



Leveraging the Potential of South-South and Triangular Cooperation for the Decade of Action

A joint publication by

Islamic Development Bank, South Centre, UNCTAD and UNOSSC

DISCLAIMER

Please note that the analysis and recommendations expressed in this document do not necessarily reflect the views and positions of the partnering institutions.

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This document has not been formally edited.

List of Abbreviations

AfCFTA	African Continental Free Trade Agreement
AIIB	Asian Infrastructure Investment Bank
ASEAN	Association of Southeast Asian Nations
BRICS	Brazil, Russia, India, China and South Africa
CABEI	Central American Bank for Economic Integration
CAF	Development Bank of Latin America
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CDC	Centre for Disease Control
CELAC	Community of Latin American and Caribbean States
CMIM	Chiang-Mai Initiative Multilateralisation
COMESA	Common Market for Eastern and Southern Africa
CPCR	Latin American Reciprocal Payment and Credits Agreement
CRA	Contingent Reserve Arrangement
EAC	East African Community
EDB	Eurasian Development Bank
EFSD	Eurasian Fund for Stabilisation and Development
FDI	Foreign Direct Investment
FLAR	Latin American Reserve Fund
G-77	Group of 77 and China
GSMA	Global System for Mobile Communications Association
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
IsDB	Islamic Development Bank
LAC	Latin America and Caribbean
LDCs	Least Developed Countries
LMIC	Low-medium income countries
MDB	Multilateral Development Bank
NDB	New Development Bank
OAS	Organization of American States
ODA	Official Development Assistance
RECs	Regional Economic Communities
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SIDS	Small Island Developing States
SME	Small and Medium Enterprise
SML	Local Currency Payment System
SSC	South-South Cooperation
SSTrC	South-South and Triangular Cooperation
SUCRE	Unitary System of Local Payments Compensation
TDB	Trade and Development Bank
TDR	Trade and Development Report
UNCTAD	United Nations Conference on Trade and Development
WHO	World Health Organisation
WTO	World Trade Organisation

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Introduction

In the last few years, the world has been faced with immense challenges of an unprecedented scale and impact. The COVID-19 pandemic has left deep and lasting scars in developing countries, with increased inequalities being seen in income, gender, increasing poverty and hunger, accumulation of debt and shrinking fiscal space, all with adverse impacts on their sustainable development. The increasing number and impact of armed conflicts, climate change-induced natural disasters and the ‘polycrisis’ have challenged developing countries’ ability to cope and deliver better outcomes and living standards for their populations. The world is now ‘woefully off track’ to achieve the Sustainable Development Goals (SDGs) by their 2030 deadline, while the annual SDG funding gap has risen from \$2.5 trillion before the pandemic to an estimated \$4.2 trillion.

International development cooperation has remained far from sufficient in addressing these critical issues. Official Development Assistance (ODA) has been declining in real terms and is even being diverted to be used within the donor states. Climate finance has faced chronic shortfalls, forcing low-income countries in further debt, while facing natural disasters that they are unable to cope with. Enabling debt standstill and debt relief measures would permit financially constrained countries to invest in required emergency health expenditure, social protection, support for small businesses and vulnerable population, thus saving lives and livelihoods. However, both are far too insignificant and take too long. Many developing countries are now facing a lost decade in economic and social terms. At the same time, deglobalisation, weakening multilateralism, rising nationalism and more intensified geopolitical tensions have characterised an international environment which is less enabling for the economic development of developing and least developed countries.

The pandemic acted as a stress test for development cooperation, which is dominated by North-South cooperation and triangular cooperation, and complemented by South-South cooperation. During a global pandemic which hit the developing countries the hardest, the litmus tests would have been the equitable access to vaccines and pharmaceutical goods, and on debt relief. Yet, the failure to make COVID-19 vaccines equitably accessible as a global public good was a manifestation of the predominance of self-interests and self-preservation by the Global North, as is the continuing lack of an international mechanism which would allow a comprehensive debt restructuring to take place in a timely and orderly manner. Thus, on both these accounts, evidence shows that international development cooperation failed the test.

Thus, the global landscape of South-South and triangular cooperation (SSTrC) has undergone a paradigm shift since the COVID-19 pandemic and the accompanying financial and debt crises facing countries around the world. SSTrC during the COVID-19 pandemic was valuable and encouraging. Owing to financial and technological capacity limitations, a significant aspect of SSTrC during the pandemic was the high level of people-to-people exchanges, which translated into the sharing of experiences and knowledge and the promotion of local solutions to minimise the most severe socio-economic impacts of the pandemic. But recent armed conflicts and

geopolitical tensions have increased divisions in the international community, which urgently needs to come together to meet the common challenges facing humanity today. The increasing importance of SSTRC for developing countries in dealing with the most critical challenges and crises of our times cannot be underestimated. Efforts towards supporting the recovery from the pandemic and building more resilient and sustainable societies can be supported through increasing cooperation and experience sharing among developing and least developed countries, as a complement to traditional North-South cooperation.

Leveraging SSTRC is necessary to increase resilience and promote broader coordination among the various connected actors, including for ensuring their capacity to respond to crises. The role of SSTRC agencies is crucial in this regard, as developing countries could provide more effective responses by categorising necessary resources (human and financial) to mitigate the crisis at hand, while also strengthening institutional capacities for the future.

Against this backdrop, the Islamic Development Bank (IsDB), the South Centre, the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Office for South-South Cooperation (UNOSSC) have collaborated towards developing this publication. This joint initiative is meant to provide a detailed look at the current state of SSTRC and consider how international development cooperation and the role of developing countries can be enhanced in the future.

The paper aims to, *inter alia*, explore the landscape of SSTRC uncovered by the COVID-19 pandemic and recent global events; look at how the pandemic acted as a stress test for international cooperation; consider the national institution building necessary for effectively engaging in SSTRC; and suggest different ways forward for leveraging SSTRC towards building resilient societies and achieving national development priorities, the 2030 Agenda for Sustainable Development and the SDGs. It considers the possibilities of leveraging SSTRC for enhancing the transfer of knowledge, experiences and technologies within the Global South and increased capacity building in developing countries.

Section I identifies the landscape of SSTRC uncovered by the COVID-19 pandemic and recent global events, in particular how these events have served as a stress test for international cooperation. It considers the economic and social constraints that have halted progress towards meeting the 2030 Agenda and continue to hinder efforts to mobilise additional resources needed to address the high-priority challenges of developing countries, especially climate change.

Section II considers the opportunities and challenges arising from SSTRC, in particular if the current architecture of international development cooperation is equipped to cope with global crises. It considers how international cooperation should be developed around three basic principles, namely the scaling-up of South-South resource sharing, enhancing the policy space of developing countries and building resilience towards strengthening SSTRC.

Section III considers the experiences and initiatives of countries in utilising SSTRC for sustainable development. It also lists some priority areas where SSTRC could be used, especially those which are important for post-pandemic economic recovery. It then highlights how the experiences of developing economies have provided renewed optimism towards new cooperation measures that are based on solidarity and inclusion, as well as the sharing of knowledge, expertise and resources among them.

Section IV recognises the new trends in the institutionalisation of SSTRC in developing countries. It considers that strengthening institutionalisation for SSTRC, especially through national agencies for SSTRC, is necessary to fully leverage its potential, which in turn facilitates developing countries in realizing their sustainable development and foreign policy objectives. It also emphasises the important role of national SSTRC institutions for strengthening solidarity with other developing countries. Further, it also outlines the support provided by international organisations to institution building in developing countries that has played a catalytic and supporting role for enhancing institutional capacity in the Global South.

Section V explores how SSTRC can be better leveraged by developing countries address climate challenges and achieve the 2030 Agenda and the SDGs. It considers how future development cooperation should be guided by the aspirations indicated in the SDGs and also be addressed towards mitigating the negative impacts of the pandemic. Further efforts are still needed to enhance SSTRC for aligning it with the climate goals of the Paris Agreement, alleviating poverty and hunger, having stronger social protections and building the capacity of developing countries for the future by learning from shared experiences and mainstreaming SSTRC in their sustainable development.

Finally, Section VI includes a contribution from the Ibero-American General Secretariat (SEGIB, Spanish acronym)¹, which provides an important perspective from Ibero-American countries on how South-South and Triangular cooperation can be used to enhance food and nutrition security in the region. Given the diversity of themes and contributions, each section presents final remarks and conclusions, as well as recommendations relating to the specific subject addressed in each section.

¹ SEGIB is an international organization that supports the 22 countries that make up the Ibero-American community: the 19 Spanish and Portuguese speaking countries in Latin America and those of the Iberian Peninsula.

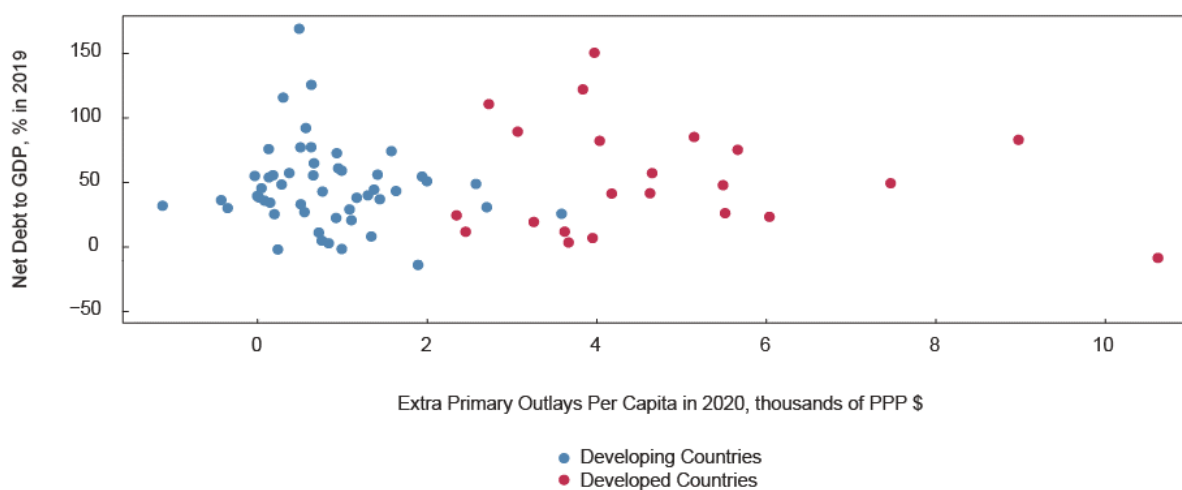
I. Landscape of SSTRc uncovered by the COVID-19 pandemic and recent global events

A. The pandemic has highlighted the great divergence between the developed and developing countries

The COVID-19 pandemic declared over two years ago by WHO, has exposed how unprepared countries are for unexpected shocks and how deeply divided the global economy has become. Despite the rebound of the global economy in the second half of 2020 and in 2021, it will take several years for world income to recover the loss from the COVID-19 shock and revert to its 2016–2019 trend (UNCTAD TDR 2021), and the war in Ukraine is placing further strain on a battered world. Furthermore, the world economy appears to be building back separately. The recovery has to date been highly unbalanced partly reflecting fault lines that were present before the pandemic. There have been substantial differences in GDP growth between regions and countries, with many LDCs and less dynamic developing countries falling behind, and a sharp divergence in income (and wealth) gains is also emerging within countries among different social groups.

Looking at policy responses, while in developed countries the aggressive spread of the virus prompted a set of equally aggressive measures to counter its paralyzing consequences, most of the developing world faced the same fiscal constraints that had hampered their ability to intervene in the economy over previous decades, resulting – in most cases – in an exacerbation of domestic and international inequities. According to IMF data, 41 developing countries actually reduced their total expenditures in 2020. Furthermore, as shown in Figure 1, developed countries were able to increase their total primary outlays, that is the actual fiscal expenditure out of the Treasury net of the debt servicing costs, relative to the past, significantly more than developing countries with similar or lower public debt ratios in 2019.

Figure 1. Extra primary outlay: developed vs developing economies



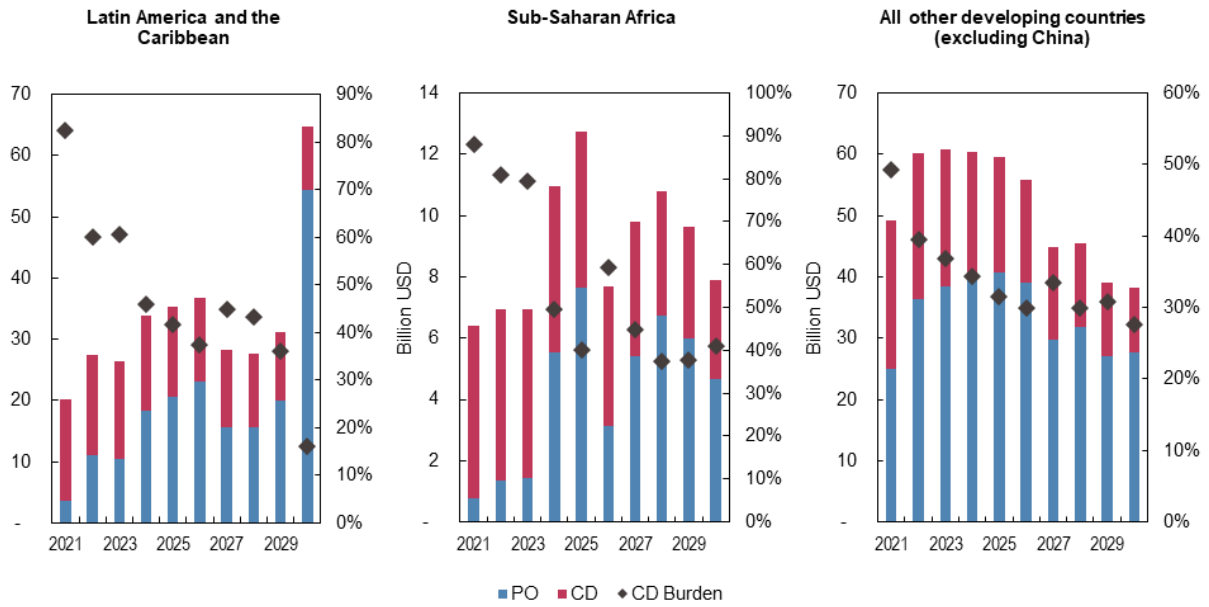
Source: TDR 2021

A major reason behind these sharp asymmetries has to be found by the vulnerabilities of developing countries on international capital markets. The fiscal space in developing countries is severely constrained their need to cut debt ratios. Furthermore, developing countries' vulnerability to external economic shocks requires greater caution when increasing public debt because of recurring private sector bankruptcies prompting government bailouts. Finally, larger fiscal programs in developing countries tend to involve larger current account deficits, which cannot be filled by domestic liquidity injections alone without triggering currency vulnerabilities, as positive shocks in the supply of money tend to decrease the nominal interest rate making the national currency weaker. Even though spiralling sovereign debt crises were avoided in 2020, developing countries' external debt sustainability further deteriorated, revealing growing pressures on external solvency in addition to immediate international liquidity constraints.

The COVID-19 pandemic has thrown all these vulnerabilities into sharp relief. As Figure 2 shows, pressures on external debt sustainability are set to remain high over the coming years since many developing countries face a wall of upcoming sovereign debt repayments in international bond markets. Taken together, developing countries (excluding China) face total repayments on sovereign bonds already issued to a value of \$936 billion until 2030, the year earmarked for achievement of the Sustainable Development Goals, consisting of \$571 billion in repayments of principals and \$365 billion in coupons or the annual interest rate paid on a bond's face (or nominal) value.

Of particular concern are countries in sub-Saharan Africa, many of whom are low-income countries. In mostly middle-income LAC countries, the wall of sovereign bond debt immediately following the pandemic is also palpable, with over \$25 billion due in 2024 and 2025. Both regions also face high coupon disbursement burdens (or shares of coupon disbursements in total repayments on foreign-currency denominated sovereign bonds due in any one year under the period of observation), well above those in other developing countries (excluding China), in particular in the first half of this decade.

Figure 2. Sovereign bond repayment profiles, selected regions, 2021–2030

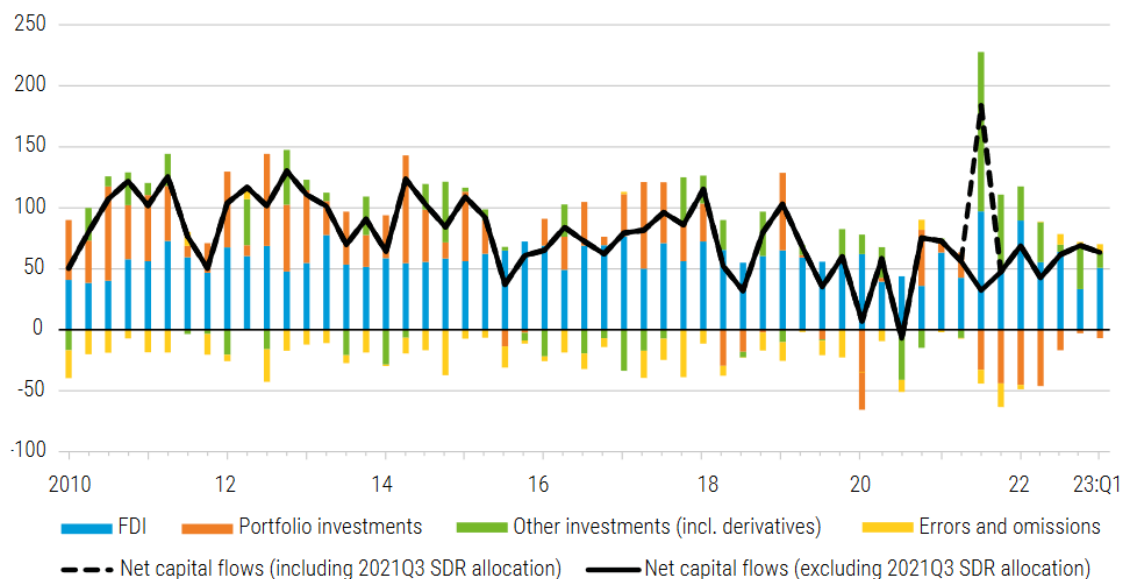


PO= Principal outstanding and maturing. CD=Coupon disbursement (left-hand side).
 CD Burden = Coupon disbursement burden (percent of total debt service, right-hand side).

Source: TDR 2021

At the same time, as Figure 3 shows, net capital flows to developing countries rapidly deteriorated after the outbreak of the pandemic. This deterioration was led by record portfolio outflows in the first quarter of 2020, amounting to \$127 billion. Since then, the picture has been one of much reduced, but still volatile, portfolio flows, with outflows of \$21 billion in the second quarter of 2020 followed by inflows of \$51.6 billion in the second half of the year, and another round of outflows (\$34.5 billion) in the first quarter of 2021. From the second quarter of 2020, massive outflows of ‘other investments’, totalling just under \$370 billion between the 2020 Q2 and 2021 Q1, have accounted for overall net negative capital flows to developing countries in this period.

Figure 3. Net private capital flows to developing countries, 2010–2023



Source: TDR 2023

In the absence of effective international support, developing countries will inevitably suffer lasting economic damage from the pandemic, including lower rates of capital formation, persistent debt stress, trade disruption, etc., all of which will severely constrain their recovery, halt progress towards meeting the 2030 Agenda, and hinder efforts to mobilize the additional resources needed to address the climate challenge.

B. The pandemic as a stress test for international cooperation: North-South, South-South and triangular cooperation

In addition to its immediate and unequal medical, economic and social impacts, the COVID-19 pandemic offers an opportunity to broadly rethink international cooperation, and the system of international economic relations, as it has evolved in the last four decades. In fact, whether the world will build back better will not depend on the actions of a single country, no matter its size or economic relevance, but on concerted efforts to tackle the fragilities that characterize the global economy. Hurdling the barriers to greater prosperity will depend on improved coordination of the policy choices made in leading economies over the coming years as they push to maintain the momentum of recovery and build resilience against future shocks. The reluctance of many advanced economies to advance on the vaccine waiver was a worrying sign and a costly one.

But coordination among the leading economies will not be sufficient either. Renewed international support is needed for developing countries, many of which still face a spiralling health crisis, even as they struggle with a growing burden of debt and face the prospects of a lost decade. That effort should also prompt us to rethink – or, perhaps, revive – the role that fiscal policy can play, beyond the countercyclical interventions of late. Delivering the necessary support will also require the kind of systemic reforms to the international economic architecture that were promised after the global

financial crisis but were quickly abandoned in the face of resistance from the winners of hyperglobalization (UNCTAD TDR 2017).

II. Current Opportunities and Challenges of SSTRc

A. Is development cooperation architecture equipped to cope with global crisis? What are the gaps and weak links?

Given their limited room to respond to major shocks, developing countries, at all levels, need significant international support to avoid the worst-case economic and health scenarios. The international response to the COVID-19 induced crisis has been wholly inadequate on several aspects (UNCTAD, 2020). Debt relief initiatives, mostly crafted as temporary suspension of debt servicing, and expansion of credit lines by part of the IMF and, on a smaller scale, by regional development banks fell well short of what might be expected given the scale of the challenges posed by the crisis and lacked effective coordination which further dissipates their impact.

There is undoubtedly much greater room for bolder and more comprehensive action. First and foremost, in the face of tightening payments and fiscal constraints caused by shocks, developing countries need large-scale external financial support to help mitigate the economic and social damage they are enduring. UNCTAD (2020) has laid out a menu of possible options for the international financial system involving the scaling up of liquidity provision (through a massive injection of Special Drawing Rights by the IMF) and long-term financing (through grants and concessional lending by the World Bank and increased ODA flows) as well as substantial debt relief. The three regionally based multilateral development banks, which have a high equity-to-loan ratio, also have considerable headroom to scale up lending without hurting their triple-A ratings with the international credit rating agencies. Indeed, some calculations point to additional lending capacity by these MDBs of over \$340 billion, equivalent to almost 150 per cent their current loan levels (Humphrey, 2020). Several proposals advance in different international fora have more recently stressed the urgency of scaling up external financial support for developing economies (G20 CAF Review, 2021, UNSG SDG Stimulus, 2022, and G20 Independent Expert Group on MDB Evolution, 2023)

Second, while the packages enacted during along the pandemic have focused on strengthening national health systems, and to a lesser extent helping smaller businesses, more needs to be done to effectively protect countries' productive capacities, employment, and inter-sectoral linkages within and across borders and enhance social protection systems. At the national level, effectively using fiscal tools (including subsidies) and strengthening public institutions to help guide recovery and expand fiscal space would be important but needs to be accompanied by strategic trade and industrial policy measures where south-south cooperation has a crucial role to play through sharing lessons and expertise. And at the regional and international levels, south-south cooperation could facilitate the scaling-up of available finance, for the better integration of developing countries into the existing trading system, as well as supporting new regional/global value chains and forging more coordinated positions in trade negotiations for preserving adequate policy space.

B. COVID-19 as a game changer for SSTRc - New challenges and opportunities

The COVID-19 shock has exposed the fragile health systems and economic vulnerabilities of the South. Given the urgency of multiple challenges, it is essential that the Southern countries build a strategic partnership and take coordinated actions without further delay. Going beyond the immediate relief packages, there is a need to have in place a plan for recovery and resilience in the South. Any such initiative cannot substitute for effective multilateral action to ease the pressure on developing countries and drive a resilient recovery for all countries. But the multilateral system is currently weak and rudderless and cooperation measures within the South should not only be reactive in nature but designed in a way that can advance needed reform of the wider multilateral system.

With this in mind, cooperation should build around three basic principles: scaling-up resources; enhancing policy space; and building resilience. Accordingly, a solidarity plan could come in the form of enhanced south-south (and/or triangular) financial cooperation encompassing initiatives covering mechanisms for both short- and long-term finance; joint action by developing countries for reviving trade and industry; and strengthened south-south cooperation for mitigating the health and food crises and for climate adaptation.

Scaling up South-South Finance

Most developing countries do not have large national development banks with access to significant funding at short notice (be it from markets or in the form of treasury transfers) to support emergency programs on a scale required to protect a country's productive capacity, jobs and the most vulnerable. Given that the financial packages launched by multinational and regional development banks are narrowly focused, the two newly created southern banks, the New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB), plus the Islamic Development Bank (IsDB), could have a significant role to play to sustain post-crisis recovery.

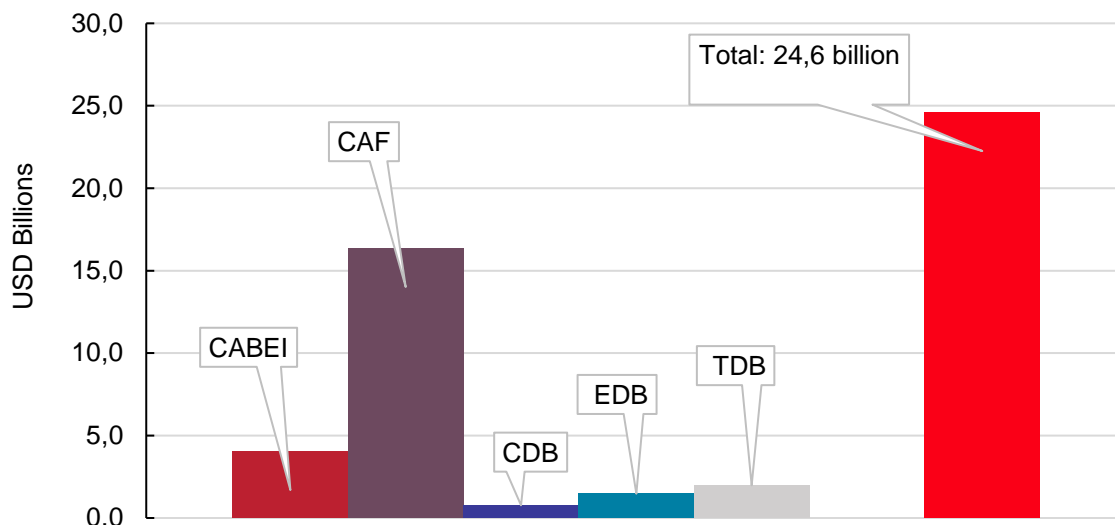
Along with CAF and AfDB, these three banks have launched programmes at the outbreak of the crisis. The Asian Infrastructure Investment Bank (AIIB) made available up to \$10 billion to help member states alleviate health pressures under the umbrella of its COVID-19 Crisis Recovery Facility (CRF). The BRICS New Development Bank (NDB) deployed a \$1 billion emergency loan to help Chinese provinces to cover public health expenditures including the purchase of health supplies and the construction of hospitals. The IsDB, in turn, prepared what it calls a 'comprehensive integrated response package' worth \$2 billion aimed at strengthening health systems, financing trade and SMEs in core strategic value chains, supporting recovery and countercyclical spending more broadly.

However, like the regional MDBs, these three southern banks have further space to scale up lending. The BRICS, for example, could consider mobilizing the NDB to allocate loans not just to the BRICS themselves but also to other countries, and create a fund, financed by a capital expansion subscribed by the funding members, to be hosted at the NDB, to provide finance at subsidized rates to poorer nations, especially in Africa. They could also deploy their bank to coordinate in partnership with national development banks, a medium-term strategy focused on

infrastructure investment in different sectors, needed for the recovery phase and to ensure the developing world's commitment to the SDG goals is not derailed.

Among sub-regional development banks, those from Latin America and the Caribbean region have adopted a proactive response to the crisis. The Central American Bank for Economic Integration (CABEI) adopted a broad program totalling \$1.96 billion, which included emergency aid, regional purchase and supply of medicines and medical equipment, finance to public sector operations, support to the financial sector with a focus on MSMEs and credit lines to support liquidity management of the central banks of member states, the latter involving up to \$1 billion. The Development Bank of Latin America (CAF) opened contingent credit lines of \$300 million to member states for their health systems and emergency credit lines of rapid disbursement of up to \$2.5 billion for crisis response and support to business operations. And the Caribbean Development Bank (CDB) deployed \$140 million to help countries fight the epidemic and an additional \$3 million for medical equipment. In Africa, the Trade and Development Bank (TDB) focused mostly on targeted support with a focus on emergency medical supply. However, these banks as well others in these regions and in Asia, could do even more by expanding their assistance in terms of both scale and scope. In 2019, CABEI and CAF had equity-to-loan ratios close to 50 per cent and the CDB above 80 per cent, all quite high and above the also high ratios currently observed among the MDBs. In Africa, the Trade and Development Bank (TDB) had an equity-to-loan ratio at nearly 30 per cent – lower than other sub-regional banks but still considerably high. In addition, in Asia, the Eurasian Development Bank (EDB) also had a very high equity-to-loan ratio, of above 80 per cent. These banks' equity levels, therefore, permit them to lend above the current loan levels. Unlike the MDBs, whose main funding source is the international capital markets, their funding sources are in some cases more varied and include resources from MDBs. They thus are less dependent on international markets to raise resources to be able to expand lending. That said, even the international capital markets remain a viable funding option for SRDBs despite the crisis. CABEI has successfully raised \$750 million from a diverse base of international investors to fund its crisis response strategy. If CDB and EDB lowered their equity-to-loan ratios to 50 per cent, CABEI and CAF to 30 per cent and TDB to 20 per cent, these five development banks could together expand their portfolio of loans by nearly \$25 billion (see Figure 4).

Figure 4. Selected Sub-regional Development Banks: Potential Additional Loans



Source: Banks' Financial Statements, Dec 2019. CDB: end-Sep 2019.

Note: Central American Bank for Economic Integration (CABEI); Development Bank of Latin America (CAF); Caribbean Development Bank (CDB); Eurasian Development Bank (EDB); Trade and Development Bank (TDB). These are additional loans under the scenario that CDB and EDB equity-to-loan ratios are brought to 50%; CABEI and CAF to 30%; and TDB, 20%. Equity includes paid-in-capital, reserves and retained earnings.

In addition, although many countries are still under financial pressure, where possible, new capital injections by the stronger shareholders would be a wise way to deploy scarce resources since these institutions are well positioned to support cross-border initiatives necessary to build regional resilience to crises. That is, now that the worst impact of COVID-19 has been absorbed, these banks could gear up their plans to support building for resilience and preparedness to future shocks. This would imply focusing on medium-term projects such as strengthening health systems to address existing shortages in health care provisions but also to enable countries to better cope with future health crises arising from infectious and other diseases. Furthermore, the fact that these banks already have close links, on the one hand, with multilateral institutions, and with national commercial and development banks on the other, puts them in a strong position to absorb funds from the larger institutions for managing regional health initiatives and use a capillarity already in place to distribute resources across their member states.

Another area for urgent south-south cooperation action is on the liquidity front. Southern countries need to be proactive and act together to use existing southern-based liquidity funds to assign much-needed liquidity at this critical juncture. Doing so may, in addition, strengthen the hand of southern countries in future discussions of reforming the global financial architecture and rules-making. Long-established regional liquidity funds could be important source of scaled-up liquidity,

especially for smaller countries with limited (or no) access to alternative liquidity sources. These funds include the Arab Monetary Fund, the Latin American Reserve Fund (FLAR), the Eurasian Fund for Stabilization and Development (EFSF) and the Chiang-Mai Initiative Multilateralization (CMIM), the latter with a pool of \$240 billion serving the ASEAN+3 countries. The total value of these four funds is \$254.2 billion. This value may not look significant, especially compared with recent estimates for the financial needs of developing countries (UNCTAD, 2020b; Georgieva, 2020b). Still, these funds can be significant for small and poorer countries for which access to other official liquidity sources is rather limited, slow and burdened with taxing negotiations.

The Latin American Reserve Fund (FLAR) has been known for its speedy responses and easy (low conditionality) access. Nonetheless, the fund has at present only eight member countries and is rather small, with a total subscribed capital of just \$3.9 billion. The ongoing crisis could be an opportunity to bring on board larger countries from the region, particularly Brazil and Mexico. These two countries, with foreign reserves over \$350 billion and \$180 billion respectively, could strengthen the fund, so that more resources could be made available to other member countries, while Brazil and Mexico themselves could still tap into alternative reserve arrangements such as the US Federal Reserve swap lines and, in the case of Brazil, also the BRICS, CRA.

In addition to southern liquidity funds, regional payments systems could bring further relief to countries facing severe balance of payments' restrictions. In the past, some of these arrangements have proved extremely useful, for example, the Latin American reciprocal credit and payment agreement (CPCR) during the 1980s when external finance was scarce, which permitted countries to engage in intra-regional trade while benefiting from the short-term credit mechanism this arrangement provided (TDR, 2015: 72). Other payments systems, particularly in Latin America such as the Unitary System of Local Payments Compensation (SUCRE) permitting payments in virtual currency and the Local Currency Payment System (SML) permitting payments in domestic currency, can be used this time for regional payments to help alleviate country needs for foreign exchange to finance their current accounts.

Finally, other regional financial institutions that could be engaged in time of crisis are EXIM Banks, to provide much-needed trade finance for scaling up imports of medical products and other essential needs. In this regard, it is encouraging that the African Export-Import Bank, for instance, with a tradition of providing emergency relief credit and donations, has risen to the challenge by creating a \$3 billion credit facility to help African countries to meet trade and other foreign currency payments (Reuters, 2020c). Other EXIM banks could follow suit.

C. Building South-South Cooperation for Trade and Industrial Recovery

By applying sudden brakes to international trade, COVID-19 has exposed the fragility of the connection between openness (to both trade and capital flows) and development. Even before the crisis, developing countries had differed significantly in their ability to manage integration into a hyperglobalized international division of labour in ways that could enhance their mobilization of domestic resources in support of sustained and inclusive growth. The picture was one of uneven

interdependence; diversification in some countries coexisted with deindustrialization in many, trade surpluses in some with persistent trade deficits in others, and sustained growth with fitful episodes of boom and bust.

As discussed extensively by UNCTAD, the decoupling narrative which emerged after the global financial crisis, suggesting that growth in the South depended at a lesser extent on what was happening in the advanced economies, was, in a world dominated by footloose capital and global value chains, a misleading take on the economic dynamics of the 21st century (UNCTAD, 2011, 2016, 2017). Trade liberalization has been pushed hard over the past three decades, through a variety of negotiating fora and crystalized in a myriad free trade agreements and bilateral investment treaties, severely limiting the policy space needed by the developing world. The justification has, invariably, pitted the efficiency-enhancing properties of market prices and competition against the resource distorting actions of politicians and public officials. This aggressive agenda of ‘deep’ integration has gone even beyond the elimination of barriers to trade to include regulatory obstacles to capital flows (and profit remittances), and state oversight of the restrictive business practices employed by large international corporations, as well as tighter intellectual property laws. Doing so has further reduced the policy space needed in the South to manage the industrialization and structural transformation required for its sustainable growth. The consequences have been exposed by the pandemic.

The importance of reviving strategic trade and industrial policies as an additional support for industrial recovery during a crisis has been widely recognized in both developing and advanced economies (IMF, 2023, and Rodrik, 2023). Industrial subsidies including financial support to specific industries, tax credits, rent rebates to small and medium enterprises, export subsidies, debt forgiveness etc., are important policy instruments which will be needed by developing countries to provide additional support to their domestic producers during and post pandemic. These various subsidies can enable the rebuilding of labour intensive and export-oriented industries like textiles and clothing, footwear etc., which are expected to take the hardest hit and lead to massive unemployment in the South.

However, developing countries do not have enough policy space to support their economic recovery given the existing multilateral trade agreements, especially with respect to industrial subsidies. A sensible place to explore the judicious mix of liberalizing and subsidizing measures in support of economic diversification would be through south-south agreements which could be subsequently used as a model for reform of the multilateral rules in this area. Meanwhile, a temporary WTO Peace Clause on the use of industrial subsidies for reviving their industrial growth and subsequently their exports is desirable to ensure sufficient policy space is available to developing countries during the recovery in a global scenario further aggravated by the war in Ukraine.

Apart from industrial subsidies, industrial tariffs are another important tool in the hands of the governments in the South for protecting their infant industries, regulating imports of luxury items

and providing a level playing field to their domestic producers (Melitz, 2005). They are also an important source of revenue for many governments, especially small developing countries. In some countries, custom duties as a share of tax revenue of the government are higher than 25 per cent e.g., Central African Republic (41 per cent), Bangladesh (29 per cent), Namibia (30 per cent), St Kitts and Nevis (30 per cent), etc. There is a need for developing countries to reassess and judiciously use their existing agricultural and industrial tariffs to help mitigate the damage from the crisis and build future resilience.

With the threat of food shortages and rising levels of hunger caused by the COVID-19 emergency first and now by the fallouts of the war in Ukraine, strong public distribution systems, able to make up for damaged food supply chains at least temporarily, are needed for procuring food and keeping billions of people alive. While this is a national priority for all countries, the policy space available to governments has been severely constrained even in this area. The current situation has brought to the forefront the flexibility needed by countries in procuring and distributing food, especially at times of crisis; but it also provides an opportunity for developing countries to share lessons and experiences of food management and beyond and to establish south-south distribution mechanisms that could be activated in response to the kind of emergency conditions currently being experienced.

Across all these challenges, simplistic pronouncements on free trade (which fail to recognize the dominant role of very large, and often oligopolistic, firms in shaping trade outcomes) should be avoided in favour of selective trade integration for which special and differential treatment to developing countries was enshrined into the Doha Development Agenda (Rodrik, 2017). However, there are some divisive proposals by the developed countries to tighten the criterion for countries availing S&DT and question the principle of self-declaration. This pandemic has exposed the lack of capacity of all developing countries to recover on their own and the need for the South to show solidarity in preserving the special and differential status for all developing countries in the WTO as a means to “harnessing the developmental benefit of international trade”. in line with G77 principles on south-south cooperation.

Further, strategic and selective trade integration in the digital era will depend to a large extent on the digital capabilities of developing countries. Given the growing digital divide, there is an urgent need for developing countries to pool human and financial resources at the regional level to build their digital infrastructure and skills.

D. Strengthening regional integration and regional value chains in food, health and related products

The above policies are not only important for recovering from the crisis but are also needed for building resilience going forward. There are ways to integrate into the global economy without necessarily sacrificing the policy autonomy of the states which enable them to respond to the developmental and social needs of its citizens by putting people before profits (Mkadawire, 2010). While the European Union is in the process of putting in place a new industrial strategy that would

increase state powers to scrutinize and potentially block takeover bids in strategic sectors of the economy, the South also needs to protect its vulnerable industries and firms from unfair foreign competition in order to speed its industrial recovery and build a more diversified economy which is a prerequisite for resilience to future shocks.

There is a high probability that the current crisis will have a lasting impact on the shape of existing global value chains. To recover quickly, developed countries are bound to readjust some of their supply chains bringing links closer to home for shorter delivery time as well as to lower further risk of disruption (WTO et al., 2023). The announced desire of the European Union to achieve “strategic autonomy” in certain areas is indicative of a wider move to forge new supply relations in the North. Furthermore, automation and digitalization will in all likelihood assist the developed countries in this regard and will further reduce the (labour) cost advantage still enjoyed by countries of the South (ILO, 2021, and UNCTAD, 2017, 2018).

In this changing landscape, developing countries will need to re-engineer their existing production and distribution systems, which will be more challenging if the ongoing economic slump persists for some time. In the face of falling exports, increasing domestic consumption using expansionary policies to boost domestic demand will be urgently required by developing countries. However, given the constraints that many, particularly smaller economies in the South face, regional integration, and more generally South-South trade, can be an important complement to domestic-demand-led growth strategies providing new markets, encouraging complementary investment flows and technological upgrading and, with appropriate financial arrangements, reducing pressure on the balance of payments. .

The unprecedented challenges posed by COVID-19, and the urgent need for solutions is also opening an important window of opportunity for a South-South cooperation initiative in health, health research and related areas through multiple actions that can help build resilience to future pandemics. There is a need for developing countries to urgently develop a regional response to the current as well as future health emergencies along the lines already being proposed by some advanced countries. Accordingly, the South needs to have a strategic vision in terms of strengthening its regional value chains as well as intra-regional trade and investments in order to become self-reliant including in food, health and related products. By identifying and maintaining horizontal and vertical linkages, regional pacts can ensure that small firms co-operate to reduce transaction costs and benefit from economies of scale. They can also help favour connectivity among different specialised providers whose inputs are directly integrated in the supply chain. Furthermore, regional pacts can offer an umbrella to negotiate long-term agreements with pharmaceutical firms, guaranteeing a reliable supply of affordable products. From a governance perspective, the secretariats of regional economic communities in Africa, Asia and Latin America have to be strengthened to be able to play such a prominent role.

The regional secretariats in the South like COMESA, SADC, and other regional economic communities (RECs) in Africa, along with the newly formed AfCFTA Secretariat; SAARC and

ASEAN secretariats in Asia and regional secretariats in Latin America and Caribbean states like OAS, CELAC, CARICOM, etc. will need to be strengthened to be able to play a bigger role. The pooling of financial resources at the regional level is also needed to produce, access and distribute medicines, personal protective equipment, ventilators, and other medical devices and equipment to the people in the region

Pandemics like COVID-19 have also revealed to the world the importance of scientific discoveries and medical research for human welfare. Any medicines or medical discoveries which are important for the survival of people need to be shared widely and its access made available to all, especially to the most vulnerable countries and communities. This highlights the importance of making the TRIPS moratorium permanent, prohibiting non-violation complaints on IP rights (Article 64.2 of the TRIPS Agreement).

Within a regional health initiative, collective R&D efforts in medical research should be the top priority in the coming years (ECLAC, 2021). It should involve sharing results, methodologies and testing best practices that can prepare countries in the South to fight pandemics like Covid-19 and similar events in the future. It should also aim at viral strain identification and creation of the basis to build further medical and vaccine research. Emerging economies with more advanced medical research capabilities, as India, could take the lead and make a strong call for common action and resource pooling.

Another line of action could involve strengthening of regional value chains in health-related products and services. As the COVID-19 emergency has shown, self-sufficiency in medical equipment and health-related products is extremely important in the times of crises. Only a few developing economies have currently the capacity to lead on these value chains and operate the most complex activities. After having identified the leading medical device manufacturers headquartered in developing countries, regional pacts could be envisaged to facilitate the development of complete value chains at the regional level that would guarantee a constant provision of needed equipment especially in cases of emergency. Regional Emergency Funds could be established to provide countries with financial resources both to save their small and medium-sized enterprises and strengthen regional supply chains. India has set an example for others by proposing a Coronavirus Emergency Fund for South Asia, based on voluntary contributions, and making an initial contribution of \$10 million.

Building food supply independence is another source of resilience. Most developing countries are well placed to develop regional collaboration in agricultural value chains as their economies present significant complementarities in this respect. Transport costs and regulatory inefficiencies, along with coordination problems, however, often prevent the development of these chains. Recognizing the importance of deepening cooperation in this area with the aim of overcoming existing constraints and building regional food independence should, therefore represent an additional priority of a new south-south cooperation agenda.

Finally, regional trade pacts for emergencies should be forged. Regional trade pacts can be used to avoid trade bans on certain key product categories in times of global and regional shortages, as it has been the case during the Covid-19 emergency. According to the Global Trade Alert (2021), as of March 21st, 54 governments had introduced export curbs on key medical supplies in the first half of 2020, after the outbreak of the pandemic. Regional trade pacts among developing countries for emergencies with complementary production structures may serve as a cushion and guarantee uninterrupted access to key products, such as medical supplies, especially in the times of crises.

E. Strengthening South-South Cooperation to support Climate Action

Climate change is by nature a global challenge, which severely impacts developing countries because of the greater incidence of climate-related hazards, their more limited response capacities and lack of adequate financial and technical resources to face emergencies. Given the existing institutional, technological, and financial gaps in overcoming vulnerabilities to climate changes in the global South, South-South cooperation and economic integration can provide a complementary and viable way forward for the Global South.

It is important to reinforce South-South cooperation for climate action. First, regional integration strategies in the South need to aim at not only regional growth and development but also at building regional resilience to climate change. This can happen only if a more systemic approach to climate adaptation is applied. A comprehensive regional climate approach in the South needs to be designed to support and complement country-level climate measures. Climate measures also need to be integrated into regional financial cooperation frameworks. For such a comprehensive approach to South-South cooperation for climate action is important that developing countries support each other's efforts for raising financial resources and building technological capacities and technical capabilities.

Mutual support through pooling of human, financial and institutional resources can also help developing countries to progress rapidly on their national climate measures and plans. With rising international attention devoted to climate change, mutual support and common positions can play an important role in strengthening the voice of developing countries in international climate negotiations and discussions. Developing countries can work together to track, monitor and evaluate their financial, technical and institutional capacity building needs. South-south solidarity is also required to ensure that adequate efforts are made in different international fora to facilitate technology transfers.

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III. Experiences of South-South Cooperation during COVID-19 and Priority Areas for Sustainable Development

The global COVID-19 pandemic has posed unprecedented challenges, disrupting economies and societies worldwide. In this context, South-South and Triangular Cooperation (South-South and Triangular Cooperation) has emerged as a vital mechanism for international collaboration, offering unique opportunities for shared learning and mutual support. This section explores how South-South and Triangular Cooperation, driven by principles of solidarity and shared interests, has facilitated not just crisis response but also sustained progress towards the Sustainable Development Goals (SDGs). Through a lens of resilience and innovation, we will delve into the myriad ways through which South-South and Triangular Cooperation has adapted to the pandemic's challenges, underscoring its role as a catalyst for sustainable development in times of global crisis.

During the pandemic, South-South and Triangular Cooperation's contributions spanned various critical areas - from health systems strengthening and knowledge exchange to fostering economic stability and technological advancement. This section presents an in-depth analysis of these thematic areas, highlighting case studies and success stories where South-South and Triangular Cooperation initiatives have made a tangible impact. We examine the role of digital technologies in bridging gaps during lockdowns, the importance of inclusive policies in ensuring no one is left behind, and the strategic partnerships that have bolstered economic resilience. These themes not only exemplify the adaptability and effectiveness of South-South and Triangular Cooperation but also illuminate the potential pathways for future cooperation in the post-pandemic world.

Building on these insights, the final part of this section synthesizes key lessons from the pandemic, outlining how South-South and Triangular Cooperation can be leveraged more effectively for sustainable development. It stresses the need for more structured frameworks, enhanced capacity building, and the fostering of innovative partnerships that transcend traditional boundaries. The conclusion aims to not only reflect on the experiences and challenges highlighted throughout the section but also to offer actionable recommendations. These recommendations will focus on strengthening South-South and Triangular Cooperation's role in achieving the SDGs, particularly in the face of future global challenges, thereby reinforcing its importance as a cornerstone of international development cooperation.

A. Thematic Analysis

Health Systems Strengthening through South-South and Triangular Cooperation amidst COVID-19

South-South and Triangular Cooperation in Health Systems

The COVID-19 pandemic has been a significant global challenge, highlighting the interconnectedness of health systems worldwide and the necessity for coordinated responses. In this context, South-South and Triangular Cooperation emerged as a pivotal framework, facilitating

knowledge sharing and resource allocation to bolster healthcare capacities, particularly in developing countries. This form of cooperation demonstrated its effectiveness in addressing the immediate health crisis and the structural deficiencies in healthcare infrastructure, emphasizing the principle of leaving no one behind in pandemic preparedness (United Nations Development Programme, 2021).

An example is the initiative by UNDP China and the Government of China, which developed a project under the framework of South-South and Triangular Cooperation to aid five countries in the Asia-Pacific region. This project focused on improving healthcare waste management systems and increasing COVID-19 protection and response measures awareness. These initiatives often involved sharing best practices, medical supplies, and personnel, thereby enhancing local capacities to manage the pandemic effectively. For instance, the ASEAN+3 (which includes China, Japan, and South Korea) created a 'Reserve of Essential Medical Supplies for Public Health Emergencies' to bolster regional preparedness and response capabilities.

Case Studies of Successful Initiatives

A significant example of South-South and Triangular Cooperation's impact can be seen in the collaboration between Southern countries for vaccine distribution and sharing medical expertise. For instance, India's 'Vaccine Maitri' initiative, where India donated millions of COVID-19 vaccine doses to neighboring countries, reflects the spirit of South-South and Triangular Cooperation in addressing the vaccine inequity issue. Such efforts not only aided immediate pandemic response but also strengthened long-term healthcare resilience in these regions (UN News, 2023).

The impact of South-South and Triangular Cooperation initiatives in healthcare is evident in various aspects, such as increased vaccination rates, improved healthcare infrastructure, and enhanced public health awareness in recipient countries. The collaboration between countries in the Global South has shown that shared resources and expertise can lead to significant improvements in managing health emergencies (UNCTAD, 2020 & UNDP, 2021).

Despite these successes, South-South and Triangular Cooperation initiatives faced challenges, including logistical hurdles, varying healthcare standards, and resource constraints. Adaptive strategies, such as leveraging digital health technologies and optimizing supply chain management, played a critical role in overcoming these challenges, ensuring continued healthcare services and facilitating innovation in health cooperation (UNCTAD, 2020).

The experiences from South-South and Triangular Cooperation during the pandemic offer valuable insights for future health crises. These include the importance of early collaboration, adapting strategies to local contexts, and building a robust framework for international health cooperation. Such lessons are crucial for shaping future South-South and Triangular Cooperation initiatives to be more effective and resilient in addressing global health emergencies (UNCTAD, 2020).

Data-Driven Analysis of Impact

One of the most significant impacts of South-South and Triangular Cooperation during the pandemic was seen in vaccine distribution. For instance, India's 'Vaccine Maitri' initiative, aimed at distributing COVID-19 vaccines to numerous countries, played a crucial role in addressing the global vaccine inequity. This initiative significantly boosted vaccination rates in recipient countries, which was crucial in controlling the spread of the virus. The success of such programs can be measured by the increased vaccination coverage in these countries, as reported by their respective health ministries and international health organizations.

South-South and Triangular Cooperation initiatives also led to tangible improvements in healthcare infrastructure in participating countries. The UNDP China and Government of China collaboration, which improved healthcare waste management systems in five Asia-Pacific countries, is a prime example. The project's success can be quantified by the enhanced capacity of these countries to manage healthcare waste safely and effectively, as evidenced by the reports from the respective national health ministries and environmental agencies. This improvement was crucial in managing the pandemic's aftermath and preparing the healthcare systems for future health emergencies.

Another crucial impact of South-South and Triangular Cooperation was the increase in public health awareness and education among the populations of the participating countries. This was particularly evident in campaigns and programs aimed at educating the public about COVID-19 prevention, symptoms, and vaccine awareness. The effectiveness of these campaigns can be gauged by the reduction in infection rates and improved public adherence to health guidelines, as reported in various public health studies and surveys conducted in these countries.

South-South and Triangular Cooperation initiatives also played a significant role in strengthening the local healthcare workforce. The exchange of medical personnel and expertise, as seen in the collaboration between Cuba and several African and Caribbean countries, not only provided immediate relief but also contributed to the long-term development of healthcare skills among the local workforce. The impact of this can be measured by the increased number of trained healthcare professionals and the enhanced quality of healthcare services in these regions, as indicated in the health sector performance reports of the respective countries.

The data-driven analysis of South-South and Triangular Cooperation's impact during the pandemic suggests that such cooperation has long-term implications for the sustainability of health systems in developing countries. The improvements in vaccine distribution, healthcare infrastructure, public health awareness, and workforce strengthening have laid a foundation for more resilient health systems. This implies that countries involved in South-South and Triangular Cooperation are better equipped to handle future health crises, as reflected in the strategic health planning documents and future preparedness reports published by these nations and international health organizations.

In summary, the South-South and Triangular Cooperation during the COVID-19 pandemic has had a significant, measurable impact on health systems in developing countries. From enhancing

vaccine distribution to improving healthcare infrastructure and workforce, the data-driven evidence points to a strengthened capacity to manage current and future health challenges. This cooperation has not only addressed immediate needs but also contributed to building sustainable and resilient health systems.

B. Challenges and adaptations of South-South and Triangular Cooperation in health systems

Structural Gaps in Response and Recovery Efforts

The COVID-19 pandemic emphasized existing structural disparities between developed and developing countries. These disparities were particularly pronounced in access to resources, medical infrastructure, and expertise necessary to manage public health emergencies. Developing countries were hit harder socioeconomically, exacerbating existing vulnerabilities. The UNDP highlighted the potential increase in extreme poverty due to the pandemic, stressing the long-lasting impact on the Global South. This situation underscores the need for a more integrated and equitable global response to health crises (Source: UNDP, 2021).

Vaccine Inequality and Health Infrastructure

A significant challenge in combating COVID-19 has been vaccine inequity. Developing countries have faced hurdles in accessing vaccines, which are critical in controlling the spread of the virus and ensuring public health safety. The disparity in vaccine distribution reflects broader issues in health infrastructure and the ability of countries to respond to pandemics. Addressing these deficiencies is critical to building a more resilient global health system. This aligns with the principle of universal health coverage and pandemic preparedness, emphasizing the need to protect the most vulnerable populations (Source: UNDP, 2021).

Economic Impact and Recovery Strategies

The economic consequences of the pandemic have been devastating, especially for countries with a significant proportion of their workforce in informal sectors. UNCTAD's analysis reveals that the global economic damage has been exacerbated by insufficient coordination of national efforts, leading to a range of economic problems including capital flight and currency collapse. The role of South-South and Triangular Cooperation here is crucial, not just in mitigating immediate economic impacts but in shaping long-term recovery strategies. South-South cooperation can offer a blueprint for international coordination, focusing on scaling-up financial resources, enhancing policy space, and building economic resilience (Source: UNCTAD, 2020).

Adaptation in Trade and Industrial Policies

The pandemic has necessitated significant adaptations in trade and industrial policies, especially for developing countries. The financial subsidies rolled out in developed countries to sustain businesses during the pandemic are not feasible for many countries in the Global South. Thus, strategic trade and industrial policies are essential to support key sectors and preserve jobs. This includes leveraging South-South trade agreements to access diversified markets. Additionally,

there is a need for temporary policy measures under WTO legislation to enable developing countries to effectively respond to the crisis and preserve their economic interests (UNCTAD, 2020).

Health Cooperation and Technology Divide

The pandemic has opened windows of opportunity for health cooperation initiatives under South-South and Triangular Cooperation. Collective efforts in research and development, especially in medicine, are critical. However, the crisis also exposed the vast technological divide, affecting both production and consumption aspects of the digital economy. This divide is a significant barrier to building resilience in the Global South. Addressing this issue is crucial for ensuring equitable access to technology and its benefits, which is vital for pandemic response and recovery. UNCTAD's agenda for South-South digital cooperation could provide a policy path for overcoming these challenges and enhancing digital inclusion (UNCTAD, 2020).

Each of these points reflects the complex nature of the challenges faced during the pandemic and the need for targeted and coordinated responses under South-South and Triangular Cooperation. The adaptation strategies highlight the importance of resilience, equitable access to resources, and the need for an inclusive approach to global governance, particularly in health and economic recovery.

C. Lessons Learned and Future Implications

Resilience in Health Systems

The pandemic highlighted the need for resilient health systems capable of handling unforeseen challenges like COVID-19. Developing countries, supported by South-South and Triangular Cooperation initiatives, must focus on overcoming structural deficiencies in their health infrastructure. This includes enhancing capabilities in healthcare waste management, disease surveillance, and public health awareness. The UNDP's collaboration with China in Asia-Pacific nations demonstrates this approach, emphasizing the importance of tailored solutions to local contexts. These initiatives are crucial for long-term sustainability in public health systems, aiming to build resilience against future pandemics (UNDP, 2021).

Role of Partnerships in Crisis Response

South-South and triangular cooperation has emphasized the value of partnerships in responding to global crises, moving beyond traditional donor-recipient dynamics to more equal and experience-based collaborations. These partnerships have been instrumental in sharing insights and best practices among countries in the Global South, enhancing their crisis response capabilities. As noted by UNDP Administrator Achim Steiner, this shift towards multilateral responses rooted in shared interests is a defining aspect of modern development partnerships, crucial for addressing complex global challenges like the COVID-19 pandemic. (UNCTAD, 2020)

Economic Recovery and Support

The economic impact of the pandemic, particularly in countries with large informal sectors, has necessitated a significant shift in economic strategies. South-South and Triangular Cooperation can support recovery by providing financial assistance, enhancing policy space, and fostering resilience. This approach includes adapting trade and industrial policies to preserve jobs and support key sectors, leveraging regional trade agreements for diversified markets. UNCTAD has emphasized the importance of such measures, suggesting a paradigm shift in international economic cooperation to support developing countries during and after the pandemic.

Addressing the Technology Divide

The pandemic has exposed a significant technological divide, affecting the capabilities of countries in the Global South to respond effectively. South-South and Triangular Cooperation initiatives focusing on digital cooperation can help bridge this gap, enabling integration and new industrialization opportunities. These efforts are crucial for ensuring equitable access to technology, which is vital for pandemic response and long-term development. Initiatives like UNCTAD's South-South digital cooperation agenda are essential for fostering digital inclusion and building technological resilience in developing countries.

Cultural Differences and Communication Barriers

Cultural differences and communication barriers posed significant challenges in the effective implementation of South-South and Triangular Cooperation health initiatives. The exchange of medical personnel and resources often required navigating language differences and cultural nuances. For instance, the integration of Cuban medical professionals into African and Caribbean healthcare systems necessitated a deep understanding of local languages, customs, and patient communication strategies. The effectiveness of these cross-cultural exchanges can be evaluated through qualitative assessments, such as patient satisfaction surveys and feedback from local healthcare staff, which can provide insights into the level of cultural integration and communication effectiveness achieved.

As such, while South-South and Triangular Cooperation initiatives faced numerous challenges during the COVID-19 pandemic, the adaptations and strategies developed in response to these challenges have provided valuable lessons for future international health cooperation. Understanding and addressing these challenges is crucial for enhancing the effectiveness and resilience of South-South and Triangular Cooperation initiatives in global health crises.

D. Lessons Learned and Future Implications

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Health Cooperation Initiatives

South-South and Triangular Cooperation has opened avenues for collective efforts in health, particularly in research and development. The need for accessible healthcare solutions during the pandemic has underscored the importance of collaborative research and shared access to medical discoveries. This approach aligns with the principle of making the Trade-Related Aspects of Intellectual Property Rights (TRIPS) moratorium permanent, ensuring that vital medical resources are available to all, especially the most vulnerable communities. Strengthening regional value

chains in health-related products and services is also a key strategy for enhancing healthcare access (UNCTAD, 2020).

Rethinking Multilateralism and Development Models

The pandemic has fostered a reconsideration of multilateralism and development models, as emphasized by ECLAC. There is a growing need for a more egalitarian approach that considers countries' unique vulnerabilities and structural gaps, rather than focusing solely on per capita income. This new direction in South-South and Triangular Cooperation, termed "Development in Transition," proposes a shift in the paradigm of cooperation, taking into account factors like economic size, structural characteristics, and international integration. This approach is vital for addressing increasing poverty, inequality, and public discontent in the post-pandemic era, moving towards a transformative, sustainable, and equitable recovery (CEPAL, 2021).

These insights demonstrate the multifaceted impact of South-South and Triangular Cooperation during the COVID-19 pandemic and underline the importance of strategic, inclusive, and resilient approaches for future global challenges. The lessons learned emphasize the need for deeper international cooperation, not just in addressing immediate health crises, but also in achieving broader sustainable development goals and averting future catastrophes.

E. Concluding Remarks

The COVID-19 pandemic has underscored the critical role of South-South and Triangular Cooperation (South-South and Triangular Cooperation) in addressing global challenges, particularly in developing countries. Through various initiatives, such as the UNDP-China collaboration and the adaptation of trade and industrial policies, South-South and Triangular Cooperation has been pivotal in strengthening health systems, addressing economic fallout, and bridging technological divides. The pandemic has highlighted the necessity of resilient health systems and equitable access to healthcare resources, reaffirming the importance of global solidarity and cooperative efforts in times of crisis.

The experiences and lessons learned during the pandemic have significant implications for the future of South-South and Triangular Cooperation. It has become evident that a shift towards more egalitarian and inclusive multilateralism is essential. This includes rethinking development models to consider unique vulnerabilities and structural gaps of countries beyond per capita income, as advocated by ECLAC. Moving forward, South-South and Triangular Cooperation must focus on fostering digital inclusion, enhancing economic resilience, and promoting sustainable development strategies that align with the broader sustainable development goals.

As we navigate the post-pandemic world, South-South and Triangular Cooperation stands as a testament to the power of shared knowledge, resources, and solidarity. The path ahead calls for deeper international cooperation, leveraging the strengths and experiences of countries in the Global South. This cooperation is not just vital for tackling immediate challenges like health crises but is also imperative for addressing long-term goals such as climate change, poverty reduction,

and achieving a more sustainable and equitable future. The enduring spirit of South-South and Triangular Cooperation, rooted in mutual support and shared growth, will continue to be an essential component of global efforts to build a more resilient and inclusive world.

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IV. New Trends in Institutionalisation of South-South and Triangular Cooperation in Developing Countries

The past few decades have seen a trend in developing countries towards deeper formalisation of their institutional structures for South-South and triangular cooperation. This is largely due to the changing landscape of international development cooperation, including North-South, South-South, and triangular cooperation. The growing importance in magnitude and modalities of SSTRC activities, in particular South-South cooperation, and the diversion of ODA from Global South countries have constituted the push and pull factors for the growing institutionalisation of SSTRC.

The importance of SSTRC and the solidarity that underpins South-South cooperation was highlighted by the United Nations Secretary-General, who said that “the world needs deeper international cooperation to address the global health crisis, reduce poverty and inequality, achieve the Sustainable Development Goals and avert climate catastrophe (...) that means building inclusive and resilient societies, empowering women and youth, leveraging digital, greener and bluer initiatives, and expanding sustainable financing”; adding that “South-South and triangular cooperation offer concrete solutions to these shared challenges” (UN Secretary-General 2021).

In the international development cooperation landscape, the decline of ODA in real terms is bound to be furthered in the coming years. One important reason is that more developing countries have graduated from low-income or least developed country categories and have moved or are aiming to move to a higher category of classification of country development. Many developing countries are aiming at upgrading their country categories. The upgrading of the country category shows the progress of economic development in a country, yet it will also lead to less access to ODA, concessional financing and development assistance projects as a whole, the eligibility of which is determined by country categories.

The other reason for the trend of shrinking ODA is the changing global narrative owing to increasing geo-political tensions and the lasting effects of the COVID-19 pandemic. Deglobalisation, weakened multilateralism, rising nationalism and populism, as well as the trend for onshoring of manufacturing have ushered in the era of reduced North-South development cooperation. This has manifested itself most starkly in the reluctance of the developed countries to provide urgently needed vaccines to developing and least developed countries during the COVID-19 pandemic. The recently announced intention by G7 to divert their ODA commitments towards providing humanitarian assistance for refugees within their own territory (UN 2022) is also another case in point.

In contrast to this, past decades of globalisation and efforts in economic catching-up with developed countries have allowed some developing countries to become vibrant emerging

economies, offering lucrative markets and more opportunities for economic cooperation. While many other developing countries have also made significant progress in their economic and social development. Therefore, sharing development experiences and good practices with other countries at similar development stages and the rest of the world has become an important component of SSTRC. Naturally, the desire to strengthen solidarity among developing countries and reforming the governance structure of international cooperation to reflect the rising economic importance of developing countries have contributed to the increasing relevance of SSC, though it is not a substitute for North-South cooperation.

In this context, to leverage fully the potential of SSTRC has become an imperative for developing countries to realise their developmental and foreign policy objectives and the 2030 Agenda. It is also vital for their efforts towards increasing their international standing and strengthening solidarity with other developing countries. Most of the developing countries have governmental entities managing inward international development cooperation, especially for traditional large ODA recipient countries.

With SSTRC gaining more significance and momentum, an increasing number of countries have established new independent development agency or upgraded their institutional structures to adjust to the new demands from developing countries as well as other development partners to benefit fully from the opportunities offered by SSTRC and strengthen coordination among domestic stakeholders. Many developing countries are now dual development partners, both provider and recipient, in international development cooperation. They continue to receive financial resources and technical assistance, but at the same time they provide assistance to other developing countries, under the modalities of SSC and triangular cooperation.

The formal institutionalisation and institutional upgrading have taken place in different forms, depending on the needs, circumstances and special conditions of the countries (see Figure 5). These include the adoption of national policies and regulations as well as the establishment of new or expansion of existing governmental institutions dedicated to SSTRC to coordinate and promote SSTRC activities and shift away from the past system tailored to ODA recipients, thus allowing enhanced coordination and promotion of inward and outward SSTRC activities.

However, for institutional structure, while some developing countries have been actively improving and upgrading their institutional setup, others remain solely or largely at the stage of being ODA recipients with institutional arrangements for inward foreign assistance. They generally do not have a coherent and effective institutional setup for acting as a provider of SSTRC, and thus take up opportunities for outward SSTRC on an *ad-hoc* and case-by-case basis.

To fill in the institutional gap for outward SSTRC is important. Without formalisation of an institutional setup, organic SSTRC initiatives tend to be short-term and project-focused. Improved

institutional mechanisms can contribute to mainstreaming outcomes into broader development efforts, thus synergising SSTRC activities/initiatives with the national development strategies and foreign policies of the country. Improved institutional structure can also provide coherence and visibility to the country’s SSTRC cooperation activities and also render them more accountable and transparent both to domestic society and the international community. It can facilitate and smoothen coordination among all relevant stakeholders, increase flow of information and data, and streamline cooperation activities. Strong institutions are crucial to ensure long-term and sustained efforts to build South-South links and that with triangular cooperation partners and contribute to a more effective SSTRC to face the systemic challenges of our time.

This part of the paper aims at examining the new trends in the deepening of institutionalisation of SSTRC in developing countries. Firstly, the trend to establish new institutions on SSTRC and some with the focus on SSC provision and secondly the trend to upgrade or expand existing SSTRC institutional framework to shift from the past system tailored to ODA recipients to include SSTRC. These two trends are accompanied by the encouraging improvement of the soft ecosystem of institutionalisation, including introducing new national SSTRC strategy, regulations and rules.

Figure 5. Types of national institutions on SSTRC framework



Source: South Centre and IsDB (2019). Developing National Ecosystems for South-South and Triangular Cooperation to Achieve Agenda 2030 for Sustainable Development

A. Establishment of new agencies focusing on SSTRC assistance provision

Developing countries have increasingly realised that the provision of aid to developing countries is an important way to build solidarity with other developing countries, for the implementation of the 2030 Agenda, increasing their international standing and promoting their foreign policy. However, though many countries have provided SSTRC for years, their assistance tended to be *ad-hoc* and spontaneous, not yet based on a specific policy or criteria as guidelines, and not yet

integrated and not yet managed by a clearly mandated institution. Therefore, activities are usually project-oriented, without a coherent policy, without a screening system to check whether or not they are in line with the national development policies or whether there has been duplicating or even competing activities from other domestic institutions.

The participation of connected actors, including governmental and non-governmental stakeholders, academics and technical experts, is also essential for identifying and expanding SSTRC, and systematising their comparative advantages, while increasing financing and technical support (South Centre and IsDB, 2021). Naturally, data about these activities is scattered or non-existent. As for evaluation and monitoring, it is normally not systemically conducted. Transparency, accountability and credibility could be challenged.

Since the beginning of the new millennium, recent years have witnessed the establishment of some new stand-alone SSTRC agencies in developing countries including the Algerian Agency for International Cooperation for Solidarity and Development, the Azerbaijan International Development Agency, the China International Development Cooperation Agency, the Colombian Presidential Agency of International Co-operation, the Egyptian Agency of Partnership for Development, the Indonesia Agency for International Development Cooperation, the Palestinian International Cooperation Agency, the Thailand International Cooperation Agency, the Turkish Cooperation and Coordination Agency and the Uruguayan International Cooperation Agency. One outstanding feature of these new agencies is that the majority of them focus on the provision of SSTRC, especially SSC. To distinguish from North-South ODA, these agencies or initiatives have highlighted the principles of horizontality, mutual benefits and demand driven. Mutual benefits are reflected in the emphasis on the request to respond to the needs of the developing countries on the one hand and on the other the clear objective of using SSC as a tool for implementing the country’s foreign policies. In addition, they all have their own targeted countries and regions in line with their own foreign policies.

Table 1. Establishment of national institutions for SSTRC

Tunisian Agency for Technical Cooperation	Established in 1972 by law No. 72-35 to provide assistance to developing countries in carrying out feasibility studies, implementation, follow up and evaluation of economic, institutional, social and cultural projects.
Algerian Agency for International Cooperation for Solidarity and Development (ALDEC)	Established in 2020 by presidential decree. ALDEC was created with the intention to work for solidarity and the development of international cooperation, in particular with neighbouring countries (the Maghreb and Sahel countries).
Azerbaijan International Development Agency	Established on 14 September 2011 under the Ministry of Foreign Affairs of the Republic of Azerbaijan. The main

(AIDA)	purpose of establishing the Agency was to support the efforts of international community in addressing social problems around the world. The dynamic economic development of the Republic of Azerbaijan over the last decade has enabled a former recipient of foreign aid to become itself a donor country.
Brazilian Cooperation Agency (ABC)	Created in 1987, by presidential decree. Brazil has had a long history of cooperation, starting in 1950 with the creation of the National Technical Assistance Commission (CNAT) which coordinated development assistance from other countries.
China International Development Cooperation Agency (CIDCA)	Established in 2018. The Agency aims to formulate strategic guidelines, plans and policies for foreign aid, coordinate and offer advice on major foreign aid issues, advance the country's reforms in matters involving foreign aid, and identify major programmes and supervise and evaluate their implementation. Specific assignments will be allocated to different departments.
Egyptian Agency of Partnership for Development (EAPD)	Established in 2014 by Ministerial Decree. It took over the work of two agencies, the Egyptian Fund for Technical Cooperation with Africa (EFTCA) and the Egyptian Fund for Technical Cooperation with the Commonwealth of Independent States (EFTCIS).
Indonesian Agency for International Development Cooperation (LDKPI – IndonesianAID)	Established under the Ministry of Finance Regulation (PMK) in 2019. The Agency was created to streamline the country's provision of SSTRC. Previously, the National Coordination Team (NCT) for South-South and Triangular Cooperation, composed of the Ministry of Foreign Affairs, the Ministry of National Development Planning/Bappenas, the Ministry of Finance and the State Secretariat developed policies and facilitated the implementation of SSTRC-related activities undertaken by line ministries or in partnership with development partners.
Moroccan Agency for International Cooperation (AMCI)	Created by Royal Decree in 1986, to formalise the SSTRC initiatives of Morocco. AMCI's mission is the development of cooperation among peoples by contributing to the expansion and strengthening of cultural, scientific, economic and technical cooperation between the Kingdom of Morocco and the countries to which it has ties of friendship and cooperation.
Presidential Agency for International Cooperation of Colombia (APC-Colombia)	The APC-Colombia was created in 2011, with the objective of managing, guiding and coordinating non-reimbursable public, private, technical and financial international cooperation received and granted by the country; as well as execute,

	administer and support the channelling and execution of resources, programmes and projects of international cooperation, meeting the objectives of foreign policy and the National Development Plan.
Palestinian International Cooperation Agency (PICA)	Established by presidential decree in 2016. It is the main public diplomacy tool of the State of Palestine and works as a national coordinator for South-South and North-South Cooperation. PICA transfers Palestinian know-how to countries of the South, in the form of development and technical assistance and mobilises Palestinian skilled human resources to provide technical assistance to support partner countries in responding to crises and tackling development challenges with the aim of promoting South-South cooperation and realising the 2030 Agenda and its 17 SDGs.
Thailand International Cooperation Agency (TICA)	Established on 19 October 2004 by a Royal Decree. In addition to TICA, Thailand also conducts its development cooperation through the Neighbouring Countries Economic Development Cooperation Agency (NEDA), under the Ministry of Finance. NEDA was established in 2005, and focuses primarily on Sri Lanka, Myanmar, Laos, Cambodia, Bhutan, Timor-Leste and Vietnam.
Turkish Cooperation and Coordination Agency (TİKA)	TİKA was first established in accordance with the Statutory Decree Law in 1992 as a technical aid organisation under the Ministry of Foreign Affairs. On 28 May 1999, TİKA became an organisation under the Prime Minister of the Republic of Türkiye. The Agency has since moved to the Ministry of Culture and Tourism.
Uruguay International Cooperation Agency (AUCI)	Established in 2010 by Law No. 18.719. AUCI, as a decentralised body, will act with technical autonomy and will communicate with the Executive Branch through the Presidency of the Republic. It has a Directing Council, chaired by a representative of the President of Uruguay, and includes the Minister of Foreign Affairs and the Director of the Office of Planning and Budget.

B. The trend to upgrade or expand existing SSTRC institutions to strengthen SSTRC

The SSTRC institutional framework of many developing countries has not kept pace with the changing landscape of the international development cooperation which is marked by SSC having

become a complement to North-South cooperation and the resulting increasing frequency and magnitude of economic and social exchanges between developing countries.

Nevertheless, an increasing number of Southern countries have devoted their efforts to upgrade or expand their existing institutional setup formulated to receive ODA and assistance from multilateral and regional institutions to include SSTRC. The following are some examples:

The Economic Relations Division of Bangladesh, which is responsible for mobilising and coordinating inflow of external assistance, has introduced a special cell for South-South cooperation in the Ministry. Further to the creation of the Brazilian Cooperation Agency (ABC) in 1987, its mandates have been expanded in 2012 in line with the Internal Regulations of the Ministry of Foreign Affairs of Brazil. It is stated that ABC is responsible for planning, coordinating, negotiating, approving, executing, monitoring and evaluating, at the national level, development cooperation programmes, projects and activities in all areas of knowledge received from other countries and international organisations and that between Brazil and developing countries, including related actions in the field of training for the management of technical cooperation and dissemination of information.

Therefore, development cooperation in Brazil includes both foreign cooperation for Brazil and foreign cooperation by Brazil or SSC. The latter mainly focuses on response to demands from developing countries especially on the development of human, institutional and productive capacities. There is no direct transfer of financial resources to the partner country, but rather the sharing of knowledge and successful experiences in Brazil and other activities. This reflects a clear move to address the shift from mainly receiving foreign assistance to including provision of SSTRC to “play a significant political role in the Brazilian diplomacy as the agent of the country’s technical cooperation with an increasing number of developing countries, contributing to disseminating a modern image of Brazil and its institutions and consolidating the country’s leading role at both regional and international levels” (ABC).

The Egyptian Agency of Partnership for Development established in 2014 spelt out clearly that although the Agency will continue to engage in the traditional operational activities for development they led for years, the scope of its work has widened to strive to find innovative ways to strength SSTRC and to forge partnerships with national, regional and international stakeholders.

Thailand has upgraded its international development cooperation institutional setup as the situation has evolved. From the 1950s to before the new millennium, the institution’s objectives and operation had been more structured as a foreign assistance recipient. A gradual shift from a mostly recipient position to development partner to donor of technical and economic assistance and development cooperation has taken place in past decades. With the creation of the Thailand International Cooperation Agency, there was a clear pronouncement that TICA’s main task is to coordinate Thailand’s development cooperation as well as various economic, social, technical

assistance and training courses with countries and international organisations around the world (TICA 2019). TICA manages both incoming aid to Thailand and also outgoing assistance from and by Thailand.

The Turkish Cooperation and Coordination Agency has been upgraded and expanded in mandates and outreach over the years. After its establishment in 1992, TİKA has gone through restructuring and upgrading in 2011 and 2018. Following the Statutory Decree Law No. 656 of 2011, it became more flexible and effective. With the “Presidential Decree Law on the Organization of Institutions and Organizations Under, Affiliated with, Linked to the Ministries, and Other Institutions and Organizations” of 2018, TİKA became a public legal entity with a private budget. As a result, Türkiye has intensified its official development aid efforts and became the leading country in terms of official aid relative to its gross national product for the third consecutive year in 2018. Türkiye’s development assistance reached 1.10% of its national income in 2018 (TİKA 2018).

Out of the agencies and departments responsible for SSTRC, especially outward SSTRC, being examined, the majority are under the auspices of the Ministry of Foreign Affairs, although they have different degrees of autonomy.

The most important reason for this phenomenon is that there is great linkage between foreign policy and SSTRC provision. Brazil stated clearly that SSTRC is not just a “tool” but a great support to the foreign policy. For Thailand, development cooperation has always been at the core of Thailand’s foreign policy.

Another factor is that the Ministry of Foreign Affairs has outreach in almost all countries in the world, including embassies, consulates and missions, and has working relationships with various international, regional economic, financial and development institutions which are main partners for triangular cooperation. Developing countries often reach out to these diplomatic institutions to express their requests for assistance and cooperation. In addition, these entities also have easier access to information and contacts to locate potential opportunities for cooperation. Regarding regional and multilateral institutions which are main providers of triangular cooperation, they have close working relationships with the missions and embassies where these institutions are headquartered.

C. Institutional support for enhancing the role of South-South and triangular cooperation

The Islamic Development Bank

International financial institutions (IFIs) and MDBs have also scaled up their support for the institutionalisation of SSTRC, given its rising role in internal development cooperation. Among these institutions is the IsDB, an MDB headquartered in Jeddah, Saudi Arabia, with 57 member countries all hailing from the South. The IsDB is a specialised institution of the Organisation for

Islamic Cooperation with the same membership. In addition to being a financier of development projects through various Islamic finance-based instruments, the IsDB also supports peer-to-peer exchanges among its member countries in order to enhance solidarity-based cooperation. This fundamental objective was prompted by the “Makkah Declaration” which was the outcome of the Third Islamic Summit Conference held in Saudi Arabia in 1981. During this event, a Plan of Action for Economic Cooperation among Islamic Countries was adopted, which emphasised the need for expanding bilateral and multilateral arrangements for promoting technical cooperation through cooperative arrangements; joint commissions; exchange of information and member countries’ needs and capacities; and wider use of member countries’ experts, consultants and training facilities for the improvement of socio-economic well-being and progress.

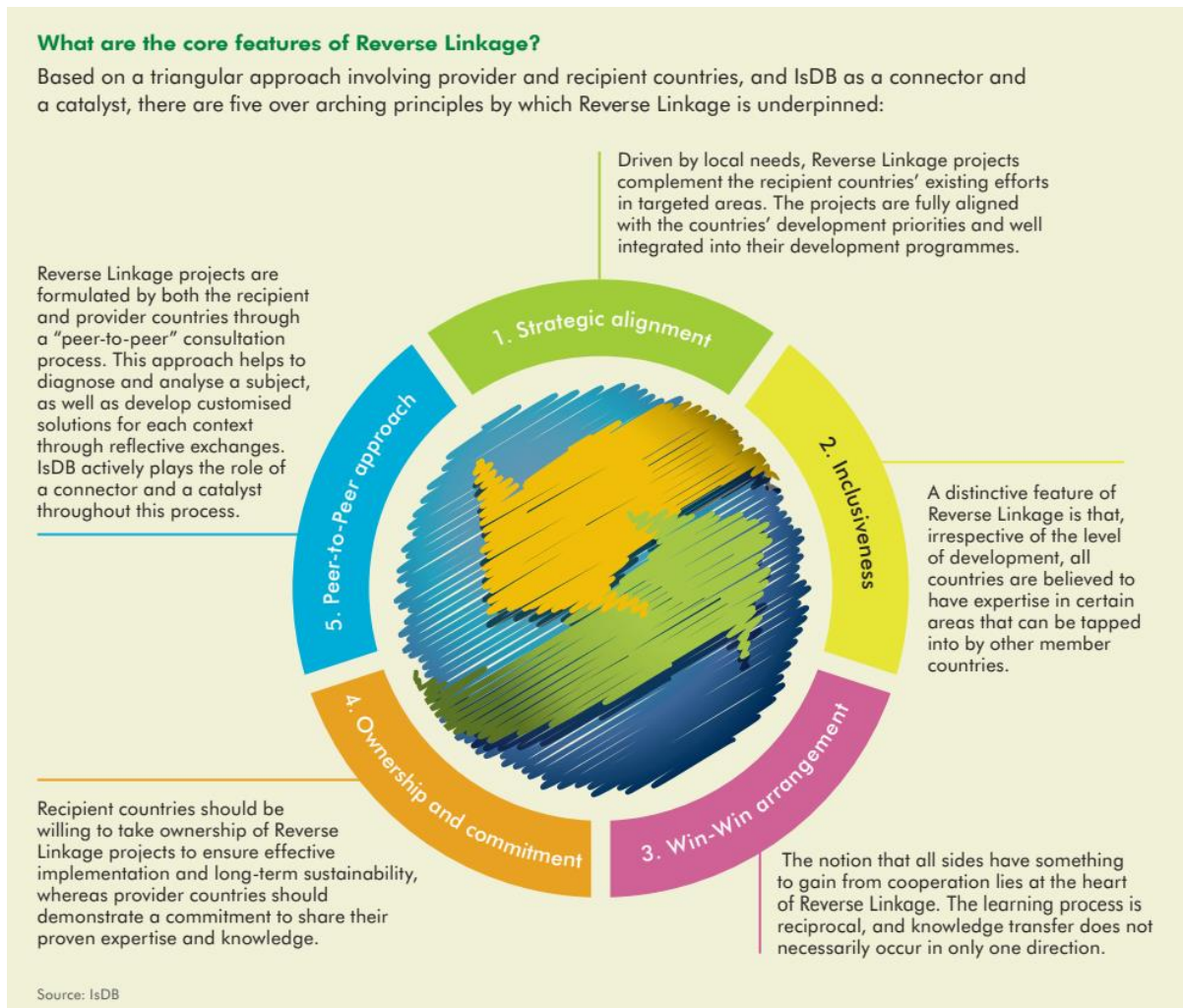
At the IsDB, the Makkah Declaration led to the creation of the Technical Cooperation Programme (TCP) in 1983, with its principles firmly rooted in South-South cooperation. The TCP was formulated with various mechanisms, including the recruitment of experts, the provision of on-the-job training and the organisation of knowledge-sharing events such as workshops and seminars in line with the capacity-development needs of the member countries. Since the establishment of the programme, the IsDB implemented over 2,500 operations under the TCP amounting to around US\$58 million.

During the implementation of the TCP, the Bank learned many valuable lessons. Two important lessons in particular—that (i) member countries in the South possess a wealth of knowledge and expertise that can be tapped to strengthen economic development and (ii) long-term engagements among member countries can produce more sustainable results and enduring partnerships—led to a search for a more immersive, focused and result-oriented SSC mechanism.

This search led to the creation of a home-grown mechanism called Reverse Linkage, which is defined as a technical cooperation mechanism enabled by the IsDB whereby member countries and Muslim communities in non-member countries exchange their knowledge, expertise, technology and resources to develop their capacities and devise solutions for their autonomous development.

As an enhanced approach for technical cooperation, the Reverse Linkage mechanism has been piloted since 2012 during which a robust pipeline with projects covering a wide span of sectors/thematic areas was formulated. From the lessons learned from the pilot phase, the Bank formulated its Reverse Linkage policy that sets the practical boundaries and defines the features of Reverse Linkage (see Figure 6), while standardising its use across the IsDB and its member countries. The Bank is currently implementing Reverse Linkage interventions both as standalone operations and as mainstreamed components under large-scale financing projects in order to address capacity-development needs of IsDB member countries.

Figure 6. Core features of the IsDB Reverse Linkage



Source: IsDB

During the implementation of TCP and Reverse Linkage projects, the Bank formulated a new product based on the need to identify Resource Centres (RCs)—entities that have proven knowledge and expertise and with reliable and adaptable solutions and technologies. The IsDB, through its network and partnerships, is aware that there are many RCs in member countries with a wealth of valuable knowledge and deep expertise in their respective sectors. The profiles of these RCs are very diversified in terms of size, number of years in operation, range of activities, international experience, among other criteria. However, until the IsDB introduced a mapping methodology, there has not been a standardised and sustained process for identifying the RCs of member countries. Accordingly, a comprehensive repository of the profiles of such RCs did not exist. This means that the knowledge and expertise of RCs were unidentified and, thereby, underutilised, particularly outside their home countries. This lack of knowledge about RCs spread across the membership of the Bank made the match-making process for TCP as well as Reverse

Linkage projects challenging and time-consuming. With the recognition of the value of having a robust database of RCs across the IsDB member countries, the Bank responded by launching an integrated programme of RCs mapping which includes rigorous application of the Bank's mapping methodology in member countries in order to produce a database of selected RCs and publish these in knowledge products which are widely shared across member countries and with development partners.

The mapping methodology is applied hand-in-hand with member countries in order to ensure ownership and utilise the local country knowledge. It is worth noting that the IsDB only oversees the process of identifying the long-listing of RCs but it is not directly involved in the details. The above-mentioned steps are carried out by a national institution identified in collaboration with the relevant government authority. Furthermore, in order to undertake a robust final selection of RCs, the assessment and scoring are done by an independent institution.

The IsDB programme for RCs mapping is one example of how MDBs can renew their role. Development banks can support their member countries and clients by a new currency: knowledge. Building the linkages between providers and seekers of expertise can be more effective than traditional financial instruments.

In addition to supporting the development of its member countries through downstream financing and capacity-development interventions, the Bank has also been formulating more upstream interventions to enhance the national capacities of its member countries in various strategic fronts. Within the perspective of SSTRC, the Bank was closely involved in various global initiatives such as the 2nd High Level United Nations Conference on South-South Cooperation (BAPA+40), together with its member countries and development partners. During this process, the Bank translated its lessons learned and experiences in the field into another institutional framework called the "National Ecosystems for South-South and Triangular Cooperation". It is one of the IsDB's concrete contributions to achieving the recommendations of the Outcome Document of BAPA+40.

As one of the outcomes of the BAPA+40, SSTRC was acknowledged as one of the key instruments in achieving the SDGs. The Outcome Document has stressed the importance of strong institutional arrangements for SSTRC so that countries have the necessary capacity in place to exchange expertise with other countries in order to solve their development challenges.

The key role that MDBs should play in supporting countries' efforts to enhance their national ecosystems for SSTRC was also highlighted. The importance of strong national institutional arrangements and capacities has been among the priorities of the Bank prior to BAPA+40. The IsDB has been working with its member countries to develop institutional arrangements and formulate the concept of national ecosystems for SSTRC.

Accordingly, the Bank and the South Centre worked on a paper that formulated the concept of “national ecosystems for SSTRC” through an evidence-driven approach. The paper was formulated in coordination with the UNOSSC and the involvement of member countries as well as non-member countries active in SSTRC. The findings and recommendations of the Bank’s paper on national ecosystems for SSTRC were presented at the BAPA+40 and the concept received wide endorsement from member countries and key partners. Subsequently, the paper was published as a knowledge product and jointly launched in September 2019 on the sidelines of the United Nations General Assembly by various member countries, the South Centre and the UNOSSC. This was followed by developing the “Assessment Framework for National Ecosystems for SSTRC”, which was released in September 2020 (IsDB, 2020[20]). A number of IsDB member countries, such as Cameroon, Guinea, Pakistan and Tunisia, are benefiting from the Bank’s support to develop their national ecosystems.

According to this framework, a national ecosystem for SSTRC is a collection of interlinked institutional arrangements. The national ecosystem for SSTRC consists of the following various interlinked pillars namely: (i) political will; (ii) national strategy on SSTRC; (iii) national body for SSTRC; (iv) information bases; (v) connected actors; (vi) national financing mechanisms for SSTRC and (vii) performance management systems to assess progress and learn lessons for better policymaking. These arrangements complement each other without a specific hierarchical order. The ultimate benefit of the national ecosystem materialises when all parts co-exist and harmoniously work together. The national ecosystem can contribute to creating an enabling environment for effective SSTRC. The ecosystem for SSTRC varies from country to country depending on their own national conditions, economic and social priorities, and national development strategies.

The national ecosystems framework is rooted in the fact that some countries have some elements of the capacity and institutional arrangements—or national ecosystems—needed to be engaged in SSTRC effectively, while most lack these elements. The uneven development in member countries’ capacities and institutional arrangements for SSTRC causes the following shortcomings:

- i. Member countries themselves miss out on opportunities to benefit from SSTRC initiatives that can help them tackle development challenges by cooperating with other member countries and the Global South;
- ii. The technical expertise that exists within member countries which can help raise the profile of the country internationally and potentially be of benefit to other member countries, cannot be tapped into because of a lack of capacity in SSTRC;
- iii. The IsDB’s interventions on SSTRC are limited to countries that have the capacity to be engaged in and contribute to SSTRC. This means that the number of SSTRC projects (such

as Reverse Linkage projects, expert exchanges, etc.) that can be facilitated among member countries is limited, and does not reach its full potential;

- iv. The potential to mobilise additional funding from other development partners is reduced when only a few member countries have the capacity to be engaged in SSTRC.

To address these issues and to operationalise the national ecosystems for SSTRC framework, the Bank also formulated a “Capacity-Development Programme for Enhancing National Ecosystems for SSTRC”. The aim of the programme is to support member countries to fully benefit from the SSTRC modality and use it as one of the key instruments to achieve their national development objectives as well as contribute to the 2030 Agenda. More specifically, the proposed programme aims at assisting member countries in developing their national ecosystems for SSTRC in order to enable them to meaningfully engage in SSTRC interventions at national, regional and global levels.

The programme focuses on developing the capacity of member countries on the pillars of the SSTRC national ecosystem framework. Depending on the national context, the interventions in each country may target all pillars of the national ecosystem in its entirety or only focus on some of the selected pillars. The scope of interventions for each beneficiary country is determined based on the initial capacity assessment and must be endorsed by national authorities.

Looking ahead, it is vital that countries invest in strengthening their national ecosystems to support triangular cooperation. Investing in the seven pillars can provide high-level political support for the modality and help ensure that SSTRC is deployed strategically in support of national and international development priorities. Such investment can also help ensure that triangular cooperation draws on the full wealth of expertise within a country, leverages all partners resources and has a high impact (OECD, 2023).

Establishing an SSTRC ecosystem entails two clusters of interventions: carrying out activities that establish the system itself (such as enhancing the capacity of an SSTRC agency, building information bases, and training SSTRC actors) and undertaking specific SSTRC transactions between the country concerned and other countries (OECD, 2023).

The BRICS and the New Development Bank

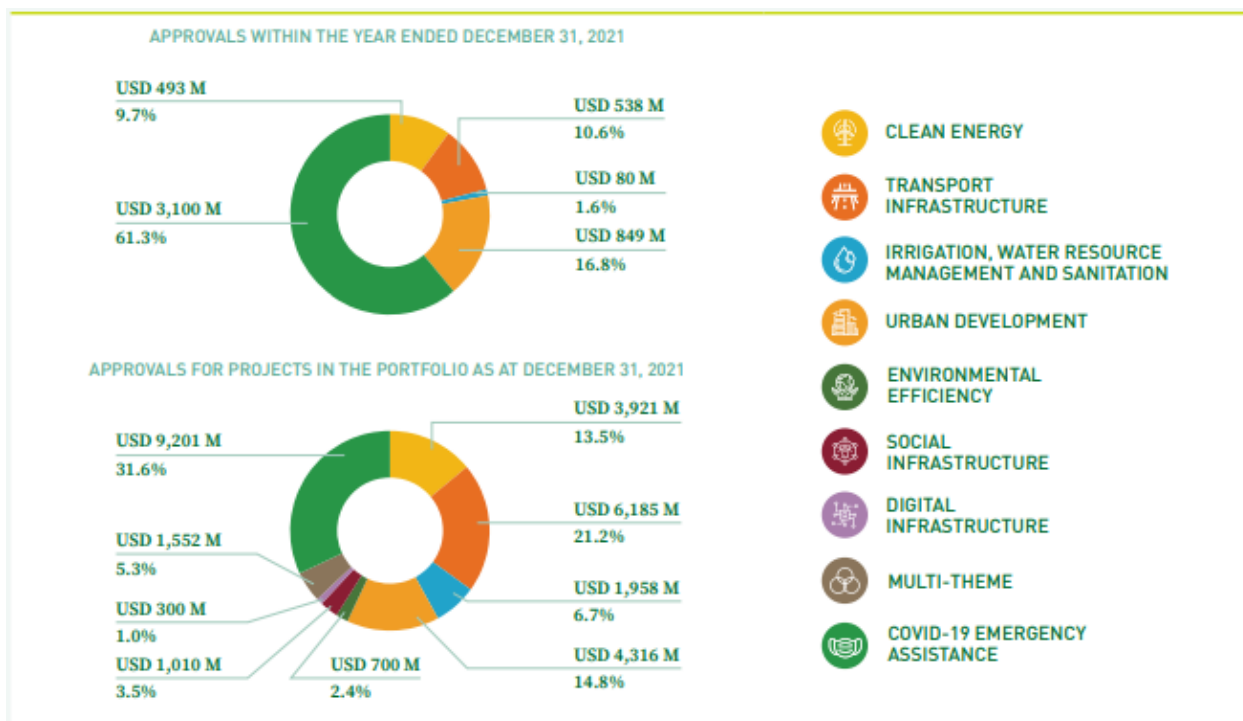
Contributions by regional and multilateral financing institutions, organisations and traditional donor countries not only support the achievement of the objectives set out in national SSTRC strategies, but could also serve as means to maintain the momentum of such initiatives (South Centre and IsDB, 2021). Since its inception, the BRICS has served as a mechanism of cooperation towards increasing the global economic growth and multilateralism.

The BRICS countries have consistently strengthened and refined their intergovernmental cooperation mechanisms, centred around summits, supported by ministerial meetings, and supplemented by workshops, forums, and other platforms (CGTN 2023). The strengthening of BRICS' mechanisms has the potential to significantly enhance SSTRC by leveraging their collective resources, expertise, and influence to address common challenges and promote sustainable development. In particular, the last BRICS' Declaration reemphasised their commitment for the promotion of cooperation under the pillars of political and security, economic and financial, and cultural and people-to-people cooperation and to enhancing strategic partnerships for the promotion of peace, a more representative, fairer international order, a reinvigorated and reformed multilateral system, sustainable development and inclusive growth (BRICS 2023).

Together, the BRICS countries comprise almost 40 percent of the world's population and more than 25 percent of global GDP, which has enhanced their cooperation as a platform for states to collaborate collectively on political, economic and social issues. The expansion of the BRICS to include Saudi Arabia, Iran, Ethiopia, Egypt, Argentina and the United Arab Emirates will strengthen their role in the current world order and promote a rules-based international system based on the principles of sovereignty and multilateralism.

The BRICS countries established the New Development Bank (NDB) as a mechanism for supporting infrastructure and sustainable development projects in emerging economies and developing countries. The operations of the NDB have expanded since its establishment in 2016 to cover a wide range of areas, including clean energy, transport infrastructure, environmental efficiency, COVID-19 response, among others (see Figure 7).

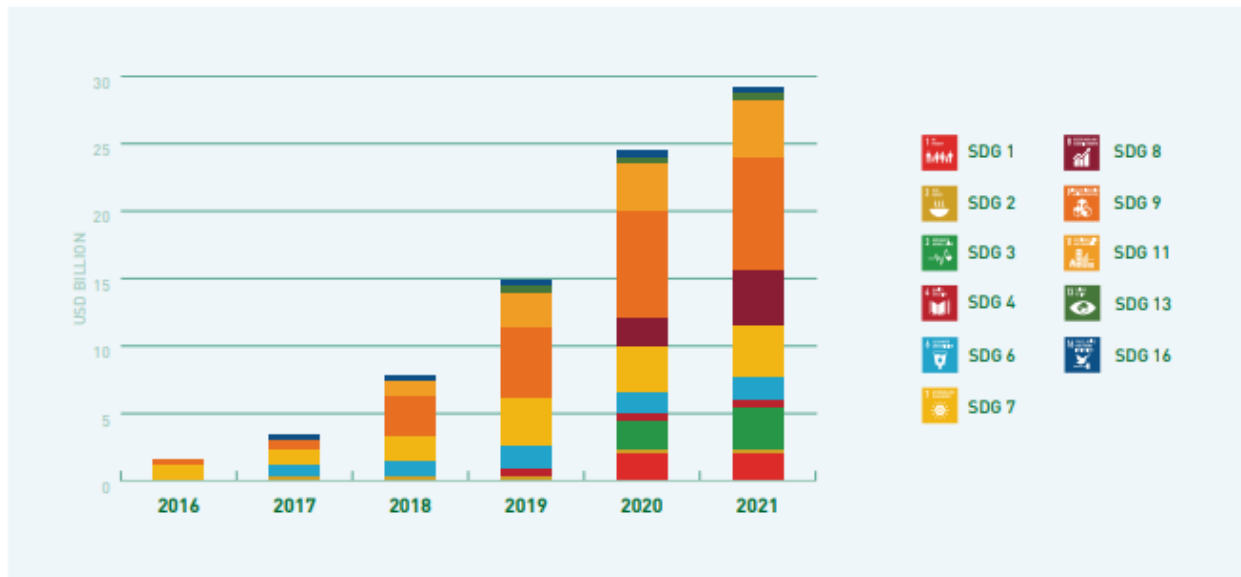
Figure 7. Approvals by area of operation



Source: New Development Bank (2021)

By 2021, the NDB had cumulatively approved USD 30.7 billion for 82 projects primarily contributing to the progress of its member countries in the achievement of the SDGs (see Figure 8). According to the NDB, “the largest share (28.3%) of the Bank’s portfolio was primarily aligned with SDG 9 on Industry, Innovation and Infrastructure, followed by SDG 11 on Sustainable Cities and Communities (14.8%), SDG 8 on Decent Work and Economic Growth (14.1%), SDG 7 on Affordable and Clean Energy (13.5%) and SDG 3 on Good Health and Well-being (10.6%). The sharp rise in financing towards SDG 8, SDG 3 and SDG 1 on No Poverty over the past two years was driven by the approval of COVID-19 emergency programme loans allocated to economic recovery efforts, healthcare responses and social safety programmes”.

Figure 8. Evolution of the NDB’s portfolio by SDG alignment



Source: New Development Bank (2021)

Similarly, the BRICS has developed new institutional innovations towards facilitating financing options of member countries. The Contingent Reserve Arrangement (CRA) has been established as a mechanism for providing support through additional liquidity to the BRICS countries during times of economic crisis. Currently, the CRA virtual pool reserves amount to US\$100 billion. According to the Treaty for the Establishment of the CRA, China will avail US\$41 billion, Brazil, Russia and India will avail US\$18 billion each and South Africa US\$5 billion.

Conclusions

The new trends of institutional formalisation for SSTRC in developing countries are encouraging. More developing countries have given greater importance to identify their potentials to provide assistance to other developing countries with emphasis on the principles of horizontality and mutual benefits.

The important support provided by regional and other development banks like the IsDB to institutional building in developing countries have played a catalyst and supporting role in building institutional capacity in the Southern countries.

However, owing to the difference of development stages between developing and developed countries, the massive gap of development financing for developing countries, SSC very often does not involve financial transfer and has been mainly concentrated in the exchange of knowledge, expertise, capacity building and humanitarian aid. It is therefore important to emphasise that SSC is a complement and not a substitute for North-South cooperation. Greater international efforts are needed to mobilise financial support to assist the developing countries in addressing the current multiple challenges they are facing.

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V. South-South and Triangular Cooperation and Climate Change

It is without doubt that South-South cooperation has experienced unprecedented growth over the last two decades, stepping up to address growing developmental challenges in the Global South. It presents a multilateral platform for the developing countries with somewhat similar historical, economic and socio-political experiences to interact, address and harmonise positions and exchange ideas and technical know-how required in their engagements in international relations. There have been, today, concerted efforts to situate SSTRC activities with the Paris Agreement under the auspices of the United Nations Framework Convention on Climate Change (UNFCCC), and the United Nations 2030 Agenda for Sustainable Development Goals. This is premised on the argument that the SSTRC framework is in tandem with that of the UNFCCC and SDGs of achieving a prosperous, sustainable development without endangering the planetary system (Moritz & Alexander, 2021). The indisputable evidence of the inability of Southern countries to independently mitigate the impact of climate change is impeding their ability to achieve food security with ripple effects for millions of people that largely depend on resources for live sustenance (Nohiomoto & Nuttall, nd).

The urgent quest for changing the way humanity lives, and its disposition towards the ecosystem on which life depends has been more profound by the array of challenges that characterise the period of intertwined effects of climate change, the loss of biodiversity, the depletion of the environment, and recently COVID-19 (Zender, 2021). Thus, it has become necessary to intensify interest in the achievement of transformative approaches to tackle the intractable crises in order to forestall any setback in realising the 2030 SDGs.

Understanding the challenges faced by Southern countries to individually address the impact of climate change, Mariella (2017) argued that the SDGs have been framed in such a manner that resonates with the ambitions of the global community for development. SDG 17, in particular, stresses the strength in international partnerships for sustainable development and rolls out the procedures needed for the execution of a successful development plan. Central to SDG 17, argued by Mariella, beyond the role of ODA, is the recognition of the salient contribution of other means of implementation to realise other goals, such as trade, capacity building, finance, technology and systemic issues. South-South cooperation, thus, represents an important tool for the realisation of the SDG 17 agenda.

It is against this backdrop that this paper sets out to examine what SSTRC offers as opportunities to assist developing nations in achieving their climate change priorities and documents the critical trends and good practices as well as obstacles to and facilitators of the programme of action. Key to footnoting the nexus between SDGs and climate change priorities within SSTRC is the place of monitoring and evaluation which this study hopes to capture.

A. Climate change: Understanding the role of SSTRC in the attainment of SDGs

The fallout of the unequal North-South relations in the spectrums of international political and economic relations informed the solidarity between and among the nations of the Global South. SSC offers the developing nations an escape route from the perceived marginalisation and unequal terms of trade that featured the dominant North-led Bretton Woods institutions. This was manifested in the creation of the Non-Aligned Movement (NAM) during the peak of the West-East rivalry which later came to be referred to as the South-South cooperation.

SSC is governed by a set of agreed principles supported by the United Nations. It is reflected in a triangular cooperation, premised on the South-driven partnerships between two or more Southern countries, and financed by one or more countries or multilateral organisations (OECD, 2018). The SSC partnership is a process, and it evolves around the dynamic nature of the international system.

Today's international relations have seen concerted efforts towards the achievement of development that is sustainable. In other words, the ambitious SDGs are largely hinged on climate change action. The Paris Agreement, in particular, has stressed the nexus between carbon reduction and the acceleration of climate resilience in the quest to achieve a sustainable future. The Paris Agreement, therefore, symbolises an important milestone in the quest to secure the planetary system from damage.

The Paris Agreement relies upon the UNFCCC and opens the door for partnerships between and among states for vital financial flows, access to technology and knowledge sharing, therefore, aiding action by developing and vulnerable states with respect to their own national objectives. Its implementation is of great relevance to the realisation of the SDGs. The implementation of the Paris Agreement spanned through the mobilisation of resources, sound policy frameworks at the national, regional and international levels, and enhanced collaboration. Partnership is thus key to implementing the Paris Agreement, which, in turn, would strengthen the NDCs and the realisation of the SDGs.

This scenario brings in the importance of the role of SSC in the deployment of climate-resilient tools to achieve the SDGs through collaboration and partnerships. The changing nature of development, framed in the preservation of the environmental beauty has refocused the programme of action of SSC. The provision of SDG 17 on the importance of global partnership for sustainable development mirrors the activities of SSTRC on the mutual access by developing nations to technology and science innovation, knowledge sharing, and capacity building. Succinctly, Article 9.2 of the Paris Agreement alluded to SSC as a vehicle for providing support for developing countries in financial resource mobilisation necessary for both mitigation and adaptation (UN, 2015a).

A finding by the New Climate Institute (2018) on the nexus between climate action priorities of countries that are parties to the Paris Agreement and the SDGs, revealed a number of specific connections between climate action and SDG targets. A similar report by the United Nations Executive Office of the Secretary-General and the UNFCCC Secretariat documents that many

Southern countries have their NDCs linked to many of the 17 SDGs. The import from the report is that zero hunger (SDG 2), for instance, requires a climate-friendly agriculture; the achievement of SDG 9 hinges on the advancement in production processes and the development of low-emission infrastructure, among others.

The African continent is adjudged to be the most vulnerable to severe effects of climate change, especially in the areas of food security, livelihoods and health (the Intergovernmental Panel on Climate Change [IPCC] 2014a). Climate change poses an obstacle to economic development in the continent. Achieving the SDGs in Africa comes with an intentioned crusade on climate change. While African states have enough prospects to achieve clean, effective, low-emission technologies and practices, this comes with a great deal of deploying less fossil fuel-dependent infrastructure that the advanced countries are currently locked in (IPCC, 2014b).

China, a leading Southern country, has been since 2008 engaging Africa on different targeted priorities which include actions on addressing climate change. Through its two white papers on foreign aid, China has entered bilateral agreements with many African states with a view to building climate-friendly economies. It also executed projects on “bioenergy with Guinea, Sudan, and Tunisia; on solar and wind power with Ethiopia, Morocco and South Africa; and on capacity building on low-emission industrial development and energy policies, water resources management and conservation, forestry, desertification prevention and control, early warning systems, and satellite weather monitoring in many African countries” (IOSC 2014). These are done in the spirit of SSC that devoid of any stringent conditionality similar to the previous NSC.

Another feat is being seen in the Pacific and Caribbean Small Islands Developing States Network on Climate Change Adaptation and Disaster Risk Management. Its goal is to establish viable solutions and best practices to address climate change, and natural disasters through comparing experiences, and information exchanges (Deborah & Dauvergne, 2013). The Sustainable Tourism, Sustainable Agriculture, Biodiversity Conservation, and Energy Efficiency partnerships between Benin, Bhutan and Costa Rica is worth mentioning. These partnerships depict the international outlook of South-South cooperation to mitigate climate and realise SDG targets.

The forgoing clearly shows that South-South cooperation is an important mechanism for supporting these efforts. The United Nations has stressed the contributions of South-South cooperation to facilitating intergovernmental processes and is very key in the execution of the 2030 Agenda and the Paris Agreement. More so, South-South cooperation is seen to be complementary to North-South cooperation by the Sendai Framework for Disaster Risk Reduction which was adopted in 2015 has proven to be potent in reducing disaster risk and recommends stronger cooperation in both areas (UNISDR 2015).

B. SSC stakeholders and their contributions to climate change

During the FOCAC Summit in 2012, the former United Nations Secretary-General, Ban Ki-Moon, stressed that “South-South cooperation must be built on as a strategic platform of collective dialogue and for green economy solutions” (FOCAC, 2012). In the spirit of this collective effort, major stakeholders have been making significant efforts to strengthen climate actions in the Global South. To explore some of these efforts, this section dives into the contributions of some key stakeholders working to address climate change in the Global South under the auspices of SSTRC. This section will beam its searchlight on two major stakeholders – including China and the BRICS.

China

Undoubtedly, China’s influence in the international community has increased significantly in the past decades. Since the era of Deng Xiaoping’s “reform and opening-up” policy in 1978, China has overwhelmingly embraced globalisation, accessing socio-political and economic opportunities in the international arena and opening its borders to foreign partners. With President Xi Jinping’s ambition of fulfilling the “Chinese dream”, Beijing is using the platform of the Belt and Road Initiative (BRI) to engage multiple foreign actors in trade, commerce, technology, diplomacy, among others (Feng, 2016). As the world’s second-largest economy, China is also significantly contributing to the global common good – stepping up to address several global challenges – such as pandemics and climate change (Silver, 2022). This is evident in Beijing’s leadership role during the peak of the COVID-19 pandemic in 2020, providing technical assistance and PPE donations to many countries, including the United States.

Evidently, China has been playing a leading role in driving sustainable socio-economic development in the Global South. With its superior financial prowess and technical experience, China has been leading climate actions in the Global South, supporting developing countries to build a sustainable green economy and other adaptation efforts. This informed the reason why Khoday and Perch (2012) hinted that “emerging economies such as China are starting to show leadership in crafting new institutional frameworks for sustainable development in their own countries — models which can be of great benefit to partner countries around the world”.

In the recently concluded Forum on China-Africa Cooperation (FOCAC) in Dakar, green initiatives take the centre stage in all four key resolutions at the conference – including the Dakar Action Plan (2022-2024); the China-Africa Cooperation Vision 2035; the Sino-African Declaration on Climate Change, and the Declaration of the Eighth Ministerial Conference of FOCAC (Odogwu, 2021). In his keynote speech, President Xi pledges that China will undertake the Green Development Programme, where China will take on “10 development, environmental protection and climate action projects for Africa. Support the ‘Great Green Wall’ initiative and build in Africa centres of excellence low-carbon development and climate change adaptation” (FOCAC, 2021). Additionally, China pledges to open ‘Green Lanes’ that permit Africa’s agricultural products to export to China and to provide \$10 billion in trade finance to support African trade. This is also building on the previous climate actions Beijing has been implementing

in Africa, including building \$8.6 million agricultural research and technological centre in Mali (Assogba, 2012). This is in tandem with the agreement in the 2018 Beijing FOCAC Summit where “the two sides (agreed) to establish a China-Africa Research Centre for the Development of Green Agriculture, and actively advance cooperation between Chinese and African agribusinesses and social organisations. The two sides will undertake wide-ranging activities such as investment promotion, technical exchanges, joint research, and the strengthening of extension services”. Equally, China’s Export-Import Bank is the largest financier of renewable energy projects in Africa, financing over 60% of the green energy projects in the continent (Lema et al, 2020).

In September 2020, President Xi announced China’s plan to reduce CO₂ emissions before 2030 and achieve carbon neutrality by 2060 (IEA, 2021). This ambitious move has not only spurred rapid green initiatives within China, but has equally driven the greening of Beijing’s BRI project. In 2019, China, in partnership with the United Nations Environmental Programme (UNEP) launched the Belt and Road Initiative International Green Development Coalition (BRIGC) – a coalition that aims to integrate environmental sustainability, international standards and best practices to the key areas of Beijing’s BRI projects (UNEP, undated). On the flip side, we have also seen China’s growing efforts to step up green initiatives in South-East Asia. During the recent China-ASEAN Summit in 2021, Beijing announced a new Action Plan on China-ASEAN Green Agriculture and pledged to significantly increase its investments in green projects in the region (DW, 2021). The China-ASEAN Environmental Cooperation Centre based in Beijing is another positive gesture showing China’s efforts in embracing green economy opportunities in driving South-South cooperation.

From the above analysis, it is evident that China is not only playing a leading role in driving climate actions in the Global South, but it is also a major key player driving SSTRC efforts in addressing climate change.

BRICS

BRICS (Brazil, Russia, India, China and South Africa) represents a bloc of five major emerging economies of the Global South, which possess a significant influence on global affairs. With these five countries belonging to the Global South, BRICS has made notable efforts in promoting SDGs in general and climate actions in specific. Housing 41% of the global population and 24% of global GDP, BRICS remains an important bloc in addressing the Global South developmental challenges, including climate change (Raghuramapatruni, 2021).

Earlier in 2017, BRICS adopted the “BRICS Leaders’ Xiamen Declaration” – a statement that reaffirms the bloc’s commitment to implement the 2030 Agenda for sustainable development, as well as commit to addressing climate change and expanding green financing in the Global South (IISD, 2017). In this summit, the bloc further agreed that “to take concrete actions to advance result-oriented cooperation in such areas as prevention of air and water pollution, waste management and biodiversity conservation”. With the Paris Agreement at the centre of climate

action, the BRICS bloc has made a notable commitment to implement the agreement and strengthen cooperation in key priority areas of food security. The recent joint statement by the bloc further reiterated its commitments to deploying both national and joint efforts to implement “the objectives, principles of the UNFCCC and the Paris Agreement” (MOFA, 2022).

In the area of financing, the BRICS Development Bank (also known as the New Development Bank) has committed to contributing to climate financing in the Global South. In 2021, the NDB contributed \$200 million to a “sustainable finance project” in Brazil – a project expected to promote sustainable agriculture in Brazil and promote climate adaptation and mitigation actions (NDB, 2021).

While there is still need for more climate actions in the Global South, the BRICS bloc and its members are taking leadership roles in championing green initiatives in the region. Despite setbacks from the developed countries in failure to provide technical support, the BRICS countries are defying all odds to promote the 2030 Agenda for sustainable development and climate change in the Global South, under the auspices of South-South cooperation.

C. Challenges of SSC in addressing SDG indicators

Finance to mitigate the effect of climate change has been central to South-South engagements in the realisation of the SDG agenda and adaptation to climate change. However, fewer countries have been seen to be more committed to the South-South financial actions on climate (Deborah & Dauvergne, 2013). While many developing countries jostle to interact at the multilateral platform to provide solutions, only few possess the capacity to sustain the actual South-South cooperation financial commitment. Although countries such as China, Brazil and India have come to be seen as donors and resource providers, having enough funds to invest and possess resilient tools for adaptation and mitigation, financing has been a bane to SSC as a mechanism for cooperation to mitigate the impact of climate at the general level.

The same goes for the technical dimension to the SSC activities. Technical cooperation remains one of the viable tools for enhancing South-South partnerships through knowledge exchanges, and joining forces to address common problems, the cost of developing best practices in this domain has been profoundly minimal. Since SSC is projected to be a departure from the age-long Northern aid, premised on conditionalities, and top-down approach, it has been difficult to see many states from the South filling the gap left by the Northern states. This usually makes SSC engagements to be filled with a diverse array of modalities of support, implementing methodologies and outcomes.

The consequence of narrow financial donors and the technical difficulties has led to debates on the real ownership of SSC. The political dimension of these issues has been more complex with the SSC providers now profusely exerting much influence on how development is planned and implemented. SSC providers are currently at loggerheads with the affluent traditional donors on the status of evaluation systems and approaches to be deployed; arguing that they should be related

to as complementary. Their fuss emanates from the fact that NSC evaluation systems do not factor in the real differences that exist between the traditional Northern donors and the new emerging Southern donors (Bracho, 2017).

D. Exploring monitoring and evaluation of SSC efforts on climate change

Monitoring and Evaluation (M&E) is an integral aspect of any development project. Ranging from poverty eradication to food security, from preventing violent extremism to climate change; M&E is an essential part of any impact-driven programme. Beyond revealing the challenges and mistakes of any development project, M&E equally unravels the impact of any project (UN Women, undated). This informed the reason why programme development experts deliberately point out necessary indicators for monitoring any programme, at every design stage. This helps programme managers measure the progress made and the impacts of the programme.

As highlighted in the previous section, SSTRC – as a body of developing countries of the Global South – is yet to have any standardised or country-led M&E framework for its climate adaptation or mitigation actions. As at the time of filing this report, there is yet to be any standardised framework for measuring the impacts of any SSTRC contribution on climate change. This is not only disheartening, but it also shows there is a great deal of work that needs to be done by SSTRC thinkers in order to drive effective climate action in the Global South.

Conclusion

Undoubtedly, SSTRC has become a formidable force in the global governance structure. With the unwavering efforts of some member states, SSTRC is working to address the endemic development challenges in the Global South. Specifically, SSTRC stakeholders – such as China, BRICS, the Asian Development Bank – have been driving climate actions in several parts of the Global South region. Some of these actions include climate finance, green economy, green skills, technical cooperation, among others. Despite all these promising efforts, scholars and policy analysts have identified the absence of any standardised or country-led M&E framework as the major gap in SSTRC efforts toward promoting SDGs and climate actions in the Global South. Notably, the lack of a country-led M&E framework has made it extremely difficult to measure the outcomes and impacts of SSTRC climate actions.

To further improve the quality of climate actions in the Global South, developing states must develop their own M&E framework that considers their national peculiarities. Additionally, thinkers from the Global South states must meet periodically to evaluate SSTRC climate actions and review the validity of their M&E indicators and dimensions. None of these recommendations will be possible without stern commitment from member states of SSTRC to promote SDGs and climate actions. Overall, SSTRC is a global platform that requires member states to actively

contribute their own quotas to function effectively. Every member state and non-state actor has a role to play in the overall stability of the Global South.

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VI. Ibero-American South-South and Triangular Cooperation in Food and Nutritional Security²

The aim of this paper is to analyze the characteristics of South-South and Triangular Cooperation (hereinafter SSC and TC) in Ibero-America on Food and Nutritional Security (hereinafter FNS). It is expected that this paper can be an input to design new SSC and TC initiatives that can address various aspects of FNS and that it can contribute to strengthen national and local public policies in Ibero-American countries or in other developing countries facing similar challenges; as well as achieving greater alignment with the SDGs and the Sustainable Development Agenda.

The analysis consists of three parts. The first part reviews general aspects of FSN in Ibero-America and provides elements on its approach within the Ibero-American Conference, in particular regarding the *Critical Path for Inclusive and Sustainable Food Security in Ibero-America*. The second studies Ibero-American SSC and TC initiatives on FNS carried out between 2015 and 2021, with a focus on their evolution, specific topics and partner countries. It also details the methodology used and shares concrete examples to illustrate the analysis. Finally, the third part takes up the findings in the light of the region's political commitments and reflects on how SSC and TC contribute to these objectives.

1. Food and Nutritional Security in the Ibero-American Region

1.1. Current situation

The prevalence of hunger and poverty in the Latin-American and Caribbean region is a priority challenge on the regional development agenda. According to the recent report from the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the Pan American Health Organization (PAO) "*Regional Overview of Food Security and Nutrition – Latin America and the Caribbean 2022*", 22.5% of people living in this region do not have enough means to access a healthy diet. In the Caribbean, 52% of the population has been affected by this situation; in Meso-America, this number reaches 27.8% and, in South-America, it climbs to 18.4% (FAO et al., 2023, p.35).

These figures are related to one of the major concerns at the global level and of the 2030 Agenda: Food and Nutritional Security. This means that all people should have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life (FAO, 1996). Difficulties in achieving this end occur at different stages

² María Dutto and Natalia Vargas, Area of Social Cohesion and South-South Cooperation, Ibero-American General Secretariat (SEGIB by its Spanish acronym)

of the food supply chain (primary stage, processing/distribution stage, retail stage and consumption stage); hence, addressing them requires a multidimensional and integrated approach.

The Latin-America and the Caribbean (LAC) region is composed of economies which are strongly specialized in the production of primary goods: hydrocarbons and food. However, as the aforementioned UN report states, the region has the highest costs in terms of healthy diets, prevalence of hunger and malnutrition, and the greatest impact on vulnerable populations ([FAO et al., 2023, p. IX](#)).

Intense efforts are being made, at the national and local levels, to address this complexity. At the global level, different mechanisms and institutions are providing financial and technical resources to reduce these gaps. International cooperation in general, and SSC and TC in particular, can be an effective instrument to address the challenges related to FNS, since countries have wide experience in the agricultural sector, as will be seen below.

1.2. The Ibero-American Conference in relation to FNC

The Ibero-American Conference is an official space for political agreement and cooperation. It holds the Ibero-American Summits of Heads of State and Government since 1991, high-level political meetings that set out a series of actions that guide the collective efforts to respond to the regional challenges.

For instance, a framework for joint work on environment, food security and digital rights was recently approved at the XXVIII Ibero-American Summit held in the Dominican Republic in 2023 “*Together for a just and sustainable Ibero-America*”, as well as the Action Programs with the strategies to achieve these commitments. In terms of FNS, the *Critical Path for Inclusive and Sustainable Food Security in Ibero-America* ([SEGIB, 2023a](#)) was approved in this framework, which proposes urgent actions in the following areas:

- a) Strengthen trade and the development of resilient supply chains: trade is low within the region.
- b) Consolidate family farming (hereinafter FF): it represents nearly 81% of agricultural production units and generates between 57% and 77% of agricultural employment in the region ([FAO and Parlatino, 2017, p. 11](#)).
- c) Expand and promote access to financing to transform agrifood systems: the modernization of agrifood systems will not be possible without investment and financing.
- d) Strengthen rural digital infrastructure for innovation and knowledge management: technology and innovation will enable increased yields, improved efficiency of water and other supplies, and making business decisions.

The above reveals the priorities and specific areas of work on which Ibero-America will be focusing in the coming years and it also becomes a response to several transnational dynamics that

call for a joint and decisive solution: the post-pandemic situation, the war against Ukraine, inflation, food wastage and climate change (XI Ibero-American Conference of Ministers of Agriculture). Therefore, the *Critical Path* is a very valuable instrument to foster dialogue and political agreement on this issue in the region and at the highest level.

2. FNS in the framework of SSC and TC in Ibero-America

2.1. Methodological aspects of the analysis

This analysis is based on data available in the Ibero-American Integrated Data System on South-South and Triangular Cooperation (SIDICSS by its Spanish acronym). This System, launched in 2015, collects information on SSC and TC initiatives which are annually registered by the 22 Ibero-American countries, and it is managed by both the Ibero-American General Secretariat (SEGIB by its Spanish acronym) and the Ibero-American Program for the Strengthening of South-South Cooperation (PIFCSS by its Spanish acronym).

In SIDICSS, countries report all SSC and TC in which they participate, regardless of their role (provider and/or recipient). Due to regional agreement, three modalities are registered: Bilateral SSC, Regional SSC and TC, and only official institutions are included; i.e. governments (at different levels) and multilateral agencies. The unit of registration is the initiative (program, project or action) and the financial aspect is one more (optional) in the set of data of interest. It is worth noting that the methodological construction process that has enabled this regional systematization—and which stands out as an example at the global scenario— has been coordinated at two levels: technical and political, by consensus among the 22 Ibero-American countries.

Given that data registered in SIDICSS does not include a specific marker on FNS, it was decided to make a first broad filter with the initiatives that could be related to this topic, based on other available information such as the associated sectors (*Agriculture and livestock* and *Fisheries*); the main SDG (SDG 2 No poverty); as well as certain keywords selected from the literature review on the topic and adapted to the regional context (a total of 113 words in Spanish and Portuguese, official languages of the Ibero-American space).

Nine hundred and sixty-nine (969) initiatives were identified over a total of 3,940 being implemented between 2015 (coinciding with the approval of the 2030 Agenda) and 2021 (latest available data). This was followed by a manual review to check whether these initiatives explicitly contributed to FNS and classify them. This review resulted in 726 initiatives.

The classification was based on the four pillars of FNS provided by the FAO (availability; stability; access and control; and consumption and biological utilization) and on the types of policies to support income and promote healthy diets among the most vulnerable populations (FAO et al., 2023, p. X): (1) producer-oriented policies; (2) market and trade-oriented policies; and (3)

consumer-oriented policies. Stability was understood as cross-cutting to the three main categories that were chosen: Production, Distribution and Consumption, which cover the entire food cycle.

Production includes primary production (mainly agriculture and livestock, aquaculture and fisheries) and the food industry, and is directly linked to the physical availability of food (FAO, 2011). Distribution connects the productive sector with consumers, and thus encompasses trade and logistics. Finally, consumption is directly related to food utilization (FAO, 2011).

Cooperation initiatives tend to be multidimensional; this is why, when classifying them, the emphasis was placed on the objective rather than on the means. For example, a project which objective is to improve agricultural production and the quality of life of producers, addressing issues such as seed quality, access to markets and the safety of the food produced, was classified under Production. However, some initiatives are focused on strengthening FNS without specifically concentrating on one of its aspects; others tackle rural development in a broad sense. Hence, the category "FNS in general" was created for these cases.

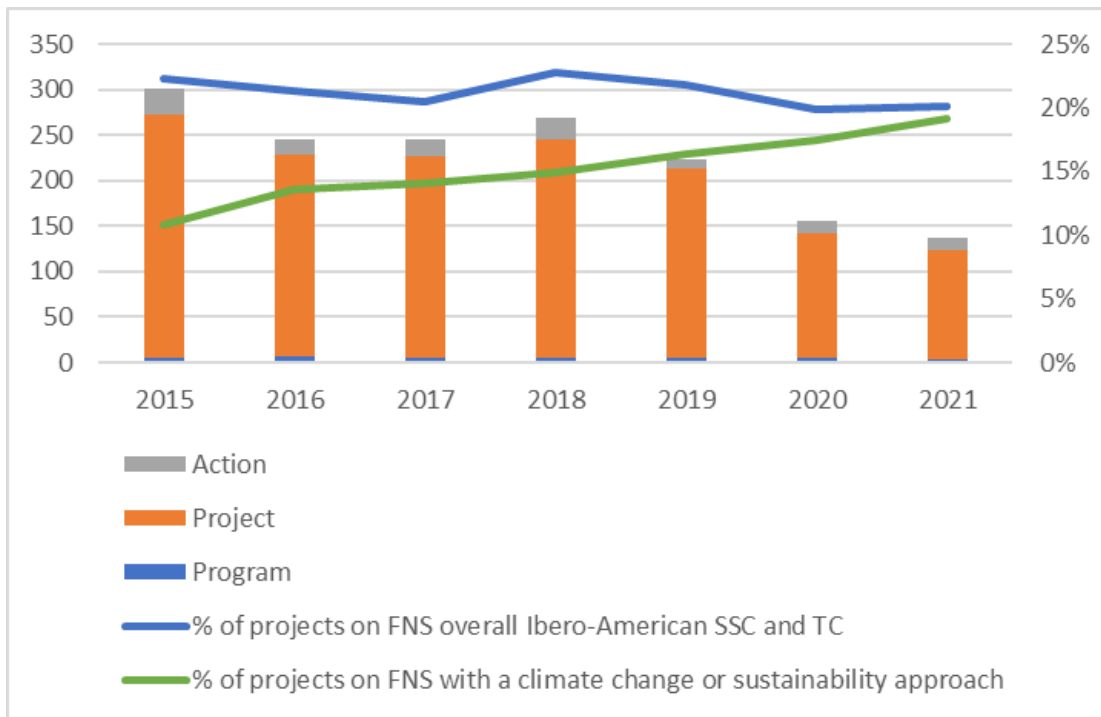
Finally, it should be noted that, due to the limitations of initiatives' descriptive information, figures are probably underestimated.

2.2. Main findings

The analysis resulted in 726 SSC and TC initiatives which objective is directly linked to FNS: 9 programs, 597 projects and 120 specific actions. More than 80% correspond to Bilateral SSC, projects being the most common instrument. Projects on FNS represent more than one-fifth (22.3%) of Ibero-American SSC and TC projects in the 2015-2021 period. Consistent with the region's characteristics, 72% of them are associated with the *Agriculture and livestock* and *Fisheries* sectors. Other 14 sectors have been identified though (for example *Industry, Health, etc.*), which confirms FNS is indeed a cross-cutting issue.

Graph 1 shows that, since 2015, SSC and TC initiatives on FNS have been declining, following the trend of all SSC and TC in Ibero-America (please refer to SEGIB, 2023b). However, the percentage of projects on FNS over the total number of projects remained almost stable throughout the period, at around 20%. In addition, the percentage of projects on FNS that explicitly have a climate change or sustainability approach has nearly doubled between 2015 and 2021, a trend that follows that of the *Environment* sector and that is in line with the sustainable development approach on which the 2030 Agenda focuses.

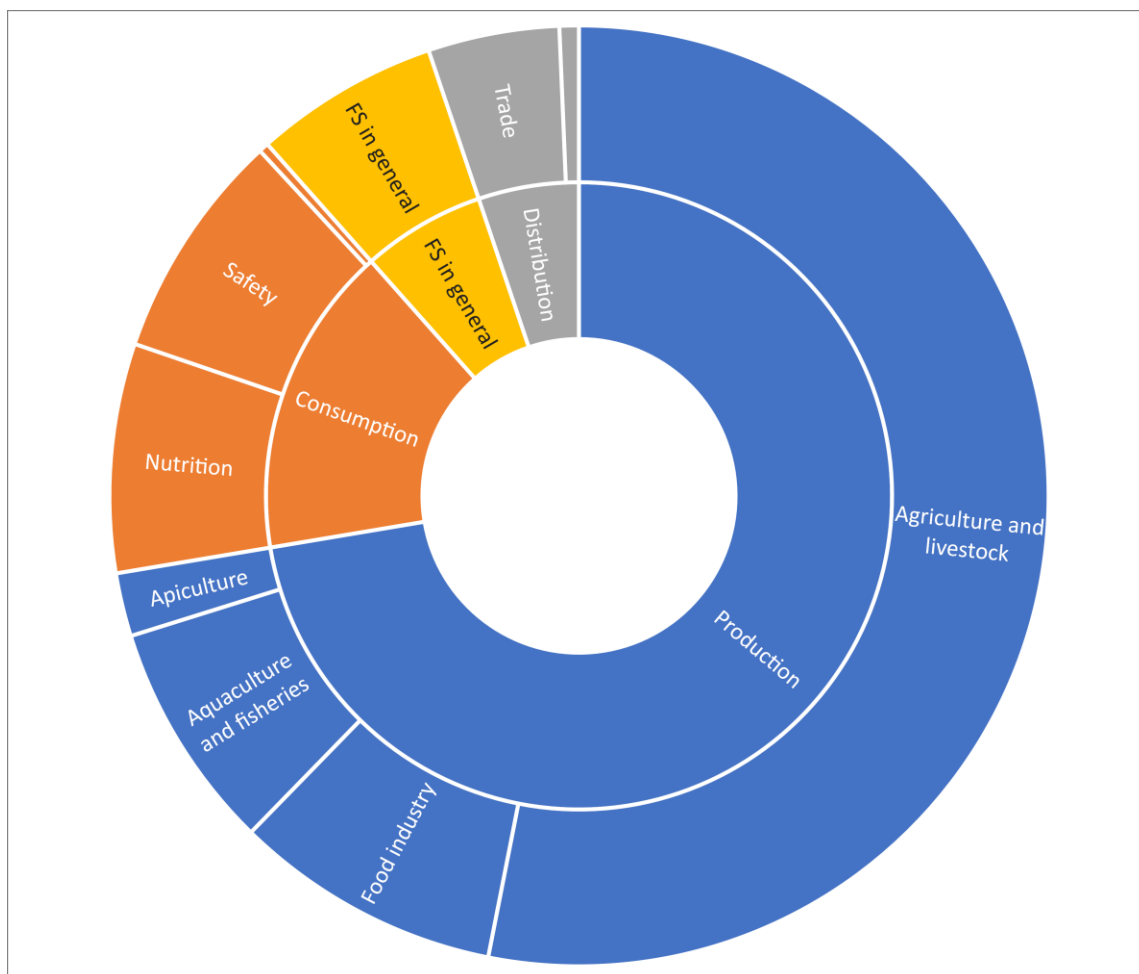
Graph 1. Evolution of Ibero-American SSC and TC initiatives on FNS by type of instrument, percentage of projects on FNS overall Ibero-American SSC and TC, and percentage of projects on FNS with a climate change or sustainability approach. 2015-2021 (In units and percentage)



Source: SEGIB based on Agencies and Directorates-General for Cooperation.

Regarding the different categories, as Graph II shows, 72% of SSC and TC projects on FNS in Ibero-America correspond to **Production**, and those associated with the Agriculture and livestock stand out (53% of projects on FNS), followed by those related to Food industry (9%), Aquaculture and fisheries (8%) and Apiculture (2%).

Graph 2. Ibero-American SSC and TC projects on FNS by category and subcategory. 2015-2021 (In percentages)



Source: SEGIB based on Agencies and Directorates-General for Cooperation.

Projects that support family and subsistence agriculture to improve productivity, competitiveness and small producers' capacities should be highlighted in Agriculture and livestock sectors. Initiatives that address the recovery of degraded soils, the development of silvopastoral systems, the efficient use of water for agricultural production and irrigation technology are also frequent. Projects related to animal and plant health, which reveal the great effort to strengthen the region's technical and scientific capacities for the integrated management of pests, livestock diseases and phyto and zoosanitary control, should also be mentioned. In addition, it should be noted that, in line with the sustainability approach, several projects are aimed at the use of biofertilizers and organic production. Finally, the genetic improvement of agricultural products and livestock stands out in terms of biotechnology, in order to increase productivity and resistance to adverse weather conditions, which are becoming increasingly common as a result of climate change.

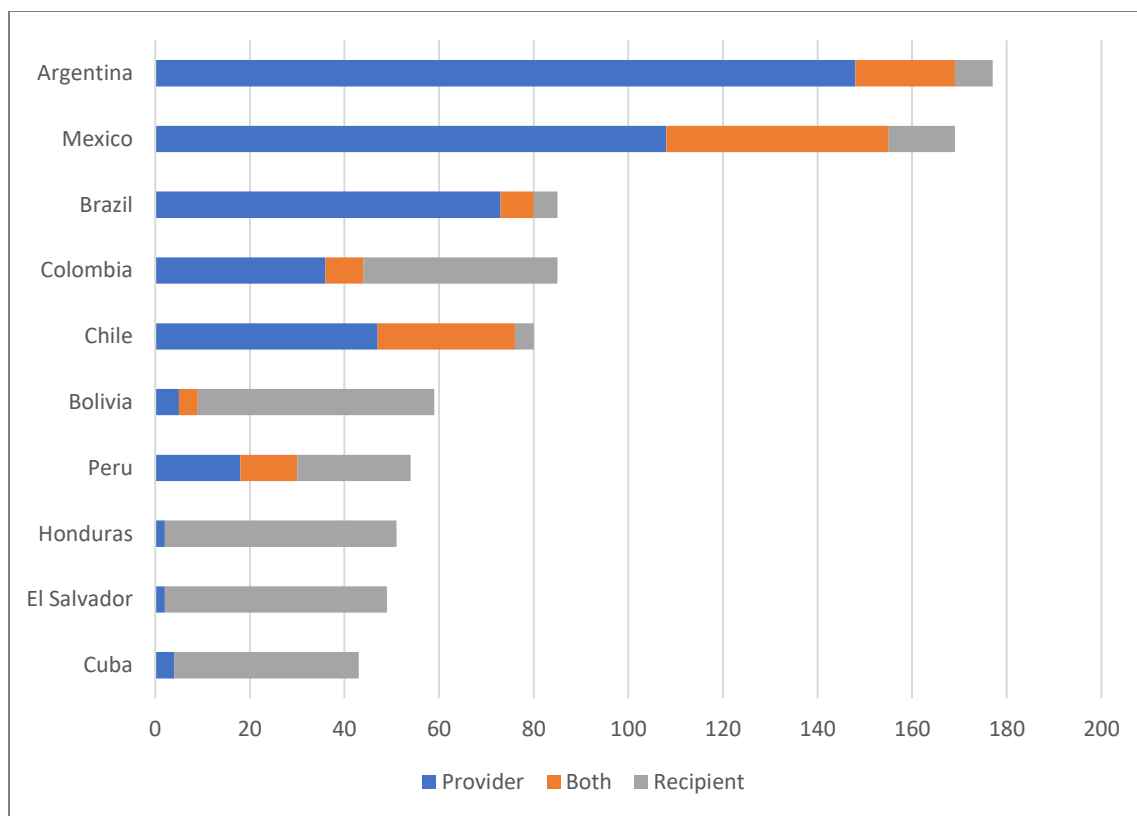
With respect to food industry, projects mainly focus on the dairy chain and the processing of products such as cocoa and coffee. Initiatives related to aquaculture and fisheries address sanitary aspects and the sustainable management of marine resources, among other issues.

On the other hand, 16% of the projects were categorized under **Consumption**, which is almost equally divided between Safety and Nutrition. The low percentage related to Food aid partially responds to the methodological decision not to include in the analysis those initiatives which focused on employment, which undoubtedly support food consumption, but not exclusively or explicitly. Projects related to Food safety address various aspects that are necessary to make food and water safe for human consumption. Among these topics, pesticide residues and microplastics, and the monitoring and prevention of health risks, should be highlighted. The Nutrition subcategory includes matters such as breastfeeding, nutritious food during childhood, obesity prevention, food labeling, etc.

The remaining initiatives are divided into **Distribution** (5%) and **FNS in general** (6%). Most of the projects associated with the former are trade-related, mainly focused on the facilitation of trade in agriculture and livestock, aquaculture and fishery products. On the other hand, those related to FNS in general address the different aspects of a comprehensive strategy on the subject (including hunger eradication) and are also related to rural development.

In addition, Graph 3 shows the most active countries in terms of Bilateral SSC and TC projects in Ibero-America on FNS (modalities in which partners' roles are clearly defined). The list is led by Argentina and Mexico with 177 and 169 projects, respectively. Both countries mainly participate as providers, or even in a dual role (as provider and recipient), the latter being more frequent in Mexico's case.

Graph 3. Most active countries in Ibero-American Bilateral SSC and TC projects on FNS by role
- 2015-2021 (in units)



Source: SEGIB based on Agencies and Directorates-General for Cooperation.

Argentina's commitment to provide knowledge and transfer experiences to other partners is related to long-standing institutional strengthening at the national level, for example, through the work of sectoral entities such as the National Institute of Agricultural Technology (INTA by its Spanish acronym). INTA is responsible for the sustainable development of the agriculture and livestock, agri-food and agro-industrial sectors through research and extension (INTA, 2023), and it has been implementing South-South and Triangular collaboration and support strategies with developing countries in Latin-America and the Caribbean and with other regions for more than a decade (Barreto and Torres, 2022, p. 10). According to the Institute, between 2010 and 2022, it has carried out 158 projects involving more than 450 missions that resulted in technical exchanges between more than 1,100 professionals (Barreto and Torres, 2022, p. 13).

Mexico, in turn, has shared its experience in FNS on a wide range of topics. An example of this is the Program “*Sembrando vida*”, which seeks to address rural problems - one of the causes of irregular migration - in a multidimensional manner (PNUD, 2022, p. 19). This Program has been carried out in El Salvador and Honduras, and will soon be replicated in Guatemala, Belize and Cuba. This initiative resulted in “*an improvement in areas that affect people’s quality of life, such as income and food, and in an increase in the development of technical knowledge for crop cultivation. The increase in both crop diversification and agricultural production is also noteworthy*” (PNUD, 2023).



Photo: Nicolle Rodríguez, beneficiary of *Sembrando vida*, shows a cabbage germination from her seedbed in the San Marcos Lempa canton, in the Salvadorean municipality of Jiquilisco, Usulután. Farmers and migrants working in the "dry corridor" were supported to improve their crops. Image bank on South-South and Triangular Cooperation in Ibero-America. SEGIB-PIFCSS. 2021.

Brazil, the fourth largest agricultural producer country in the world ([IFAD,2023](#)), also stands out for its contribution to regional FNS. It ranks third as Bilateral SSC and TC provider and, in addition to its active cooperation in terms of Production, it makes a special contribution to Nutrition and the reduction of neonatal mortality by transferring the experience of Human Milk Banks. These banks supports the collection and distribution of human milk for premature or low birth weight babies who cannot be fed by their own mothers ([Brazilian Ministry of Health, 2023](#)). Two hundred and thirty-two (232) Human Milk Banks operate only in Brazil, generating a large amount of knowledge that this country has transferred to most Ibero-American countries and Portuguese-speaking countries such as Cape Verde, Angola and Mozambique ([Lisboa, V. 2019](#)). It is worth highlight that within the framework of the Millennium Development Goals (MDGs), between 1990 and 2015 Brazil managed to significantly reduce child mortality (from 61 in 1990 to 16 in 2015, a 73 per cent reduction) ([UNICEF et al., 2015, p.9](#)), partly thanks to this program.

Moreover, the triangular initiative *América Latina sem Fome 2025 (Latin-America without Hunger 2025)*, with Brazil as first provider and the FAO as second provider, deserves a special mention. The aim of this program is to contribute to FNS and overcome the poverty of the most vulnerable populations of the different recipient countries, favoring the reestablishment of conditions in the face of disasters or threats to their food and nutritional security ([FAO, 2023](#)).

Colombia, which participates in the same number of Bilateral SSC and TC projects on FNS as Brazil, is characterized by its strictly dual profile. For example, as provider, it was able to technically assist Paraguay in the creation of its National Food and Nutrition Survey, a key instrument to diagnose the nutritional status of a society and facilitate better targeting of public policies and budgets (University of Antioquia - UDEA by its Spanish acronym -, 2016). This Andean country, in turn, received training from its Guaraní counterpart to improve production capacities for beekeeping in the Department of Boyacá, known for its agricultural tradition.



Photo: Bilateral SSC project between Colombia and Paraguay through which products are generated from bee hatchlings, contributing to food security and the provision of natural medicine. Image bank on South-South and Triangular Cooperation in Ibero-America. SEGIB-PIFCSS. 2021.

On the other hand, Chile, which prioritized the roles of provider or “both” (provider and recipient), should be specifically highlighted for its cooperation in Aquaculture and fisheries; for example, through initiatives related to technological development, the management of hydrobiological resources, the prevention of illegal fishing and the development of a circular economy in aquaculture. Indeed, the Chilean experience is related to the fact that the country was, between 2003 and 2018, the eighth largest producer of fish in aquaculture in the world (FAO on ICEX, 2020, p. 3).

Finally, Bolivia, Peru, Honduras, El Salvador and Cuba were also very active Bilateral SSC and TC projects on FNS between 2015 and 2021, almost always as recipients, except in Peru’s case.

3. Final remarks

According to the analysis, several aspects included in the Critical Path for FNS in Ibero-America have also been addressed by the region's SSC and TC in recent years. This research also identifies a potential complementarity between regional and national efforts to tackle this challenge. For example, family farming has been one of the topics addressed by those initiatives implemented between 2015 and 2021 in the Agriculture and Livestock subcategory. This is precisely associated with Ibero-American countries' accumulated experience in supporting small-scale producers and local economies.

On the other hand, although Trade was not one of the most frequent subcategories, SSC and TC in this topic has emphasized key aspects for market access, such as animal and plant health (at least 12% of the projects). It is also worth mentioning that, during the analyzed period, 41 projects addressed agricultural biotechnology and 16 focused on the use of water resources in agriculture; these two topics being closely linked to technology and innovation in the sector, another of the Critical Path's axes.

However, access to financing for agrifood systems, also prioritized in the Path, is perhaps the least present in the analysis. This can be explained, to a large extent, by the fact that SSC and TC in Ibero-America is mainly associated with technical cooperation; i.e., it is focused on strengthening public policies through the exchange of knowledge and experience among partners.

Finally, in a context of climate change which, among other things, has reduced food security (IPPC, 2023: 6), it is good news that SSC and TC projects on FNS are increasingly explicitly incorporating the sustainability approach and climate change mitigation and adaptation (this increased from 11% in 2015 to 19% in 2021). Nonetheless, even considering the limitations of the textual analysis, much more can be done to improve this aspect to achieve a greater and more direct alignment with the 2030 Agenda for Sustainable Development.

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