The growing importance of South-South Cooperation

International Conference on South-South and Triangular Cooperation
Leveraging innovations from the Global South to support rural transformation

Brasilia, Brazil, 20-21 November 2017
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South-South Cooperation (SSC) and South-South and Triangular Cooperation (SSTC) provide a broad framework for collaboration among countries of the Global South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, such cooperation can take place on a bilateral, regional, subregional or interregional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts. Recent developments in SSC have taken the form of an increased volume of South-South trade, South-South flows of foreign direct investment, movements towards regional integration, technology transfers, sharing of solutions and experts, and other forms of exchanges.

SSTC is a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals. The SSTC agenda must be determined by the countries of the South and guided by the principles of national sovereignty, national ownership, equality, non-conditionality, non-interference in domestic affairs and mutual benefit (UNOSSC, 2017).

The origin of SSC can be traced back to the Bandung Conference (or Asian-African Conference), which in 1955 brought together representatives of 29 Asian and African nations in Bandung, Indonesia, to discuss the potential for collaboration among developing countries. The Bandung Conference gave birth in 1961 to the Non-Aligned Movement, defined as a group of States that are not formally aligned with or against any major power bloc. In 1964 the aim of fostering economic cooperation among developing countries resulted in the establishment of the United Nations Conference on Trade and Development (UNCTAD), now a permanent intergovernmental body located in Geneva, Switzerland. At the first UNCTAD conference, Latin American countries joined with African and Asian countries to create the G-77.

In 1978 a conference of the Global South (with 138 countries) was held in Buenos Aires, Argentina, to adopt the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA). The plan contains 38 concrete recommendations for improved technical cooperation among developing countries (TCDC). In December 1980, the United Nations General Assembly established a High-level Committee on the Review of TCDC, which meets every two years and was renamed, in 2003, the High-level Committee on South-South Cooperation (HLCSSC). The 2003 United Nations General Assembly decided to declare 12 September, the date on which it had endorsed the BAPA, as the International Day for South-South Cooperation. In 2009, the United Nations organized a High-level Conference on South-South Cooperation in Nairobi, Kenya. The conference adopted the Nairobi Outcome Document on SSC, which to date serves as the global policy framework for SSC.

In recent years, the need for enhanced cooperation among developing countries has been taking on new meaning in the global development landscape. Notably, the role of SSC is emphasized in the context of the 2030 Agenda for Sustainable Development (goal 17, target 17.9), the Sendai Framework for Disaster Risk Reduction 2015-2030 (paragraphs 44-45), the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (paragraph 56), and the Paris Agreement on Climate Change (paragraph 4 and others).

The most recent estimate of the value of annual SSC for development was US$20 billion in 2013. That figure does not capture the importance of the South-South collective negotiation and knowledge-sharing activities that were central to three important policy processes that led to the above global agreements adopted in 2015 (UN HLCSSC, 2016).

1. IFAD uses the term South-South and Triangular Cooperation, defined here as a form of cooperation by which international organizations provide financial or technical support to facilitate cooperation between two or more developing countries.

2. The term South (or Global South) does not necessarily refer to the Southern hemisphere, but rather to member states of the Group of 77 (G-77), which was established in June 1964 by 77 developing countries. Although the number of member states has increased to 134, the name “G-77” was retained for historic reasons.

3. The United Nations Office for South-South Cooperation (UNOSSC) is coordinating preparations for a high-level “BAPA+40” event to take place in 2019.
South-South Cooperation, agriculture and rural development

The global rural population was estimated at 3.4 billion people in 2014, nearly 90 per cent of whom are concentrated in Africa and Asia. The share of the rural population in these regions remains high: 60 per cent in Africa and 52 per cent in Asia, compared to just 20 per cent in Latin America and the Caribbean (UN DESA, 2014). Globally, more than 500 million smallholder farms in Asia and sub-Saharan Africa produce about 80 per cent of the food consumed in these regions today. From a development perspective, it is important to note that, despite rapid urbanization, a majority of people in developing nations continue to live in rural areas, and that in virtually all those countries, the degree of poverty is higher in rural than in urban areas. From this it follows that the first Sustainable Development Goal (SDG), on poverty reduction, can only be achieved through a special focus on the rural poor, and this calls for an even greater focus on SDG 2 (food security, nutrition and agricultural development).

Many of the countries of the Global South are located in tropical and subtropical regions, or in arid and semi-arid regions that feature similar climatic and environmental challenges, grow the same agricultural crops, raise the same domestic animals, and apply similar rural production patterns and technologies. For example, maize, the staple food of Southern Africa (a region located around the Tropic of Capricorn) originates from Mexico, which is situated on the Tropic of Cancer with similar climatic conditions. Coffee, originally grown in Ethiopia, is now being produced in almost all tropical and subtropical countries around the world. Cassava, a starchy tuberous root, appears to have originated in Brazil and Paraguay, spreading from there throughout tropical areas to become one of the world’s most important food crops.

Leveraging solutions and innovations among the countries of the Global South

This natural congruity between countries from the South is often complemented by political affinities resulting from a common geopolitical position, a shared historical (colonial) experience or a common language, in addition to comparable technological capacities and requirements that make machinery and systems developed in the South more affordable, adaptable and appropriate than those imported from the North. Because of these factors, SSTC appears to be a particularly suitable development cooperation modality for agricultural and rural development. Rural innovations and solutions developed in the South can be replicated in other countries from the South much more easily and appropriately than those designed in the North for the North. The term “rural solution” in the context of SSC can be defined as a means to overcome development problems (such as poverty, low productivity, inequality, and lack of access to markets, finance or technology) affecting rural populations and economies in the South by applying methods and strategies applied successfully in other countries of the Global South. Three examples, linked to the main themes of the conference, may illustrate this point:

- **Agricultural production and productivity.** Under an SSTC programme initiated by the Food and Agriculture Organization of the United Nations (FAO) in 2013, some 30 Chinese agricultural experts were deployed in different parts of Ethiopia to help the rural population improve agricultural production and food security through appropriate farming technologies and the introduction of new crops (UN HLCSSC, 2016).

- **Increasing financial flows among developing countries.** ProSavana, situated in Mozambique’s Nacala Corridor, is a 20-year project initiated in 2009 involving Brazil, Mozambique and Japan with a budget of US$500 million. The project’s aim is to boost agribusiness and food production in the region through private-sector investments via the Nacala Fund set up by Brazilian, Mozambican and Japanese public and private partners (Negash, 2014).
Leveraging information and communications technologies to promote sustainable and inclusive rural transformation processes. The Government of India, together with the country’s private sector, have launched several information and communications technology initiatives in the agricultural sector, including agribusiness centres, which connect, on a single web platform, stakeholders in agribusiness such as farmers, government authorities, agro-machinery and farm equipment manufacturers, commodity brokers, cooperatives, food processors, packaging technology providers, insurance companies, warehousing and logistics agencies, surveyors and certification agencies (Bhattacharya, 2016). This experience could be replicated quite easily in other parts of the Global South because of the spectacular expansion of information and communications technology capacities in these countries: in 2015 developing countries had the majority of the world’s 7.1 billion mobile phone subscriptions and two thirds of the 3.2 billion broadband Internet connections (Singh, 2015).

The enormous potential for SSC in agriculture, food production and rural development is far from being fully exploited; it needs to be harnessed to a much greater extent than today so that the world, in particular the developing countries, can adequately meet the challenges of the future, notably population growth and climate change.

**South-South Cooperation and IFAD**

IFAD has been engaging in SSTC for more than 20 years; over the last 10 years, IFAD’s SSTC work has evolved from a series of ad hoc awareness, technical and advisory activities at country or regional levels to a broader corporate agenda. The IFAD Strategic Framework 2016-2025 commits the Fund to “to strengthen its comparative advantage and expand its work in this area, in terms of both knowledge-based cooperation and investment promotion, seeing it as an integral part of its business model and of its country programming process”. In view of this commitment, IFAD formulated its first corporate SSTC Strategy, which was approved by the Fund’s Executive Board in December 2016. IFAD Member States have expressed the hope and expectation that the Fund will expand its SSTC activities to support the fight against hunger, poverty and malnutrition. Consequently, the promotion of SSTC will become one of the priority areas for IFAD’s Eleventh Replenishment period.

IFAD enjoys a comparative advantage in pursuing SSTC:

- IFAD combines technical expertise with financial lending capacity. As a United Nations specialized agency, the Fund also has a business model and governance structure similar to other international financial institutions (IFIs). Therefore, IFAD’s SSTC activities can build on the Fund’s complementary functions of providing development financing, together with technical assistance and policy advice to its Member States.

- IFAD works in rural areas, and targets poor small and landless farmers, women, youth, indigenous peoples and ethnic minorities, and other disadvantaged rural groups. As an agency that acts globally, the Fund can bring rural producers from around the world together to share solutions, exchange knowledge and experience, and foster partnerships.

- IFAD is the custodian of a largely untapped wealth of rural development solutions from developing countries. This valuable experience can be translated into knowledge in support of a systematic approach to SSTC.

- IFAD is the youngest of all specialized agencies within the United Nations system; this makes the Fund agile, responsive and able to take risks in introducing and piloting approaches to addressing the multifaceted and complex nature of rural poverty in developing countries.
Given these characteristics, IFAD is able to add value to developing countries’ policies and programmes. Its youthfulness, small size and hybrid nature (as a United Nations specialized agency and IFI) make the scope of its services unique. Moreover, its people-centred approach makes IFAD a trusted partner of choice for governments, vulnerable groups and farmers’ organizations alike.

IFAD’s SSTC programme concentrates on two mutually reinforcing pillars: technical assistance and investment promotion. Technical assistance includes introducing, testing, documenting and sharing successful rural development solutions that can be adapted and scaled up for wider impact; engaging in policy discussions at the country, regional and global levels to foster pro-poor policy and institutional environments for sustainable and inclusive rural transformation; facilitating people-to-people and institution-to-institution knowledge exchanges; and supporting public-private-people partnerships and networks across countries and regions.

In terms of investment promotion, among other activities, IFAD facilitates business-to-business links; identifies opportunities for middle-income countries to finance development interventions in developing countries; advocates for greater resource allocation by developing countries to rural poverty reduction; and works towards a greater role for the private sector in supporting sustainable, people-centred agriculture and agrifood sectors.

IFAD’s SSTC programme will be implemented through the establishment in early 2018 of a dedicated organizational unit, to be called the SSTC Facility, that will drive, coordinate, support, expand, monitor and analyse the Fund’s SSTC activities. The facility will pursue the goal of mobilizing knowledge, expertise and resources from the Global South to accelerate rural poverty alleviation, enhance rural productivity, advance rural transformation and promote investments between developing countries. The facility will be devoted exclusively to promoting smallholder agriculture and rural development, with specific attention to rural youth employment in developing countries.

Where necessary and appropriate, the facility may establish additional partnerships with development partners from the North, as well as alliances with the private sector and civil society to promote the exchange of knowledge and the flow of investments between countries from the Global South. It will cooperate closely with the United Nations system, in particular with the Rome-based agencies, all of which have established SSTC units.

The IFAD SSTC international conference

The conference will be an important opportunity for IFAD and its Member States to harness to its fullest measure the untapped potential for increased SSC in the areas of agricultural and rural development. It will provide participants with a platform for the exchange of solutions that they have developed in response to the common agricultural and rural challenges affecting the countries of the Global South; and it will contribute to enhancing agricultural production and productivity, as well as accelerating rural transformation, including through public and private investments and the greater use of information and communications technologies in rural areas. Moreover, the conference will enable IFAD to fully exploit its comparative advantage in promoting SSTC and, thereby, implement an important component of its 2016-2025 Strategic Framework.
References


