international development cooperation” (E/2016/65), in which South-South cooperation includes official concessional resources (concessional loans and grants as well as debt relief and technical cooperation) that are provided within the South for development purposes, and estimates are by the Department of Economic and Social Affairs.



prominent role in financing regional and sub-regional infrastructure. Multilateral development banks initiated by Southern partners provide additional sources for developing countries to finance their sustainable development needs. For instance, it is estimated that the New Development Bank has the ability to reach an annual lending capacity of \$3.4 billion by 2024 and almost \$9 billion by 2034.² The Asian Infrastructure Investment Bank, which became operational in January 2016, is projected to provide \$10 billion to \$15 billion in loans annually over the next 15 years. These two development banks can leverage the resources from various sources by issuing bonds denominated in local or international currencies, thereby addressing the financing needs of developing countries, particularly in the infrastructure sector.

While specific data are not available, initiatives such as those outlined above suggest that the overall volume of climate-related South-South cooperation will continue to increase.³ At the same time, climate change has become a priority for the infrastructure development and capacity-building efforts that remain the predominant focus of South-South cooperation.⁴

Overall, South-South cooperation is evolving rapidly, which heightens the need for mutual learning and experience-sharing among Southern partners. South-South cooperation may also offer useful lessons for other actors on ways of managing development cooperation. For example, while Southern partners are often criticized for lacking adequate evaluation of their cooperation,⁵ the India-Africa Forum Summit and the Forum on China-Africa Cooperation have established follow-up and evaluation mechanisms that can offer important lessons on ensuring that development cooperation commitments are met.

A persistent challenge to understanding South-South cooperation is a lack of comparable data. Renewed attempts are being made to address the issue. Under the auspices of the Development Cooperation Forum, a number of Governments have worked together to map out existing practices and to identify the needs and gaps in disseminating information on South-South cooperation at the national, regional and global levels. A technical working group has produced a non-paper and suggested a way forward. The Government of Brazil and the Ibero-American General Secretariat have also developed proposals to address the methodological challenges specific to capturing South-South cooperation. Despite their differences, the various proposals share a common understanding that some elements of South-South cooperation are not suited to calculation in monetary terms and that the purpose of the exercise is not to impose additional obligations on Southern partners but to improve understanding on how to achieve better sustainable development results from their efforts. The United Nations

²UNCTAD, "A BRICS development bank: a dream coming true?" (March 2014), available from http://unctad.org/en/PublicationsLibrary/osgdp20141_en.pdf.

³See Department of Economic and Social Affairs, 2016 Development Cooperation Forum Policy Brief No. 14, "Making development cooperation on climate change sensitive to the needs of the most vulnerable countries".

⁴See Department of Economic and Social Affairs, 2016 Development Cooperation Forum Policy Brief No. 16, "Re-engineering development cooperation institutions to deliver on the 2030 Agenda for Sustainable Development".

⁵See Department of Economic and Social Affairs, 2016 Development Cooperation Forum Policy Brief No. 15, "New forms of cooperation and increased coherence to implement the SDGs".

Conference on Trade and Development (UNCTAD) works in this area, in partnership with other United Nations system organizations and think tanks of the South, and efforts are also under way by civil society organizations.

In the Addis Ababa Action Agenda (paragraphs 56-57), Member States call for further strengthening of South-South cooperation and triangular cooperation, welcoming the increased contributions of Southern partners to sustainable development. Developing countries in a position to do so are invited to further scale up their efforts and make their support more effective, in line with the provisions of the Nairobi outcome document of the High-Level United Nations Conference on South-South Cooperation.

ECOSOC's Development Cooperation Forum (DCF) furthers analytical work on South-South cooperation and supports policy dialogue among Southern partners on common issues and concerns. DCF-related analytical work and discussions have provided technical inputs on South-South cooperation to the intergovernmental deliberations on means of implementation and financing for development. The 2014-2016 preparatory process for the 5th Biennial High-level Meeting of the DCF has also put more emphasis on areas where South-South cooperation plays an increasingly important role, e.g. climate change, technology transfer and capacity building.

This session 2016 High-level Meeting of the DCF will provide space for multi-stakeholder discussion led by Southern partners on how they are advancing mutual learning and envisioning the contribution of South-South cooperation for sustainable development.

Focus Questions:

- *How are Southern partners envisioning the contribution of South-South cooperation for sustainable development, and what implications does this have in policy and practice?*
- *Contributing to sustainable development through development cooperation involves investment in both hardware (e.g. infrastructure) and software (e.g. capacity building and technology transfer). How do Southern partners ensure the relevance and effectiveness of capacity building and technology transfer? Are their experiences relevant in non-SSC settings?*
- *What lessons can be learnt from South-South cooperation on ways of managing development cooperation that may be useful for other actors?*

Format

Moderated interactive discussion (2 hours), featuring brief presentations by speakers.

Background documents

- Report of the Secretary-General on “Trends and progress in international development cooperation”, E/2016/65 ([all language versions](#)) and E/2014/77.
- 2016 DCF Policy Briefs ([all language versions](#)):
 - No. 1: What is development cooperation?
 - No. 12: Adjusting development cooperation for the SDGs
 - No. 14: Making development cooperation on climate change sensitive to the needs of the most vulnerable countries
- Summaries of DCF High-level Symposiums in [Republic of Korea](#), [Uganda](#) and [Belgium](#)
- Note by the Secretary-General on Infrastructure for sustainable development for all, E/2016/70 ([all language versions](#)).

*The **2016 High-level meeting of the Development Cooperation Forum (DCF)** will focus on the importance and tremendous potential of development cooperation as a lever for effective implementation of the 2030 Agenda for Sustainable Development. The overall objective is to provide policy makers and practitioners at all levels concrete guidance on development cooperation in the SDG era, and to contribute to the review of progress on the 2030 Agenda, in particular on financing and other means of implementation.*

The DCF is a core function of the United Nations Economic and Social Council, which has a major role at global level in the follow-up and review of the 2030 Agenda and Addis Ababa Action on financing for sustainable development. The DCF has a clear, broad mandate to review trends and progress in international development cooperation. It encourages discussions on the future of development cooperation. It works to promote greater coherence in development policy and among partners, knowledge sharing and mutual learning.

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