

Middle-income countries and South-South Cooperation for Agricultural Development and Food Security.

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South-South Cooperation (SSC) is today widely recognised as one of the most cost-effective means of sharing knowledge and developing capacities among countries of the global South. Demand for SSC and Triangular Cooperation is growing rapidly and an increasing number of countries request FAO and other United Nations Organizations to facilitate SSC and others are making them known as willing providers.

Middle Income Countries (MICs) are valuable partners in this regard, in terms of their ability to both provide knowhow and experience in Food Security and Agricultural development at multiple levels (policy, institutional and the grassroots), with multiple stakeholders (government, civil society, academia and the private sector), as well as funds to enable South-South exchange to happen.

Definitions

Bilateral South-South Cooperation. While there is no universally agreed definition for SSC, FAO defines SSC as the mutual sharing and exchange of key development solutions¹ - knowledge, experiences and good practices, innovative policies, technology, know-how, and resources - between and among countries in the South. SSC may involve two or more developing countries and/or institutions, and take place on a regional, sub-regional or interregional basis, where countries share knowledge, skills, expertise and resources to meet common development goals.

Triangular Cooperation. TrC refers to partnerships between two or more developing countries in collaboration with a third partner, typically a developed country/traditional donor, emerging economy and/or multilateral organization to share key development solutions – knowledge, capacity, expertise, experiences and good practices, policies, technology and resources. A *distinguishing* feature of TrC is determined by the role of the first provider, which acts as the main party responsible for capacity building.

Trends in South-South Cooperation worldwide

SSC has shown a substantial increase in volume in recent years with a focus, though not exclusively, on cooperation with neighboring regions or sub-regions. This reflects a better understanding of those countries' needs, language and cultural similarities, opportunities to improve trade, and lower administration costs (e.g. India providing assistance to Bhutan, Nepal and more recently Afghanistan). This approach also allows Southern contributors to focus strongly on regional projects, under-funded by traditional donors. In recent years, however, countries like China, India, Brazil and Venezuela among the other major partners, as well as Arab countries (the latter mainly through financial aid), have become major players in supporting cooperation in other continents, beyond their region, in particular Africa. While all of these programs are self-branded as SSC, some of them have more in common with Development Assistance Committee (DAC) aid in terms of donor-beneficiary relations. Meanwhile, greater horizontality can be found in a growing group of medium-size providers, such as Colombia, Indonesia and Cuba, who reject the whole idea of 'aid as gift', and underscore mutual benefit explicitly, including trade.

¹ Development solutions refer to diverse forms of resources (technological, financial and human) that are exchanged between countries in the global South, including training, capacity exchange, study tours, knowledge, technology exchange, equipment, germ plasm and other resources.

FAO has longstanding experience in facilitating South-South and Triangular Cooperation. Since the mid-eighties, more than 2 000 experts and technicians from about 20 provider countries have been fielded in nearly 80 developing countries in Africa, Asia, Latin America and the Near East. FAO has facilitated over 110 SSC projects in the last two decades. Approximately 51 percent of these had been funded by MICs, with Brazil and China being the two main providers. Together, these two countries finance 35 percent of all FAO SSC projects. Brazil's focus is largely on Latin America and Africa, whereas China's is mostly on Africa and Asia.

Other countries are coming on board, as both technical and financial providers, including Japan, Mexico, Morocco, South Korea and Venezuela. Innovatively, Angola is funding the supply of expertise from Brazil from its own national budget, and Nigeria is doing similarly so to acquire expertise from China.

The top three technical areas covered by the FAO facilitated projects include: food and nutrition security, crop intensification/diversification, and irrigation/water and soil fertility management.

While FAO's main SSC partners are governments (60 percent of signed agreements), diverse actors are involved, including research and academic institutions, international institutions, the private sector, Civil Society Organizations, foundations and cooperatives.

FAO's SSC strategy aims at the following interrelated objectives:

Exchanging and uptaking of Southern development solutions: FAO has adopted a more diverse and flexible range of modalities for South-South exchange to include: (i) the deployment of experts (long-, medium- and short-term), joint learning (study tours, learning routes, training, joint educational or research programmes, etc.); and (ii) technology sharing.

Promoting and developing platforms, networks and hubs for knowledge networking: FAO matches supply and demand for SSC solutions through strengthening platforms, hubs and networks to share expertise, knowledge and agricultural development innovations. To this effect, it is developing and maintaining a platform, including access to potential provider institutions, rosters of experts and tools to record and disseminate good practices.

Mobilizing policy support for SSC: as an important pathway to achieve agricultural development impact, FAO engages with governments and strategic partners at the highest level, supporting the South-South sharing, joint development and refining of good agricultural and nutritional policies.

Concluding remarks

Countries of the South are powerfully changing the global development landscape and are set to continue after 2015. A myriad of Southern development solutions exists and countries are demonstrating a clear willingness to support the SSC efforts. The challenge is how to most efficiently and effectively connect and finance the sharing of knowledge, technologies, innovative policies, best practices, lessons learned and experiences with the countries who are requesting SSC.

Key opportunities and challenges are ahead. Primarily, limited financial commitment is a concern, as many MICs engage in bilateral SSC for several reasons, including their economic, political and cultural ties, and while most are willing to provide technical support, many may be reluctant to commit financial resources. Secondly, some countries have narrow geographical interests and there is a need to mobilize more regional solidarity funds to support intraregional SSC, which is often more cost-effective.

Overall, the possible role of MICs in SSC has to be considered within the changing aid landscape and the issue of domestic resource mobilization. More donors are focusing on MICs, giving aid in forms other than grants (equity investments and loans, guarantees), which developing countries must pay back. OECD countries and the largest multilateral financial institutions might all see the number of their clients shrink by 2020 as they graduate from low to middle-income status. Some donors are already reducing their list of aid recipients and are leading to a far more reaching *bilateralization* of aid.² There is increasing competition among development actors, be they public, international organizations, consulting firms, FDI, NGOs, foundations, individual donations. The UN System is becoming increasingly marginal. Most of the world's poor live not in poor countries but in middle-income countries and one read of the data is that poverty is increasingly turning from an international to a national distribution problem, and that governance and domestic taxation and redistribution policies become of more importance in many countries than ODA. Domestic resource mobilization will therefore have great role to play in funding for sustainable development in the years to come. SSC, intended as sharing of knowledge, skills, expertise, policy lessons and resources will play a key role in the new landscape.

² In 2007, Bilateral ODA was USD 10.4 billion but in 2011 it reached USD 134 billion. ODA through the UN was USD 5.85 billion in 2007 and it increased to only USD 6.6 billion in 2011.