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## South-South co-operation: Words, just words?!

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# The Current Column

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## South-South co-operation: Words, just words?!

Bonn, 1 August 2016. The United Nations Development Cooperation Forum (UNDCF) and the United Nations Conference on Trade and Development (UNCTAD) last week saw the discussion of a concept for measuring South-South co-operation (SSC). The objective is to determine the contribution of developing and emerging countries to the 2030 Agenda. Thus far, the uniform collection of data has failed due to the lack of definitions and standards as well as agreement on the platform on which the data could be collected and made available.

Discussion regarding the collection of data for the Sustainable Development Goals (SDGs) has commenced. This year sees 22 countries, including Germany, already reporting on the status of realisation of their sustainability goals to the High Level Political Forum in New York. In this they are supporting the demand for accountability, transparency and responsibility anchored in the 2030 Agenda. Data availability is largely unsatisfactory – with regards to both North and South. These common difficulties of measurement offer a unique opportunity for mutual learning between various actors at a technical level, and they support the establishment of trust for clarification at policy level. If the countries of the South do not soon reach agreement on their definition, this window of opportunity will close.

To date, the arguments of the SSC actors have been primarily political. They emphasise that South-South co-operation between developing and emerging countries is fundamentally different to North-South co-operation. The understanding of SSC is based in particular on the role of trade and investment as well as technology transfer between countries in a similar stage of development which should benefit both partners. This extends beyond mere development aid through grants and loans. However, in the urge to distinguish SSC from NSC it is often forgotten that the North contributes more than is covered by the development committee of the Organisation for Economic Co-operation and Development (OECD) with "official development aid".

If the emerging countries favour a broad definition of their co-operation, this should be supported by all actors in view of the system of broad objectives codified in the SDGs. For example, the OECD is discussing an expanded concept for the recording of finance flows, in which the South-South co-operation is also reflected as a key supplementary component of the traditional ODA concept. The discussion in the North serves to achieve clarification of individual elements.

For SSC the focus is also on clarification, not on the foisting on of "northern" concepts. South-South co-operation can and should be explicitly of direct, mutual benefit. However, does this automatically imply that all trade and investment are SSC? Or do we need guidelines regarding the balance of mutual benefits? In South-South co-operation it remains wholly unclear as to when the balance shifts and we are no longer talking of SSC, but rather purely of investments for the generation of profit. These unanswered questions are joined by a range of differing interests within "the South". Although there is a need for a broad margin in recording that takes account of the particular conditions affecting the countries concerned, there is not even agreement on fundamental definitions. The recording of SSC is often impossible as a result, also as a consequence of frequently insufficient statistical capacity in the respective countries. In order to create comparability it is necessary to formulate minimum standards for individual elements such as investment.

What is a suitable platform for collecting the data and making it available? SSC actors reject the OECD as an "organisation of the North". Whilst some emerging countries fundamentally question the necessity of global recording of data, other countries emphasise that the collection of data - and thereby holding to account - would only be legitimised at United Nations level. They regard the United Nations Department of Economic and Social Affairs (UNDESA) as a possible platform, one that has already collected data on South-South development co-operation (SSDC) and presented this in reports of the UNDCF – based on OECD standards for want of alternative proposals. The G77 countries and China also support the UNCTAD politically. It is traditionally regarded as the organisation of the developing and emerging states and has therefore held a mandate for some years now to develop a statistical database for the recording of SSC. So far, realisation has failed due to a lack of uniform standards.

Concepts that are significantly designed by industrial countries are regarded by actors in the South as politically difficult. The emerging countries frequently emphasise that the concepts for their co-operation can only be developed by themselves. However, their lack of agreement will not reduce calls for accountability and transparency. The OECD will continue to work on a concept for estimating South-South co-operation. If the countries of the South wish to avoid falling behind in this respect, they need to swiftly clarify their own definition of South-South co-operation and its components.