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**ELEVENTH MEETING OF THE INTERGOVERNMENTAL FOLLOW-UP
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Havana, Cuba, 21-23 March 2005**

SOUTH-SOUTH COOPERATION: THE CHALLENGE OF IMPLEMENTATION

(Background policy paper submitted by the South Centre)

**OFFICE OF THE CHAIRMAN OF THE GROUP OF 77
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INADEQUATE IMPLEMENTATION AND FOLLOW-UP: THE KEY MISSING LINK

The lack of adequate implementation, systematic follow-up and institutional support has been one of the characteristic traits of South-South cooperation which made many ambitious plans of action and valuable and promising schemes and ideas remain largely on paper. One of the principal and continuing challenges for the developing countries remains how to make such implementation effective.

The need for a regular, periodic overview of South-South cooperation

If a question about the state of South-South cooperation were to be posed, an answer would be difficult to give, for an overview and assessment of such cooperation simply does not yet exist to the present day. This in itself is a strong indicator of the gap in implementation, for such a regular report had often been asked for and decisions taken that it should be prepared, including the request by the U.N. General Assembly in a resolution that it adopted in the early 1990s.

The absence of such a report and of regular monitoring and assessment of different forms of South-South cooperation, including trade, financial and investment flows, deprives the developing countries, and the international community in general, of an essential quantitative and qualitative tool for comparing experience, monitoring, assessing, promoting and improving such cooperation, and of an insight into its successes and progress, failures, obstacles and opportunities, and therefore its essential needs. Without such knowledge and awareness, it becomes difficult to know what is going on and where. The very notion of South-South cooperation becomes rather abstract and vague, and is therefore perceived as a number of discreet and unrelated activities taking place in isolation from each other and without a common thread linking them.

Preparation of such a regular global overview/report on the state of South-South cooperation appears as the most pressing first step for any systematic effort to promote and channel such cooperation South-wide, and in all the various domains where such cooperation can take place. The resulting empirical knowledge, the various indicators, and policy and practical insights would contribute greatly, and would represent an essential tool in the efforts to monitor, energize and promote South-South cooperation.

The task of preparing such an overview may appear simple at first sight. It is however complex and difficult in view of the multiplicity of categories of such cooperation, the number of actors involved, and the absence of a database and of regular collection and systematization of the relevant data and information by actors involved in such cooperation. A brief listing below is indicative of the different categories of such cooperation.

The many faces of South-South cooperation

The content of South-South cooperation is rich and diverse. It ranges from cooperation between developing countries in the world arena and in different international organizations, and on issues having to do with the fundamental policy matters of systemic character dealing

with the world order and multilateral regimes, to bilateral relations and exchanges between two neighbouring countries, to relations between economic enterprises or even individual citizens.

Thus, the action of the Group of 77 or of NAM in the U.N. and other international organizations, or of the Group of 24 in the MFIs, is probably the most important aspect of South-South cooperation in terms of policy significance and potential impact, and can be subjected to a number of criteria as concerns the follow-up given to the major conferences and their decisions on specific measures and actions to be taken.

Regional and subregional trade and integration agreements, as well as interregional agreements such as GSTP, represent another, increasingly important dimension of South-South cooperation, which result in tangible exchanges and quantifiable indicators.

Then, of course, there are many forms of bilateral cooperation among developing countries, including arrangements having to do with the common border, management of shared natural resources, cultural, information and educational exchanges, technical assistance, investment, transport, S&T cooperation, movement of natural persons, etc.

While governments play a central, and in many instances exclusive, role in most South-South arrangements, the non-governmental actors, including private and public business enterprises, also figure prominently in this domain, for example, in investment and joint production schemes.

The need for joint development of infrastructure, including communications, and power and transportation links, is another area with a growing potential for South-South cooperation.

The requirements for South-South cooperation

The six brief paragraphs above encompass a challenging and complex domain of activities that require a number of supporting elements to exist and flourish, and which in themselves often present important challenges and requirements.

A few of such requirements can be listed to illustrate: legal; institutional; financial; infrastructure; human resources; political commitment, including the mindset and orientation of country's leadership and of the general public. It is also important to stress the importance of a supportive and enabling international environment, which in many instances happens to be a critical and necessary condition for success.

Many of these requirements and often most of them need to be in place, especially in situations where South-South cooperation is starting from scratch, and where little or no previous ground for such cooperation existed. Very often they are not present, or are present in only patchy or inadequate way.

Thus, any in-depth analysis of various endeavours of South-South cooperation would indicate, in different degrees, among the requirements that are missing, or present to an inadequate degree, the following:

- institutions and institutional support for follow up, including those exclusively dedicated to South-South cooperation;
- adequate and regular financing and budgetary provisions;
- infrastructure, including roads, bridges, power lines, etc;
- those working on a sustained basis, including as a career, on South-South matters;
- administrative procedures and juridical arrangements;
- public commitment and awareness, and media support;
- committed and determined leadership;
- incentives and “affirmative opportunity” arrangements for start-up activities and links;
- habits and informal and formal networks, including professional ones;
- high priority among government policy objectives.

At the same time, among the impediments and obstacles are the following:

- North-oriented mind set and traditional vertical links with metropolises;
- mutual suspicions and rivalries, including between bigger and smaller states;
- lack of experience of working together and low-level administrative barriers;
- ignoring larger, shared interests, and pressing of exclusively national goals;
- low-level of awareness and inadequate knowledge concerning common problems and interests;
- opposition to and undermining of South-South cooperation from foreign and often domestic quarters;
- lack of support from the multilateral institutions and international community;
- petty politics, and lack of institutional experience and culture of working together, in particular in global mechanisms and instruments for South-South cooperation.

There is little new about the lacunae and obstacles to South-South cooperation listed above. These are well known and have been recognized for decades. The challenge on the whole is not just to recognize and talk about these, but to begin doing something specific to fill the lacunae and overcome the obstacles, and thus unlock the potential of South-South cooperation. As noted above and as experience has shown, many excellent ideas and schemes adopted at various South-South conferences and meetings unless supported by serious committed follow-up and all that this entails, including appropriate and strong institutions at all levels, will remain unimplemented.

Thus, as the second South Summit approaches, it may be important for the developing countries to recognize that achieving adequate and systematic follow-up should become one of priorities of South-South cooperation today.

Engendering effective follow-up and implementation

The challenge of follow-up and implementation needs to be approached at different levels, simultaneously. A few suggestions of a general character are made below to illustrate broad directions which are promising, would result in significant benefits and energize the process.

The need for a policy momentum. South-South cooperation, especially at the global level, rests on political foundations and inspiration. The support, participation, involvement and personal commitment of the heads of state or government, and in general of leadership in developing countries is thus very important. This refers to their role in the multilateral domain and South-South efforts involving all or some developing countries, as well as in the national context and in actively promoting concrete measures that their own country can implement. The role of heads of state or government is of special importance in planting the seeds and during the take-off stages of any activity, before it becomes sustainable and while it requires a high level policy impulse and support. Similarly, appropriate and strategic involvement of heads of state/government can help energize and spur an ongoing process of implementation.

Several heads of state/government in the South, some coming from pivotal countries with a major potential, have shown marked interest in promoting South-South links and cooperation, inspired no doubt in part by the happenings on the world scene and by the rediscovering of the collective power that developing countries have. Such interest and enthusiasm at the head of state/government level should also be used in the South-wide context, to act as a political motor force and example that encourages and promotes all forms of South-South cooperation on a sustained basis.

Former heads of state or government can also make a major policy and practical contribution to various forms of South-South cooperation. Following the example of Mwalimu Julius K. Nyerere who devoted the closing years of his political career to promoting with enthusiasm the cause of South-South cooperation and the ideas of the South and South solidarity in the world arena, they could come forward or be invited to place their talents, experience, knowledge and political skills and reputation, or indeed ability to mobilize financial and human resources needed for South-South cooperation, in the service of all developing countries and of the South as a whole. They should act as citizens and senior leaders of the South, working selflessly for the common cause. Through their actions and leadership qualities they should gain the confidence of their South-wide constituency and emerge as its trusted elders with a global political standing.

Focus on specific activities with multiplier and catalytic effects. A number of specific activities or actions can contribute to invigorating and assisting the implementation process. A few are listed below for the purpose of illustration.

Report on the state of South-South cooperation. As mentioned in the opening paragraphs, a regular report on the state of South-South cooperation needs to be prepared, as an essential and necessary tool for policy-making and action in this domain.

Placing internet in the service of South-South cooperation. Internet offers an important vehicle for communication and interaction between developing countries. As an example, the South

Centre is in the process of launching the South-South Portal for Information, Knowledge and Empowerment (S.P.I.K.E.), whose purpose is to build links within the South, to help generate many forms of South-South cooperation, and to mobilize the potential that exists in developing countries.

Meeting specific needs through South-South responses. The recent examples of joint South-South efforts regarding the issue of patents, drugs and health of their populations, and in sharing knowledge, including industrial capability, for example, as concerns HIV/AIDS, are encouraging and promising. The great potential and experience available in some developing countries in such domains as health, food security, education, space technology, etc., could serve as a base for projects and activities of great practical significance for meeting people's needs and goals of sustainable development. Such projects and programmes would also have significant political fallout, in addition to meeting specific needs and acting as a catalyst for similar actions in other domains. An overview of potential areas where such cooperation is feasible and could be started immediately will need to be prepared, as an initial step. Triangular cooperation with the sympathetic developed countries from the North, or with multilateral institutions, should be used to mobilize funds to help launch and implement some of these activities and projects.

Promoting interaction between South-South mechanisms. It is a well known fact that interaction between people and professionals engaged in a common endeavour or specialty is an essential element for strengthening their commitment and promoting particular and joint activities. Annual conventions are one of the ways commonly used to generate the necessary interaction and synergies. An annual convention which brings together representatives of all institutions and mechanisms engaged in South-South cooperation, including non-governmental ones, as well as the business community and the media, would provide such an opportunity and would have an extremely beneficial impact on such cooperation. Such a convention could be the place for contacts, exchange of experiences, information and knowledge sharing, new initiatives, etc. Regional cooperation groupings and regional funds from the South would benefit greatly from greater mutual contacts and familiarity with each other, which at present are weak and often non-existent. The representatives of mechanisms with a global scope, such as G77 chapters, NAM coordinating bureau, PGTF, G15, OPEC, Third World Academy of Sciences, South Centre, etc. would bring into a single focus their learning and experiences, and lead to common activities. At present, such events and opportunities for interaction do not exist, as usual for lack of financial resources.

The importance of institutional back-up. The importance of adequate institutional back-up for South-South cooperation is evident. It is required at all levels, local, national, regional sub-regional, and global. Such back-up is often lacking or is inadequate to the task on hand. This lacuna, in turn, is often responsible for weak or non-existent follow-up and implementation. Understaffed and poorly financed mechanisms, facilities and institutions, especially at the global level are not adequate to the task. Ultimately, for something to happen, someone has to do the necessary work; not just any work, but politically dedicated work of high quality in professional, technical and management terms. A well-financed secretariat for the Group of 77, with adequate number of highly qualified professionals and support staff, enjoying the back-up of national and regional institutions from the South, would not only greatly help the Group, but would make a world of difference in the multilateral arena, and for South-South cooperation in general. Having such an institution with a critical mass of talent, expertise and appropriate funding is a necessity and has been decided in principle by the Havana South

Summit. What remains is the follow-up and implementation of Havana commitments. Were member countries of G77 to contribute funds as decided by the Summit, a modest secretariat could be properly funded and staffed with ease.

Recent experiences have amply demonstrated that collective action of developing countries in the world arena is not only of critical importance for the case of the South, but is predicated on their continuous interaction and on their being provided with the necessary inputs of logistical and technical nature. These inputs also play a role of helping in bridging the existing differences and building the common action on what binds the developing countries together. This cannot be done without proper institutional support.

It might be recalled that the period when the Group of 77 functioned best was in the 1960s and 1970s, the time when it enjoyed significant support of the UNCTAD secretariat, which had a critical mass of staff and resources, and the political leadership and inspiration needed for this purpose. An important aspect of this early experience, which has implications for contemporary institutional approaches, is that the UNCTAD secretariat was seen to be working on behalf of the common causes of all developing countries, and without favouring one interest over another, or being excessively under the influence of one or a group of countries. It is likewise important that care be taken that South-South institutional mechanisms enjoy the confidence of all members and to be seen as being at the service of all, and not to become the reason for misgivings and strife among the membership.

The international community, international development agenda, and South-South cooperation. One of the fashionable objectives in international development discourse today promoted by the North in various international organizations is the need to provide technical assistance for “capacity building” in developing countries. Yet, when it comes to South-South cooperation and “collective capacity building” of developing countries, the enthusiasm for providing the required assistance seems to wane. Doubtless, this has something to do with the continuing reserve of important countries and circles in the North vis-a-vis the very concept of South-South cooperation, often perceived as developing countries “ganging up”, using their collective clout to promote their own interests, and naturally becoming less easy to control and manage, and therefore as something not to be encouraged. This perception is further amplified in the highly competitive global economic environment, where an increasing number of developing countries have capacities and skills that can compete with the Northern interests in many parts of the South.

This attitude has contributed to stifling the work of UN, and of international organizations in general in the domain of South-South cooperation. This political barrier has to be recognized and removed, and the international community, both the North and the South, and international organizations should be made fully supportive and responsible for South-South cooperation efforts and activities. It is for developing countries to press for this in the United Nations, and simultaneously in all other multilateral fora, not least in MFIs and WTO.

It is for developing countries to press for the South-South cooperation to assume a central place on the international development agenda, though not as a substitute or alternative to the North-South aspects of this agenda, but as an additional potential that needs to be tapped, mobilized and developed.

South-South cooperation should no longer be allowed to be discriminated against, disregarded, under-funded, or left to remain without the necessary institutional support in international organization. Some recent developments, including the establishment of the UN Day for South-South Cooperation and the outcomes of UNCTAD XI which assigned central importance to South-South flows and exchanges, give reason to hope that the situation is changing for the better.

The Group of 77 should seek that a qualitative and quantitative annual overview be prepared on the nature and extent of support for South-South cooperation given by individual organizations of the U.N. system. This overview should also include the financial support for such cooperation provided by the UNDP, World Bank and the regional development banks, as well as by bilateral donors of development assistance. It should also provide detailed information on the staff and resources in the budgets of multilateral institutions dealing with South-South cooperation.

Once a picture emerges, a strategy will need to be evolved by the Group of 77 on how to mainstream South-South cooperation in the work of the U.N. and of other international organizations, and on the international development agenda. Many possible actions come to mind, including:

- establishing a high-profile machinery within the UN for promoting and monitoring South-South cooperation to lead and spearhead the effort in the UN and in the UN system, with a substantive and logistical back up from UNDP, UNCTAD, UN regional commissions, etc.;
- setting up a global fund, with multiple windows, for promoting South-South cooperation with a minimum of US\$1 billion initial capital, which could eventually be replenished through automatic means, including taxation for this purpose of the activities and transactions in the South of TNCs and of other economic actors from the North, while at the same time pressing the World Bank and the Regional Development Banks to finance various forms of South-South cooperation;
- providing special and preferential treatment to all forms of South-South cooperation in order to encourage their start up and gestation.

To put the South-South cooperation on the political map in the UN and UN system and to launch the process, time has come to give consideration to convening the UN Conference on South-South cooperation, a long-standing proposal of the Group of 77 which could not materialize due to opposition of key developed countries.

Conclusion

South-South cooperation has to be perceived as an essential aspect of the developing countries continuing efforts to overcome the colonial legacy, and to develop and build those capacities, individual and collective, needed to confront the development challenges and to seize opportunities at the start of the 21st century.

It is part and parcel of the developing countries efforts to become equal and participating members of the international community, and to overcome their marginalization by the dominant power structures and interests. As such, South-South cooperation can also be seen as being an essential aspect of democratization of the international community and international relations.

South-South cooperation is also an insufficiently utilized domain that can yield major and concrete development benefits for all involved.

It is important that it succeeds and that it be given a chance to develop and produce results. An effective and determined follow-up is crucial for this, which is often dependent on the commitment of necessary resources, something that is within the capacity of developing countries, especially the pivotal ones, who should be willing to finance collective objectives and endeavours. The second South Summit offers yet another opportunity to move in this direction with determination. Few ideas presented in this paper were meant to illustrate some possible actions that could contribute to the objective of improved implementation and follow-up.

**South Centre publications and papers
on the subject of South-South cooperation**

- 📖 *The Challenge to the South. The Report of the South Commission.* Chapter IV: “Mobilizing the South: Towards Greater Co-operation among Developing Countries”, pp. 143-210. Oxford University Press, 1990.
- 📖 *Thirty years of the Group of 77, 1964-1994. United for a Global Partnership for Development and Peace.* South Centre, 1994
- 📖 *Enhancing South-South Trade.* South Centre, February 1996.
- 📖 “The Future of the Group of 77”. South Centre Background Paper, Ministerial Round Table of the Group of 77, Midrand, South Africa. 8 April 1996
- 📖 *Towards an Economic Platform for the South.* South Centre, September 1998.
- 📖 *South-South Cooperation in the Multilateral Trading System: Cancún and Beyond.* T.R.A.D.E. Working Papers 21. South Centre, May 2004.
- 📖 *The Group of 77 at Forty. Championing Multilateralism, a Democratic and Equitable World Order, South-South Cooperation and Development.* South Centre, June 2004.
- 📖 “Strengthening Developing Countries’ Capacity for Trade Negotiations: Matching Technical Assistance to Negotiating Capacity Constraints”. Background Paper prepared by the South Centre for the G77 Doha High-Level Forum on Trade and Investment, Qatar, 5-6 December 2004.