



Background Note

Introduction

The shifting of the global center of gravity from North to South is increasingly evident especially in the areas which are significant for further economic development in the South though there are several contemporary challenges. The areas of development include financing and partnership, peace and security, environment, people centered development, and science, technology and innovation (STI). This shift in gravity has been fueled by rapid and sustained economic growth over a fairly longer period of time in the “emerging economies” during the last decade. Such a shift has also resulted in efforts at building a new development cooperation architecture that led to considerable flow of resources within the Southern countries. The South began looking beyond the North-South Cooperation (NSC) and Triangular Development Cooperation (TDC), which had traditionally been fuelled by the Official Development Assistance (ODA) for development cooperation. South-South Cooperation (SSC) emerged as a parallel mechanism to support global quest for improved quality of life across the world.

With the issues of poverty, health, education, and provision of other basic needs continuing to hit the world’s poorest citizens the hardest, a highly aspirational set of sustainable development goals (SDGs) adopted recently underscores the global intent to “end poverty, protect the planet, and ensure prosperity for all” within a specified time frame. The resource gap that is necessary to be bridged to achieve the targets is, however, significantly large. It is a foregone realization that the necessary resources cannot be fully mobilized by the concerned countries domestically alone and a significant part of the required resources are to be raised globally in a spirit of common but differentiated responsibility (CBDR).

Even though global political and economic dialogues on the SSC gained prominence in the recent past, it requires acknowledging that SSC had been in existence for past several decades. While lack of enough financial resources constrained the expanse, visibility and reach of SSC, it played an important role in bringing about a “sense of solidarity” among the Southern countries, most of whom shared a common history of colonization. There is no denying the fact that SSC contributed meaningfully to qualitative transformative changes that

took place due to the rise in development partnership – that focused primarily on capacity building and experience sharing to begin with – and now increasingly infrastructure and institution building. Increase in the quantum of financial resources committed to SSC in contemporary times resulted in the desire of Southern providers to harness the potential of their cooperation through the creation and formalization of several platforms like New Development Bank, etc. Post-Busan, the prominent and unquestionable role of SSC in global development architecture gained currency.

Recent upsurge in SSC coincided with a declining Country Programmable Aid (CPA) of Official Development Assistance (ODA) by 7 per cent in real terms in 2014 from an estimated USD 105.3 billion from an estimated USD 111.56 billion in the year 2013. While the overall decline of CPA in 2014 was due to perceptible drop in aid to top aid recipient countries (Afghanistan, Kenya, Myanmar and Tanzania), the CPA to lower middle income countries rose by 1.3 per cent in real terms, and that to upper middle-income countries dropped by 1.5 per cent. However, there were observed large fluctuations across countries (OECD 2015, p: 167). The share of ODA flows to LDCs has been decreasing in recent years, while allocations increased to upper middle-income countries. ODA to the African continent decreased by 5.6 per cent in 2013. ODA to landlocked developing countries (LLDCs) has stagnated for four consecutive years since 2009. ODA to Small Island developing States (SIDS) fell steeply between 2010 and 2012. Overall aid for trade commitments increased by 20 per cent; yet the share of total aid for trade of least developed countries fell by 2 per cent in 2012. In other words, flow of aid from members of DAC to countries in relatively greater need of support has been slowing down significantly.¹ The decline and/or poor targeting of ODA perhaps indicate that they are often used for economic and political gains.² It may, simultaneously, be presumed that SSC aims at targeting the southern support to ensure increased welfare for the Southern citizens and hence the need to develop suitable institutional mechanisms to make it happen and measure the impact of SSC.

Matter of further concern, as revealed in the latest Development Cooperation Report published by Organization of Economic Co-operation and Development (OECD), is the fact that net ODA as percentage of GNI of donor countries declined from 0.3 per cent in 2013 to 0.29 per cent in 2014³. This is contrary to the commitments made way back in 1970 vide a UN resolution adopted on 24 October 1970 in tune with the recommendation of Pearson Commission⁴ made in 1969.

All these features point towards the growing need for SSC to occupy more commanding heights in global developmental paradigm. Expectedly, SSC “continues to rise in scale and importance, together with growing South-South trade, investment and regional integration. (It) is foreseen to continue its growth as a proportion of international development cooperation, given the plans by large developing economies to increase such cooperation considerably over the next five years” (P 11) “Southern partners are making efforts to better measure and evaluate their cooperation, going beyond mere quantification in monetary terms”. (P 17) SSC has been “estimated at between \$16.1 billion and \$19 billion in 2011. The share of SSC in total development cooperation increased from 6.7 per cent in 2006 to 10 per cent in 2011 — below its peak of 11 per cent in 2008” (P 19-20).⁵

Such expectations from the global leaders were clearly articulated during the recent discussions on development finance architecture and framing of the sustainable development goals (SDGs). The role and importance of SSC as a complement to NSC

has been eloquently acknowledged in both the Financing for Development Summit (FfD) at Addis Ababa and 70th UN General Assembly resolution on Agenda 2030.

The Issues

As the experience suggests, the SSC has emerged as a mechanism that fosters mutual benefit, recognises sovereign identities and engages fellow developing countries in variety of linear linkages. The upcoming conference proposes to deliberate at length on seven major emerging issues of concerns facing the South-South cooperation. The different issues to be covered in this conference are as follows:-

South and the Global Economy

The Conference aspires to situate SSC within the context of broader global macro-economic context. The first plenary session would explore the broad issues associated with the idea of global justice. The global inequalities, both inter and intra have been multiplying at a much faster pace. Even with changing global economic scenario, the West is not ready to let the South take up the role and position that it deserves. Global development and economic institutions are still unable to shed their exclusionary perspective – as are evident from the recent sessions on Climate Change and WTO. Emergence of mega-FTAs is perpetuation of similar approaches. However, unlike earlier, instead of complaining alone, the Southern economies have initiated efforts of creating their own institutions like New Development Bank, etc. in their pursuit to bring in a semblance of institutional inclusion in global arena and provide alternate choices particularly to low income countries. Such efforts towards making global institutional mechanisms help the Southern countries in two meaningful ways. First, it helps gain larger influence in international decision making fora through enhanced bargaining power and second, as a consequence, not being forced to accept unfavourable rules in the bargain, and emerge as a group of possible alternative framework through sharing of expertise, experience and more importantly, a united stand. The specific issues that will be touched in this session would include:

- Perpetuation of global inequalities over the years and institutional and other responses from the South
- Prevailing North-South divide and emerging contours of SSC in terms of trade, investment, technology transfer, innovation and capacity development;
- What specific features South should ensure when it comes to the creation of new institutions?
- Impact assessment of traditional development approaches in the South.

Global Aid Architecture and SSC

The traditional aid architecture being followed by the North is being complemented by the new stream of South-South development assistance programmes, which is distinct by its own unique characteristics. The economic devevelopment programmes being carried out by countries of the South among themselves are not restricted to government-to-government partnerships alone but have been gradually fortified by the participation of like-minded public-private partnerships, in addition to civil society organizations and foundations. Broadly, South-South Cooperation has been witnessing significant growth because of its extremely positive orientation for the developing countries in terms of its non-prescriptive and demand-driven nature without conditions or leverage, as part of solidarity among the Southern countries for the economic empowerment and well-being of their societies and is carried out at the request and with the approval of the national governments or partners

concerned. Enhanced people-to-people cooperation through CSOs and other communities and the private sector has also been richly contributing to the success of South-South Cooperation programmes.

This session will also address the issues of traditional institutional architecture of aid from the North and the different modalities being practiced under the SSC strategies. It is imperative for the SSC to expand its horizons through taking into its fold innovative technologies, methodologies and strategies without in any way undermining the core developmental challenges or the interests of the developing countries. The wide variety and scope of SSC, including its numerous modalities, present a picture of unity in diversity which has to further be nourished. The very character of SSC being a non-traditional format of developmental assistance programmes (not interventions) immediately required by the developing countries should not be subjected to evaluation through the traditional approaches and strategies of the North, particularly because of diverse, varied and evolutionary characteristics which cannot be assessed through a set of indicators or assessment pointers developed by the North. Therefore, majority of countries of the South are convinced that cooperation under SSC need not necessarily be moulded into an iron cast set of pre-determined indicators which would retard the growth path of their development programmes. On the other hand, SSC should be conceptualized as a basket of activities that contribute to win-win situations and outcomes for partner countries. Besides, the limited capacity and financial resources at the disposal of the countries of the South would result in diversion of scarce resources towards such unproductive and intrusive arrangements. Countries of the South are determined to forge ahead towards the further growth of South-South cooperation as long as it does not contradict its basic non-negotiables like, non-interference, sovereignty of partners, equality, promotion of social stability and unity of societies towards further strengthening the spirit of unconditional cooperation among the partner countries as a viable, effective and efficient alternative to the North.

In order to encapsulate emerging debate on the importance and scope of SSC, the conference would focus on the following broad issues:

- How to capture the plurality of SSC through its rainbow approach unifying diverse models
- The role and importance of non-prescriptive and unconditional developmental cooperation programmes among developing countries.
- Measures for advancement of the SSC
- Impact assessment of SSC programmes with the concurrence of the partner institutions or countries without the intervention of supranational institutions or experts through a fixed criteria.
- How to optimize the participation of partners in SSC – State, civil society, academia, communities and other actors?

Parallel Session I

The parallel sessions would be fed by the inputs emerging out of the two preceding plenaries and are aimed to result in a serious and in-depth brainstorming on some major issues of contemporary concerns.

Session I (a) - Agenda 2030 for Sustainable Development, Climate Change (COP21) and Financing for Development

Trade Facilitation Mechanism as a significant component to achieve the SDGs has been placed on global development agenda with considerable hope and conviction. An open and inclusive effort in operationalising TFM is a long lasting demand from the Southern countries.

Adaptation of aggregate intended nationally determined contributions for reducing emissions to 40 gigatonnes (equivalent to an increase in temperature by 1.5⁰ from the pre-industrial revolution level) and the yet undecided commitment from the developed countries to support – financially, technologically and institutionally – the Southern ones in reducing their emission commitments call for renewed Southern efforts at building new “global” mechanisms to reduce committed aggregate emissions from 55 gigatonnes to the desired level. The parallel sessions are aimed at informed debates on these issues from a Southern perspective.

The moot questions for this parallel session would be:

- How promoting technology facilitation and capacity building, and addressing gaps in technology, science and innovation across South help in meeting the developmental challenges of the Southern countries?
- How the unfinished agenda of FfD (tax issues) can best be discussed under the rubric of SSC?

Session I (b) – SSC and Regional Growth and African Union’s Agenda 2063

The very ambitious Agenda 2063 prepared by African Union and the subsequent release of the plans for its implementation till 2023 underscore a lot of promise and challenges for the Southern communities in general and those from Africa in particular. The session would address SSC strategies to support achievement of Agenda 2063.

The moot question for the parallel sessions would be:

- How do we align SSC and development cooperation policies for implementing the SDGs, Climate Change and Agenda 2063 of the African Union?

Parallel Session II

Session II (a) Theoretical Framework for SSC

SSC emerged out of a sense of solidarity among the countries that were mostly decolonized during the late 1940s and 1950s. Unlike the aid architecture institutionalized by the donor countries, SSC was not analysed from the point of view of its theoretical framework. This session will help in assessing the state of research on SSC and role of Southern Think-Tanks. Southern countries by themselves do not constitute a homogenous group. Consequently, the experiences of development partnership in the spirit of SSC need not be uniform and are bound to exhibit variations. The experiences from SSC have been very scantily researched and documented. The session would: provide a platform to present evidences and narratives on successful or failed experiments of SSC; provide a big picture of the features of SSC initiated by a particular country and globally; deliberate on lessons learnt from the experiences of implementing SSC; and generate case-based estimates of intervention-specific benefits and costs vis-à-vis SSC.

As already mentioned earlier, SSC also underscores cooperation among the academia across the Southern states. The proposed conference would also generate opportunities to discuss the possible modalities of institutionalizing cooperation among Southern think tanks in terms of

identification of mutually agreed research agenda, launching joint research projects on analyzing SSC from a comparative perspective and sharing experiences of designing and implementing SSC among the Southern think-tanks.

The issues that are necessary to be discussed also include:

- What are the theoretical arguments in support of SSC? What are the relevant testable hypotheses vis-à-vis SSC that emerge from the theoretical constructs so argued?
- How can the different approaches followed by different countries in pursuing their SSC activities be accommodated into the theoretical framework so developed?
- What are the methodological constraints in empirical testing of the hypotheses so developed?

Session II (b) – International Architecture for SSC and Role of Development Cooperation Forum: Potential for Triangular Development Cooperation

The outcome of the recent Development Cooperation Forum's (DCF) Uganda High-Level Symposium would be discussed in detail in this session.

The Development Cooperation Forum in its last meeting in November 2015 at Kampala deliberated on a host of pressing issues vis-à-vis development cooperation. There is need to explore future role of DCF, particularly from the stand-point of SSC, as other global fora have least space to explore facets of SSC.

- Whether and how to rediscover and redesign the Development Cooperation Forum in operationalising SSC?
- Prospects for Triangular Cooperation: Emerging Economies and OECD countries collaborating to deliver development cooperation in developing countries.

Parallel Session III

Session III (a) - Evaluation Methodologies

SSC is premised on mutual benefit in a spirit of solidarity that thrives to create a world livable for the humankind in its entirety. The existing evaluation mechanism developed by Development Assistance Committee (DAC), do not have any methodological structure to evaluate the extent of mutual benefits accruing to the partners through SSC. The DAC framework looks for relevance, effectiveness, efficiency, impact and sustainability – all from the perspective of the aid recipient countries. Being donor-driven, DAC mechanisms also put a considerable premium on monitoring of the flow of inputs and process that go into development interventions facilitated by aid. A popular jargon amongst the developing countries is: “We are dying under the bureaucratic reporting requirements.” SSC, on the other hand, being demand-driven, is required to emphasize more on the extent of costs and benefits accruing to both the partners engaged in development cooperation. SSC intends to not monitor for the sake of monitoring but to guide progress in achieving development. Thus, it is needed to account for two-way impacts of development cooperation: from socio-political, economic and environmental perspectives. Monitoring of the intervention would better be handled by the respective countries receiving the support from a partner.

Overall the session would focus on:

- How to evolve an evaluation methodology that corresponds to the principles of SSC in letter and spirit?
- Following-up and reviewing development cooperation at local level, including credible monitoring; and
- Evaluating the impact of development cooperation of private sector, other non-state actors and blended financing in empowering – economically, socially and ecologically – the Southern communities.

Session III (b) - SSC and “One World Global Citizenship”

India’s vision of ‘one world’ has existed for centuries, it has only attracted greater attention in contemporary times when the world is faced with graver problems such as climate change, environmental pollution, growth in inequality, etc which require global solutions. However, given the global realpolitik, it may seem incongruent to assume unilateral pursuance of the idea. In this context SSC stands for human centric development and not economic development alone.

Guiding principles of SSC have been premised on the commitment to the promotion of human freedom, opposition to colonialism and creation of equitable conditions for peaceful and harmonious socio-economic development of all countries. Through various international platforms, almost all developing countries have taken a position that national development across the South must not only be an outcome of the efforts of respective national governments but also the just treatment of the South at the hands of the global community in general. This imposes major responsibilities on the nations to ensure that their economic processes are guided by a moral purpose and directed towards desirable ends by political will. The notion of ‘one world’, reflecting the principle of internationalism and hope for a world free from the systemic ills has figured prominently in India’s Foreign Policy.

SSC: Regional Experiences

It is clear from the vast literature on SSC that it (SSC) does not operate on ‘one size fits all’ approach where there is no uniformity across the countries of the South with respect to different aspects of developmental projects. In this session, the endeavor would be to have discussion on regional experiences of SSC from Africa, Central Asia, Latin America and South East Asia. A look into available resources indicates that there are significant variations across the regions in terms of institutional structures, implementation mechanisms, modalities of cooperation and evaluation methodology vis-à-vis SSC. It is imperative that this session identifies the variations and looks into the lessons learnt that may be shared and considered for further strengthening of SSC. The session would answer the following questions

- How do we identify the complementarities among different approaches to SSC?
- What are the relevant operational models to convert these complementarities into implementable realities? In other words, how to ensure as to what works and what does not and under what circumstances?
- What are the necessary conditions to establish a self-regulatory and sustainable roadmap for SSC? How to institutionalize SSC in an effort to strengthen the solidarity among the Southern partners?

- How do Southern countries appreciate the necessity of establishing specially designed development funds to promote SSC?

SSC across Different Sectors

Even though SSC may not necessarily be confined to some pre-defined sectoral domains, given the experiences of SSC so far, it may be safely argued that some sectoral domains have received proportionately higher attention. They are agriculture, natural resources, health services, industrial production & technology and human resource development – mainly capacity development and training, infrastructure and institution building. The conference would focus on these sectors for in-depth understanding of the issues involved, nature of partnerships required and the related challenges. The increasingly emerging concerns in the Southern countries about the future implications of climate change on the nature and sustainability of the livelihood of their citizens would provide a cross-cutting platform to such sectoral understanding.

Some relevant issues that may find importance during discussions in this session are:

- Does SSC contribute to building the capacity of independent production system of a partner country? In other words, how does SSC influence the local level production system in specific sectors?
- How does SSC contribute to local capacity building and strengthening the existing institutions in terms of the sectors considered for the parallel sessions?
- Does SSC add to the sectoral competitiveness of partner countries?

Role of Civil Society Organizations and Private Sector

The paradigm of SSC so far has been heavily concentrated around cooperative interaction among States. However, a quest for “inclusive growth” should as well involve other stakeholders in “development cooperation”. There are successful evidences of civil society organizations (CSOs), community-based organizations (CBOs) and private sector enterprises developing effective partnerships in development across the Southern countries and generating mutual benefits for themselves. Even community level partnerships and academic collaborations are also not difficult to come by. Media also has a positive contribution towards fostering SSC. Keeping this development in mind, the conference would consider a possible framework of SSC that provides institutionalized space to non-state stakeholders to participate actively in SSC. All of these stakeholders, being relatively less effective, resourceful and visible than the State, are often capable of only micro level interventions. The States are generally found to pick up some such successful micro level interventions and indulge in replication and scaling up with suitable modifications to make such interventions effective at a macro level. The session would examine the complementary role of State and non-State stakeholders, if any, in effecting a seamless micro-macro inter-linkage across development interventions. The relevant issues to be settled are:

- How can CSOs, CBOs, Private Enterprises, academia and media from the Southern countries contribute effectively to strengthen the efficacy of SSC?
- How to develop an informed metrics that identifies the credible CSOs capable of contributing to a mutually beneficial framework of partnership?
- Can Corporate Social Responsibility (CSR) be an effective tool for strengthening SSC?

Endnotes

¹ Trends and Progress in International Development Cooperation: Report of the Secretary General United Nations dt. 15th May, 2014, Pp- 4-10 [available at http://www.un.org/en/ecosoc/docs/adv2014/2014_dcf_sg_report_adv.pdf as on 5th January 2015]

² Dudley, Leonard M and Montmarquette, Claude (1976): “A Model of the Supply of Bilateral Foreign Aid.” American Economic Review, March 1976, 66(1), pp. 132-42.

³ OECD (2015), Development Cooperation Report 2015: *Making Partnerships Effective Coalitions for Action*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/dcr-2015-en>

⁴For further details on Pearson Commission see

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/EXTARCHIVES/0,,contentMDK:20121526~pagePK:36726~piPK:36092~theSitePK:29506,00.html>

⁵Trends and Progress in International Development Cooperation: Report of the Secretary General United Nations dt. 15th May, 2014, Pp- 4-10 [available at

http://www.un.org/en/ecosoc/docs/adv2014/2014_dcf_sg_report_adv.pdf as on 5th January 2015]