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REPORT OF THE THIRD MEETING OF THE PRESIDING OFFICERS OF THE COMMITTEE ON SOUTH-SOUTH COOPERATION

Buenos Aires, 13 September 2013

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A. ATTENDANCE AND ORGANIZATION OF WORK

Place and date of the meeting

1. The third meeting of the Presiding Officers of the Committee on South-South Cooperation in Latin America and the Caribbean was held in Buenos Aires on 13 September 2013.

Attendance¹

2. The meeting was attended by representatives of the following countries, which had been appointed to serve as Presiding Officers: Brazil, Chile, El Salvador, Peru and Uruguay.

Chair and Rapporteur

3. At the thirty-fourth session of the Economic Commission for Latin America and the Caribbean (ECLAC), the countries listed below had been elected to serve as Presiding Officers of the Committee on South-South Cooperation in Latin America and the Caribbean:

Chair: El Salvador

<u>Vice-Chairs</u>: Barbados

Brazil Chile Cuba Peru

Rapporteur: Uruguay

B. AGENDA

- 4. The Presiding Officers adopted the following agenda:
 - 1. Adoption of the agenda
 - 2. Follow-up to the agreements adopted at the second meeting of the Presiding Officers of the Committee on South-South Cooperation
 - 3. Adoption of agreements
 - 4. Other matters

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See annex 2.

C. PROCEEDINGS

- 5. The coordinator of the Bilateral South-South Cooperation Unit at the Department for Development Cooperation of the Ministry of Foreign Affairs of El Salvador, in her capacity as Chair of the Presiding Officers, welcomed those present at the meeting.
- 6. The Chair extended special thanks to the Economic Commission for Latin America and the Caribbean (ECLAC) for being flexible in scheduling the meetings of the Presiding Officers to coincide with international meetings addressing the issue of South-South cooperation. The Presiding Officers who were directors of cooperation of the countries of Latin America and the Caribbean were thus able to attend.
- 7. After welcoming participants, the Chair presented the provisional agenda for consideration by the participants. It was adopted without change.
- 8. As follow-up to the agreements adopted by the Presiding Officers of the Committee on South-South Cooperation at their second meeting, held in San Salvador on 1 June 2013, the Chair read out agreements 1 and 2:
 - 1. *To request* the secretariat of the Commission to send to the member countries of the Committee on South-South Cooperation a technical note on the methodology for calculating structural gaps and its schedule for working with the countries in the period 2013-2014.
 - 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.
- 9. The Chair again congratulated ECLAC on fulfilling these commitments and gave the floor to the representative of its secretariat, who would provide greater detail on the content of the notes sent.
- 10. The representative of the ECLAC secretariat reported that El Salvador and Costa Rica had expressed a formal interest in conducting a national study to measure structural gaps in their respective countries, and that other countries in the region had also shown interest in taking part in this process.
- 11. The representative took the opportunity to remind participants that they had been invited to the Seminar/workshop on a methodology for calculating structural gaps, to be held at ECLAC headquarters in Santiago on 30 September 2013. The event would be held pursuant to agreement 1 adopted at the second meeting of the Presiding Officers of Committee on South-South Cooperation and would aim to disseminate and consolidate analysis methodology and finalize with the countries the timetable of work for 2013-2014.
- 12. The representative added that the seminar/workshop would also respond to requests from the Presiding Officers —who appreciated the ECLAC presentation— and would aim to foster greater participation by developing countries in the process of calculating gaps, as opposed to the previous methodology, which had focused exclusively on per capita income.

- 13. The representatives of the participating countries had approved the process initiated by ECLAC and had expressed their interest in moving forward as quickly as possible in making measurements on countries with a view to perfecting and expanding on the methodology for studies in the region, in line with the requirements of the interested governments.
- 14. The delegates congratulated ECLAC on the technical note on the feasibility of developing South-South cooperation indicators for Latin America and the Caribbean, drawn up under mandate from the second meeting of the Presiding Officers of the Committee on South-South Cooperation, held in San Salvador on 1 June 2013, and called for the indicators to be put to use as soon as possible.
- 15. The representative of the ECLAC secretariat stated that the Seminar/workshop on a methodology for calculating structural gaps would provide Governments with the opportunity to express their interest in participating in individual studies between countries and would answer any queries they might have on the methodology for the collection, analysis and interpretation of data on South-South cooperation.
- 16. The delegates welcomed the idea of studying programmes involving two or more countries with a view to fine-tuning indicators for South-South cooperation, which could then be used more widely in the region. They added that it was up to the countries to express their willingness to take part in this exercise.
- 17. Some delegates agreed that, in future, the results of studies on structural gaps should be linked with the results of programmes on South-South cooperation with a view to strengthening development in the region.
- 18. As follow-up to the agreements adopted by the Presiding Officers at their second meeting, the Chair read out agreement 3:
 - 3. To request El Salvador, as Chair of the Presiding Officers of the Committee on South-South Cooperation, to discuss with the Chair pro tempore of the Community of Latin American and Caribbean States (CELAC) the possibility of presenting the technical note referred to in agreement 2 at the first meeting of the Working Group on International Cooperation of CELAC, to be held in September 2013 in Buenos Aires.
- 19. The Chair stated that, although steps had been taken in this direction, the meeting of the Working Group on International Cooperation of CELAC was not the right place to present the technical note referred to in agreement 2.
- 20. As follow-up to the agreements adopted by the Presiding Officers at their second meeting, the Chair read out agreement 4:
 - 4. *To request* Uruguay, with support from El Salvador, to draw up and distribute during the month of June 2013 a schedule of international activities for the period 2013-2014 addressing the subject of South-South cooperation, within the framework of Ibero-American activities.
- 21. The representatives of Uruguay and El Salvador said that they had complied with the agreement and distributed the calendar of international activities for 2013-2014 on South-South cooperation to the countries of the region.
- 22. As follow-up to the agreements adopted by the Presiding Officers at their second meeting, the Chair read out agreement 5:

- 5. *To request* Cuba, as Chair pro tempore of the Community of Latin American and Caribbean States (CELAC), to send notes to the regional and subregional integration mechanisms and bodies in Latin America and the Caribbean, as well as to the agencies of the United Nations system, requesting them to report on the activities or meetings they have planned in relation to South-South cooperation in 2013 and 2014.
- 23. As there were no representatives from Cuba present at the meeting, the Chair stated that the agreement would be forwarded to Cuba. The country delegates present requested that the wording should be changed by replacing the word "integration" with "cooperation".
- As follow-up to the agreements adopted by the Presiding Officers at their second meeting, the Chair read out agreement 6:
 - 6. *To request* Uruguay to report to the Presiding Officers in June 2013 on whether the Report on South-South Cooperation in Ibero-America, prepared under the Ibero-American Programme to Strengthen South-South Cooperation, will contain a chapter on gender.
- 25. The delegate of Uruguay said that no results had been forthcoming. He stressed that, although the request had not been refused, no agreement had been reached on which version of report to use and on how to include the chapter on gender. He added, however, that he would attempt to reach an agreement on the Presiding Officers' request.
- As follow-up to the agreements adopted by the Presiding Officers at their second meeting, the Chair read out agreement 7:
 - 7. To request the secretariat of the Commission to prepare a road map on South-South cooperation in relation to gender and present it for discussion at the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, to be held in Santo Domingo from 14 to 18 October 2013.
- 27. The representative of the ECLAC secretariat confirmed that the twelfth session of the Regional Conference on Women in Latin America and the Caribbean would be held in Santo Domingo from 14 to 18 October 2013, and added that a report on the outcome would be provided at the next meeting of the Presiding Officers of the Committee on South-South Cooperation.
- 28. As follow-up to the agreements adopted by the Presiding Officers at their second meeting, the Chair read out agreement 8:
 - 8. *To review*, at the third meeting of the Presiding Officers of the Committee on South-South Cooperation, to be held in the framework of the first meeting of the Working Group on International Cooperation of the Community of Latin American and Caribbean States (CELAC), scheduled for September 2013 in Buenos Aires, the fulfilment of these mandates and to agree on the agenda for the meeting of the Committee on South-South Cooperation to be held within the framework of the thirty-fifth session of the Commission, to be held in Lima in April 2014.
- 29. The representatives of the countries said that the agenda for the meeting of the Committee on South-South Cooperation, to be held in Lima in May 2014 in the framework of the thirty-fifth session of ECLAC, should include any available results of studies on structural gaps and indicators on South-South cooperation.

- 30. The Chair stated her wish to hold at least one more meeting of the Presiding Officers before the thirty-fifth session of ECLAC. The participants added that a fourth meeting of the Presiding Officers could be held in the framework of the Second Summit of Heads of State and Government of the Community of Latin American and Caribbean States (CELAC), to be held in Havana in January 2014.
- 31. The Chair said that the meeting of the Presiding Officers could be held by videoconferencing between October 2013 and January 2014 to enable the ECLAC secretariat to report on progress in scheduling work on calculating structural gaps and establishing indicators on South-South cooperation in Latin America and the Caribbean. The countries agreed to the proposal.

D. AGREEMENTS ADOPTED

At their meeting in Buenos Aires on 13 September 2013, the Presiding Officers of the Committee on South-South Cooperation agreed as follows:

- 1. To request that El Salvador, in its capacity as Chair of the Presiding Officers of the Committee on South-South Cooperation, steer the work of the Presiding Officers with due account of the outcome of the first meeting of the Working Group on International Cooperation of the Community of Latin American and Caribbean States, held in September 2013, in Buenos Aires;
- 2. To request that El Salvador, in its capacity as Chair of the Presiding Officers of the Committee on South-South Cooperation disseminate the invitation to the Seminar/workshop on a methodology for calculating structural gaps, to be held on Monday, 30 September 2013, at the headquarters of the Economic Commission for Latin America and the Caribbean in Santiago;
- 3. To request that the secretariat of the Commission include an item on the agenda of the Seminar/workshop on a methodology for calculating structural gaps concerning work with the countries to identify bilateral South-South cooperation programmes available for the individual studies needed to set a methodology for designing indicators of South-South cooperation in Latin America and the Caribbean;
- 4. *To request* that the secretariat of the Commission hold a meeting of the Presiding Officers by videoconference between October 2013 and January 2014 to report on progress in scheduling work on calculating structural gaps and establishing indicators of South-South cooperation in Latin America and the Caribbean:
- 5. To request that the secretariat of the Commission report, at the fourth meeting of the Presiding Officers of the Committee on South-South Cooperation, on the outcome of discussions on the road map on South-South cooperation in relation to gender, presented at the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, to be held in Santo Domingo from 14 to 18 October 2013;
- 6. To review, at the fourth meeting of the Presiding Officers of the Committee on South-South Cooperation—to be held in the framework of the Second Summit of Heads of State and Government of the Community of Latin American and Caribbean States (CELAC) in Havana in January 2014—compliance with these undertakings and to agree on the agenda of the fifth meeting of the Presiding Officers, to be held in Lima in May 2014 in the framework of the thirty-fifth session of ECLAC.

Annex 1

ECLAC COOPERATION WITH MIDDLE-INCOME COUNTRIES

A. KEY IDEAS AND THE STRUCTURAL GAP APPROACH

- The international cooperation system excludes 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*, 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,*³ 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,

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² LC/G.2532(SES.34/11), 23 July 2012.

³ LC/G.2432(SES.33/3), May 2010.

inequality, poverty, investment and savings, productivity and innovation, infrastructure, education, health, taxation, gender and the environment.⁴

- 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).

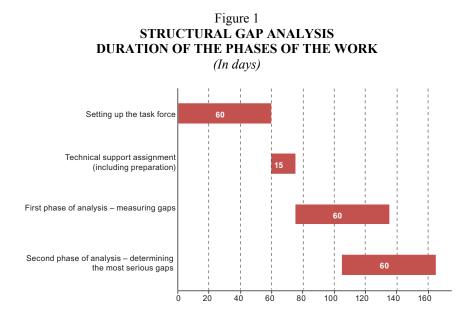
B. WORKING METHODOLOGY PROPOSED BY ECLAC TO ASSIST COUNTRIES – ANALYSIS OF STRUCTURAL GAPS

• 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.

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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.

- 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.



C. 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 consensuses 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,⁵ we propose carrying out an initial phase of work between pairs of selected Latin American and the Caribbean countries involved in specific projects.

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.

- 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.⁶
 - 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, together with 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.

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.

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 courty, among many other such examples.

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 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 groups of countries | | |

Annex 2

LIST OF PARTICIPANTS

A. Member countries of the Presiding Officers of the Committee on South-South Cooperation

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