



# DEVELOPMENT COOPERATION FORUM

## Informal summary on Roundtable 2

### ***South-South and triangular development cooperation: What can development actors learn?***

**30 June 2008**

- Chair:* Antonio Pedro Monteiro Lima, Vice-President of ECOSOC
- Moderator:* Paavo Vayrynen, Minister of Foreign Trade and Development, Finland
- Panelists:* Liu Guijin, Ambassador and Special Envoy on African Affairs, China  
Karen Zelaya, Minister of International Cooperation, Honduras  
Masato Watanabe, Deputy Director General, International Cooperation Bureau, Ministry of Foreign Affairs, Japan

In setting the stage for the discussion on South-South and triangular cooperation, ***Paavo Vayrynen*** noted that development policies invariably are marked by politics. Differences expressed through the values, ideals and goals of decision-makers as well as national interests of States are ultimately reflected in development policies. Deeper political dialogue on these issues is often avoided, yet the DCF was considered particularly suitable for engaging participants in such discussions.

Mr. Vayrynen highlighted the differences between North-South and South-South cooperation, in particular that donors have taken the MDGs literally and allocated most of their resources to direct poverty reduction, while developing countries, motivated by the needs and requests from other developing countries, focus primarily on the productive sectors and infrastructure development. Pointing to a possible convergence of allocation practices, he also asserted that while developing countries emphasize the absence of conditionality, it is important to pay attention to governance, stability and peace in programme countries in order to achieve sustainable development results.

***Liu Guijin*** emphasized the role of the DCF in monitoring and evaluating international cooperation and the fulfillment of aid commitments. He also expressed hope that the United Nations, including the DCF, would play an increasing role in South-South and triangular cooperation.

As an important supplement to North-South partnerships, South-South cooperation should contribute to safeguarding the common interests of developing countries. These countries should take an active part in formulating international economic, financial and trade rules, exerting more influence in international affairs and in decision-making, and seeking greater policy space for their development. As developing countries grow in strength, they should also increasingly engage in South-South cooperation on trade, investment, science and technology, infrastructure, health and education. Finally,

developing countries should enhance coordination and make effective use of multilateral mechanisms.

Mr. Liu highlighted that cooperation between China and Africa rests on equality, mutual benefit and credibility through delivering on commitments. In this connection, the following principles were suggested for effective triangular cooperation in Africa:

- Cooperation should not infringe on the sovereignty of programme countries;
- Good practices should be adapted to the specific conditions of individual countries;
- Projects and programmes should start out small;
- Comparative advantages of different development actors should be brought to bear (e.g. financial resources of developed countries and appropriate technologies and low costs of developing countries); and
- Full use should be made of existing authoritative cooperative mechanisms, such as the United Nations

*Karen Zelaya* stressed that South-South cooperation allows developing countries to address common objectives, agree jointly on partnerships and take advantage of the experience of peers at similar levels of development. It also offers flexibility in terms of programming and agreeing on terms and conditions of finance, without conditionality.

She described the experience of Honduras in South-South and triangular cooperation, noting that the country has gone from being a recipient to being a source of South-South cooperation. In looking ahead, Ms. Zelaya saw scope for establishing a financial mechanism to support capacity development between partners in South-South cooperation. It would also be useful to further expand the knowledge of instruments and practices for evaluating the impact of South-South cooperation with regard to poverty alleviation and social cohesiveness.

The South-South Cooperation Unit of the United Nations should be further bolstered and actively support initiatives in Latin America. She also emphasized the importance of triangular cooperation, which should be coordinated with international cooperation and developed in the context of the region's cultural and historical identity. In this context, Ms. Zelaya noted the emergence of cooperation between municipalities in developing countries, supported by a donor country.

*Masato Watanabe* considered South-South and triangular cooperation an integral part of international development cooperation and the efforts to helping developing countries achieve sustainable growth, stable development and becoming less dependent on external aid. In addition, these forms of cooperation are also beneficial in terms of enhancing the capacities of source countries by learning from supporting and guiding others. In outlining Japan's efforts in triangular cooperation, he gave examples of partnering with countries which have become net contributors of resources and other mainly middle-income countries.

Mr. Watanabe also encouraged dialogue on the aid effectiveness with Southern contributors, in particular in the pursuit of better development outcomes by improving transparency of aid, debt sustainability, environmental considerations, human rights and governance. Towards the Accra High-level Forum on Aid Effectiveness, he suggested that collaboration between these different development actors could provide good practices for the development of international rules on capacity building through harmonized development cooperation.

Emphasizing that South-South cooperation constitutes an additional option and not an alternative to North-South cooperation, South-South cooperation were seen to offer more immediate and tangible benefits for programme countries. The **success of South-South cooperation** was attributed to the close ties of many developing countries as well as similar economic situations and shared understanding of the development policies needed in their respective contexts.

South-South cooperation was particularly lauded for its principle of non-intervention in the internal affairs of other countries and for its absence of conditionalities. As in North-South cooperation, it is important that programme countries show leadership by defining priorities and needs. In this context, there was scope to further increase demand-driven South-South cooperation.

The need for further **analytical and statistical work** on South-South cooperation was emphasized, in particular clearer data through disaggregating various components such as technical cooperation, trade, etc. The Secretary-General's analytical background report provides a starting point in terms of available data. In addition, calls were made for evaluation of South-South cooperation in order to improve transparency and enhance independent management of development cooperation by programme countries.

While developing countries were encouraged to engage in policy dialogues to **coordinate and harmonize** development cooperation at the country level, strong opposition was voiced against such harmonization measures by sources of South-South cooperation, in particular since these were assumed to build on the existing work and terminology of the OECD/DAC. In this regard, it was suggested that the term 'emerging donors' should be confined to describe members of OECD which are not members of OECD/DAC.

On the proposal for greater convergence of South-South and North-South approaches to development cooperation, it was questioned whether the expansion of South-South cooperation into social sectors rather than productive sectors would have the same impact on economic growth.

The **United Nations** system was considered an important actor in coordinating and supporting South-South and triangular cooperation, including at the country level. The Special Unit for South-South Cooperation of the United Nations should have adequate technical and financial resources to serve this purpose. Similarly, South-South and

triangular cooperation should be mainstreamed in the UN development system in accordance with the recent mandate provided by the General Assembly.<sup>1</sup>

Calls were voiced for a mechanism to coordinate South-South cooperation among developing countries, in particular to create more awareness and better match the needs of programme countries with the opportunities offered by other developing countries. At the same time, the Development Cooperation Forum was considered a principal venue for developed countries to better understand the needs and priorities of developing countries.

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<sup>1</sup> General Assembly resolution 62/20: “*Triennial comprehensive policy review of operational activities for development of the United Nations system*”,