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SOUTH-SOUTH COOPERATION

Note by the secretariat



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CONTENTS

		<i>Page</i>
I.	INTRODUCTION	3
II.	THE MANDATES BY VIRTUE OF RESOLUTION 675(XXXIV) OF ECLAC	3
III.	MONITORING FULFILMENT OF THE MANDATES	5
	A. Calculation of structural gaps in certain Latin American and Caribbean countries	5
	B. Measurement of South-South cooperation	6
	C. Coordination with other entities dealing with South-South cooperation in Latin America and the Caribbean.....	7
	D. Promoting measures in support of the economic, political and physical autonomy of women.....	7
Annex 1	ECLAC-Cooperation with middle-income countries.....	9
Annex 2	ECLAC-Feasibility of constructing indicators of South-South cooperation in Latin America and the Caribbean	12

I. INTRODUCTION

This report reviews the activities carried out from September 2012 to December 2013, that is, the period between the thirty-fourth and thirty-fifth sessions of the Economic Commission for Latin America and the Caribbean (ECLAC).

At its meeting held in the framework of the thirty-fourth session of ECLAC (San Salvador, August 2012), the Committee on South-South Cooperation elected Presiding Officers composed as follows: El Salvador (Chair); Barbados, Brazil, Chile, Cuba and Peru (Vice-Chairs); and Uruguay (Rapporteur).

ECLAC, by arrangement with the Presiding Officers of the Committee on South-South Cooperation, agreed that flexibility was called for at that stage and decided to schedule the meetings of the Presiding Officers to coincide with international meetings addressing the issue of South-South cooperation, so that directors of cooperation of the countries of Latin America and the Caribbean would thus be able to attend. This arrangement was designed to ensure a more efficient use of resources in the region in the context of South-South cooperation. Accordingly, the Presiding Officers of the Committee on South-South Cooperation met in Lima on 27 November 2012 within the framework of the international seminar entitled “Graduation in the new context of international cooperation for global development”, organized by the Peruvian Agency for International Cooperation (ACPI). The purpose of that meeting of the Presiding Officers was to discuss arrangements for fulfilling the mandates contained in resolution 675(XXXIV), adopted at the thirty-fourth session of ECLAC.

During the year 2013, the Presiding Officers held two other meetings: the first in El Salvador, on 1 June, in the context of the twenty-fourth Meeting of International Cooperation Directors for Latin America and the Caribbean: Regional cooperation in the area of border integration, and the second, in Buenos Aires, on 13 September, within the framework of the first meeting of the Working Group on International Cooperation of the Community of Latin American and Caribbean States (CELAC), organized by the Ministry of Foreign Affairs of Argentina. At these two meetings, the Presiding Officers followed up on the commitments made in San Salvador in 2012, in accordance with the strategy for fulfilling the Committee’s mandate as discussed in Lima.

II. THE MANDATES BY VIRTUE OF RESOLUTION 675(XXXIV) OF ECLAC

The mandates which steer the work of the Presiding Officers are contained in resolution 675(XXXIV) wherein the Commission:

1. *Takes note of the report entitled *Activities of the ECLAC system to promote and support South-South cooperation during the biennium 2010-2011**;¹

2. *Welcomes the document presented by the Commission entitled *Middle-income countries: A structural-gap approach. Note by the secretariat**² and, in the framework of the recommendations set forth therein, requests the Office of the Executive Secretary to support the countries in the preparation of their

¹ LC/G.2531(SES.34/10).

² LC/G.2532(SES.34/11).

own studies, facilitate their dissemination across the international community and promote a specific debate at the regional intergovernmental level to enrich the conclusions of the document;

3. *Reaffirms* the validity of resolution 647(XXXIII) of 2010 and requests the Executive Secretary to:

- (i) Prepare, as soon as possible, a set of indicators for measuring the economic and social impact of South-South cooperation in the region, for analysis and consideration by the member countries, without prejudice to the qualities typical of this form of cooperation for development, and bearing in mind the progress achieved under the Ibero-American Programme to Strengthen South-South Cooperation of the Ibero-American Secretariat;
- (ii) Continue to promote and facilitate capacity-building in the institutions responsible for international cooperation, in light of the requirements and needs of the member countries, with special emphasis on generating disaggregated quantitative information with a gender perspective (statistics and information systems) and particular reference to age groups (children, adolescents, young people and older persons), people living in and vulnerable to poverty, the differently abled, persons belonging to Afro-descendent peoples of Latin America or to ethnic groups, and other relevant variables, for inclusion in cooperation instruments and mechanisms, as tools for measuring the economic and social impact of international cooperation in formulating public policies for development;

4. *Requests* the Chair of the Committee, together with the Presiding Officers and the Office of the Executive Secretary, to prepare a proposal for coordinating efforts with the various entities that currently deal with this issue in Latin America and the Caribbean, in order to generate synergies and complementarities and avoid duplication of efforts, and to incorporate in the Committee's work agenda the schedule of the different forums and cooperation events to be held in the second half of 2012 as well as a general coordination meeting to take place during the first half of 2013;

5. *Also requests* the Chair of the Committee, in conjunction with the Presiding Officers and the Office of the Executive Secretary, to prepare a draft road map for promoting measures in support of the economic, political and physical autonomy of women in accordance with the provisions of the Quito Consensus³ and also including the social dimension and the effort to combat all forms of discrimination, bearing in mind the special characteristics and potential of South-South cooperation;

6. *Asks* the Executive Secretary to report on the fulfilment of this South-South resolution at the meeting of the South-South Committee which will be held in the framework of the thirty-fifth session of the Commission.

³ LC/G.2361(CRM.10/8).

III. MONITORING FULFILMENT OF THE MANDATES

A. CALCULATION OF STRUCTURAL GAPS IN CERTAIN LATIN AMERICAN AND CARIBBEAN COUNTRIES

One of the working topics on which the Presiding Officers focused its efforts in the period September 2012 – April 2013 was the organization and initiation of studies on structural gaps in specific countries of Latin America and the Caribbean.

An ECLAC report on the methodology for measuring structural gaps was presented to the Presiding Officers for their consideration. The Commission pointed out that middle-income countries, such as those in Latin America and the Caribbean, were increasingly excluded from the agenda of the international cooperation system, which was guided by the logic that per capita income was a proxy for development. ECLAC, in its document *Middle-income countries: a structural gap approach*,⁴ had asserted that the international cooperation system should pursue a comprehensive, broad-based response to development challenges, which, in addition to addressing the problems of low-income countries, should also consider the very different needs and vulnerabilities of middle-income countries.

Furthermore, development should not be associated only with income level, but should also take into account sustainable and inclusive growth processes to address the social and productive inequality characterizing the countries of the region and generate the conditions to create and establish political, economic and social systems that promoted respect, diversity, human dignity and equality. The structural gaps in levels of development included those relating to per capita income, inequality, poverty, investment and savings, productivity and innovation, infrastructure, education, health, taxation, gender and environment.

The ECLAC secretariat stressed that its intention was not to use the report to reorder countries or to replace per capita income with the measurement of structural gaps as a new proxy for development.

The starting point for establishing the gap measurement methodology should be the identification, by each country, of a number of qualitative and quantitative gaps which constituted the major development challenges for the economies of the region. Thus, the countries were responsible for identifying and ranking their priorities and for determining the areas in which their development needs and challenges were concentrated.

It was proposed that the countries that wanted to be part of that process should set up national working groups, which, together with the Commission, would begin to undertake a quantitative and qualitative assessment of development gaps or challenges. The analysis of the gaps should be conducted on the basis of information provided by the national authorities and the working group should assess the ways in which international cooperation could help to overcome such challenges and gaps. Having identified their international cooperation needs, countries could submit concrete proposals and action requests to agencies in donor countries and international organizations, among other entities. Countries, together with their international cooperation partners, should then examine how best to channel that aid.

⁴ LC/G.2532/Rev.1, November 2012.

A seminar/workshop on a methodology for calculating structural gaps was held in Santiago on 30 September 2013 in order to share and deepen the analytical methodology and draw up a programme of work with the countries for the period 2013-2014. It was attended by representatives from the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

The study design was launched in both Costa Rica and El Salvador. Concrete results are expected to emerge in both countries in the course of 2014.

B. MEASUREMENT OF SOUTH-SOUTH COOPERATION

A second issue addressed by the Presiding Officers was measurement of South-South cooperation in the region. From the outset, they discussed the need for a more viable alternative approach to measuring the economic and social impact of South-South cooperation.

The Presiding Officers analysed different alternatives for modifying the mandate, among them the option of estimating the overall amount of resources mobilized and assessing the outcome or impact of South-South cooperation in selected countries of Latin America and the Caribbean on the basis of cooperation activities carried out by the countries of the region.

According to the technical notes prepared by ECLAC at the request of the Presiding Officers, evaluating South-South cooperation from a quantitative perspective called for a continuation of the joint efforts that had been led by the Ibero-American Secretariat (SEGIB) and the Ibero-American Programme to Strengthen South-South Cooperation, which, with support from other agencies, had been able to make progress towards the quantitative and qualitative evaluation of South-South cooperation programmes and actions.

Notwithstanding the foregoing, the Presiding Officers agreed that the conceptual and theoretical aspects of the assessment still needed to be consolidated: the programmes and activities for South-South cooperation required consensus to be reached on how to address controversial topics relating to how to quantify the value of components that did not necessarily have a market price. National cooperation agencies did not have the technical capacity to take advantage of methodological tools such as the System of National Accounts to assess total costs, assuming that such an approach were to be adopted by all the CELAC countries. In order to be able to answer such questions systematically, regional statistical systems needed to be set up, which required human and financial investment and resources. Specifically, it was necessary to promote the improvement of systems for recording and reporting data on costs and the valuation of all the constituent elements of South-South cooperation projects and activities.

At the request of the Presiding Officers, ECLAC presented a technical note on the feasibility of developing South-South cooperation indicators for Latin America and the Caribbean. This note proposed carrying out an initial phase of work between pairs of selected Latin American and the Caribbean countries involved in specific projects, whereby it has been possible to gear cooperation towards development objectives. The proposed work between pairs of countries was designed to measure the benefits of cooperation both in the providing and the receiving country.

The expected outcome of individual studies between pairs of countries is the design of a methodology for the collection, analysis and interpretation of data on South-South cooperation in the

region as a whole or in subregions, depending on how many countries can take part in these activities. ECLAC will build on the work carried out by the selected countries to draw up a road map for the gradual establishment of the indicators in all of the countries of Latin America and the Caribbean, and will develop a methodology for maintaining permanent statistical databases in this field.

The first individual studies were conducted in Peru and preliminary results are available and will be shared with the countries of the region at the meeting of the meeting of the Presiding Officers of the Committee on South-South Cooperation to be held within the framework of the thirty-fifth session of ECLAC.

C. COORDINATION WITH OTHER ENTITIES DEALING WITH SOUTH-SOUTH COOPERATION IN LATIN AMERICA AND THE CARIBBEAN

In terms of the mandate to generate synergies and complementarities and avoid duplication of efforts, the Presiding Officers prepared and distributed to the countries of the region a schedule of international activities for the period 2013-2014 addressing the subject of South-South cooperation. On the basis of this schedule, they planned their meetings and made initial efforts to generate synergies with other important institutions in the region, such as the CELAC Working Group on International Cooperation.

D. PROMOTING MEASURES IN SUPPORT OF THE ECONOMIC, POLITICAL AND PHYSICAL AUTONOMY OF WOMEN

In response to the mandate to promote measures in support of the economic, political and physical autonomy of women and bearing in mind the special features of and potential for South-South cooperation, the Chair of the Committee, together with the Presiding Officers and Office of the Executive Secretary, decided to raise the issue at the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, which was held in Santo Domingo from 14 to 18 October 2013.

Under section G, *Other recommendations*, of the Santo Domingo Consensus, the Regional Conference on Women agreed to:

- Urge developed countries to fulfil their commitments on official development assistance, especially with the aim of moving forward on equality and gender equity in the region and on access to and use of information and communications technologies, respecting the self-determination of countries, and encourage those developing countries that are in a position to do so to support other countries in the region through South-South and triangular cooperation, tapping the integration processes taking place in Latin America and the Caribbean;
- Strengthen exchanges and technical, scientific and financial cooperation, including South-South cooperation, between countries of the region on gender equality matters, particularly in relation to best practices, with emphasis on those digital agendas and national strategies for information and communications technologies that originate in civil society organizations, are in keeping with the Plan of Action for the Information and Knowledge Society in Latin America and the Caribbean (eLAC2015), and apply a transformative and innovative approach in pursuit of equality.

Annex 1

ECLAC-COOPERATION WITH MIDDLE-INCOME COUNTRIES**A. KEY IDEAS AND THE STRUCTURAL GAP APPROACH**

- The international cooperation system has increasingly tended to exclude middle-income countries such as those of Latin America and the Caribbean, since per capita income levels are used as a proxy for development in order to classify countries.
- The ECLAC proposal, outlined in *Middle-Income Countries: A Structural-Gap Approach*,¹ is one of a series of papers in which ECLAC argued, some time ago, that the system of international cooperation should seek a comprehensive, wide-ranging response to the issue of development. This response, in addition to including low-income countries, should consider the widely diverging needs and vulnerabilities of middle-income countries.
- The main line of reasoning is that the level of development cannot be identified solely on the basis of income. The concept of development is broad and multifaceted, and encompasses not only improving living standards but also achieving sustainable and inclusive growth that addresses the social and economic inequalities that characterize the countries of Latin America and the Caribbean and, in general, those in the middle-income bracket. It also entails paving the way for political, economic and social systems that will promote respect, diversity, human dignity and equality.
- From this perspective, the middle-income category encompasses countries whose economic and social circumstances are very distinct and markedly heterogeneous in terms of the development challenges they face. Indeed, a great many countries have been progressing towards higher per capita income levels —and are thus classified as middle-income— but still have to address many development challenges that are not reflected in their per capita income.
- For this reason, ECLAC maintains that a crucial step in putting middle-income countries back on the agenda of the international cooperation system would be to adopt a new approach that can sharpen the focus so as to pinpoint the greatest development challenges in each case.
- The document *Middle-Income Countries: A Structural-Gap Approach* outlines the gap approach, based on the premise set out in *Time for equality: closing gaps, opening trails*,² namely, that in order to develop, the countries of the region must overcome a number of obstacles —structural development gaps— that not only impede vigorous and sustainable economic growth in the countries of the region but also limit the potential for progress towards more inclusive economies and societies. These gaps include those of per capita income, inequality, poverty, investment and savings, productivity and innovation, infrastructure, education, health, taxation, gender and the environment.³

¹ LC/G.2532(SES.34/11), 23 July 2012.

² LC/G.2432(SES.33/3), May 2010.

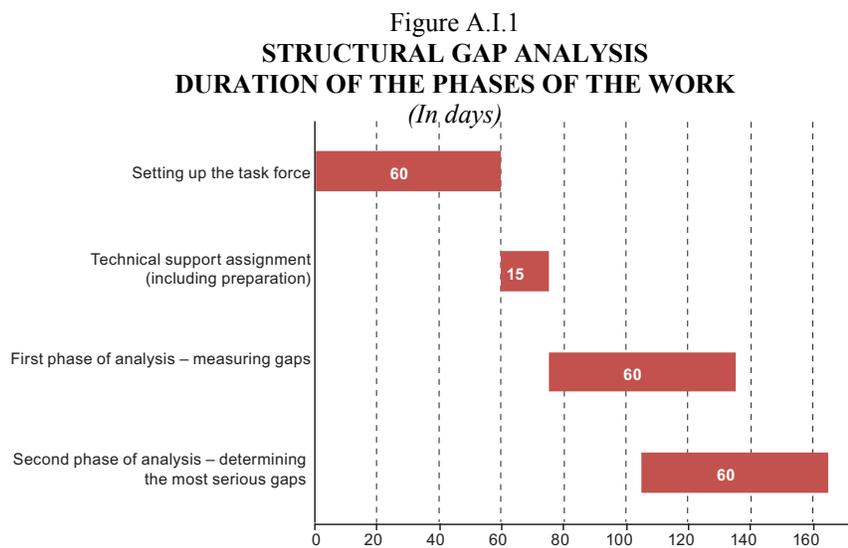
³ These gaps include not only the income gap and other concerns on the Millennium Development Goals development agenda but also encompass many other areas that typify some of the region's principal development challenges and which may vary from country to country.

- This is therefore an approach that begins with the identification, by each country, of a number of gaps—both qualitative and quantitative—that constitute the principal development challenges for the economies of the region.
- “...the identification and ranking of priorities must rely on individual decisions by countries of the region. Consequently, recipient countries must play an active role in establishing their development objectives. It is up to each country to identify the areas where development needs and challenges are greatest. This is a first key step toward ensuring that the international cooperation system can support all countries on the road to development.” (ECLAC, 2012).
- The paper then states that there must be “a donor-recipient policy dialogue to examine in detail the challenges holding back development and on that basis to reach agreements on priority areas and forms of cooperation”. This second level of dialogue is necessary so that donors take a broad view of development and will be able to work out with recipient partner countries the strategy best suited to each reality.
- “From the viewpoint of recipient countries, a sound strategy would be for them to take the initiative in proposing the gaps they intend to prioritize and then prepare concrete policy proposals and ways in which international cooperation could provide support. The second level of dialogue must combine the principle of ownership (meaning that recipient countries take the lead in establishing their own plans and policies for national development) with the principle of alignment (which calls upon donors to ensure that the support they provide based on the national development strategies of their recipient partner countries actually materializes through policy agreements to make these principles operational.”
- “It is also important, as a third level of dialogue, to establish procedures for channelling cooperation between donors and recipients” (ECLAC, 2012).

B. WORKING METHODOLOGY PROPOSED BY ECLAC TO ASSIST COUNTRIES – ANALYSIS OF STRUCTURAL GAPS

- Work in cooperation between the countries and ECLAC is hereby proposed with a view to identifying, quantifying and prioritizing the structural gaps posing the greatest challenges to development. In this cooperation, ECLAC will provide the technical and methodological support necessary to steer the process of analysis.
- Each country will set up a multidisciplinary task force with a view to covering the wide range of different gaps. This task force should include representatives of government institutions such as the ministry of planning, ministry of finance, ministry of social development and other ministries or institutions that the country considers relevant.
- This task force will be responsible for evaluating and gathering the available information for the purposes of analysing gaps. It will also be the Commission’s official cooperation partner.
- ECLAC will provide methodological support for this process of evaluating and gathering information by keeping in regular contact with the panel by e-mail and, where necessary, by videoconferencing.

- Once the task force has been established, a seminar will be held in the country, with the support of experts from ECLAC, so as to agree on the working methods for this analysis as well as a plan of work.
- In the next phase of the project, the task force will conduct a quantitative and qualitative analysis, with the methodological support of ECLAC experts, of the various development gaps using national and sectoral indicators.
- In the second phase of analysis, part of which may be conducted in parallel with the first phase, the results of the quantitative and qualitative analysis will be used, together with political and civic priorities, to determine the most serious gaps hindering the development of the country.



Annex 2

ECLAC-FEASIBILITY OF CONSTRUCTING INDICATORS OF SOUTH-SOUTH COOPERATION IN LATIN AMERICA AND THE CARIBBEAN

This note comes in response to the mandate issued at the second meeting of the Presiding Officers of the Committee on South-South Cooperation, held in San Salvador on 1 June 2013, which stated:

2. *To request* the secretariat of the Commission to submit a technical note to the members of the Committee on South-South Cooperation, on the basis of the information available, on the feasibility of constructing indicators on South-South cooperation in Latin America and the Caribbean.

- Fulfilling this mandate, even though it refers to a wholly new process, entails building on work already carried out by other institutions in this field.
- It is essential to build theoretical and conceptual consensus around the issue of South-South cooperation. The work of the CELAC Working Group on International Cooperation could constitute a major step forward in this respect.
- Account needs to be taken of current trends in South-South cooperation: its great complexity—in terms of objectives, scope and methods of cooperation, as well as of the forms and methods of action taken by operators—the relevance of State action, the growing importance of private actors, the importance of the results, and the increased awareness of recipients.
- It should also be considered that South-South cooperation in the countries of Latin America and the Caribbean takes place on a sector-by-sector—rather than centralized—basis and is therefore difficult to follow up.
- There is, on the whole, a time lag in the collection of information on South-South cooperation—as a result of insufficient financial and human resources in the area—which makes it difficult to properly analyse and to provide timely support to cooperation activities.
- National cooperation agencies, with certain exceptions, lack the requisite technical capacity to utilize the methodological tools available for measuring cooperation.
- Experiences in gathering information on South-South cooperation show that it is difficult to gather all relevant information by means of surveys.
- Efforts need to be made to encourage the improvement of systems for the input of, and reporting on, data on the costs and evaluation of all the constituent elements of South-South cooperation projects and activities.

- With a view to developing indicators on South-South cooperation,⁴ we propose carrying out an initial phase of work between pairs of selected Latin American and the Caribbean countries involved in specific projects.
- Any efforts to establish “cooperation impact indicators” for use in social and economic spheres need to be made in conjunction with countries which have contributed voluntarily to cooperation towards achieving development objectives.
 - The benefits of cooperation can be measured in both the country carrying out and the country receiving cooperation activities. Historical databases should therefore be set up so as to observe changes occurring in both countries (or in all countries involved) over time.
 - A dedicated study can be carried out to determine a methodological approach to assess the benefits of cooperation between the countries involved. The approach should be longitudinal in nature and necessitates the taking of measurements in the relevant countries before and during cooperation activities.
 - Although the long-term goal of cooperation is to support the development of the region, the measuring of its impact cannot be separated from other activities such as trade and entrepreneurship in the countries.⁵
 - It should be noted that many of the benefits to countries providing cooperation are intangible, and therefore difficult to observe and measure. We refer, for example, to political or social benefits gained as part of a relationship between two or more countries.
 - Statistical information should be gathered by means of standardized questionnaires referring to details such as the administrative records of national and international institutions involved in South-South cooperation. They should also contain, in as much detail as possible, definitions and classifications of the agents involved (as per the institutional sectors used in the national accounts) and information on operations or transactions, whether involving payment in currency or in kind of the relevant industries or sectors and the products, goods and services involved.
 - It may also be advisable to use information technology (IT) tools to facilitate the process of collecting, validating, processing and disseminating results. Data storage (SQL and Access) and management systems could also be useful, as could applications for facilitating the processing, use and dissemination of statistics by participants in South-South cooperation.

⁴ The indicators are to ascertain all the benefits derived from cooperation and which continue to contribute to the development of the countries. They should be able to identify the direct and indirect effects of cooperation, among other complex factors.

⁵ In the telehealth sector, for example, the impact of South-South cooperation on recipient countries can be seen in indicators such as a rise in the number of trained professionals, a greater take-up of technology of use in health care and increases in the numbers of patients treated by doctors, of cases resolved, and of professionals trained at domestic universities. In countries providing cooperation, its impact shines through in the provision of better medical care to other countries in the region and in improvements in the training of medical staff as a result of greater experience in analysing medical cases, for instance. The impact is also evident in trade and other areas through the greater frequency of travel between the relevant countries and increased investment by the country carrying out cooperation activities in the recipient country, among many other such examples.

- The outcome of the individual studies between pairs of countries will be used to draw up a methodology for the collection, analysis and interpretation of data of South-South cooperation in the region as a whole or in subregions, depending on how many countries can take part in these activities.
- ECLAC will build on the work carried out by the selected countries to draw up a road map for the gradual establishment of the indicators in all of the countries of Latin America and the Caribbean, and will develop a methodology for maintaining permanent statistical databases in this field.

Table A.II.1
ESTABLISHMENT OF SOUTH-SOUTH COOPERATION INDICATORS
DURATION OF THE PHASES OF THE WORK
(In days)

Phase	2014	2015
Study of the impact of cooperation with selected countries (country pairs)		
Designing indicators		
Drawing up a methodology for the collection, analysis and interpretation of data on South-South cooperation		
Gradual development of a methodology for maintaining permanent statistical databases in this field in the region, subregion, or group of countries		