

# Report on South-South Cooperation in Ibero-America 2010



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## Report on South-South Cooperation in Ibero-America 2010



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Cover photo:

Phase II, South-South and Triangular Cooperation Project between Mexico, Germany and Ecuador  
for Integral Management of Solid Waste. The primary purpose is to build a network of environmental  
promotion agents for solid waste prevention and integral management, and to train promotion  
agents. Replication of a project executed in Guatemala.

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## INTRODUCTION

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## INTRODUCTION

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The Ibero-American General Secretariat (SEGIB) presents to the XX Summit of Heads of State and Government in Mar del Plata the fourth edition of the Report on South-South Cooperation in Ibero-America 2010. This edition explores the evolution of South-South Cooperation modalities as practiced by Ibero-American countries in 2009: Horizontal South-South Cooperation (Bilateral and Regional) and Triangular Cooperation. In addition, the Report reviews the successful instances of South-South cooperation in the region; assesses country visions about this form of cooperation in the Ibero-American space; and analyzes the situation of cooperation institutions in each country.

As a matter of interest, this Report continues an innovation introduced last year: the introductory chapter captures the reflections of the Ibero-American Cooperation Officers concerning South-South cooperation. In addition, it is worth mentioning that the vision that emerged last year was conveyed as the bloc position to the High Level United Nations Conference in Nairobi (Kenya) commemorating the 30+1 anniversary of the Buenos Aires Plan of Action on Technical Cooperation among Developing Countries – an example of how work undertaken as South-South cooperation by the Ibero-American community is taken up at the principal international discussion forums.

Another relevant fact is the complementarity between this Report and the Ibero-American Program to Strengthen South-South Cooperation. Adopted at the San Salvador Summit in 2008 and put into operation in early 2010, the Program has made significant progress in its lines of action. The achievements – especially in the area of concepts, measurement and management of information systems – translated into a better and more rigorous methodology for this Report.

In any event, and in the same spirit that characterized the first edition, SEGIB hopes this Report will continue to be a useful tool for Ibero-American countries, their cooperation officers and technical departments, and contribute to a better quality of life for the people of this community.

**Enrique V. Iglesias**  
Ibero-American Secretary General

**Salvador Arriola**  
Secretary for Ibero-American Cooperation

## Ibero-American Cooperation Officers as of 1 November 2010

COUNTRY	AGENCY	CONTACT
ANDORRA	<i>Ministry of Foreign Affairs and Institutional Relations</i>	<i>Mrs. María Ubach</i>
ARGENTINA	<i>Ministry of Foreign Affairs, International Trade, and Faith</i>	<i>Mrs. Julia Levi</i>
BOLIVIA	<i>Ministry of Planning and Development</i>	<i>Mr. Harley Rodríguez</i>
BRAZIL	<i>Brazilian Cooperation Agency (ABC)</i>	<i>Mr. Marco Farani</i>
CHILE	<i>International Cooperation Agency (AGCI)</i>	<i>Mrs. Cristina Lazo Vergara</i>
COLOMBIA	<i>International Cooperation Bureau; Ministry of Foreign Affairs</i>	<i>Mrs. María Andrea Albán</i>
COSTA RICA	<i>International Cooperation Bureau Ministry of Foreign Affairs</i>	<i>Mrs. Circe Villanueva Monje</i>
CUBA	<i>Ministry of Foreign Trade and Foreign Investment</i>	<i>Mr. Orlando Hernández Guillen</i>
DOMINICAN R.	<i>Technical Secretariat - Presidency</i>	<i>Mrs. América Bastidas</i>
ECUADOR	<i>Ecuadorian International Cooperation Agency (AGECI)</i>	<i>Mrs. Gabriela Rosero</i>
EL SALVADOR	<i>Ministry of Foreign Affairs</i>	<i>Mr. Jaime Miranda</i>
GUATEMALA	<i>Secretariat of International Cooperation</i>	<i>Mrs. Ana María Méndezchicas</i>
MEXICO	<i>Technical and Scientific Cooperation Bureau Ministry of Foreign Affairs</i>	<i>Mr. José Octavio Tripp</i>
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PORTUGAL	<i>Portuguese Institute for Development Support (IPAD)</i>	<i>Mr. Augusto Manuel Correia</i>
SPAIN	<i>Spanish Agency for International Development Cooperation (AECID)</i>	<i>Mrs. Julia Olmo</i>
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VENEZUELA	<i>Ministry of Popular Power for Foreign Affairs</i>	<i>Mr. Rubén Molina</i>



EXECUTIVE SUMMARY

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## EXECUTIVE SUMMARY

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Following the structure adopted for the previous edition, Chapter I of this Report takes a deeper look at the **Ibero-American vision of South-South cooperation**. In a context where the international crisis presupposes a reduction in assistance flows to Latin America, the text (drafted by the twenty-two Ibero-American Conference Cooperation Officers) advocates for **strengthening modalities such as South-South and Triangular cooperation**. It also underscores the **differences between these cooperation modalities in Ibero-America** in terms of **principles, instruments and procedures**. Lastly, it reflects on the new challenges facing South-South and triangular cooperation in the region, emphasizing the **need to improve the information systems** of the technical departments at the country level, a challenge that will benefit from the **Ibero-American Program to Strengthen South-South Cooperation** that became operational in January 2010.

Following these general comments, the Report takes a closer look at South-South cooperation modalities carried out in the Ibero-American space: Bilateral Horizontal, Regional Horizontal and Triangular. As a matter of interest, this analysis introduces a novel methodology compared to prior editions of the Report: it moves beyond an action-based measurement (relatively minor dimension) towards one combining actions with cooperation projects (relatively greater dimension).

This methodological change better reflects the growing complexity of South-South cooperation in the region, as can be discerned from data obtained when applied to the first cooperation modality. In effect, **Ibero-American countries participated in 881 bilateral horizontal South-South cooperation projects in 2009**, almost three times the number of cooperation actions (321).

**Practically 96.5% of the 881 projects were executed by Cuba and Venezuela** (the two top providers in the region, participating in more than 20% of all projects); **Mexico, Brazil and Argentina** (more than 10%); **Colombia** (8.7%) **and Chile** (6.2%). However, this year also saw nascent activity by Bolivia, Ecuador, Costa Rica, Guatemala, Paraguay and Uruguay, providers of the remaining 3.5%.

On the other hand, **project distribution by recipients evidenced greater dispersion**. In fact, 45% of the 881 final projects were carried out in 12 countries with relative shares ranging from 2.5% to 4.9% of total projects. In terms of subregional blocs, these were: Costa Rica, El Salvador, Mexico, Nicaragua, Panama and Dominican Republic; Colombia and Ecuador; and the third bloc: Argentina, Brazil, Paraguay and Uruguay. **Venezuela and Cuba were also the top recipients**, each accounting for 16-17% of projects executed in 2009; **Guatemala and Bolivia** together accounted for a like proportion, **ranking third and fourth** based on volume of projects received. Finally, only Chile, Honduras and Peru had a volume of projects lower than 2.5%.

Broken down by activity sector, **the majority of projects executed in 2009 (345, almost 40% of the total), were linked to some form of economic activity**: 187 in the productive sector and 158 in infrastructure development and economic services. On the other hand, **Social activities accounted for almost another 40% (342 projects)**. Projects classified as **Other dimensions of activity** had less relative importance, **accounting for 22% of the total 881 projects**.

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The weight of each activity in relation to the total number of projects was directly tied to the country capacities and needs profile:

- In the area of capacities, Cuba and Brazil transferred their best experiences in the social ambit; Venezuela and Argentina presented a profile rooted in their economic strengths (energy, and agriculture and livestock, respectively); projects involving Ecuador, Costa Rica and Uruguay were concentrated in the economic sector; whereas cooperation efforts for Chile, Colombia and Mexico were mostly classified under Other dimensions of activity (culture, gender, environment, disaster prevention, in addition to institutional management and capacity-building, especially in the Justice and Security sectors).
- On the requirements side, Venezuela and Cuba were recipients in economic projects; only three countries – Colombia, Guatemala and Mexico – were essentially recipients of projects classified as Other dimensions. As for the remainder of the recipients, the projects were principally in the social sector, with relative shares ranging from 37% for Costa Rica, to 70% for Uruguay.

Finally, taking yet another step in an effort to adjust the results of this Report to the real dimension of South-South cooperation, **Chapter II tackles another major discussion: the economic assessment of technical cooperation.** Progress has been made in Ibero-America with respect to: defining the economic value and differentiating it from the economic cost; gathering data on the economic cost of cooperation; strengthening mechanisms (such as Joint Funds) to share this cost; and **coming up with a first formula** (developed by the Technical and Scientific Cooperation Bureau of Mexico) **to estimate the economic value.** An interesting fact arising from applying this formula to projects executed by Mexico in the region in 2009, suggests the economic value amounted to US\$ 16 million, a figure four times greater than the estimated economic cost.

Another noteworthy fact: **46 South-South and Triangular cooperation projects/actions** were executed in the region. Here again, projects were the choice form of execution for this cooperation modality (80%). However, there were differences in participation levels and the role played by countries:

- **The top provider, Chile, executed almost 40% of the reported actions and projects; Mexico, Brazil and Argentina, together, accounted for another 40%;** whereas Costa Rica, Venezuela and Bolivia carried relatively lower weights, 9%, 7% and 2%, respectively.
- **The most frequent recipient countries were El Salvador (20%), Bolivia and Paraguay (17% each), and Ecuador (13%).** These were followed by Costa Rica, Colombia and Nicaragua with relative weights ranging from 7 to 9%; Guatemala, Dominican Republic and Honduras (2% to 4% of the total).
- **Lastly, only two Ibero-American countries acted as traditional donors: Cuba** participated in several South-South-South triangulations with Venezuela and Bolivia; **and Spain** was involved in 10% of the triangulations executed in 2009. In fact, two extra-regional countries, **Japan and Germany, were by far the most active traditional donors: 37% and 30% of cases, respectively.** A few other actors were involved in one-time interventions: Canada and South Korea, the ILO, IDB and CABEL.

With respect to the sectoral analysis of South-South and triangular cooperation, the outcomes confirm these were **highly complex scientific and technological activities** that fully justify the level of effort and resources expended in this form of cooperation. Thus, **practically half of the 46 projects/actions reported related to activities that do not belong to the socio-economic category** (capacity-building for public institutions and civil society; the environment); **30% come under the economy heading** (phytosanitary activities in agriculture,



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livestock, forestry, fishing and industry); and the remaining **20% were social activities** (education, health, social protection and policies to promote access to housing for the underprivileged).

As noted in earlier editions of the Report, there is no easy way to systematize **Regional Horizontal South-South Cooperation** based on the results of a first analysis of several consultative processes (ALBA, CAN, Ibero-American Conference, MERCOSUR and Mesoamerican Project): each agency has developed its own characteristic cooperation system, not necessarily in accord with the traits associated a priori with regional horizontal South-South cooperation. As a matter of fact, instead of being the defining trait for these systems, horizontality was apparent only in some specific experiences. Accordingly, it was decided only to **review cases** displaying the particular characteristics associated with this cooperation modality. Thus, for purposes of the Report, **regional horizontal South-South cooperation experiences that were executed under different institutional frameworks were identified**. This selection includes cases executed as part of regional consultative mechanisms ("South-South" – such as ACS, ALBA, CAN, MERCOSUR and SICA; as well as "North-South" – in the case of Ibero-American Organizations, the Mesoamerican Project and the OAS); and experiences that, although performed as a regional and horizontal action, were varied as to the institutional envelope. This group includes programs operating as quasi-triangular cooperation scaled-up to the regional level, often involving non-governmental actors. The resulting conclusions add another dimension to the discussion about components, actors and principles that characterize this modality.

One of the Report's qualitative jumps appears in the Chapter on the so-called "**Success stories**." To identify and systematize experiences such as these is in fact one of the Lines of Action of the Ibero-American Program to Strengthen South-South Cooperation. **This Chapter relates the progress made by the Program Technical Unit in 2010.** The progress is concentrated in three areas: **define criteria to identify successful cases; develop a methodological proposal to systematize these cases; conduct a first systematization exercise based on two projects selected** from the list of bilateral horizontal South-South cooperation (specifically, the Cooperation Map developed by Colombia and Uruguay, and the MSME Export Fund between Guatemala and El Salvador).

Concerning **global Official Development Assistance (ODA)**, the trends of the past decade carried over to 2009: growth of total ODA volumes; targeting Millennium Development Goals (MDG); concentrating flows towards the least developed countries; **displacing Latin America as a recipient of global ODA. Nonetheless, the volume of funds received by the region increased in the past two years**, essentially owing to the efforts of its two primary donors: United States and Spain (25% and 20%, respectively, of total assistance to Latin America). In light of the global economic crisis and the fiscal adjustments announced by the top donors, **future projections show another decline in funds to the region.**

Finally, this Report includes a Chapter on the **institutional framework of Ibero-American cooperation systems**. This section was drafted at the request of the Cooperation Officers to review the situation of cooperation institutions in Ibero-America, describe their structure, coordination teams and processes, and outline the major trends and challenges for the future. The goal is to help better understand these institutions, while making a contribution to the discussion about the most effective structures to take on the challenges facing Development Cooperation in all its modalities.

CHAPTER I  
SOUTH-SOUTH COOPERATION  
IN IBERO-AMERICA

### Introduction

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The Third Report on Ibero-American Cooperation published in 2009 by the Ibero-American General Secretariat (SEGIB) gave an account, in Chapter I, of the ongoing reflections about the principles, characteristics, and importance of South-South cooperation in the Ibero-American world, a space comprised of twenty-two Spanish or Portuguese-speaking countries in Latin America, the Caribbean and Europe.

The diversity and heterogeneity that characterizes the members of this world translate into a diverse and innovative regional cooperation system with multiple modalities. What is more, the diversity of the players has been and will remain a valuable asset for the international cooperation system precisely because of the singular modalities and instruments used to implement cooperation among Ibero-American countries.

The Ibero-American cooperation system was created with a view to providing an institutional framework to regulate cooperation relations within the Ibero-American Conference. SEGIB was tasked with coordinating, strengthening and overseeing the quality of such cooperation.<sup>2</sup>

This Chapter seeks to deepen the analysis initiated in the third report on Ibero-American cooperation considering the current context of post international economic and financial crisis, the specific nature of South-South cooperation as executed in Ibero-America, the importance of strengthening this cooperation given the prevailing international context, and the related challenges.

### International cooperation in a post-crisis context

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The dynamics of international development cooperation will undoubtedly suffer the after effects of the recent economic and financial crisis on the global economy. This year, traditional cooperation donors have seen a slowdown of their economies that, combined with the fiscal and monetary bailouts used to counter the crisis, significantly deteriorated their government finance.<sup>3</sup>

The Latin American and Caribbean share of total net Official Development Assistance (ODA) granted by donor countries in 2008 amounted to 7.2%, compared to Africa and Asia, recipients of 68.5% of ODA.

In all probability, the share of total official development assistance flowing to recipients in the Latin American and Caribbean region – already declining before the crisis – will be further reduced, without considering the particular and exceptional circumstances of Haiti and Guatemala.

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\* Chapter prepared by the Ibero-American Cooperation Officers, based on a proposal drafted by Maria Cristina Lazo, Director of the Chilean International Cooperation Agency (AGCI), reviewed and commented by the other countries.

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As indicated in the Third Report, ODA flows towards the least developed countries tend to target lower income countries in Asia and Africa to the detriment of the middle income countries in Latin America, classified by income level despite the serious internal inequities and asymmetries in these countries.<sup>5</sup>

Among the donor countries members of the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD DAC), Spain deserves special mention for honoring its pledge in 2009 despite the international situation and prevailing uncertainty in the wake of the economic and financial crisis. Under these circumstances, it is now more necessary than ever to strengthen South-South and triangular cooperation in partnership with traditional donors. Cooperation is greatly needed to support and contribute to the achievement of development priorities in Latin America and the Caribbean, particularly those intended to tackle internal asymmetries in each country, social inequality, and promote sustainable development.

## South-South Cooperation in Ibero-America

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The Third Report on South-South Cooperation published in 2009 provided general information on the most relevant South-South cooperation projects executed in the region, presenting a first attempt to examine the diversity and practices flowing from particular and distinct criteria that are part of their strength.

The Ibero-American space is indeed vast and diverse. The strength of the resulting South-South cooperation lies in practices grounded in the following key criteria:<sup>6</sup>

1. Cooperation is based on horizontality, solidarity, and mutual interest and benefit to jointly address the partners' development challenges and top priorities.
2. As such, it is international development cooperation where the exchange of knowledge takes precedence over financial considerations. It spans a broad spectrum of fields through technical assistance and/or capacity building in keeping with participant needs.
3. SSC establishes a relationship between partners providing and receiving assistance based on their strengths and weaknesses, under conditions of reciprocity and respect for each other's sovereignty.
4. South-South cooperation seeks efficiency in the use of resources.
5. South-South cooperation boosts relations and promotes integration between countries of a same region, as well as relations with partner countries in other regions, and the possibility of new alliances.

The distinctiveness of South-South cooperation also translates into unique modalities and procedures, primarily the following:

- **Triangular cooperation:** As suggested by the name, this form of cooperation involves three key actors. Usually, these include a traditional donor, a middle income country, and a less developed third country. Each country contributes its own experience in pursuit of a common objective closely tied to the national development priorities of the requesting country.

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However, triangular cooperation is no longer carried out exclusively among the traditional players described above, where interventions usually flowed from an earlier bilateral North-South effort between the traditional donor and one of the other partners. Today we also see intra-regional South-South triangular cooperation where two middle income countries in the region partner to help a third less developed country.<sup>7</sup>

In addition, multiple partnering combinations are possible in the endeavor to help a third party: two traditional donors (country or international agency) may partner with a middle income country to help a fourth country; or two middle income countries in the region may partner with a traditional donor to help a fourth country. Although practically unimaginable a few years back, these combinations are practiced in Ibero-America today.

- **Sub-regional cooperation:** This term refers to cooperation in Latin American and Caribbean sub-regions, negotiated and executed as a bloc. There are many integration processes in Latin America and the Caribbean, each with their own characteristics and needs, which complement one another despite their vastly different objectives. Thus, we see Spain participating in cooperation actions with the CAN, CARICOM, MERCOSUR and SICA;<sup>8</sup> or some countries involved in regional undertakings in areas of common interest such as gender mainstreaming or child malnutrition. In addition, triangular cooperation initiatives have been carried out regionally in Latin America and the Caribbean with other countries and international agencies.
- **Bilateral South-South cooperation:** This is the modality most frequently adopted by the countries in the region, essentially through the exchange of experiences and knowledge.<sup>9</sup>

The **procedures** used ensure greater efficiency. This statement is based on the following facts:

- First, cooperation is between governments, ensuring that the collaboration is aligned with national priorities.
- Second, all stakeholders are involved in project and/or program identification and preparation, assuring ownership.<sup>10</sup>
- Third, the selection of experts, the type and form of technical assistance, and the time-line for activities are determined and reviewed jointly.
- Fourth, a Joint Commission (or similar body) agrees to a Work Plan that is monitored and evaluated upon program completion to the satisfaction of all parties.

## The new challenges to strengthen Ibero-American cooperation

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Although major strides have been made in recent years – in particular to strengthen the multilateral dialogue between countries in the North and South as evidenced by international meetings and forums – much remains to be done.

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Meanwhile, the Ibero-American Program to Strengthen South-South Cooperation developed a conceptual definition of the processes and systematized concrete experiences of Ibero-American cooperation. The Program also gave visibility to the specifics and criteria that underpin the effectiveness and ownership of this cooperation. This is demonstrated by the statistics, although incomplete, and by the classification of successful experiences in this report.

However, as social and economic gaps grow throughout the continent due to the prevailing environment, **new challenges** will have to be tackled in the medium term.

The Ibero-American experience demonstrates that cooperation is an instrument that promotes development in the countries of the region.

As yet, no suitable measurement systems have been implemented to accompany the development of South-South cooperation. The data and recording systems, in addition to the statistics, are riddled with shortcomings.

Even worse, there are no meaningful indicators to measure the economic and social impact or the outcomes of cooperation in the Ibero-American realm.

In order to address these shortcomings, the challenges are being channeled through the Ibero-American Program to Strengthen South-South Cooperation so as to advance in the following action areas:

- Establish indicators to:
  - Allocate cooperation resources targeting existing social and economic gaps.
  - Measure the impact of transferring experiences executed under the different South-South and triangular cooperation modalities.
  - Measure the social and economic impact of actions carried out.
- Share and develop a data base of good practices using uniform criteria.
- Agree to a minimum number of variables to be recorded by the information systems with a view to developing comparable data to facilitate statistical analysis of cooperation in Ibero-America.
- Promote the creation of flexible and user-friendly national data systems to meet the needs and particularities of the cooperation mechanisms adopted by each country.
- Strengthen the political dialogue and coordination among North-South, Triangular and South-South cooperation partners for a more efficient participation.
- Identify national strengths and develop capacities for South-South cooperation.
- Establish monitoring and evaluation mechanisms and reduce fragmentation and duplication of actions.
- Draw up a regional agenda around Ibero-American priorities.

- 
- Generate alternative cooperation models including, where appropriate, public–private partnerships.

By advancing each of these areas of action, greater clarity will be given to the effectiveness of cooperation in the Ibero-American realm.

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## NOTES

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<sup>1</sup> The Ibero-American member countries are Andorra, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Paraguay, Portugal, Spain, Uruguay and Venezuela.

<sup>2</sup> At the V Ibero-American Summit held in San Carlos de Bariloche (Argentina) in 1995, member countries signed the Agreement for Ibero-American Cooperation in the Framework of the Ibero-American Conference, creating the Ibero-American Cooperation System as the guiding instrument for cooperation programs and projects emanating from the Summits of the Ibero-American Conference. The Ibero-American Cooperation Agreement entered into effect on 4 December 1996.

<sup>3</sup> According to estimates from the International Monetary Fund, the fiscal deficit of the Group of Twenty (G-20) developed countries is forecast to be 8.7% of GDP in 2010, and their gross public debt is expected to rise to 106.7% of GDP in 2010 (IMF, 2009). See ECLAC 2010 article "International Cooperation in the New Global Context: Reflections from Latin America and the Caribbean" LC/G.2440 (SES.33/11) 26 March 2010.

<sup>4</sup> Total Official Development Assistance (ODA) from Development Assistance Committee (DAC) member countries in 2008 was US\$128.6 billion of which only US\$9.26 went to Latin America and the Caribbean and US\$88.2 billion to Africa and Asia. See OECD: "Development Aid at a Glance: Statistics by Region", 2010 edition.

<sup>5</sup> On average, between 2000 and 2008, no Latin American or Caribbean country figured among the first 10 ODA recipients as a percentage of Gross National Income. On the contrary, of the 10 countries which received the least ODA globally, seven belong to Latin America and the Caribbean. Idem ECLAC (2010).

<sup>6</sup> The Third Report in 2009 describes in greater detail 10 criteria defining South-South cooperation in Latin America and the Spanish-speaking Caribbean region. See SEGIB "Report on South-South Cooperation in Ibero-America 2009," SEGIB Study No. 4, 2009, pages 17-18.

<sup>7</sup> Examples may be found in Chapters II, III and IV of this Report, as well as in earlier editions.

<sup>8</sup> Acronyms for the Andean Community of Nations (CAN); the Caribbean Community (CARICOM); the Southern Common Market (MERCOSUR); and the Central American Integration System (SICA).

<sup>9</sup> See Chapter II.

<sup>10</sup> Ownership is understood as the requesting country's involvement from the very inception of cooperation programs or projects so as to achieve the economic and social impact sought by said country.



## Box I.1. South-South Cooperation on the regional and international scene (2009-2010)

Year (month)	Event	Ambit	Contribution
2009 (02)	Working Party on Aid Effectiveness (WP-EFF) Paris (France)	Multilateral (DAC)	Established the Task Team on South-South Cooperation. Consists of traditional donors, recipient countries, civil society, academia and development agencies. The main purpose is to strengthen regional South-South cooperation platforms, and to map, document, review and discuss synergies between the principles of Aid Effectiveness and South-South cooperation. Participants included, among others, the Dominican Republic, Ecuador, Mexico, Peru and Spain, in addition to Colombia chairing the session.
2009 (03)	II Summit of South American - Arab Countries (ASPA) Doha (Qatar)	Interregional	Debate on the global financial crisis and its impact on the two regions, and possible joint measures, with special emphasis on SSC initiatives.
2009 (04)	ALBA-TCP 5th Extraordinary Summit Cunama (Venezuela)	Regional (ALBA)	With a view to promote South-South cooperation between developing regions, the Heads of State and Government of member countries instructed the ALBA Bank to establish technical-institutional cooperation mechanisms with the Economic Cooperation Organization Trade and Development Bank.
2009 (05)	1st International Symposium on Triangular Cooperation – “New Paths to Development” Brasília (Brazil)	Bilateral (Brazil and Germany) and Multilateral (EC)	Broad debate on issues relating to triangular cooperation: participants, general principles, modalities, comparative advantages and value-added compared to other forms of cooperation. The objective is to marshal participation to deepen the analysis and coordination of triangular cooperation and its effectiveness.
2009 (07)	G5 and G8 Meeting L'Aquila (Italy)	Multilateral (G5 and G8)	Meeting in the framework of the Heiligendamm Dialogue Process. Touched upon issues relating to cooperation for development. Alarmed by the serious implications of the global crisis, efforts must continue to improve the quality and effectiveness of North-South and South-South cooperation. Participants underscored the importance of and agreed to pursue effective triangular cooperation.
2009 (07)	XXXVII Council Meeting, Southern Cone Common Market (MERCOSUR) Asuncion (Paraguay)	Regional (MERCOSUR)	Culminated with the Presidential Declaration on MERCOSUR Humanitarian Aid establishing an institutional cooperation mechanism for the reduction and relief of natural or man-made disasters. The mechanism includes sharing experiences and technical advice.
2009 (08)	III Regular Meeting of Heads of State and Government of the South American Union of Nations (UNASUR) Quito (Ecuador)	Regional (UNASUR)	Seek mechanisms to accelerate regional integration and cooperation in the midst of an economic crisis. To this end, several South American Councils were created to address sector problems, such as Social Development, Education, Infrastructure and Planning, and Technology and Innovation.
2009 (09)	Policy Dialogue on Development Cooperation Mexico City (Mexico)	Bilateral (Mexico) and Multilateral (DAC)	Compared country approaches to development cooperation. Advocated for promoting the principle of horizontal cooperation among Latin American countries; supporting capacity building; and targeting economic and social development through cooperation. Also recommended giving greater impetus to South-South and triangular cooperation experiences.
2009 (09)	First meeting of the Task Team on South-South Cooperation (TTSSC) Washington (United States)	Multilateral (DAC)	To learn about the synergies between South-South cooperation and effectiveness, the TTSSC will identify case histories of good and bad SSC practices. The meeting discussed criteria for the identification of case histories for later presentation and review at the High-Level Meeting in Bogota in 2010.

### Box I.1. South-South Cooperation on the regional and international scene (2009-2010) (continued)

Year (month)	Event	Ambit	Contribution
2009 (09)	64th Session of the United Nations General Assembly New York (United States)	Multilateral (United Nations)	The UN Secretary-General presented the report <i>The promotion of South-South cooperation for development: a thirty-year perspective</i> reviewing implementation of the Buenos Aires Plan of Action (BAPA) from its approval (1978) to the present. Attention was drawn to the recent momentum given to South-South and triangular cooperation, especially through the emergence of new forms of South-South accord such as the Banco del Sur or UNASUR. Discussion also focused on potential future challenges.
2009 (10)	Specialized CIDI Meeting of High-Level Authorities on Cooperation (CIDI - Inter-American Council for Integral Development) Bogota (Colombia)	Regional (OAS)	The objective is to improve cooperation effectiveness in the region through: better coordination of cooperation policies among countries; more OAS resources for cooperation, especially horizontal South-South and triangular; implementation of the Inter-American Cooperation Network (COOPERNET) to support dialogue between cooperation directors of member countries.
2009 (11)	Preparatory meeting for the Africa Regional Consultation Core Working Group (CWG) Addis Ababa (Ethiopia)	Multilateral (United Nations, African Union)	Decided to create a Working Group on South-South Cooperation in Africa. The principal duties include: promoting an African vision of South-South cooperation; establishing links between this cooperation and regional development (by placing South-South cooperation on the agenda of ministerial meetings, among others); integrating the African perspective of South-South cooperation with the international agenda for cooperation.
2009 (11)	High level symposium on mutual accountability and transparency (DCF/ECOSOC) Vienna (Austria)	Multilateral (United Nations)	Preparatory meeting for the II High Level Development Cooperation Forum, ECOSOC (United Nations). Presentation of the report <i>South-South and Triangular Cooperation: Improving information and data</i> with a dual purpose: improve information and data collection on both forms of cooperation; generate mechanisms to strengthen both South-South and triangular cooperation.
2009 (11)	II Africa-South America Summit (ASA) Isla Margarita (Venezuela)	Interregional	The Summit established the basis for economic cooperation between Africa and South America, and sought common political positions on the international agenda. The final document contains 95 points to intensify South-South trade relations in areas such as multilateral cooperation, security and the energy and mining sector, among others.
2009 (11)	Launch the Banco del Sur Isla Margarita (Venezuela)	Regional	In parallel with the II Africa-South America Summit (ASA), Argentina, Brazil, Venezuela, Ecuador, Uruguay, Bolivia and Paraguay signed the Banco del Sur charter. The first three agreed to contribute 4 billion dollars in initial capital (of the 20 billion authorized capital); the others will contribute amounts according to their possibilities.
2009 (11/12)	XIX Ibero-American Summit of Heads of State and Government Estoril (Portugal)	Regional (Ibero-American Conference)	Outcomes include, among others, the Lisbon Program of Action and the Special Communiqué on Development Cooperation with Middle Income Countries (MIC). The first highlights implementation of the Ibero-American Program to Strengthen South-South cooperation and the appointment of its manager. The second refers to the political support for MIC on the international development agenda.
2009 (12)	30+1 Anniversary of the Buenos Aires Plan of Action (BAPA) on Technical Cooperation among Developing Countries (TCDC) Nairobi (Kenya)	Multilateral (United Nations)	The Nairobi Final Document reviews the thirty years since implementation of the Plan of Action on Technical Cooperation among Developing Countries (TCDC) in 1978. It recognizes the growing importance of South-South cooperation and encourages developing countries to continue joining efforts to combat common problems. It further invites developed countries to join the effort through triangulation. It was especially noted that Latin America came prepared with a common position on South-South cooperation, attained through meetings of the Ibero-American Cooperation Officers and approved by consensus in the days preceding the XIX Ibero-American Summit of Heads of State and Government in Estoril (Portugal).

### Box I.1. South-South Cooperation on the regional and international scene (2009-2010) (continued)

Year (month)	Event	Ambit	Contribution
2009 (12)	6th anniversary of the UN Day for South-South Cooperation Washington (United States)	Multilateral (United Nations)	Shared experiences and specific examples in the quest for South-South solutions to development problems. Specifically, the following solutions were offered: proposed new triangular and South-South partnerships in climate change, food security and health; financing agreements for South-South and triangular partnerships; management examples for both cooperation models.
2010 (02)	Unity Summit Cancun (Mexico)	Regional intergovernmental	Worked on political accord to secure the position of the region on the international stage and strengthen development. Favored coordination over other existing forms of partnership, as well as strengthening South-South and triangular cooperation.
2010 (02)	Asia-Pacific Regional Meeting on South-South Cooperation and Aid Effectiveness Seoul (South Korea)	Bilateral/ Regional (South Korea and World Bank)	Preparatory meeting for the High Level Event on South-South Cooperation and Capacity Development to take place in March in Bogota (Colombia), and the IV High Level Forum on Aid Effectiveness scheduled for December 2011 in Seoul. Discussions centered on the complementarity between South-South and North-South cooperation and the rapport with the Aid Effectiveness agenda. The conclusions refer to the horizontality of South-South cooperation and the need to improve mechanisms to evaluate effectiveness.
2010 (02)	Conference on Development Finance and Emerging Donors Moscow (Russia)	Bilateral (Russia) and Multilateral (World Bank and OECD)	Debate on the growing contribution of new bilateral donors to finance development: their role in the new aid architecture; distribution of financing from these countries; and the mechanisms to enhance effectiveness.
2010 (03)	Workshop "EU Triangular Cooperation in the context of Aid Effectiveness" Madrid (Spain)	Bilateral (Spain) and Multilateral (EU)	While Spain held the Presidency of the European Union, the Spanish Agency for International Development Cooperation (AECID) convened the member states and the European Union to share experiences and opinions concerning triangular cooperation and its implications for efforts to enhance aid effectiveness.
2010 (03)	High Level Event of South-South Cooperation and Capacity Development Bogota (Colombia)	Multilateral (DAC)	Presentation of 110 case histories on South-South cooperation, of which almost half (53) involved Latin American and Caribbean parties. Interpreting points 19a, 19b and 19c of the Accra Agenda for Action, interesting lessons were drawn on the adaptation of the principles for SSC efficacy based on Paris and Accra; enrichment of the effectiveness agenda through SSC; areas of complementarity between South-South and North-South cooperation.
2010 (04)	31st FAO Regional Conference - Panama City Panama City (Panama)	Multilateral/ Regional (FAO)	Meeting of 26 Latin American and Caribbean FAO member countries. Addressed the challenges to agriculture and food security in the region. The final recommendations point to the need for an integral response to problems and for supporting this response through greater promotion of South-South cooperation.
2010 (05/06)	Seminar-Workshop "Design and program a line of work for training and sharing experiences" San Salvador (El Salvador)	Regional (Ibero-American Conference)	Activity carried out in the framework of the Ibero-American Program to Strengthen South-South Cooperation. Progress was made towards designing a South-South cooperation training program in diverse areas such as: institutional capacity-building to strengthen South-South cooperation; project identification, formulation, negotiation, monitoring and evaluation; developing information systems adapted to country needs.
2010 (05/06)	ECLAC's 33rd period of sessions Brasilia (Brazil)	Regional (ECLAC)	Discussed Latin American participation in the renewed momentum in South-South cooperation, and opportunities arising on the post-global crisis horizon. ECLAC urged countries to strengthen their indicator systems, to opt not only for world ODA (based on criteria not tied exclusively to relative income level), but also to better measure the economic and social impact of SSC.

### Box I.1. South-South Cooperation on the regional and international scene (2009-2010) (continued)

Year (month)	Event	Ambit	Contribution
2010 (06/07)	Development Cooperation Forum (ECOSOC) New York (United States)	Multilateral (United Nations)	Considered the relationship between Cooperation and the Millennium Development Goals (MDG), aid transparency and strengthening new forms of cooperation, in particular South-South and triangular. Participants agreed that progress in cooperation efficacy is dependent upon advances in information systems. To this end, proposed the creation of a common database, managed by DCF/ECOSOC, to gather annual data on bilateral and triangular South-South cooperation.
2010 (06)	Meeting of the Task Team on South-South Cooperation New York (United States)	Multilateral (DAC)	Held in parallel with the ECOSOC Development Cooperation Forum (DCF). Presented progress achieved at the High Level Event in March, in Bogota, concerning the relation between South-South Cooperation and Aid Effectiveness. Approved the work program to continue moving forward and to prepare the presentation of outcomes at the next High Level Event on Aid Effectiveness (Seoul, 2011).
2010 (07)	Seminar-Workshop "Information systems and register of South-South Cooperation in Ibero-America" Cartagena de Indias (Colombia)	Regional (Ibero-American Conference)	Activity carried out in the framework of the Ibero-American Program to Strengthen South-South Cooperation. Made progress on a regional map showing the status of information systems in Latin American countries. Identified implementation phases for these systems (design; development; consolidation), compared the strengths of some countries to the needs of others. Based on the outcomes, it was suggested bilateral experiences be shared to further develop the respective information systems.
2010 (09)	High Level Event on the Millennium Development Goals New York (United States)	Multilateral (United Nations)	Reviewed progress on the Millennium Development Goals (MDGs). Welcomed the progress made but expressed concern because it falls short of what is needed. Called for increased political commitment; adopted an Action Agenda for achieving the MDGs by 2015; insisted on the need to scale-up other means, including the promotion of South-South and Triangular cooperation.
2010 (11)	High Level Event on South-South and Triangular Cooperation Geneva (Switzerland)	Multilateral (United Nations)	Convened by the UNDP Special Unit for South-South Cooperation to celebrate the United Nations Day for South-South Cooperation (19 December). The following items will be on the agenda: 1) Presentation of Centres of Excellence for South-South and Triangular Cooperation; 2) Capacity building for both forms of cooperation; and 3) Identify good practices in triangular cooperation.

**Source:** SEGIB based on data from the Bolivarian Alliance for the Peoples of Our America (ALBA) (2010 and 2009); United Nations General Assembly (2009); The Association of European Parliamentarians with Africa (AWEPA) (2010); Economic Commission for Latin America and the Caribbean (ECLAC) (2010); Ibero-American Conference (2009a, 2009b and 2009c); United Nations Economic and Social Council (ECOSOC) (2010 and 2009); Inter-American Council for Integral Development (CIDI / OAS) (2009); Declaration of the Latin American and Caribbean Unity Summit (2010); G8 (2009a and 2009b); MERCOSUR (2009a and 2009b); Organization for Economic Co-operation and Development (OECD) (2009); Organization of American States (OAS) (2009); Pantoja (2009); United Nations Development Programme (UNDP) (2009); Ibero-American Program to Strengthen South-South Cooperation (2010); Union of South American Nations (UNASUR) (2010, 2009a and 2009b).



**CHAPTER II**  
**IBERO-AMERICA AND**  
**BILATERAL HORIZONTAL SOUTH-SOUTH COOPERATION**

### Introduction

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This Chapter reviews technical cooperation between Latin American countries in 2009. The methodology used to study bilateral horizontal South-South Cooperation has been changed significantly from previous compilations. The changes were motivated by:

- First, discussions at the meetings of Ibero-American Cooperation Officers, who are Directors of Cooperation Agencies and/or Bureaus responsible for gathering data for the Report. Based on actual country capacities, the Officers provide guidelines as to the type and treatment afforded to the information used in the Report. The objective is to ensure the results emerging from these methods track the national and regional reality of this form of cooperation as closely as possible.
- Second, the progress achieved in the framework of the Ibero-American Program to Strengthen South-South cooperation. The Technical Unit of the Program developed the Lines of Action specified in its Annual Work Plan (AWP). The steps taken in the Line of Action on Information Systems implemented by countries in the realm of cooperation are particularly relevant for this Report because they translate into more and better quality information (Box II.1).

As a result of these efforts, this Report takes a significant stride in differentiating between cooperation actions and projects:

- In previous reports, actions were the principal unit of analysis. They were the common denominator generating a first quantification, but with one major limitation: actions included heterogeneous realities (studies, consulting services, internships, training workshops, cooperation projects, etc.).
- This Report takes the analysis one step further by using two analysis units: actions (of a relatively minor dimension) and projects (of a relatively major dimension). In fact, by adjusting measurement with reality, the objective is to work towards a methodology exclusively based on project analysis.

Having made the differentiation, however, the presentation of actions and projects remains unchanged. The matrixes for delivery and receipt of cooperation and the maps showing the geographical distribution of providers and recipients are instruments that help visualize who is cooperating with whom and with what degree of intensity. The matrixes are further broken down by activity sector so as to deepen the analysis of the needs and capacities profile for each country and the region as a whole.

## Box II.1. The Ibero-American Program to Strengthen South-South Cooperation and advances in Information Systems

There is consensus among international cooperation players (at the central, sector and territorial level) that South-South cooperation has enjoyed an incremental development in recent years. Furthermore, South-South cooperation has also grown in intensity, becoming a priority in the cooperation policies of some Ibero-American countries.

Until just a few years ago, the challenge was to put South-South cooperation on the radar or show International Cooperation players that it really existed and served to generate processes, lessons and networks. Today, the objective has changed. What is needed is to *“move towards defining South-South Cooperation, determining its magnitude, learning from its experiences and identifying good practices”* (Alonso, 2010).

In keeping with this idea, the Ibero-American Program to Strengthen South-South Cooperation hopes to make a contribution in many of the above areas, based on the reality of countries with a variety of practices and priorities.

Accordingly, one of the lines of work aims to help countries develop their information, registration and calculation systems to begin gauging the “magnitude” of South-South cooperation. In pursuit of this task, it should be clearly understood that *“there is a major difference between having a sea of data and having relevant, timely and reliable data”* (Waissbluth, 1980).

In 2010, the Ibero-American Program to Strengthen South-South Cooperation received expressions of interest from countries keen on developing and improving their Information Systems. The outputs from several events and other activities were a strong indication of this interest. Specifically:

1. At the meeting in Buenos Aires in March to review the Questionnaire underpinning this Report 2010, there was evidence that:
  - Countries have some form of data registry commensurate with their technical and financial possibilities, and some legal know-how to enter data in the Information System.
  - There is agreement as to the importance of having a system capable of combining or analyzing data records used to generate statistical reports against a record of experiences. Both elements will help explain the processes generated in the realm of South-South cooperation.
2. At the Seminar/Workshop in El Salvador in June 2010, organized to determine the Program’s training content, a specific work group was set up to discuss Information Systems. This group concluded that the primary issues relate to the concept and measurement of South-South cooperation, the treatment of statistics, and information systems management. Participants further indicated that having an information system will significantly help put Ibero-American South-South cooperation on the map, support planning processes and accountability, as well as research and the generation of knowledge.



### **Box II.1. The Ibero-American Program to Strengthen South-South Cooperation and advances in Information Systems (continued)**

3. The importance countries attach to the issue was also reflected in the timely responses to the "Questionnaire to map the computer, information and data processing systems used to assess the cooperation received or provided by each country." The responses to this questionnaire served to develop a first diagnostic on the state of information systems in the region; an initial "mapping" susceptible of improvement (with countries' agreement) but nonetheless very useful.
4. Lastly, the participation of 40 professionals from 14 countries at the Seminar/Workshop "Information Systems and a Record of South-South Cooperation in Ibero-America: Sharing Experiences" in Cartagena de Indias on July 21-23, confirmed the priority status of the issue. At this event, knowledge about existing information systems was explored at length, identifying the challenges to be addressed in the near future. These include: working towards greater data compatibility, generating common indicators, collecting qualitative data and systematizing South-South cooperation projects.

Countries also expressed willingness to participate in structured exchanges of experience with the implementation and use of information systems. Country participation at these sessions will depend, among other issues, on the current status of their system (design, development or consolidation phase, as defined by each country) and the resulting capacities and needs. Based on this criterion, priority will be given to support the countries still in the information system design or implementation phase. The Program will provide support and mentoring to help these countries develop their system.

The coming year will be one in which the processes started in 2010 will enter a development and consolidation phase, drawing together the work carried out by the countries with Program support.

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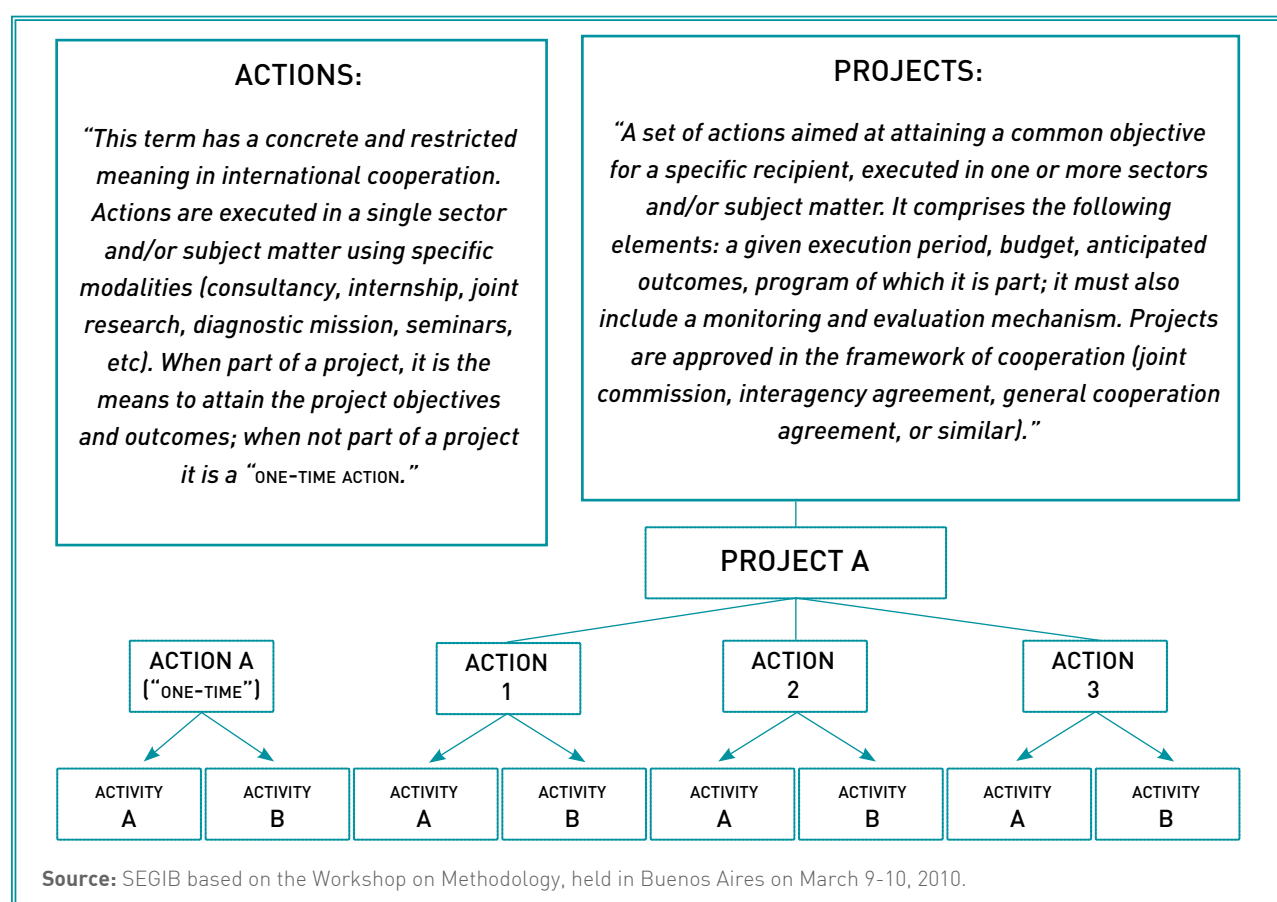
The treatment given to the cost and economic value of bilateral horizontal South-South cooperation deserves separate mention. Although progress has been made in the methodological approach, the debate is still ongoing. Consequently, this year, countries opted to reflect in the Report only data as to the status of cooperation rather than estimated volume of financial resources mobilized under this form of cooperation. This further explains the decision concerning the cost and economic value: data are provided for countries that followed these methodologies (such as Brazil and Mexico), but publication of overall results for Latin America will be postponed until complete and precise data are available for all countries. Nonetheless, publication may not be far off thanks to the progress achieved under the South-South Program in terms of information systems.

Lastly, the Report includes data on humanitarian aid delivered in 2009 by countries in a show of solidarity when emergencies struck. Earthquakes, hurricanes, fires, floods and droughts, among others, left thousands of victims. As in the past, even lower-income countries responded in a spirit of solidarity to help palliate the damage wrought by these disasters.

## Methodological advances: differentiating cooperation actions and projects

In March 2010 a workshop was held in Buenos Aires, Argentina, to discuss the methodology. The upshot from this workshop was that a more precise distinction was made between actions and projects in the framework of cooperation. Diagram II.1 captures the resulting definitions and provides an illustration to facilitate understanding.

**Diagram II.1. Definition and models of cooperation projects and actions**



It follows then that cooperation projects (Project A in the above diagram) comprise a mix of actions aimed at achieving a common objective for a specific recipient. In general, projects are approved in the larger scheme of specific cooperation (joint commission, interagency agreement, general cooperation agreement, or similar) and contain the following:

- A specific execution period;
- A budget allocation;
- Expected outcomes;
- A monitoring and evaluation mechanism.

On the other hand, cooperation actions comprise one or more activities, often merely logistical but necessary for execution. Cooperation actions are usually carried out by means of tools such as research, consultancy, internships, training, seminars and workshops or similar. There are two distinct modes:

- One-time actions (Action A). The action is executed to achieve a specific objective at a specific time or in a specific period. It may have some but not all the traits required to qualify as a project.
- Performed jointly with other Actions (Actions 1, 2 and 3). In this case the characteristics associated with the group of actions are those used to identify projects.

To facilitate understanding of the distinction made in the text, Box II.2 below shows some examples of what may or may not be considered actions or projects.

### Box II.2. When is it a cooperation project and when an action?

To illustrate the difference between a Bilateral Horizontal South-South cooperation project and action, two hypothetical cases were selected: a literacy project and a reproductive health internship.

**1. Literacy project** between country A (provider) and country B (recipient). Arising through a Joint Commission between the two countries, the objective and beneficiaries were clearly defined: literacy education for at least three rural communities in country B, communities meeting special criteria concerning their vulnerability and a 35% literacy rate among people 15 or older. As the table below shows, the project complied with all the requirements: a specific execution period (20 months); a budget (estimated for each beneficiary community); expected outcomes (in terms of literacy as well as other socioeconomic impacts); and a monitoring and evaluation mechanism (reviewing outcomes, impacts and sustainability).

#### Literacy project in rural communities of country B

Project elements	Description
Execution period	20 months, split into the following phases: <ul style="list-style-type: none"> <li>- Diagnostic of the situation (2 months)</li> <li>- Identification of communities and potential students (1 month)</li> <li>- Course logistics (3 months)</li> <li>- Literacy education (12 months)</li> <li>- Evaluation of outcomes (2 months)</li> </ul>
Budget	Estimated at a cost of (x) dollars per beneficiary community
Expected outcomes	Literacy of 100% of people 15 or older who, in the diagnostic phase, were identified as being totally or functionally illiterate. The objective is to promote integration in the labor market, increase income, and improve family well-being.
Monitoring and evaluation mechanism	Outcomes will be evaluated upon project completion. The evaluation will consider the resulting impacts (direct and indirect) and future sustainability, among other elements.

## Box II.2. When is it a cooperation project and when an action? (continued)

**2. Action/Reproductive health internship.** Country A has a Reproductive Health Institute with a highly developed work method to identify, diagnose and treat some diseases. Country B is establishing a similar institute. Country A offered to host ten health professionals from country B for a one month internship at its institute. The objective is to transfer know-how from the professionals of the provider country to those of the recipient country to strengthen the reproductive health sector.

### Reproductive health internship

Project elements	Description
Execution period	One month, with no plans to continue in the future
Budget	The total cost is limited to sharing coverage of actual costs (transportation, accommodation and subsistence allowance for the visiting health workers)
Expected outcomes	Train 10 interns from country B, thereby building capacity for the newly established reproductive health Institute
Monitoring and evaluation mechanism	None

This action includes some but not all the elements required for a project. It is treated as a one-time action with no continuity, therefore not a project. In fact, the action had a budget and expected outcomes, but no evaluation mechanism. Furthermore, although arising from an inter-agency initiative, it was not part of a formal agreement between the two institutions.

**Source:** SEGIB based on the Workshop on methodology, held in Buenos Aires on March 9-10, 2010.

## Bilateral Horizontal South-South Cooperation Matrixes

Due to this differentiation between projects and actions, two Matrixes showing bilateral horizontal South-South cooperation Providers and Recipients were developed this year, one for each instrument. However, before presenting them separately, the data were combined in Matrix II.1 to illustrate the advantages of the new modality.

This Matrix shows the overlay of the other two. The shading in each cell indicates what country exchanged bilateral horizontal South-South cooperation with what other country. The differences in shading represent one of three options: actions-only exchange; projects-only exchange; a combination of the two.

A study of the matrix reinforces the notion that South-South cooperation is evolving and growing increasingly complex. On the provider side, action-only exchanges were between countries with a developing history as cooperation providers, such as Ecuador, Peru, Costa Rica and Uruguay, or perhaps one-time only as in the case of El Salvador, Paraguay and Dominican Republic. Conversely, long-standing providers such as Brazil, Colombia, Cuba, Argentina, Chile, Mexico and Venezuela, capture all the projects-only situations, or a combination of both instruments.

**Matrix II.1. Bilateral Horizontal South-South cooperation projects and actions. 2009**

PROVIDERS		RECIPIENTS																		
		LMIC												UMIC						
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay	Venezuela
LMIC	Bolivia																			
	Brazil																			
	Colombia																			
	Cuba																			
	Ecuador																			
	El Salvador																			
	Guatemala																			
	Honduras																			
	Nicaragua																			
	Paraguay																			
	Peru																			
	Dominican R.																			
UMIC	Argentina																			
	Chile																			
	Costa Rica																			
	Mexico																			
	Panama																			
	Uruguay																			
	Venezuela																			

Actions and projects

Projects only

Actions only

■ Actions and projects

■ Projects only

■ Actions only

Countries classified by income level according to World Bank GNI per capita criteria: Lower middle income - LMIC (US\$936 - US\$3,705); Upper middle income - UMIC (US\$3,706 - US\$11,455).

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

The transition towards an essentially projects-based cooperation model was again confirmed by the numbers projected in Matrixes II.2 and II.3. In effect, in 2009, countries participated in 881 total bilateral horizontal South-South cooperation projects, whereas the number of actions was far lower, about 321.

## Matrix II.2. Bilateral Horizontal South-South cooperation projects. 2009

In units

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia			1																1	
	Brazil	10		7	14	4	4	3		2	15	8	2	9		6	7	5	10	15	121
	Colombia	1			8		8	12	8	3	1	3	7	1		6	8	8	2	1	77
	Cuba	13	7	5		4	3	11	4	6	2	5	3	9	5	2	7	8	5	106	205
	Ecuador										1									14	15
	El Salvador																				
	Guatemala			1																	1
	Honduras																				
	Nicaragua																			1	1
	Paraguay			2																	2
	Peru																				
	Dominican R.																				
UMIC	Argentina	12	10	7	14			3		2	18	2	2			3	4	3		9	89
	Chile	3		2	2	2	2	18			2		5			7	10	1	1		55
	Costa Rica			5													1				6
	Mexico	3		7	4	15	11	27	4	2		2	4	5	12	20		3	7		124
	Panama																				
	Uruguay											1				1	1			2	5
	Venezuela	25	8	1	103	4	1	1		24	2		4		1		1		4		179
TOTAL		67	25	38	145	29	29	75	16	39	41	21	27	24	18	43	39	28	29	148	881

Countries classified by income level according to World Bank GNI per capita criteria: Lower middle income - LMIC (US\$936 - US\$3,705); Upper middle income - UMIC (US\$3,706 - US\$11,455).

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

### Matrix II.3. Bilateral Horizontal South-South cooperation actions. 2009

In units

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil				4				4	3			1		3		4	8	1	28	
	Colombia					5				2	2	8			16		6			39	
	Cuba				5				5			9							14	33	
	Ecuador	2							1	1	1			1	1				2	9	
	El Salvador						1													1	
	Guatemala																				
	Honduras																				
	Nicaragua																				
	Paraguay																	1		1	
	Peru			2		1	1	1			1							21		27	
	Dominican R.						1													1	
UMIC	Argentina				2	8	1	3		3	6	5	4			4		8		3	47
	Chile	4		5	7	8	16	2		5	4					3	3	5		62	
	Costa Rica							1	1	1							1			4	
	Mexico	2				3			2	5	1	5	3	1	2		6	2		32	
	Panama																				
	Uruguay		7	1			1			2	3		3	2		2			1	22	
	Venezuela			1	7	4			1	2										15	
TOTAL		8	7	9	16	30	28	7	1	22	27	12	26	7	4	26	5	50	15	21	321

Countries classified by income level according to World Bank GNI per capita criteria: Lower middle income - LMIC (US\$936 - US\$3,705); Upper middle income - UMIC (US\$3,706 - US\$11,455).

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

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## Geographical distribution maps

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Processing the data from Matrixes II.2 and II.3 illustrates the following geographical distribution maps for bilateral horizontal South-South cooperation:<sup>3</sup>

- Map II.1 ranks countries by volume of projects provided, measured in terms of their share of the 881 projects.
- Map II.2 ranks countries based on cooperation received, measured by the proportion of projects received over total projects.
- Maps II.3. A and B, reproduce the same distribution (providers and recipients, respectively) but focusing on actions.

The first map--geographical distribution of bilateral horizontal South-South cooperation projects--shows a high level of concentration. In effect, five countries accounted for more than 80% of all projects executed in the region: Cuba and Venezuela, the two leading providers, with respective participations greater than 20%; Mexico, Brazil and Argentina, each with respective weightings of more than 10%. Adding the projects executed by Colombia (8.7%) and Chile (6.2%), almost 96.5% of the 881 projects were executed in 2009 by seven countries.

On the other hand, last year there were several new entrants in bilateral horizontal South-South cooperation. While low in relative terms (4% of the total), the resulting activity is nonetheless significant. These countries are Ecuador, Costa Rica and Uruguay, providers of 15, 6 and 5 projects, respectively, and Paraguay, Bolivia and Guatemala that executed 1 or 2 cooperation projects each.

The distribution of projects by recipients (Map II.2) shows greater dispersion. All countries, without exception, received between 16 (minimum, Honduras) and 148 projects (Venezuela). Thus, 45% of the 881 final projects were distributed among twelve countries, each with a relative share ranging from 2.5% to 4.9% of the total number of projects: Mexico, El Salvador, Nicaragua, Costa Rica, Panama and Dominican Republic in the North, Central America and the Caribbean; Colombia and Ecuador in the Andean subregion, and Argentina, Brazil, Paraguay and Uruguay for the Mercosur bloc. The two leading providers (Venezuela and Cuba) were also the leading recipients, each accounting for 16 to 17% of projects executed in 2009; Guatemala and Bolivia together accounted for a like proportion, ranking third and fourth based on volume of projects received. Finally, only Chile, Peru, and Honduras had a volume of projects of less than 2.5%.

With regards to actions, Maps II.3.A and B show that cooperation provided was also more highly concentrated than cooperation received, although less so than for projects. The five countries that provided more cooperation actions (Chile, Argentina, Colombia, Cuba and Mexico, in order of relative importance) together accounted for two thirds of the 321 actions. Another 25% were covered by Brazil that, in addition to 121 projects, participated in 28 actions. Interestingly, Peru and Uruguay, as new players, executed 27 and 22 actions, respectively. The remaining 10% were almost entirely covered by Venezuela and Ecuador, having respectively executed almost 5% and 3% of total actions. Costa Rica contributed to the total with 4 actions, and El Salvador, Paraguay, and the Dominican Republic were responsible for a one-time action.



**Map II.1. Geographical distribution of cooperation projects, by provider. 2009**



**LEGEND. Color coding according to percentage of cooperation projects provided in 2009:**

PERCENTAGE	COLOR
Less than 2.5%	
Between 2.6% and 5.0%	
Between 5.1% and 7.5%	
Between 7.6% and 10.0%	
More than 10.1%	

**Source:** SEGIB based on reporting from cooperation agencies and/or bureaus.

**Map II.2. Geographical distribution of cooperation projects, by recipient. 2009**



**LEGEND. Color coding according to percentage of cooperation projects received in 2009:**

PERCENTAGE	COLOR
Less than 2.5%	Light Blue
Between 2.6% and 5.0%	Grey
Between 5.1% and 7.5%	Medium Blue
Between 7.6% and 10.0%	Dark Blue
More than 10.1%	Teal

**Source:** SEGIB based on reporting from cooperation agencies and/or bureaus.

**Map II.3. Geographical distribution of cooperation actions, by role. 2009**

**II.3.A. By provider**

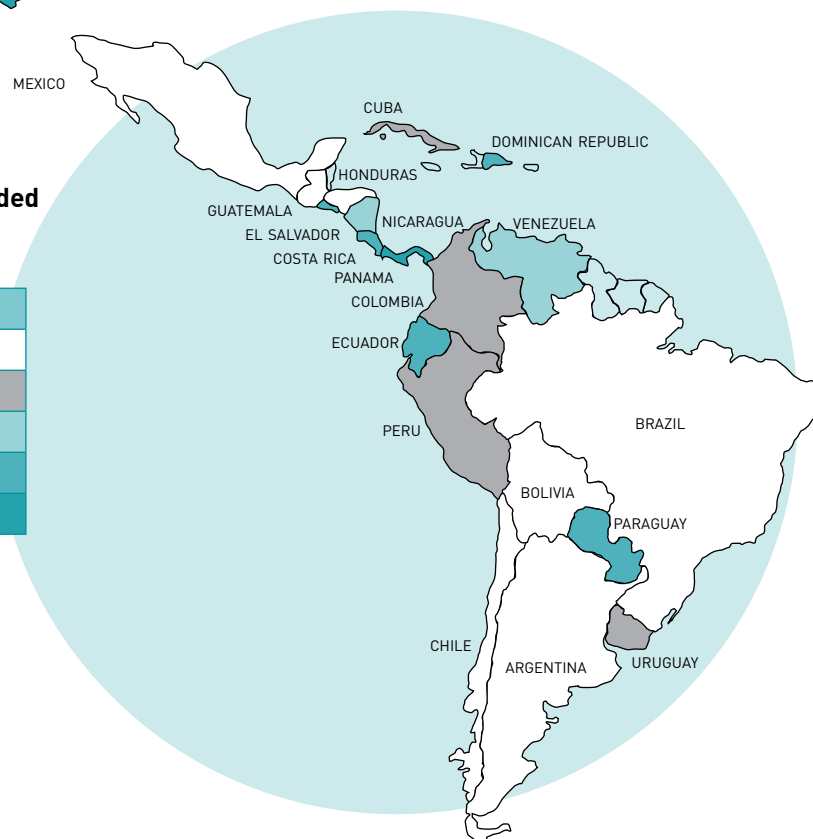


**II.3.B. By recipient**

**LEGEND. Color coding according to percentage of cooperation actions provided and received in 2009:**

PERCENTAGE	COLOR
Less than 2.5%	Lightest blue
Between 2.6% and 5.0%	Light blue
Between 5.1% and 7.5%	Medium blue
Between 7.6% and 10.0%	Dark blue
More than 10.1%	Very dark blue

**Source:** SEGIB based on reporting from cooperation agencies and/or bureaus.



The receipt of actions was probably the most dispersed since only one country, Panama, concentrated 10% of total cooperation actions received. Ecuador, with 30 actions, fell just shy of 10%; El Salvador, Costa Rica, Dominican Republic and Paraguay each received about 8% of total actions. The remaining countries had relatively smaller shares: about 7% (Nicaragua and Venezuela); between 2.6% and 5% (Colombia, Cuba, Peru and Uruguay); and less than 2.5% (from North to South: Mexico, Guatemala, Bolivia, Brazil, Argentina and Chile).

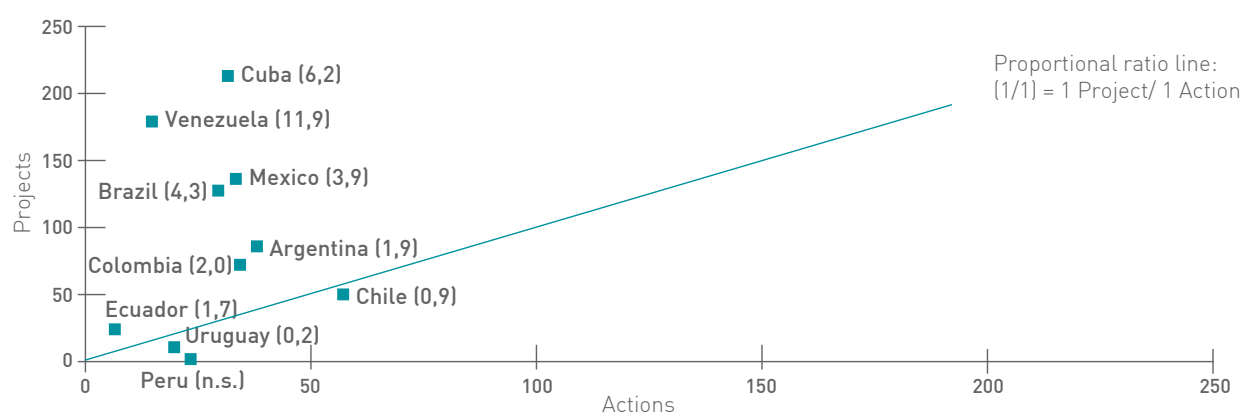
## Cooperation patterns

Graph II.1 depicts the relationship between projects and actions provided by each country. For purposes of interpreting the graph:

- The number of actions provided are shown on the horizontal axis; the number of projects on the vertical axis.
- Each point or coordinate plotted on the graph corresponds to a certain combination of actions and projects. For example, coordinate (33 actions; 205 projects) refers to Cuba's cooperation activity; (47; 89) to Argentina; and (27; 0) to Peru.
- The diagonal line connects the points where the number of actions and projects coincide: i.e., the points or coordinates where for each action there is a project in a 1/1 proportion. Consequently, the points above the line represent countries providing more projects than actions and below the line, more actions than projects.

### Graph II.1. Ratio between Projects and Actions provided, by country. 2009

Axes, in units; country values in projects/actions ratio.



Note: n.s. Not significant.

The value shown in parenthesis next to each country name is the proportional ratio calculated by dividing the number of projects by the number of actions. Numbers greater than 1 are above the line, equal to 1 on the line, and below the line if less than 1.

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

### Box II.3. Venezuela: Development cooperation and investment

According to the Ministry of Planning and Finance (MPF), Venezuela has the sixth largest proven oil reserves in the world, is the seventh largest producer in the world, and has the fifth highest volume of exports. This oil wealth gave Venezuela the capacity to free up financial resources for its own development but also to provide, in a spirit of solidarity, development aid to other countries in the region.

One feature common to all projects executed by Venezuela in 2009 is their investment-intensive nature. Although no data on the economic cost of these projects are available, a look at the table below suggests that high cost investments are a common thread for Venezuelan cooperation.

DIMENSION	ACTIVITY SECTOR	PROJECT	EXECUTION PERIOD	RECIPIENT
SOCIAL	HEALTH	Evaluate natural mechanisms to fight cancer and parasitic diseases (chagas and leishmaniasis)	2006-2009	Bolivia
		Produce antibodies to treat snake and scorpion poisoning	2006-2009	Bolivia
		Build and equip the Specialist Pediatric Hospital	2009-2011	Guatemala
		Implement mobile units for diagnostic clinical and dental services in rural areas	2007-2009	Nicaragua
		Support plans and projects to improve building infrastructure and equipment at Hospital Universitario	Not available	Uruguay
		Reconstruct a home for minors with substance abuse problems	2007 to present	Uruguay
	WATER	Construct an aqueduct and remodel the water supply system in Baracoa	Not available	Cuba
ECONOMIC	ENERGY	Expansion of the Cienfuegos refinery	Not available	Cuba
	AGRICULTURE	Agronomic evaluation, physicochemical properties and technical feasibility to obtain steviosides	2006-2009	Bolivia
		Develop agricultural areas associated with the Cienfuegos Refinery	Not available	Cuba
		Silo rehabilitation	2006-2009	Nicaragua
		Agricultural mechanization	Not available	Nicaragua
	INDUSTRY	Installation and start up of a grape juice plant	2008-2010	Brazil
	COMMUNICATIONS	Fiber optic installation and interconnection	1 year	Brazil

In fact, the table shows that some health sector projects focused on infrastructure and equipment investments for hospitals or other health care facilities (Guatemala, Nicaragua and Uruguay) or on Research and Development (Bolivia). In a social dimension project, resources were provided to develop water supply infrastructure in Baracoa, in eastern Cuba. In line with its economic profile, Venezuela executed several energy investment projects (such as expansion of a refinery in Cuba), and projects to improve agricultural production through expensive research (Bolivia and Nicaragua) or to supply infrastructure and equipment (Cuba and Nicaragua). Investments were also made in other sectors such as industry and communications (Brazil).

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; Ministry of Planning and Finance of Venezuela (MPF) (<http://www.mpd.gob.ve>).

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The Graph suggests that the delivery of cooperation in 2009 took different shapes:

- One group of countries (those above the line) provided more projects than actions. For example, the graph shows that Venezuela provided 12 projects for each action; Cuba six; Brazil and Mexico about three; and Argentina, Colombia and Ecuador close to two projects per action.
- Another group of countries (below the line) provided more actions than projects. Peru actually only provided actions (27); Uruguay executed five projects and 22 actions; and Chile executed a similar number of actions and projects (62 and 55, respectively), with a proportional ratio close to 1 (0.9).

The analysis ratifies the statement at the start of the chapter: countries with a longer history of South-South cooperation shifted towards project-based cooperation; countries that are newcomers to the world of South-South cooperation providers or returned after a certain absence leaned towards actions. There are exceptions, of course, such as Ecuador, a country that recently become a dynamic provider (15 projects in 2009) or Chile, with a solid history of South-South cooperation, that preferred to offer both actions and projects.

Lastly, Venezuela, the second largest cooperation provider in the region, developed its own particular pattern. Not only did Venezuela execute a large number of projects (179) with a high project/action ratio (12), but it was characterized by yet another feature: the execution of a large volume of megaprojects (Box II.3).

## Cooperation flows: direction and determinants

---

A further study of the Provider and Recipient Matrixes suggests that not all countries exchange cooperation with all others. In fact, the choice of cooperation partners and intensity depends on several variables, such as geographical proximity, border development, historical path or political affinity. For illustrative purposes, Mexico in the past concentrated its cooperation in Central America; Argentina with neighboring Bolivia and Paraguay; and Venezuela with the members of Petroamerica and the Bolivarian Alternative for the Americas (ALBA).

A review of events in 2009 reveals some interesting aspects about the direction and concentration of cooperation flows. Diagram II.2 shows:

- The relationship between Cuba and Venezuela (Diagram II.2.A) in 2009: cooperation between these two countries began formerly in 2009 with the signing of the Caracas Energy Agreement. Since then it has been continuous, with a significant volume of projects exchanged in 2009: 106 provided by Cuba in Venezuela; 103 the other way around. This high volume of projects carried over to each country's total cooperation figures: Venezuela accounted for almost 52% of cooperation provided by Cuba and more than 71% of cooperation received; the proportions for Cuba are similar, with Cuba accounting for 57% of cooperation provided by Venezuela and 71% of cooperation received.
- However, the similarity between Cuba and Venezuela ceases when looking at the distribution of cooperation provided to other countries. In effect, the distribution of Cuban cooperation is more homogeneous. Cuba is the only country to have executed cooperation with all the countries in the region in volumes ranging from two projects with Costa Rica (1% of the total executed) to 13 with Bolivia (second highest recipient of Cuban cooperation after Venezuela, accounting for 6.3% of the 205 projects). Venezuela, on the other hand, executed cooperation projects with 12 other countries, although highly concentrated with two ALBA countries, Bolivia and Nicaragua (Diagram II.2.B) that received a combined 30% of Venezuelan cooperation. Venezuela accounted for 37% and 61%, respectively, of the cooperation received by these two countries.

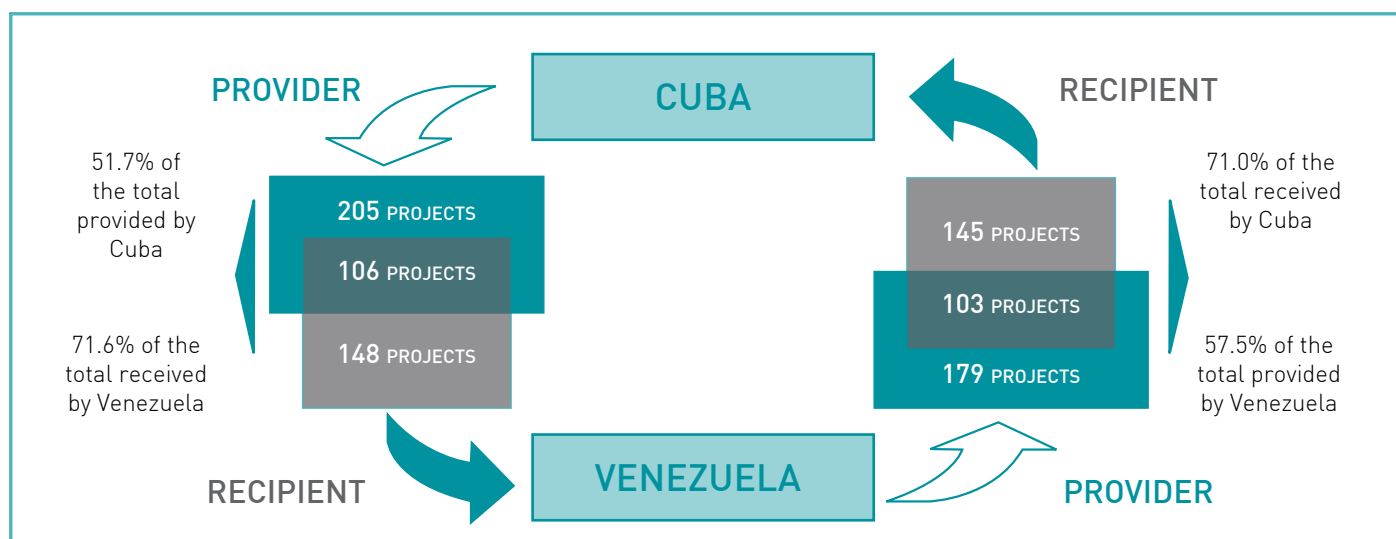
- 
- The third interesting aspect relates to Mexican cooperation (Diagram II.2.C). Projects were executed with 15 countries, with only two, Guatemala and Costa Rica, accounting for more than one third of the total. This fact confirms the trend noted in previous Reports and mentioned at the beginning of this section: Mexico focused most of its interventions in Central America as a strategy to promote the development of its immediate neighbors.

Lastly, some comments about other providers and recipients:

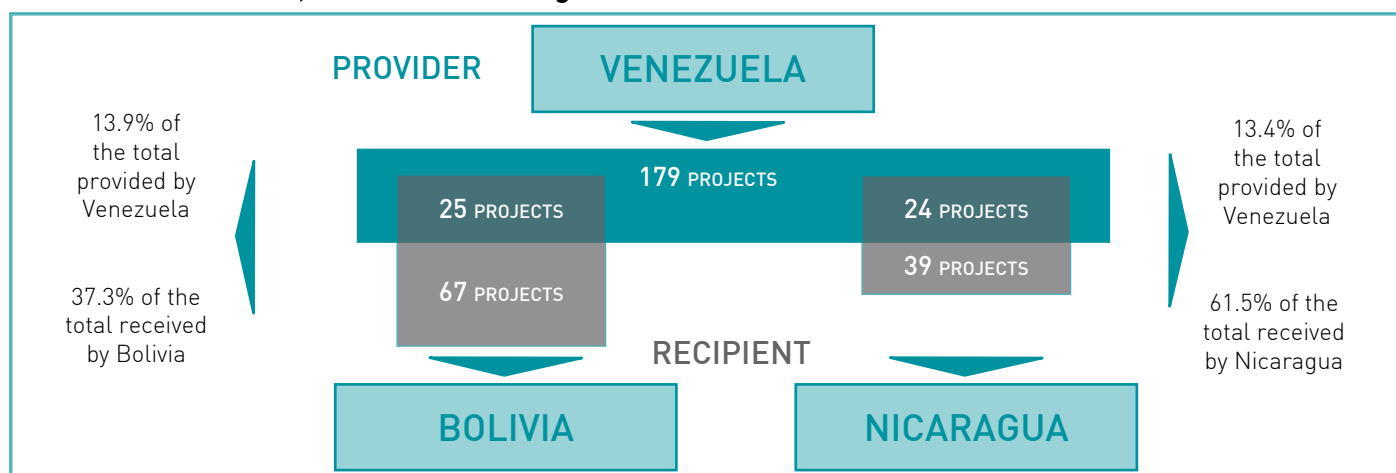
- a) Among the leading providers of cooperation, three concentrated their operations with a single recipient: Chile executed more than one third of projects with Guatemala; 16% of Colombian cooperation also went to this Central American country; Argentina executed one fifth of its projects with neighboring Paraguay. Meanwhile, Brazil had a more homogeneous distribution of cooperation with three instead of one chief recipient: Cuba, Paraguay and Venezuela, each accounting for 12% of Brazilian projects.
- b) As for the recipients, dependence on only a few providers was more prevalent for countries receiving a relatively low number of projects, less than 30. Such is the case of Ecuador, El Salvador and Uruguay, each with 29 projects. More than half of the cooperation Ecuador received was provided by Mexico; practically 70% of El Salvador's cooperation was provided by Mexico (38%) and Colombia (28%); and more than one third received by Uruguay was provided by neighboring Brazil.

**Diagram II.2. Projects exchanged between the leading providers and recipients. 2009**

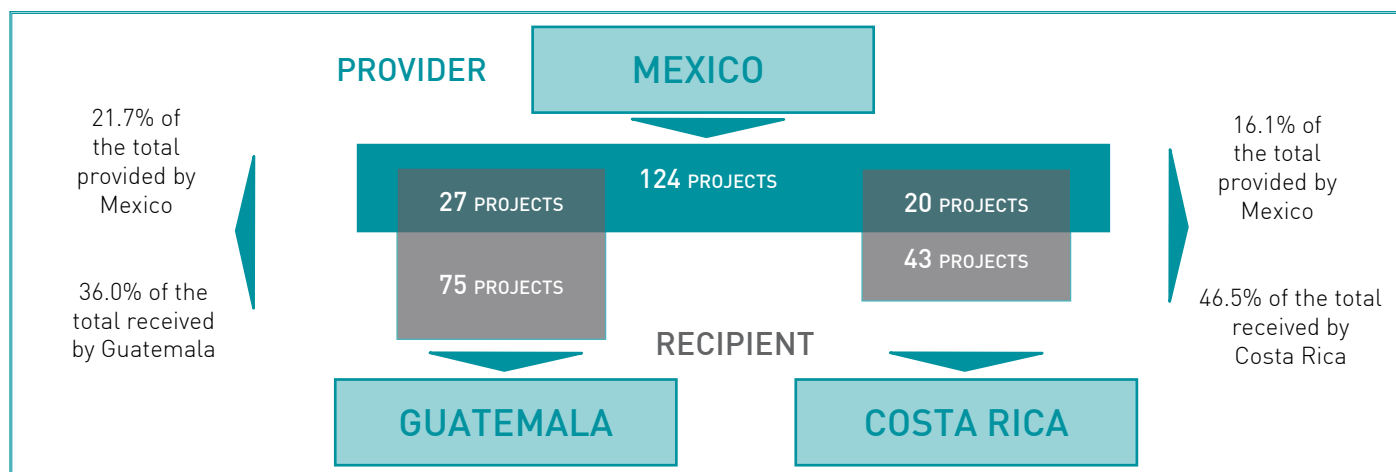
### II.2.A. Cuba and Venezuela



### II.2.B. Venezuela, Bolivia and Nicaragua



### II.2.C. Mexico, Guatemala and Costa Rica



Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.



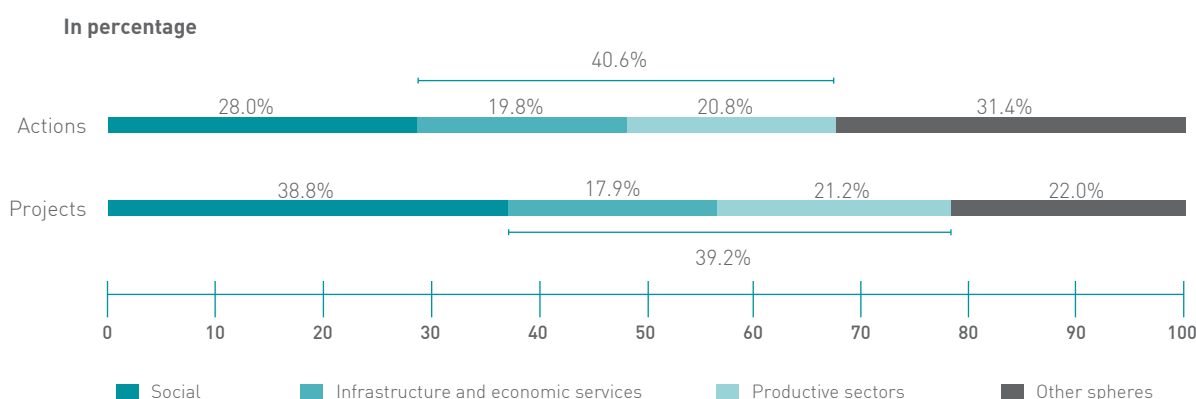
## Cooperation by sector

Breaking cooperation down by sectors reveals the region's strengths. This information, linked to knowledge about the know-how and needs of countries (discussed in a later chapter), will guide cooperation decision-making. Accordingly, the provider and recipient matrixes were broken down by activity sector. The resulting matrixes (Matrixes II.4 for projects, in this chapter; Matrixes A.1 for actions, in the Annex) present the sectors grouped by dimension:

- a) *Social* (education, health, housing or water, among others);
- b) *Economic* (further broken down into *Infrastructure and Economic Services*, to create better economic operating conditions; and *Productive Sectors*)
- c) *Other* (more heterogeneous, relating to diverse areas such as institutional capacity-building, culture, gender, environment, or disaster prevention).

As may be noted in Matrixes II.4 and the summary in Graph II.2, most projects executed in 2009 (345, about 40% of the total), were related to some form of economic activity: 187 in the productive sector; 158 in infrastructure development and economic services. Social dimension activities were a close runner-up, involving another 40% (342 projects). Projects classified as Other were of less relative importance, accounting for 22% of the total 881 projects.

**Graph II.2. Bilateral horizontal South-South cooperation by activity sector groups. 2009**



**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

Looking deeper into the economic dimension, productive sector activities essentially involved the agricultural sector. There were projects at practically every step of the supply chain: support for irrigation systems; advances in the generation and use of biofertilizers; genetic improvement projects; and even assistance to develop agri-food systems. Yet other projects related to animal husbandry; forestry and timber production; tourism; and, in industry, textiles and processing of associated raw materials. Fishery and aquaculture projects were particularly relevant as they impact development and food security for the beneficiary populations (Box II.4).

**Matrix II.4. Bilateral horizontal South-South cooperation  
by activity sector. 2009**

In units

**II.4.A. Social dimension**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil	7		3	5	2	1	2			6	2	1	5		1	5	4	7	1	52
	Colombia				3		4	2	4	2		1	4			2	3	5		1	31
	Cuba	13	7	2		4	3	11	4	6	2	5	3	9	5	2	7	7	5	47	142
	Ecuador																			2	2
	El Salvador																				
	Guatemala																				
	Honduras																				
	Nicaragua																			1	1
	Paraguay																				
	Peru																				
	Dominican R.																				
UMIC	Argentina	3	4		1			1			6										15
	Chile	1		1	1	1	2	6			1		1			3					17
	Costa Rica			1																	1
	Mexico			1	2	3	4	3	1					3	4	8		1	5		35
	Panama																				
	Uruguay																			1	1
	Venezuela	6	3		15	2	1	1		13	2		1						1		45
TOTAL		30	14	8	27	12	15	26	9	21	17	8	10	17	9	16	15	17	18	53	342

**Matrix II.4. Bilateral horizontal South-South cooperation  
by activity sector. 2009 (continued)**

**II.4.B. Economic dimension. Infrastructure and economic services**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil				5		2		1		2				1	2			2	15	
	Colombia				1		1	2	1		1		1		2					9	
	Cuba																		14	14	
	Ecuador																		4	4	
	El Salvador																				
	Guatemala																				
	Honduras																				
	Nicaragua																				
	Paraguay			2																2	
	Peru																				
	Dominican R.																				
UMIC	Argentina	2	2		4					3					1		1		1	14	
	Chile						1					2				2				5	
	Costa Rica			3																3	
	Mexico					5		4				1								10	
	Panama																				
	Uruguay																				
	Venezuela	19	3	1	52	1				3			3							82	
TOTAL		21	5	6	62	6	3	7	1	4	4	2	6	1		4	4	1		21	158

**Matrix II.4. Bilateral horizontal South-South cooperation  
by activity sector. 2009 (continued)**

**II.4.C. Economic dimension. Productive sectors**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil	1			4	1		1		1	5	1		1		2		1	1	12	31
	Colombia												1					1		2	
	Cuba																	1	35	36	
	Ecuador																		7	7	
	El Salvador																				
	Guatemala																				
	Honduras																				
	Nicaragua																				
	Paraguay																				
	Peru																				
	Dominican R.																				
UMIC	Argentina	2	2	7	6				1	5	2					1	1		8	35	
	Chile	1			1			3								1	1			7	
	Costa Rica															1				1	
	Mexico	2		1		2	4	5	2	1		1	2	1	1	6		1		29	
	Panama																				
	Uruguay										1					1				2	
	Venezuela		1		25	1			7									3		37	
TOTAL		6	3	8	36	4	4	9	2	10	10	5	3	2	1	8	4	5	5	62	187

**Matrix II.4. Bilateral horizontal South-South cooperation  
by activity sector. 2009 (continued)**

**II.4.D. Other dimensions**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC												UMIC							
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia			1																1	
	Brazil	2		4		1	1			4	3	1	3		2			2		23	
	Colombia	1			4		3	8	3	1		2	2		2	5	2	2		35	
	Cuba			3															10	13	
	Ecuador									1									1	2	
	El Salvador																				
	Guatemala			1																1	
	Honduras																				
	Nicaragua																				
	Paraguay																				
	Peru																				
	Dominican R.																				
UMIC	Argentina	5	2		3			2		1	4		2		2	3	1			25	
	Chile	1		1		1		8			1		2		4	7		1		26	
	Costa Rica			1																1	
	Mexico	1		5	2	5	3	15	1	1		1	1	7	4		2	1		50	
	Panama																				
	Uruguay														1				1	2	
	Venezuela		1		11					1				1		1				15	
TOTAL		10	3	16	20	7	7	33	4	4	10	6	8	4	8	15	16	5	6	12	194

Countries classified by income level according to World Bank GNI per capita criteria: Lower middle income – LMIC (US\$936 - US\$3,705); Upper middle income – UMIC (US\$3,706 - US\$11,455).

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

## Box II.4. Pisciculture and border development: the case of Argentina and Paraguay

The Food and Agriculture Organization of the United Nations (FAO) clearly differentiates fishing (economic activity taking fish and other seafood useful to man from the oceans) from aquaculture (farming of aquatic plants and organisms for the production of food as well as raw material for industrial and pharmaceutical purposes). When aquaculture only involves fish, FAO uses the term pisciculture, an activity qualified as *“the fastest growing food-producing sector”* accounting for *“almost 50 percent of the world’s edible seafood supply”* (<http://www.fao.org/fi/glossary/aquaculture/default.asp>).

As the table below shows, in 2009 Latin American countries promoted many projects and actions linked to this activity sector. Some, such as those executed by Argentina and Venezuela with Panama and Nicaragua, related to artisan fishing. Others, such as that executed by Argentina with Panama, combined fishing and sea conservation with the promotion of tourism in search of an economic activity to complement fishing. Finally, the other interventions, with Argentina, Chile, Cuba and Mexico as providers and Bolivia, Colombia, Nicaragua and Dominican Republic as recipients, involved training and the transfer of know-how for intensive farming of fish and other species.

### Fishing, pisciculture and aquaculture projects and actions. 2009.

PROVIDER	RECIPIENT	PROJECT/ ACTION	NAME	EXECUTION PERIOD
ARGENTINA	BOLIVIA	PROJECT	Support to develop pisciculture in Comunidad San Pablo Exiomas, Abel Ituttalde Province, Department of La Paz	2 years
ARGENTINA	NICARAGUA	PROJECT	Train-the-trainer in the art of artisan fishing equipment	1 month
ARGENTINA	PANAMA	PROJECT	Develop the art and methods for artisan fishing and integral use of the catch	1 month
ARGENTINA	PANAMA	PROJECT	Training in biology, conservation, and sustainable use of cetaceans and seminar/training workshop for fishermen and tourism operators in the communities of the Las Perlas Archipelago	1 month
ARGENTINA	PARAGUAY	PROJECT	Cross-border pisciculture technical cooperation program	2 years
CHILE	NICARAGUA	ACTION	I International course “Update on aquaculture production systems: scientific and technological basis”	18 days
CHILE	COLOMBIA	ACTION	Develop mollusk aquaculture in the Department of Magdalena	N/A
CUBA	DOMINICAN R.	ACTION	Training in semi-intensive production of fish and shrimp in ponds and tanks	N/A
MÉXICO	BOLIVIA	PROJECT	Develop and implement a project for intensive farming of Amazonian native fish	4 months
VENEZUELA	NICARAGUA	PROJECT	Program to support artisan fishing	N/A

N/A Not available. **Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

One project stands out owing to its relationship with food security and development of border communities: the Program for Cross-border Pisciculture Technical Cooperation, known by its Spanish acronym CARPA, that also happens to be the name of the fish species (carp) farmed by the participating countries (Argentina and Paraguay). The project was requested by the Paraguayan authorities and approved in the framework of the first Joint Commission between the two countries. The objective was to promote the economic and social development of two border municipalities (the Department of Itapúa in Paraguay and the province of Misiones in Argentina) through a pisciculture venture.

#### **Box II.4. Pisciculture and border development: the case of Argentina and Paraguay (continued)**

The project selected 50 local producers as program beneficiaries, and identified land for the construction of fish tanks for carp farming. This species was selected for two reasons: carp are herbivorous, not requiring balanced feed (reduction in production costs) and a source of high protein food (improve the local diet). The ultimate objective is to sell the surplus production after meeting local consumption needs. Argentine cooperation consisted of training, holding theoretical and practical workshops on carp farming, help in stocking the tanks, caring for and harvesting the fish.

At the conclusion of the project, the authorities of both countries qualified the experience as successful. It achieved the goal of training local experts who are now qualified to train others; some 78 tanks were built, carp production increased; and food security for the local population improved. The success was such that the program was replicated in seven municipalities, and will be replicated in six more with the joint participation of the same Argentine experts plus the recently trained Paraguayan experts.

**Source:** SEGIB based on reporting from cooperation agencies and/or bureaus; FAO-fisheries electronic resources (<http://www.fao.org/fishery/en>).

Cooperation in the Infrastructure and Economic Services dimension was highly centered on developing alternative sources of energy; the economic application of scientific and technological advances; and the transfer of export work methods, quality standards or management systems to promote the competitive insertion of countries in external markets. There were also several projects relating to Training and Employment Policies (Box II.5), an area of particular interest to Latin American economies in recent years.

#### **Box II.5. Professional training and employment policies**

According to the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) of the International Labor Organization (ILO), since the mid-1990s public employment policies in Latin America have attached growing importance to vocational training. This interest is not only reflected in the increased supply of training opportunities but also the incipient organization of standard setting and certification policies and systems for such training. The vocational training model that has grown out of this combines the traditional spirit of social inclusion (specialized training targeting the unemployed and vulnerable groups such as women, youth or people older than 50) with finding the right mix between education and production sector needs (more general, geared to facilitate insertion of all workers in the labor market).

Part of this policy also translated into increased sharing of experiences between the relevant institutions in Latin American countries. Sometimes the exchange has been between Labor Ministries, but often it is between specialized training institutes or centers including, among others, the National Learning Service of Colombia (*Servicio Nacional de Aprendizaje* - SENA), the National Learning Institute of Costa Rica (*Instituto Nacional de Aprendizaje* - INA), or the National Professional Promotion Service of Paraguay (*Servicio Nacional de Promoción Profesional* - SNPP).

Ecuador and Costa Rica were involved in such exchanges in 2009:

- Ecuador received several forms of employment cooperation:

## Box II.5. Professional training and employment policies (continued)

- The cooperation provided by Argentina aimed at strengthening the institutional framework and, more importantly, the operations, objectives and needs of the Public Employment Service.
- The technical assistance provided by Peru focused on transferring methodologies and frameworks for standardization, evaluation and certification of skills and learning acquired on the job.

Ecuador also participated in a broader cooperation program, sharing experiences with the National Training and Socialist Education Institute of Venezuela (*Instituto Nacional de Capacitación y Educación Socialista* - INCES). This cooperation intervention involved reciprocity as the countries' Training Centers were mutually strengthened through the exchange of specialized courses in varied production-related matters, ranging from mechanics to environmental management and dairy industry quality.

- Costa Rica participated in cooperation with other countries in a dual capacity:
  - As provider, the National Learning Institute (INA) transferred some of its strengths (educational experience and development of training course curricula) to sister institutions in Honduras, Panama and Paraguay.
  - As recipient, the National Industrial Learning Agency of Brazil (*Serviço Nacional de Aprendizagem Industrial* - SENAI), provided technological capacity cooperation in 2009, addressing a Costa Rican weakness: technology updates and capacity-building to eliminate the need for costly equipment changes or substitutions.

**Source:** SEGIB based on reporting from cooperation agencies and/or bureaus; electronic links of the ILO's Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) (<http://www.ilo.org/public/english/region/ampro/cinterfor/index.htm>); interview and project documentation at the National Learning Institute (INA) of Costa Rica.

2009 also saw a proliferation of social projects. As in the past, Education and Health appeared prominently among the cooperation initiatives. Education sector initiatives included the promotion of distance learning; development of program curricula; and linking education with indigenous culture. Health sector projects addressed a variety of issues ranging from malnutrition to combating AIDS, reproductive health or the development of epidemiological surveillance systems. Noteworthy experiences include collaboration to fight diseases that afflict thousands in Latin America each year, for which there are no vaccines as yet, such as dengue and the Hantavirus Pulmonary Syndrome (Box II.6).

There were other types of projects in the social dimension, such as management and delivery of drinking water to the largest possible number of people: waste water treatment projects, implementation of information systems to identify ground water sources, water purification, and utility rate management. Yet other projects were linked to social policies and housing, in particular the transfer of housing shortage diagnostic systems.



## Box II.6. Fighting vector-transmitted diseases

Many high-incidence diseases in developing regions are transmitted by vectors – i.e., disease transmitting agents: mosquitoes transmit yellow fever and malaria; dogs transmit rabies; fleas transmit the plague and typhus. The evolution of these diseases is closely linked to the relative level of development of a country because poverty has a double negative impact: it fosters growth of the vector population and human contagion, while reducing human capacity to combat and overcome their effect.

The particularities of these diseases and their location – often with a climatic and geographic distribution (some are classified as tropical diseases) – heighten the value of capacities acquired by some developing countries to combat the diseases, plus the possibility of sharing this know-how with others through South-South cooperation. Such was the case for cooperation between several Latin American countries to combat the Hantavirus Pulmonary Syndrome (HPS) and dengue, two diseases whose transmission vectors are rodents and mosquitoes, respectively.

The Hantavirus may be contracted from breathing air contaminated with rodent urine, droppings or saliva. People infected with the virus can develop Hemorrhagic Fever with Renal Syndrome (HFRS) or Hantavirus Pulmonary Syndrome (HPS). The former illness is prevalent in Asia and Europe, whereas the latter is found in the Americas (including the United States, where the first outbreak was reported in 1993). According to the Pan American Health Organization (PAHO) the most recent cases of the roughly 1500 in Latin America, were reported by Argentina, Bolivia, Brazil, Chile, Panama, Paraguay and Uruguay. Despite the relatively small number of infected people, the mortality rate is usually very high, greater than 40%.

Dengue, a disease transmitted by the bite of an *Aedes* mosquito, has an even greater incidence. According to PAHO, more than 830,000 cases were reported in Latin America in 2009, mostly in the Southern Cone countries (almost 440,000), followed by Central America and Mexico (some 204,000), the Andean subregion (close to 179,000) and the Hispanic Caribbean (about 8,900). However, dengue has a lower mortality rate than Hantavirus (even in the most severe form, hemorrhagic dengue), ranging from 0.6% to 11.4% depending on the country.

Given this panorama, several bilateral horizontal cooperation projects and actions were executed in 2009:

- Brazil executed a project in Panama to support the fight against Hantavirus in rural areas and areas prone to spread of the disease. The project neutralized the impact of the virus through collaboration to eradicate the vector population.
- Ecuador provided several theoretical and practical training courses to help Bolivia develop the capacity to respond to dengue outbreaks. These courses were comprehensive, including epidemiological surveillance, outbreak control, community participation, interagency coordination, and clinical management of dengue and hemorrhagic dengue.
- Cuba's cooperation with Venezuela was centered on developing a vaccine against dengue, together with technical training for endothelial protection of infected patients.

**Source:** SEGIB based on reporting from cooperation agencies and/or bureaus; World Health Organization (WHO) and Pan American Health Organization (PAHO) electronic links (<http://www.who.int/topics/dengue/es/>) (<http://www.paho.org/Spanish/AD/DPC/CD/hantavirus-americas.htm>).

As a final point, cooperation in 2009 was also carried out in the Other dimensions category. Most of these interventions related to cultural management, environmental conservation, management of protected areas, or disaster prevention (especially fires). However, the majority addressed two issues: Human Rights and Institutional Capacity-building. Examples include forensic anthropology to identify the remains of people who disappeared under the dictatorships of the 1970s and 80s; transfer of know-how to combat trafficking in persons, eradicate child labor, and improve management of mass migration processes. Other interventions provided very specific institutional aid (establish a postal service in one country; cooperation systems – see Box II.7), or strengthened the justice and security sectors (support for Ministries of Justice; create a Public Defender's Office; train gendarmes, army professionals and civil intelligence services).

### Box II.7. Strengthening cooperation management

In recent years, Latin American countries have made significant strides to improve their cooperation management systems. These improvements apply to all forms of cooperation entered into by the countries (International, South-South and Triangular), and all tools used (i.e., information systems) to facilitate, among others, strategic planning, public policy development, or project negotiation, execution and evaluation.

#### Projects and actions to strengthen international cooperation. 2009

PROVIDER	RECIPIENT	PROJECT/ ACTION	NAME	EXECUTION PERIOD
CHILE	COSTA RICA	PROJECT	Share know-how to coordinate and manage national systems for international cooperation	N/A
CHILE	URUGUAY	ACTION	Support capacity building for cooperation management	N/A
COLOMBIA	GUATEMALA	PROJECT	Institutional capacity-building at SEGEPLAN to design, execute, monitor and evaluate the National Strategy for International Cooperation	2 years
COLOMBIA	EL SALVADOR	PROJECT	Share cooperation maps	Since 2007
COLOMBIA	URUGUAY	PROJECT	Share cooperation maps	Since 2007
ECUADOR	COSTA RICA	ACTION	Share experience in international cooperation management	N/A
MEXICO	COSTA RICA	PROJECT	Know-how from the Mexican experience in international cooperation policies and management	6 months

N/A. Not available.

The table shows that in 2009 many countries shared their international cooperation experiences. In general, these exchanges allowed countries such as Costa Rica or Guatemala to learn from the experience of Chile, Colombia, Ecuador or Mexico to coordinate and organize their national cooperation systems. Other actions and projects enabled countries like El Salvador and Uruguay to combine the same learning (at a more advanced stage) with improvements to their information systems and the use of tools such as Colombia's cooperation map.

It is worth mentioning that the Ibero-American Program to Strengthen South-South Cooperation is making efforts in the same direction. In 2010, some of the bilateral exchanges in this field are expected to be carried out with Program support.

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

## Regional profile of capacities and needs

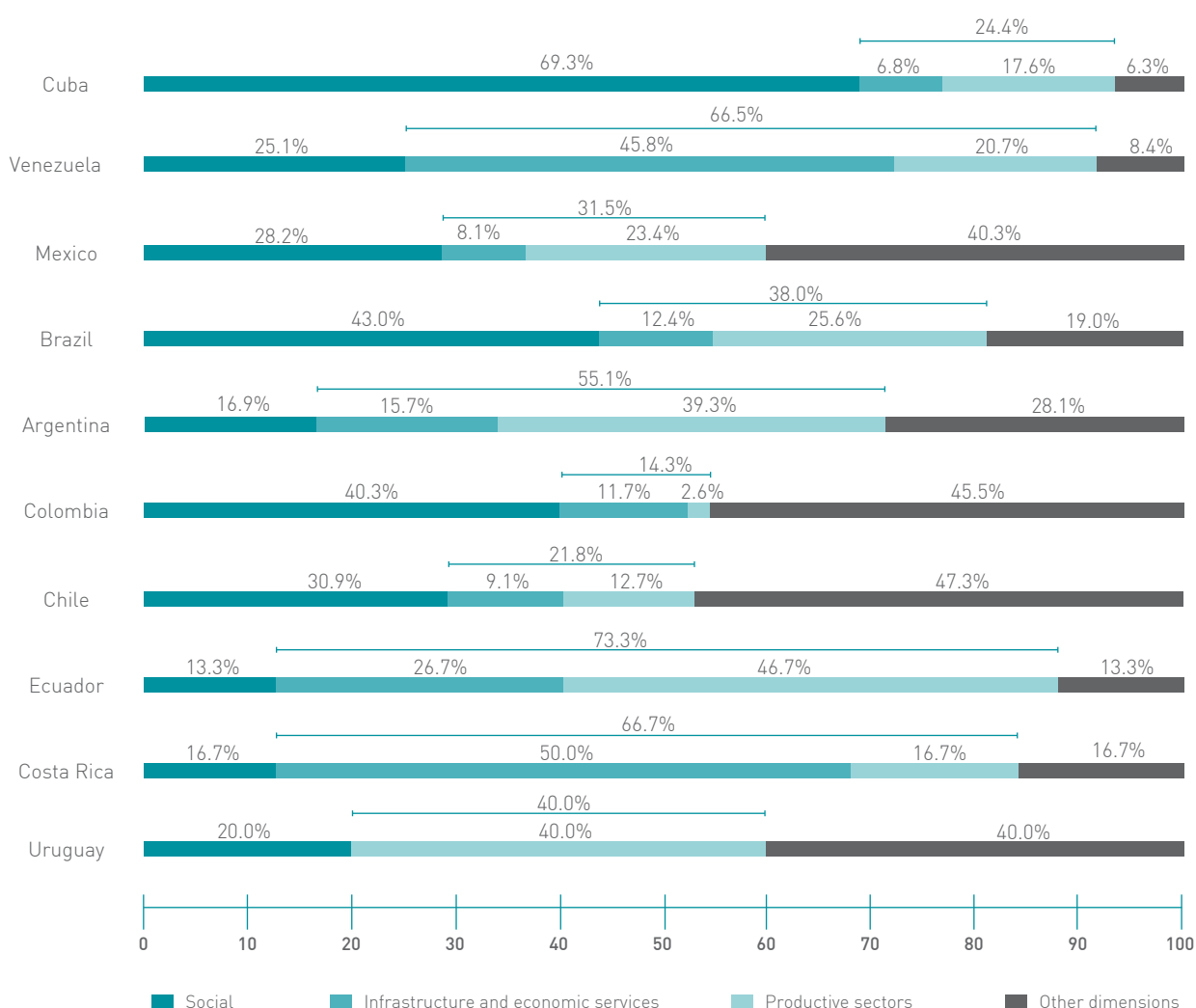
Graphs II.3.A and II.3.B plot the relative participation of each dimension in relation to the total number of projects each country provided or received, respectively. The result is an overview of the profile of capacities and needs in the region, a profile that guides countries towards an increasingly effective management of cooperation flows.

Examining capacities first, Cuba (top provider) based cooperation on the transfer of its best experiences in the social dimension. As explained in Box II.8, this cooperation (almost 70% of all cooperation provided by Cuba) had two major characteristics: first, it was highly concentrated in Health and Education; second, it was carried out through sector programs with long execution periods, executed in more than one country at a time. This explains why in 2009 all countries (except Costa Rica) benefited from at least two Cuban social programs.

**Graph II.3. Sector profile of cooperation projects, by country and role. 2009**

In percentage

### II.3.A. Providers



Note: To ensure provider country percentages are significant, sector participation over total number of projects was only calculated for countries having executed at least 5 projects.

**Graph II.3. Sector profile of cooperation projects, by country and role. 2009  
(continued)**

**II.3.B. Recipients**



Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

## Box II.8. Cuba and social cooperation programs

In 2007 (last year for which data are available), Cuba ranked 51st on the Human Development Index (HDI), a statistic used to rank countries comprising data on per-capita gross domestic product (GDP), school enrolment and literacy, and life expectancy. According to the United Nations Development Program (UNDP), if global classification were solely based on per-capita GDP, Cuba would have ranked 44 positions lower, indicating that a significant proportion of Cuban development is based on social achievements in health and education.

A usual practice in Cuban cooperation since the early 1960s is to export these social achievements to other countries in the region. Replication of Cuba's performance has been carried out through long term programmatic interventions in the relevant sectors. Cooperation programs were executed simultaneously in several countries with similar objectives, adapting them to local realities.

### Cuban Cooperation: principal social programs. 2009

ACTIVITY SECTOR	PROGRAM	RECIPIENT													
		Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Ecuador	El Salvador	Guatemala	Honduras	Mexico	Nicaragua	Panama	Paraguay
EDUCATION	Literacy program "Yes I can"														
	Fellowship program for foreign students														
HEALTH	Integral Health Program														
	Genetics (treatment for people with disabilities)														
	Operation Miracle (eye surgery)														

The above table shows some notable examples of social cooperation programs executed in 2009. It also shows that all the countries in the region except Costa Rica benefited from one of these programs. There were two programs in the education sector (the literacy program "Yes I can" and the fellowship for foreign students) and three in the health sector (the integral program to provide health services and train health practitioners in rural areas; the genetics program to identify and treat persons with disabilities; and "Operation Miracle" offering eye surgery to lower-income population).

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; UNDP (2009).

Brazil, the fourth largest cooperation provider in the region, followed a similar pattern: 43% of its cooperation targeted social needs, often through multi-country and multi-year programs. Some Brazilian projects were executed simultaneously in several countries, such as those carried out under the umbrella of the Human Milk Bank Programs (Argentina, Bolivia, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Mexico, Panama, Paraguay and Uruguay); implementation of systems to locate ground water (Argentina, Cuba and Mexico); and Epidemiological Surveillance and Environmental Health (Panama and Paraguay).

Venezuela and Argentina (second and fifth ranking provider countries) concentrated on providing economic sector cooperation. In both cases, cooperation reflected country strengths: energy in the case of Venezuela, agriculture for Argentina. In fact, most cooperation provided by the Andean country was in the energy sector. Nonetheless, the objective of many projects was to strengthen recipient country production and industrial systems. Table II.1 shows that Argentina favored all forms of agriculture projects (irrigation, genetic improvement, animal husbandry, development of agro-industrial plants and food security, among others).

**Table II.1. Projects executed by Argentina in the agriculture sector. 2009**

RECIPIENT	PROJECT	EXECUTION PERIOD
Bolivia	Organize and put into operation the association of producers and irrigators of the San Jacinto project and area of influence	Since July 2007
Bolivia	Technical assistance in animal slaughter, Achachicala Municipal Abattoir	2 years
Brazil	Transfer cultivars and techniques to improve potato crops	Since November 2009
Colombia	Share experiences to develop and start-up food security and nutrition programs for populations in a situation of vulnerability	1 year
Colombia	Share technological know-how to develop cotton plants	22 months
Colombia	Tropical forage species production	22 months
Colombia	Cooperation project for institutional capacity-building at the Ministry of Agriculture to manage agriculture sector risks due to adverse climate events	N/A
Cuba	Transfer potato crop know-how	2009-2011
Cuba	Synthetic genes for application in the development of veterinary vaccines	2009-2011
Cuba	Huanglonbing, symptoms by species, advances in molecular detection techniques, and studies of the vector <i>Diaphorina citri</i>	2009-2011
Cuba	Organization of urban agriculture and food security	2009-2011
Cuba	Biodiversity study on Cuban Criollo Cattle and comparison with other American criollo breeds through autosomal molecular markers, mitochondrial DNA and the Y-chromosome	2009-2010
Cuba	Statistics applied to agricultural sciences (III)	21 days
Cuba	Wetlands risk evaluation	14 months
Guatemala	Sustainable food security in the Departments of Alta and Baja Verapaz	2009-2012
Mexico	Evaluation of native fiber producing animals and traditional breeding systems in Chiapas (Mexico) and Neuquen (Argentina)	18 days
Paraguay	Fruit and vegetable production emphasizing good agricultural and manufacturing practices	Since 2009
Paraguay	Implementation of ISO 6888 (Part 1 and 2) to detect and enumerate <i>Staphylococcus aureus</i> in artisan cheese	Since 2009
Peru	Education in local agri-food production for the Rural Education Networks, phases II and III	28 days
Peru	Develop and implement goat milk cheese production	1 year
Venezuela	Integral development of dairy production	2008-2009
Venezuela	Genetic improvement program for cattle	2007-2009
Venezuela	Delivery of agroindustrial plants, vehicles and road equipment	2005-2009
Venezuela	Recovery and commissioning of the Caripe fruit plant	2007-2009
Venezuela	Design and install potato production and research laboratories and reproductive biotechnology laboratories for cattle breeding improvement	2007-2009
Venezuela	Rehabilitation of two meatpacking plants / slaughterhouses	2008-2009

N/A: Not available. **Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

Still in the area of capacities, three countries concentrated their cooperation in economic sector projects: Ecuador, Costa Rica and Uruguay. However, since overall they provided fewer projects (5 to 15), the profile did not stand out as in the cases above. Costa Rica, on the other hand, deserves special mention because it participated in many cooperation initiatives sharing power generation and delivery experiences [Box II.9].

### Box II.9. Costa Rica and cooperation in electrical power generation and delivery

In the past decades, Costa Rica has made significant strides in the pursuit of a double objective: provide electric power to the country while delivering ecologically sustainable power. The Costa Rican Electricity Institute (*Instituto Costarricense de Electricidad* – INE) reports that in the early 1980s barely 70% of the national territory had electricity; in 2007, this percentage reached 98%. Moreover, 90% of the electrical power generated in the country in 2007 came from renewable resources: 74% hydraulic, 15% geothermal and 1% wind power, with only 10% from thermal power plants.

Costa Rica's renewable energy expertise explains some of the cooperation interventions with other countries. As the tables below indicate, in 2009 this Central American country transferred to Colombia know-how in biomass and geothermal energy, as well as in the development, operation and maintenance of wind farms. Costa Rica gained expertise from observing how Colombia managed a hydroelectric project and from exploring with Brazil the production of new alternative biofuel sources.

#### Costa Rica: cooperation in the electric power sector. 2009

##### A. As provider

RECIPIENT	PROJECT/ ACTION	NAME	EXECUTION PERIOD
COLOMBIA	PROJECT	Advice and training in studies to explore and evaluate biomass resources for energy generation	1 year
COLOMBIA	PROJECT	Advice and training in studies to explore and evaluate geothermal resources for energy generation	1 year
COLOMBIA	PROJECT	Advice and training in successful processes to develop, operate and maintain wind farms	1 year

##### B. As recipient

RECIPIENT	PROJECT/ ACTION	NAME	EXECUTION PERIOD
BRAZIL	PROJECT	Accreditation of the Service Centre Oil Control Chemical Laboratory – LIMAT	2 years
BRAZIL	PROJECT	Biofuel production alternatives	3 years
BRAZIL	ACTION	Maintenance of electric power plants	N/A
COLOMBIA	PROJECT	Develop information and administration systems for electrical power wholesale markets	N/A
COLOMBIA	ACTION	EPM technical advice for ICE to develop the Diquis - Reventazon hydroelectric projects	N/A
COLOMBIA	ACTION	Implement Information Systems for the regional electricity market	5 days
COLOMBIA	ACTION	Improve and complete restructuring of rate-based financing processes	N/A
COLOMBIA	ACTION	Implement an internal control system for an electric power company	5 days
COLOMBIA	ACTION	Modern maintenance practices	10 days

## Box II.9. Costa Rica and cooperation in electrical power generation and delivery (continued)

Other cooperation interventions in this sector were intended to prepare the Costa Rican electric power utility to operate in an open market, a possibility proposed three years ago. Costa Rica examined the Colombian and Brazilian experiences in power plant, substation and transmission line maintenance and management at their own utilities, as well as the processes to design and implement price systems and external controls. The objective is to ensure that the Costa Rican power utility will continue to operate as efficiently as possible in an open market, without undermining compliance with the social objectives for which it was conceived. In fact, FURNAS in Brazil, a public company under Eletrobras, satisfies 51% of national electricity demand and has been operating as one of many suppliers on the electricity market for the past five years, successfully reconciling its economic and social objectives.

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; interviews and project documentation at Instituto Costarricense de Electricidad (ICE).

Lastly, the other three significant providers (Chile, Colombia and Mexico) carried out 40 to 50% of their cooperation under Other dimensions of activity. These projects essentially focused on culture, gender, the environment and disaster prevention, as well as capacity building in management and public institutions, with special emphasis on Justice and Security. The objective of yet other projects was to strengthen statistics capabilities in the recipient countries, an area in which Mexico played an especially important role (Table II.2).

**Table II.2. Surveys and data processing projects and actions. 2009**

PROVIDER	RECIPIENT	PROJECT/ ACTION	NAME	EXECUTION PERIOD
ARGENTINA	BRAZIL	PROJECT	Collective bargaining: management and data processing	9 months
CUBA	ECUADOR	ACTION	Workshop "Management of the database of persons with disabilities generated by the Manuela Espejo Mission"	2 days
CUBA	VENEZUELA	PROJECT	Process and analyze data from the second national study on human growth and development of the population of the Bolivarian Republic of Venezuela (Senacredh 2007-2011)	5 years
MEXICO	ARGENTINA	PROJECT	Foreign trade statistics by federal agency	5 months
MEXICO	EL SALVADOR	PROJECT	Organize and manage information systems for agricultural statistics	4 months
MEXICO	COLOMBIA	PROJECT	Organize and manage information systems for vital and health statistics	N/A
MEXICO	EL SALVADOR	ACTION	Design, conduct and analyze surveys	10 days
MEXICO	PANAMA	ACTION	Internship and/or course on vital statistics and civil registry	N/A

N/A: Not available. **Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.



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From the standpoint of needs, an analysis of the share held by each activity sector over total number of projects received (Graph II.3.B) shows that:

- only the two first recipients (Venezuela and Cuba), concentrated cooperation in economic projects (56% and 67%, respectively);
- only three countries, Colombia, Guatemala and Mexico, had a majority of projects classified under *Other* (about 40%);
- the rest of the countries received a majority of social projects, with relative shares ranging from 37-38% for Costa Rica, Peru and Dominican Republic, to 60-70% for Argentina, Panama and Uruguay.

More specifically:

- The economic projects with Venezuela as recipient covered a wide range of activities including, among others: strengthening agriculture, animal husbandry and fishing; developing supply chains; advances in the generation of renewable sources of energy; economic applications of science and technology; professional training and employment. Cuba was the recipient of agriculture and food security projects, as well as strengthening infrastructure, especially in energy, transportation and communications.
- Colombia and Mexico were recipients of many projects in culture, disaster prevention, environmental management, and capacity building for public administration. Guatemala shared a similar profile, although the institutional capacity-building support was focused on peace, human rights, justice and security.
- El Salvador, Honduras and Nicaragua were the countries that received the largest proportion of social projects (more than 50%). The three countries were beneficiaries of education projects ranging from basic literacy to developing higher education course programs. Health sector projects also covered a wide spectrum: medical care, prevention, comprehensive treatment or research. In addition, projects often targeted specific social groups: the deaf, people with disabilities, children, and families in situations of vulnerability, among others.

## Cost and economic value of technical cooperation

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Differentiating projects from actions was yet another step taken towards aligning the results of this Report with the real dimension of cooperation. The exercise was further driven by country representatives at the meetings of Cooperation Officers and the Ibero-American Program to Strengthen South-South Cooperation, when they opened a new avenue of discussion: the *economic assessment* of technical cooperation.

In effect, assigning an economic value to cooperation projects and actions is a means to homogenize the contents, making them comparable in space and time. However, assigning a numerical value will be no easy task as the economic assessment of cooperation must overcome a number of hurdles. The Seminar/Workshop in Cartagena de Indias (Colombia) in July 2010 drew the following conclusions:<sup>8</sup>

- a) Although there is consensus about the meaning of economic assessment, there is no clear definition, as yet, as to its components or method of calculation.
- b) Consequently, there is no homogeneous mechanism to collect the data required to conduct an economic assessment. In fact, the information platforms used by countries to collect economic data are limited to calculating the cost of cooperation for the time being, with the exception of Mexico.

Hence the need to move in two directions at once: on the one hand, develop a clear definition for the economic value of cooperation and, on the other, ensure that countries implement information systems capable of capturing this value.

The debate is ongoing, but some answers were found to four issues this year:

- 1) Defining *economic value* and differentiating it from *economic cost*,
- 2) Collecting data on the *economic cost* of cooperation,
- 3) Strengthening mechanisms to compartmentalize this cost,
- 4) Developing an initial formula (Mexico) to estimate the *economic value*.

In response to the first issue, some progress was made to define economic value as something different and going beyond economic cost. The following assumptions underpin the discussion:

- The *economic cost* is the sum of expenses incurred to execute the cooperation (operating expenses, financing complementary activities, transportation, travel allowance, accommodation, etc).
- The *economic value* is derived by adding to such *economic cost*, the value assigned to the technical and professional resources mobilized to execute the cooperation.

In relation to the second point, some countries began to gather economic data. Understanding that countries usually share the cost of South-South cooperation, Table II.3 shows that Brazil reported both the economic cost of the cooperation provided and the proportion of the cost borne by Brazil (almost 54%). Argentina, Chile and Colombia, on the other hand, only reported their share of the cost.<sup>9</sup>

**Table II.3. Economic cost of cooperation, by country. 2009**

COUNTRY	ROLE	PROJECTS REPORTED (UNIT)	TOTAL ECONOMIC COST (US\$)	COST ASSUMED (US\$)	FINANCING/COST (PERCENT)
BRAZIL	PROVIDER	100	16,520,433	8,904,244	53.9
CHILE	PROVIDER	26	---	2,506,652	---
ARGENTINA	PROVIDER	90	---	782,040	---
COLOMBIA	PROVIDER	86	---	273,911	---

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

On the third issue, a cofinancing formula for bilateral horizontal South-South cooperation costs was crafted. In addition, the Mexico-Chile Fund constitutes a valid example of an instrument put in place to facilitate cost sharing: the Fund has an annual budget of \$2 million contributed in equal parts by the two countries.

As for the fourth issue, Mexico shared with the other countries the progress made last year to design and implement the Mexican International Development Cooperation Data System (*Sistema de Información sobre Cooperación Internacional - SIMEXCID*), as well as a formula developed to calculate the economic value of its Technical Cooperation. These interesting results are presented in Box II.11. This formula generated some striking results in terms of the economic value versus the cost of cooperation executed in the region: Mexico participated in over 100 projects with a cost of US\$4 million. However, the total economic value was US\$16 million.

### Box II.10. The Mexico-Chile Fund to Finance South-South Cooperation

The Mexico-Chile Joint Cooperation Fund is a relevant example of exchange and cofinancing in South-South cooperation. Established in 2006 following signature of the bilateral Strategic Partnership Agreement (AAE, by its Spanish acronym), the Fund was designed as an instrument to strengthen cooperation between the two countries through collaborative development and cofinancing of projects in areas of common interest.

The Fund was established with:

- a) An annual budget of US\$2 million, contributed in equal parts by the two countries.
- b) A number of instruments to support the entities responsible for administering and managing the Fund:
  - A Cooperation Committee with governing Regulations;
  - Operating Principles for the Joint Fund;
  - Tools for use in project presentation, monitoring and oversight, such as tendering and project formats, activity reports, final report and financial monitoring, among others.

The following results were achieved in the first three years of operation:

- a) Joint execution of twenty-two projects deemed important by both countries, in the following domains: criminal justice, communications, culture, social development, education, economic development and public security.
- b) A renewed push in bilateral relations between Mexico and Chile.
- c) Through joint work and regular communication, the countries presented a united position at several international forums and meetings on Aid Effectiveness and the new Architecture of International Cooperation.

**Source:** SEGIB, based on information from the Chilean International Cooperation Agency (Agencia Chilena de Cooperación Internacional - AGCI).

### Box II.11. SIMEXCID and the Economic Value of Mexico's Technical and Scientific Cooperation

In March 2010, the Government of Mexico launched SIMEXCID, the Mexican International Development Cooperation Data System (<http://simexcid.sre.gob.mx/>). This technological platform records all international cooperation executed within and outside the country, involving at least one national institution. The registry includes all forms of cooperation (Official Development Assistance (ODA); technical South-South cooperation; and triangular cooperation), specifying Mexico's role in each case (provider or recipient).

One of the innovations embedded in the system, is that it does not merely provide general information about each technical and scientific cooperation project (duration; execution period; activity sector; participating experts; etc) but adds one significant piece of information: the economic value.

In effect, in 2009 Mexico developed a formula to estimate the economic value of its technical and scientific cooperation. The formula was conceived to estimate the "real cost" of technical cooperation: a value that in addition to the administrative costs (transportation, travel allowance and accommodation, among others), also accounts for the cost to the Mexican Public Administration for its experts and professionals involved in cooperation projects and actions.

## Box II.11. SIMEXCID and the Economic Value of Mexico's Technical and Scientific Cooperation (continued)

The formula is shown below. Since the goal is to understand the criteria used, the formula is presented in a simple format to illustrate how the economic value of any form of technical cooperation is calculated:

**Total value of technical and scientific cooperation** = variable costs (VC) + fixed costs (FC), where:

1. Variable costs (VC) =  $X * (1+A) * H * (1+E) + T + G$ , calculated as follows:
  - a) The "value" of an agent's participation (expert, professional, officer, etc). The following is calculated for each principal agent:
    - X. The average hourly cost of the principal expert's time. The Mexican Public Administration pay scale is used as reference, where one month salary covers 20 workdays, 8 hrs/day on average.
    - H. Total number of hours worked.
    - A. Fixed cost for the expert's assistant.
    - E. The applicable mean salary weighting coefficient, based on accrued professional experience over years of service.
  - b) Transportation (T) and activity (G) costs (subsistence allowance, accommodation, administration, office supplies, etc)
2. Fixed costs (FC) = typical operating costs for an activity (office supplies, water, electricity, telephone, miscellaneous, etc). For technical and scientific cooperation, fixed costs were assumed to be 12% of the total value of variable costs for the activity.

Using this formula, one can develop tables such as the one below. The table shows both the cost and economic value for technical (or bilateral horizontal South-South) cooperation provided by Mexico in 2009 to other countries in the region. It is clear, and confirmed by Mexican estimates, that in 2009 Mexico spent approximately US\$4 million in transportation, travel allowance and other similar expenses to execute these projects. However, when the "value" of the work and experience contributed by its experts is added to actual spending, the final economic value for these projects is far higher, equivalent to US\$16 million. In point of fact, the last column shows that actual costs only account for 25% of the final value.

### Cost and the Economic Value of Mexico's Technical and Scientific Cooperation. 2009

Cost and value, in US dollars; Cost/Value, in percentage

	COST	ECONOMIC ASSESSMENT	ECONOMIC VALUE	COST/VALUE
CHILE	817,219	3,461,358	4,278,577	19.1
COSTA RICA	1,144,804	2,844,067	3,988,870	28.7
GUATEMALA	316,458	1,193,231	1,509,689	21.0
EL SALVADOR	270,537	820,473	1,091,011	24.8
BOLIVIA	492,573	544,752	1,037,325	47.5
COLOMBIA	168,921	629,660	798,580	21.2
ECUADOR	212,314	686,664	898,978	23.6
URUGUAY	119,137	530,037	649,174	18.4
CUBA	184,129	276,872	461,001	39.9
HONDURAS	56,080	260,635	316,715	17.7
ARGENTINA	81,800	185,203	267,002	30.6
PANAMA	50,648	185,730	236,378	21.4
NICARAGUA	30,686	155,979	186,665	16.4
DOMINICAN REPUBLIC	59,645	86,940	146,585	40.7
PERU	27,071	68,640	95,711	28.3
<b>TOTAL</b>	<b>4,032,021</b>	<b>11,930,240</b>	<b>15,962,260</b>	<b>25.3</b>

Note: The Cost represents the share of expenses assumed for the development of the activity (T+G). The Assessment is the value assigned to the agent/expert [ $X * (1+A) * H * (1+E)$ ] plus operating costs (FC). The Economic Value is the result of adding the first two.

Source: SEGIB, based on data from the Technical and Scientific Cooperation Bureau of the Foreign Ministry of Mexico.

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## Humanitarian and Emergency Aid

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Although there is no clear consensus about what the terms Humanitarian and Emergency Aid cover (Abrisketa and Perez de Armiño, 2000), in the specific Ibero-American context these terms refer to “*assistance (in kind, financial and technical) given to a country in the aftermath of a natural disaster (earthquake, hurricane, cyclone, torrential rain, among others) to help restore basic services and a return to a normal life*” (SEGIB, 2009).

Based on this conception, Table II.4 lists the foremost Humanitarian and Emergency Aid interventions in Latin America in 2009, where both the country facing the emergency and the donor country were Latin American.

The table provides a chronological list of the principal emergencies and the type of response received,<sup>10</sup> giving the reader an idea as to the type of disasters that strike the region:

- 1) In January, a 6.1-magnitude earthquake struck Costa Rica. The damage (estimated at US\$500 million) was further aggravated by torrential rain and landslides. The number of casualties exceeded 125,000.<sup>11</sup>
- 2) In February, Guatemala faced an emergency as forest fires swept through Cerro Pecul. The fires burned for more than a month, devastating 350 hectares of forest (equivalent to more than the 350 soccer fields).<sup>12</sup>
- 3) From March to July, health alerts were issued in the wake of epidemic outbreaks: dengue in Argentina and Bolivia; AH1N1 flu throughout the region, with Mexico reporting the first cases in April and Nicaragua the last in June.
- 4) In September there was an uncommon tornado in the province of Misiones in Argentina; the long drought in Guatemala continued, damaging crops and the food supply (especially corn and beans), further aggravating hunger and malnutrition for 300,000 families in seven provinces of the country (the so-called “dry corridor”).<sup>13</sup>
- 5) In November, a prolonged drought in Paraguay entered its 11<sup>th</sup> month, devastating farming and livestock production, affecting the food security in five departments of that country.
- 6) Tropical storms and hurricanes were mostly felt in October and November in Central America and the Caribbean. A tropical depression and the ensuing floods aggravated the situation in Guatemala; hurricane Ida with winds up to 124 km/hr swept through the region in November, with special ferocity in Guatemala, Nicaragua and El Salvador.

**Table II.4. Principal Humanitarian and Emergency Aid operations. 2009**

MONTH	TYPE OF EMERGENCY	AFFECTED COUNTRY	DONOR COUNTRY	TYPE OF AID		
				FINANCIAL	IN KIND	TECHNICAL
01	EARTHQUAKE IN CINCHONA	COSTA RICA	BRAZIL	US\$100,00 to procure early warning communication and seismological monitoring equipment		
			CHILE		14 tons of powdered milk	
			COLOMBIA	US\$14,950		Aircraft and rescue teams
			EL SALVADOR		1,000 mats and 1,000 blankets	
			HONDURAS		3,000 sheets of zinc, 300 mats, 30 field tents	
			MEXICO	US\$25,000		
02	CERRO PACUL FOREST FIRE	GUATEMALA	MEXICO			2 fire-dousing helicopters
03	DENGUE EPIDEMIC	ARGENTINA	PARAGUAY			Equipment to combat the vector, 15 heavy-duty sprays
		BOLIVIA	ARGENTINA		100,000 doses of medication	
			BRAZIL	US\$100,000 to the United Nations Central Emergency Response Fund (CERF)	10.7 tons of mosquito repellent, valued at US\$120,000	Transfer of technology for local repellent production, costing US\$1,749
			COLOMBIA		4.3 tons of medical and sanitary supplies	
			MEXICO			Training by Mexican experts in fighting dengue
			PARAGUAY			Equipment to combat the vector, valued at US\$60,000
			VENEZUELA	Not available		
05	AFTERMATH OF HURRICANES IKE AND GUSTAV IN 2008	CUBA	URUGUAY			Water potabilization units, 19 experts and workers to reconstruct high voltage lines
			VENEZUELA	Not available		
06-07	HEALTH ALERT: A H1N1 FLU OUTBREAK	BOLIVIA	MEXICO		5000 vaccines	
		CUBA			4136 vaccines	
		DOMINICAN R.			5000 vaccines	
		NICARAGUA	VENEZUELA		5 tons of medication	
09	TORNADO	ARGENTINA	PARAGUAY		20t of food, metal sheets, mattresses, medication and blankets	Emergency doctors and specialists

**Table II.4. Principal Humanitarian and Emergency Aid operations. 2009  
(continued)**

MONTH	TYPE OF EMERGENCY	AFFECTED COUNTRY	DONOR COUNTRY	TYPE OF AID		
				FINANCIAL	IN KIND	TECHNICAL
09	DROUGHT AND FOOD SECURITY CRISIS	GUATEMALA	BRAZIL	US\$100,000 to purchase food through the Vitacereal Program		
			CHILE		20 tons of food, including 13,440 kilos of powdered milk and 400 family rations	
			COLOMBIA	US\$15,000 to purchase black beans, fortified atole (hot maize drink) and white corn	10 tons of Bienestarina valued at US\$12,800	
			ECUADOR		2t sugar, 2t oats, 1t bow tie pasta, 1t salt, 1t oil, 1.6t milk, 0.76t baby food "Mi papilla" and 0.74t fortified baby beverage "Mi bebida"	
			MEXICO		60,000 food pantries	
			VENEZUELA	Not available		
10	TROPICAL DEPRESSION	GUATEMALA	MEXICO		6,000 sanitary napkins, 683 cookware sets valued at US\$24,424	
11	HURRICANE IDA	EL SALVADOR	ARGENTINA		Water potabilization tablets	Experts in managing supplies, LSS/SUMA and Temporary Shelters
			BRAZIL	US\$50,000 for Safe Schools project, \$55,000 to buy children's shoes, and \$80,000 for other basics	Food	
			COLOMBIA	US\$15,000	4.3 tons of Bienestarina and medical and sanitary supplies	
			COSTA RICA		Blankets, towels, diapers, toilet paper, cookware and gas stoves	Multidisciplinary team to assess flooding and landslide prone areas, and develop recommendations
			MEXICO		More than 3000 personal hygiene kits, more than 3000 blankets, 3000 food pantries, some 750 cardboard sheets, 2,784 liters of water, mats, sanitary napkins ... valued at US\$55,544	
			PERU		148 beds and 320 mattresses	
		GUATEMALA	COLOMBIA	US\$15,000		
		NICARAGUA	CUBA			Medical practitioners
			VENEZUELA	US\$2.4 million for food, \$2 million to repair homes and schools		
	DROUGHT	PARAGUAY	BRAZIL	US\$100,000		
			VENEZUELA	Not available		

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

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Table II.4 offers a clear demonstration of the solidarity shown by almost all the countries in the face of disaster: from Mexico, El Salvador, Honduras, Costa Rica and Cuba in the North and Central America, to Brazil, Paraguay, Uruguay, Argentina and Chile in the Southern Cone, through Venezuela, Colombia, Ecuador and Peru in the Andean region.

An analysis of the flow of aid and country profiles, especially of countries offering assistance, reinforces an idea expressed by Perez de Armiño (2000): humanitarian action “is based on ethical and operational principles” where urgent attention for “the needs of persons” takes precedence over and above any other consideration. It therefore does not matter whether Mexico or Chile are closer or further away from Guatemala when providing assistance to address the food security crisis; or that Paraguay is relatively less developed than Argentina when fighting a dengue epidemic; or even that Costa Rica aids El Salvador just a few months after its own earthquake. The prevailing principle is one of solidarity with sister countries.

The third observation is that not only did countries respond with solidarity, but they did so providing all forms of assistance:

- 1) Financial. Brazil, Colombia and Venezuela provided the most financial aid to countries that had suffered from a disaster. Aid was essentially provided to purchase goods and services, such as food, medication, reconstruction of housing and schools, or to procure very specific tools such as equipment to monitor seismic activity. The amounts mobilized ranged from US\$15,000 to \$2.4 million.
- 2) In kind. This was the preferred form of aid given by less developed countries, demonstrating their will to help. Donations in food, medications, building materials, field tents or warm clothing were provided by Ecuador, El Salvador, Honduras and Peru.
- 3) In kind and technical. Some countries combined the donation of goods with technical assistance in diverse areas, such as health services, fire-combating helicopters, equipment to render water potable, or to repel dengue-transmitting mosquitoes. This was the combination of choice for Argentina, Costa Rica, Cuba, Mexico and Paraguay.

Lastly, humanitarian aid was provided in 2009 in response to emergencies suffered the previous year, specifically aid from Uruguay and Venezuela to Cuba in May relating to hurricanes Ike and Gustav that struck in September 2008. This suggests, as some people are wont to say, that humanitarian aid actions are shifting from specific, immediate response actions to address pressing needs of the population, towards a more permanent, prolonged action. This further ties in with the notion that Humanitarian Aid will gradually evolve into interventions better identified as Development Cooperation. Box II.12 describes some experiences presenting evidence of the virtuous relationship between these two instruments of solidarity.



### Box II.11. Cooperation and emergency aid: a virtuous circle

There were two interesting cases of cooperation projects in 2009 that, one way or another, resulted in Humanitarian and Emergency Aid actions. Both involved a common protagonist: Bolivia

- The first case involves a cooperation action/project that started out as an emergency intervention. Bolivia was dealing with an outbreak of dengue since the beginning of the year, reporting the largest number of cases in the Andean region (almost 85,000 according to PAHO). To help deal with the outbreak, Bolivia requested help from other countries in the region, including Ecuador where only some 4500 cases had been reported, the lowest incidence in the Andean region.

Bolivia was requesting donations of insecticides and medication. Upon receiving the request, the Ministry of Public Health of Ecuador looked into the possibility of also donating technical training to increase Bolivia's capacity to address future outbreaks of dengue. Ecuador assembled a package of training courses to transfer its know-how. The proposal of sending epidemiological and clinical experts in the management of dengue along with fumigation services, was presented to the Bolivian Embassy. Following the requisite consultations, Bolivia accepted the proposal and expressed interest in receiving technical assistance from Ecuador. Ultimately, the Ecuadorian cooperation provided training in four Bolivian departments: Santa Cruz de la Sierra, Cochabamba, Pando and Beni.

- In the second case, prior cooperation actions/projects gave Bolivia the capacity to aid neighboring countries during emergencies. One outcome from the twinning of the El Niño hospital in La Paz with the Exequiel Gonzalez hospital in Santiago de Chile, was improved management and provisioning for Bolivia's blood banks. Having achieved an optimum operating level, this Andean country was ready to come to the aid of victims of the 2010 earthquakes in Haiti (January 12) and Chile (February 27). In both these emergencies, the government of Bolivia responded by organizing official blood donation campaigns, then sending blood and plasma to the distressed countries (hundreds of liters in both cases).

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; Web pages of the Pan American Health Organization - PAHO Regional Program on Dengue <http://www.paho.org/english/ad/dpc/cd/dengue-program-page.htm>, Iberoamérica por Haití ([www.iberomaericaporhaiti.com](http://www.iberomaericaporhaiti.com)) and TeleSur ([www.telesurtv.net](http://www.telesurtv.net)).

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## NOTES

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<sup>1</sup> The Ibero-American Program to Strengthen Horizontal South-South Cooperation was created following the XVIII Ibero-American Summit of Heads of State and Government in San Salvador (El Salvador). As stated in the Document Creating the Program, it was established “to strengthen and energize Ibero-American Horizontal South-South Cooperation, contributing to the quality and impact of actions and the extension of associated good practices.” (SEGIB, 2009). The Program’s Annual Work Plan (AWP) comprises five Lines of Action:

- Action Line 1. Training and structured sharing of experiences;
- Action Line 2. Support computation, information and systematization of cooperation received and/or provided by each country;
- Action Line 3. Annual Report on South-South Cooperation in Ibero-America;
- Action Line 4. Forum for discussion and position-taking by Cooperation Officers;
- Action Line 5. Successful cases of South-South cooperation in Ibero-America.

<sup>2</sup> Each cell in the Matrix reports on:

- a) The number of projects/actions exchanged by two cooperation partners: *provider* country on the horizontal axis; *recipient* country on the vertical axis.
- b) The cells in the last row and column report on the total number of projects/actions in which each country participated, again broken down by *provider* or *recipient*, respectively.
- c) The same number appears in the last column and the last row as this the total number of projects/actions executed in the year.

<sup>3</sup> To draw a map, the proportional share of countries’ participation over the total number of project/actions provided or received, as appropriate, is estimated. These values are then plotted in intensity bands (less than 2.5%; 2.6% to 5.0%; 5.1% to 7.5%; 7.6% to 10.0%; more than 10.1%) and each band is assigned a color. The resulting maps provide a visual overview of which countries in the region concentrated the highest or lowest levels of activity, both as cooperation providers and recipients.

<sup>4</sup> Cuban and Argentine cooperation could actually have been greater. The cooperation of the previous year’s top two providers shrunk owing to their need to focus the efforts of their technical and human resources to deal with national emergencies (for Cuba, the aftermath of two major hurricanes in late 2008; for Argentina, an outbreak of foot and mouth disease).

<sup>5</sup> Data on Honduras (16 projects received, one action) contrasts sharply with previous years (49 actions in 2008, 46 actions in 2007). This is due to the interruption in record-keeping and the breaking off of bilateral relations following the coup d’état on 28 June 2009, condemned by the Ibero-American Heads of State and Government (Ibero-American Summit, 2009d).

<sup>6</sup> The value (to one decimal point) appearing next to each point (and the name of the corresponding country) is the ratio or proportion of projects provided over the number of actions.

<sup>7</sup> Cooperation Programs refers to a group of projects with a common sector and objective, executed in a broad geographical area with a duration spanning more than one year.

<sup>8</sup> Bibliographic reference: Ibero-American Program to Strengthen South-South Cooperation (2010; p. 10).

<sup>9</sup> Economic data reported by these countries refers to the economic cost and financing assumed for execution of all the projects declared by each country as provider. The number of projects does not necessarily match the data shown in “Matrix II.2. Providers and recipients of cooperation” because the Matrix was developed from information provided by all (providers and recipients). When cross-checking the data, some projects were repeated, others were identified by only one party, and yet others were reported as an action or vice versa. Once all the data were checked, the final result was often not the same as the number originally declared.

<sup>10</sup> No information about Haiti is provided in this section because Haiti is not a member of the Ibero-American Conference. Nonetheless, by mandate of the Summit of Heads of State and Government, cooperation and humanitarian aid from Latin American countries to Haiti is documented and may be consulted at [www.iberoamericaporhaiti.com](http://www.iberoamericaporhaiti.com).

<sup>11</sup> Daily paper La Nación, 20 May 2009.

<sup>12</sup> The Guatemala Newspaper, 23 February 2009.

<sup>13</sup> BBC World, 11 September 2009 and Televisa, 18 September 2009.



CHAPTER III  
SOUTH-SOUTH AND TRIANGULAR COOPERATION  
IN IBERO-AMERICA

### Triangular cooperation on the International Development Cooperation agenda

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In the past two years, South-South and triangular cooperation gained prominence on the agenda for international development cooperation. This can be inferred from Box I.1. “South-South cooperation on the regional and international scene (2009-2010)”, annexed to the first chapter of this report. The list clearly identifies events at which triangulation was discussed and the recurring debates.

In one way or another, the issue of triangular cooperation was raised at almost all major debate venues and events. Sometimes the discussion of this form of cooperation was collateral, part of a broader discussion. Such was the case at meetings of the Development Cooperation Forum (DCF) of the United Nations Economic and Social Council (ECOSOC), the UNDP Special Unit for South-South Cooperation (SU/SSC), the Policy Dialogue on Development Cooperation and the meetings of the G8, the Task Team on South-South Cooperation or the Organization of American States (OAS). Moreover, other meetings were convened specifically to discuss South-South and triangular cooperation. These include:

- The “1st International Symposium on Triangular Cooperation: New Paths to Development” held in Brasilia in May 2009, jointly convened by the cooperation agencies of Brazil and Germany, and the European Commission.
- The Workshop “European Union (EU) Triangular Cooperation in the context of Aid Effectiveness,” sponsored by the Spanish Agency for International Development Cooperation (AECID) in March 2010 in Madrid, when Spain assumed the EU Presidency.

One feature shared by these events is that they encouraged debate among proponents of the modality, especially traditional donors (Germany, Spain or the European Commission) and new provider countries (Brazil and Mexico, among others).

Although many topics were addressed at these events, debates can be roughly grouped into three major lines of discussion:

1. In-depth analysis of the comparative advantages of triangular cooperation. Triangulation reduces cultural and linguistic barriers among cooperation partners; facilitates the participation of new actors in international cooperation; and fosters access to new sources of funding for development ([www.oecd.org/dataoecd/63/32/43705278.pdf](http://www.oecd.org/dataoecd/63/32/43705278.pdf)) (OECD, 2009).
2. The need to promote and strengthen South-South and triangular cooperation. Viewed as a bridge between North-South and South-South cooperation, traditional donors are invited to participate in this modality. Similarly, and especially at forums such as the Task Team or the UNDP Special Unit for South-South Cooperation, there is strong support for case studies and sharing experiences. The objective is to learn from the “best practices” and promote expansion in areas that, for example, impact management and financing solutions.

In regards to the latter, according to the German, Brazilian and Spanish cooperation agencies, triangular cooperation usually matches one of the following three funding formulas: joint funding (fund co-financed by a traditional donor and a new provider); parallel funding (donors manage their contributions separately); and unilateral funding (the traditional donor funds the project, while the new provider is responsible for technical execution of the project) ([www.oecd.org/dataoecd/63/32/43705278.pdf](http://www.oecd.org/dataoecd/63/32/43705278.pdf)) (AECID, 2010). All modalities are practiced in the Ibero-American experiences. However, one modality stands out for its procedural complexity: joint funding promoted by Chile with the German GTZ, and by Spain with Chile and Argentina (Box III.1).

3. The third line of discussion ties in with one of the topics drawing attention on the international agenda for development cooperation: Aid Effectiveness. The effectiveness of triangular cooperation needs to be boosted through other channels, such as improved coordination between the parties and creation of an information system to support decision-making and policy design (ECOSOC, 2009 and 2010).

### **Box III.1. A funding formula for Triangular Cooperation: Joint Funds**

The development of joint funds to finance triangular cooperation is still in the very early stages. Nonetheless, as far back as 2003, the International Cooperation Agency of Chile (AGCI) agreed with the German Cooperation Agency (GTZ) to promote the GTZ-AGCI Trilateral Cooperation Fund, also known under the name “ChileCoopera”. In 2009, two new initiatives came on the horizon, both spearheaded by the Spanish Agency for International Development Cooperation (AECID), whose procedures have yet to be finalized: the Chile-Spain Joint Fund for Triangular Cooperation and the Hispano-Argentine Triangular Cooperation Fund. A brief description of these funds follows:

1. The GTZ-AGCI Trilateral Cooperation Fund, co-financed by Germany and Chile, envisages two types of action:

- a) On the one hand, Chile executes technical assistance projects in third countries in the region, building on the success of past German/Chilean cooperation experiences.
- b) On the other hand, Germany advises AGCI and other Chilean public agencies enabling them to develop new trilateral cooperation methods and instruments.

The projects or activities are demand-driven, triggered by a request from a recipient country. Such requests are reviewed and approved by a bipartite Chilean-German committee, considering the availability of funds and compliance with the following three requirements:

- generate a positive impact for the development of the beneficiary population;
- comply with the cooperation regulations of all participating countries; and
- have a local counterpart in the recipient country to assume project responsibility.

According to Chilean authorities, this is a win-win-win situation for all participants:

- a) German support for Chile allows the AGCI and the Chilean public sector to continuously update and improve their work methods, instruments and procedures through activities in third countries. Chilean cooperation can tap into a volume of funds otherwise unavailable to bilateral cooperation.
- b) Through Chile, Germany can replicate successful projects in other countries in the region, leveraging resources and taking advantage of Chile’s cultural and geographic proximity to these third countries.
- c) Likewise, this mechanism allows recipient countries to benefit from successful cooperation experiences, enjoying the spillover effect of Chilean outcomes.

### Box III.1. A funding formula for Triangular Cooperation: Joint Funds (continued)

2. The Chile-Spain Joint Fund for Triangular Cooperation evolved from cooperation between the two countries and furthers the jointly held view that triangular cooperation is an instrument allowing this bilateral partnership to have a more positive impact on the development of the region ([http://www.impactalliance.org/ev\\_en.php?ID=49336\\_201&ID2=DO\\_TOPIC](http://www.impactalliance.org/ev_en.php?ID=49336_201&ID2=DO_TOPIC)) (AECID, 2010).

However, two steps preceded the creation of this Fund:

- The first was a study on “Chilean public sector cooperation capacities and opportunities” to give strategic direction to the bilateral partnership and its activities. The study aimed to identify experiences that Chile could share.
- The second step was to design the Triangular Cooperation Program, specifying the framework for actions. Based on the Millennium Development Goals (MDG), the program was two-pronged: AGCI institutional capacity building and execution of triangular development projects in the region, aligned with MDG 8, and with MDGs 1, 4 and 5, respectively.

Following these steps, the two countries signed an Institutional Agreement establishing the Joint Fund. In all likelihood, the first funding experience will be in Paraguay.

3. The Hispano-Argentine Triangular Cooperation Fund is the most recent experience, with regulations still in the preparation phase. It was suggested in the framework of the VII Joint Commission between the two countries (February 2009), pursuant to a special agreement to carry out triangular cooperation activities, institutionalizing an experience developed in earlier projects with Haiti.

**Source:** SEGIB, based on the International Cooperation Agency of Chile ([http://www.agci.cl/docs/cooperacion\\_triangular\\_agci\\_gtz.pdf](http://www.agci.cl/docs/cooperacion_triangular_agci_gtz.pdf)); Spanish Agency for International Development Cooperation (AECID) (2010); and electronic resources for the High Level Event in Bogota, March 2010 ([http://www.impactalliance.org/ev\\_en](http://www.impactalliance.org/ev_en)).

## South-South and Triangular Cooperation in Ibero-America

The growing importance of South-South and triangular cooperation on the regional and international cooperation agenda was accompanied by intense activity executing projects and actions. This is obvious from Tables III.1 and III.2 listing all South-South and triangular cooperation projects and actions executed in Latin America in 2009. The records are organized by the first provider (Chile, in the first table; other Ibero-American countries in the second table). The protagonist profile was the criterion adopted to decide on the inclusion of South-South and triangular cooperation projects and actions: all the recipients and at least one provider must be members of the Ibero-American Conference.<sup>1</sup>

The tables list 46 South-South and triangular cooperation projects/actions executed in 2009 in the region. The characterization of this cooperation (by type, activity sector or economic cost) suggests that barely one fifth were executed as actions (Training courses for the promotion of health, Government procurement workshops, among others). Consequently, most of the cooperation involved projects with economic costs in the US\$60,000 to \$170,000 range (Institutional capacity-building project for sustainable forest management and Development of pectinid farming technology, respectively – Table III.1).

**Table III.1. South-South and Triangular Cooperation with Chile as first provider. 2009**

TRADITIONAL DONOR	RECIPIENT	PROJECT / ACTION	ACTIVITY SECTOR	DIMENSION OF COOPERATION	ECONOMIC COST (\$)		
					TRADITIONAL DONOR	CHILE	RECIPIENT
Germany	Colombia	Hazardous waste management institutional capacity-building for the environmental authority in the Department of Valle del Cauca	Environment	Other	9,712	17,930	N/A
		Capacity-building for the Industry and Trade Superintendence to implement consumer protection mechanisms	Government and Civil Society	Other	3,681	3,050	N/A
	El Salvador	Implement a Technical Higher Education Dual System in collaboration with schools and enterprise	Education	Social	2,061	13,486	N/A
		Design strategic programs to overcome poverty and vulnerability	Social safety net	Social	19,990	18,949	N/A
	Honduras	Promote social safety net and poverty reduction policies	Other	Social	8,797	11,982	N/A
	Nicaragua	Institutional capacity-building for sustainable forest management	Forestry	Economic	14,465	42,577	N/A
	Paraguay	Social housing policies to identify and characterize precarious urban and rural settlements	Social policies	Social	16,135	27,212	N/A
	Dominican R.	Transfer the Interjoven program methodology to promote youth employment	Employment policies	Economic	4,819	3,763	N/A
Inter-American Development Bank (IDB)	Costa Rica	Develop a method to program and evaluate budget management at central government agencies, in the framework of the Program to implement the external pillar of the Medium-term Action Plan for Development Effectiveness (PRODEV)	Government and Civil Society	Other	N/A	N/A	N/A
Canada	Bolivia	Technology transfer in criminal defense	Government and Civil Society	Other	46,356	14,079	N/A
South Korea	Ecuador	International diploma in Electronic Government and Public Administration	Government and Civil Society	Other	N/A	N/A	N/A
Spain	Paraguay	Strengthen management and individual development for civil servants	Government and Civil Society	Other	N/A	N/A	N/A
Japan	Colombia	Develop pectinid farming technology in the Department of Magdalena	Science and technology	Economic	100,000	N/A	70,000
	Costa Rica	Implement the biopsychosocial care model at the National Rehabilitation Centre	Health	Social	17,005	16,000	N/A
	Ecuador	IV International course on rehabilitation policies and social inclusion strategies for persons with disabilities	Social policies	Social	N/A	N/A	N/A
		IV International course on sustainable cattle production for small and medium-scale farmers	Agriculture	Economic	N/A	N/A	N/A
		Forestry and livestock cooperation project	Environment	Other	N/A	N/A	N/A
	Paraguay	Support for early care services for people with disabilities	Health	Social	42,100	18,638	N/A

N/A: Not available. **Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.



**Table III.2. South-South and Triangular Cooperation by first provider. 2009**

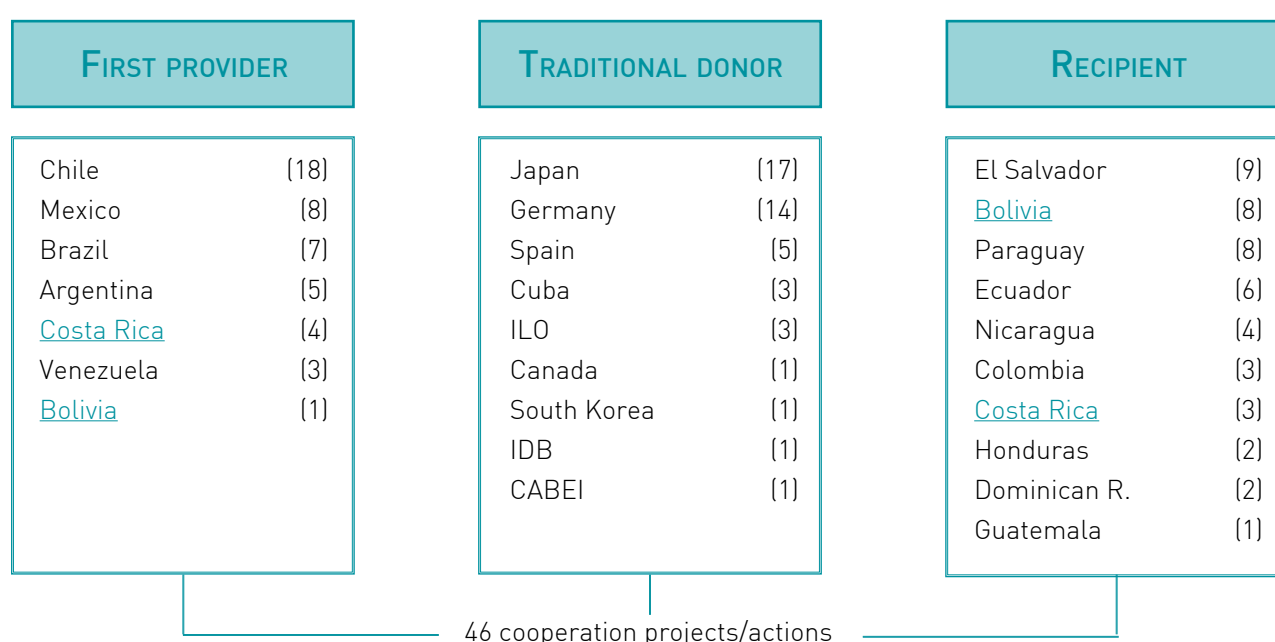
FIRST PROVIDER	TRADITIONAL DONOR	RECIPIENT	PROJECT/ACTION	ACTIVITY SECTOR	DIMENSION OF COOPERATION
Argentina	Spain	Paraguay	Institutional capacity-building with a social and human development approach for social and economic inclusion of the population	Government and Civil Society	Other
			Development of a productive roadway system	Transport	Economic
			Strengthen the production fabric for timber, agroindustry, textiles and leather	Industry	Economic
	Japan	Bolivia	Capacity-building project to generate statistical data to monitor the MDG	Health	Social
			San Jacinto multi-project	Fishery	Economic
Bolivia	Spain	El Salvador	Technical assistance in non-conventional waste water treatment technologies	Environment	Other
Brazil	International Labor Organization (ILO)	Bolivia Ecuador Paraguay	Contribute to the development of national policies and programs for the prevention and elimination of the worst forms of child labor	Government and Civil Society	Other
	Japan	Bolivia	I International training course to promote health, local development and healthy cities	Health	Social
		Costa Rica Guatemala Honduras	Community surveillance training for Central America	Government and Civil Society	Other
Costa Rica	Germany	El Salvador	Central American dialogue on biodiversity measures and the intellectual property system	Science and technology and Environment	Economic and other
			Government contracting workshop	Government and Civil Society	Other
			Seminar on impact indicators for international trade	Government and Civil Society	Other
		Nicaragua	Share experiences on biodiversity, and water resource management, conservation and use in protected forests in Costa Rica and Nicaragua, to develop binational projects between the two countries	Environment	Other
Mexico	Germany	Ecuador Dominican R.	Integral municipal solid waste management	Environment	Other
	Central American Bank for Economic Integration (CABEI)	El Salvador	Transfer Mexico's experience with the National Quality System	Industry and trade	Economic
	Japan	El Salvador	Obtain single cell protein with torula yeast on a coffee pulp juice and sugar cane molasses substrate	Agriculture	Economic
			TAISHIN project - Improve construction technology and energy dissipation systems for earthquake-resistant social housing	Disaster prevention	Other
		Nicaragua	III International multidisciplinary course on civil protection and disaster prevention programs	Disaster prevention	Other
			III International Course on uterine cancer prevention and control	Health	Social
		Paraguay	Improve sesame seed production for small farmers	Agriculture	Economic
Venezuela	Cuba	Bolivia	Intellectual property management specialization course	Science and technology	Economic
			Coca farming and safety: application to other areas	Agriculture	Economic
			Develop sustainable livestock production in select areas in Bolivia and Venezuela invaded by bracken fern ( <i>pteridium aquilinum</i> )	Agriculture	Economic

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

With respect to participants, one trait that carried through until last year was that all Ibero-American countries were recipients in at least one triangular cooperation action or project, and some were also providers in other interventions. This year, however, only two countries played a dual role: Bolivia and Costa Rica. As shown in Diagram III.1, they were cooperation providers four times and one time, respectively, and recipients eight and three times. In general, countries participating in South-South and triangular cooperation did so in only one role: Argentina, Brazil, Chile, Cuba, Mexico and Venezuela were always providers, whereas El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic, Colombia, Ecuador and Paraguay were only recipients in triangular cooperation operations.

### Diagram III.1. Country participation in South-South and triangular cooperation, by role. 2009

In parenthesis, number of actions/projects in which the country was a player in that role



Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

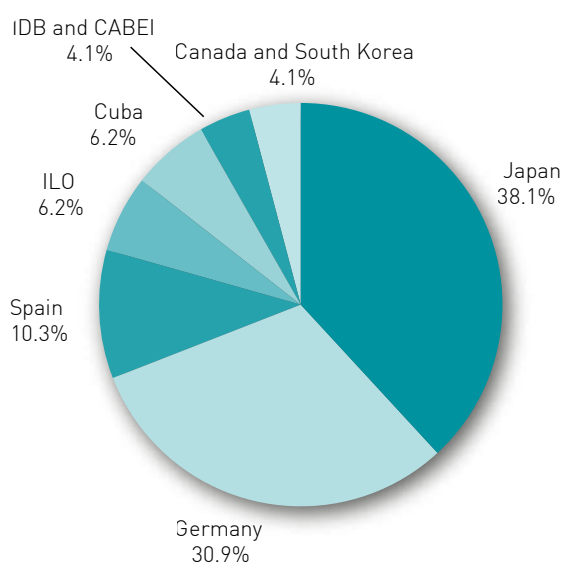
A combined review of Diagram III.1 and Graphs III.1 further suggests that countries engaged in triangular cooperation in different proportions:

1. As first provider, Chile executed almost 40% of all recorded actions and projects. Another 40% were accounted for by Mexico (17%), Brazil (15%) and Argentina (11%), whereas Costa Rica, Venezuela and Bolivia were providers in 1 to 4 projects, giving them a relative weight of 9%, 7% and 2%, respectively [Graph III.1.A].
2. The distribution of projects/actions by recipients was far less concentrated. The most frequent recipients were El Salvador (20%), Bolivia and Paraguay (17% each), and Ecuador (13%). They were followed by Costa Rica, Colombia and Nicaragua with relative weights ranging from 7 to 9%. Lastly, Guatemala, Dominican R. and Honduras were recipients of 3 or less interventions each, resulting in relative weightings of 2 to 4% [Graph III.1.C].

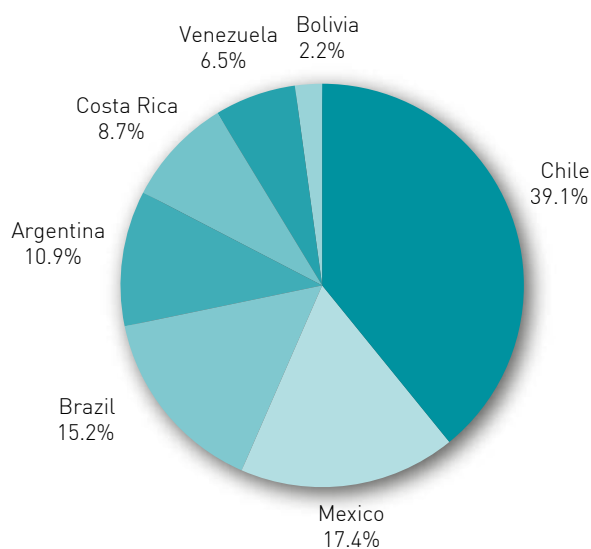
### Graph III.1. Triangular Cooperation partner participation, by role. 2009

In percentage

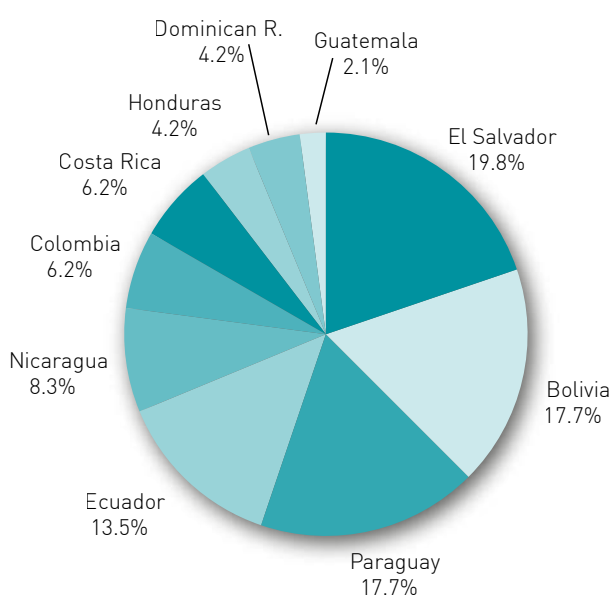
#### III.1.A. First provider



#### III.1.B. Traditional donor



#### III.1.C. Recipient



3. Lastly, only two Ibero-American countries acted as traditional donors: Cuba, participating in several South-South-South triangulations with Venezuela and Bolivia; and Spain involved in 10% of the triangulations executed in 2009. In fact, two non-regional countries, Japan and Germany, accounted for more than two thirds of the final activity (37% and 30%, respectively). Other providers executed short-term interventions, ranging from 4% to 7%: two countries (Canada and South Korea), one international organization (the International Labor Organization--ILO), and two regional banks (the Inter-American Development Bank--IDB, and the Central American Bank of Economic Integration--CABEI).

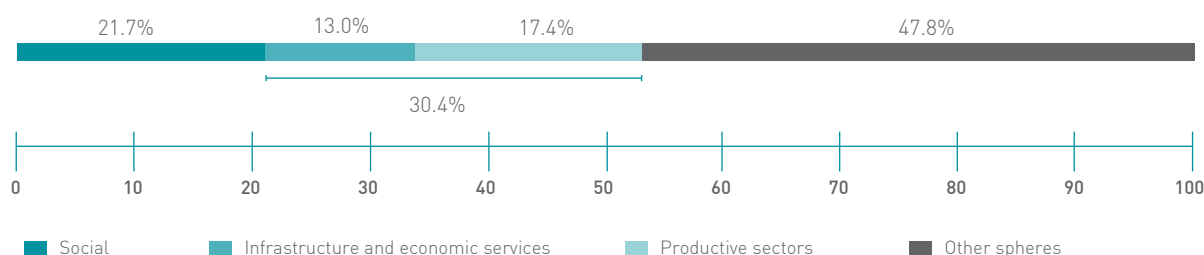
## Regional profile of capacities and needs

Classifying South-South and triangular cooperation projects/actions executed in 2009 by activity sector provides information as to the capacities and needs profile for the region as a whole and for individual countries.

To visualize the regional profile, Graph III.2 breaks down South-South and triangular cooperation in 2009 by activity sector groups. Practically half (48%) of the 46 recorded projects/actions were executed in categories other than socio-economic. The remaining 52% were split between economic (30%) and social (22%) activities.

### Graph III.2. South-South and triangular cooperation grouped by activity sector. 2009

In percentage



Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

Triangular cooperation in other than socio-economic activities was highly concentrated in institutional capacity-building for government agencies and civil society, and the environment. For example, some projects trained civil servants in human development and management, strengthened citizen services, or transferred criminal law technology; others sought to share experiences in sustainable environmental management, especially waste management (Box III.2). Yet other triangular cooperation interventions trained countries in natural disaster prevention.

This analysis supports the idea that South-South and triangular cooperation is often tied to highly complex scientific and technological activities, a characteristic that probably justifies the efforts and resources invested in this mode of cooperation. Close observation of other projects confirms this interpretation.

## Box III.2. Urbanization and environmental sustainability: towards better waste management

The urbanization phenomenon is frequently associated with environmental degradation. Back in 1988, the United Nations World Commission on Environment and Development (WCED) already found that the environment is subject to two forms of pressure: excessive consumption of resources leading to depletion, and excessive waste generation, resulting in pollution of the air, water and soil.

According to Burdet and Sudjic (2007), urban demographic growth is an unprecedented challenge for society in the 21st century. The authors estimate that by the year 2050, 75% of the global population will live in urban areas. However, the table below shows that some Latin American countries have already reached these levels of urbanization: in 2005, 75 to 85% of the population in Mexico, Colombia and Chile lived in urban areas; Ecuador and the Dominican Republic had urban populations close to 60%; and the population in El Salvador and Guatemala is fairly evenly distributed between urban and rural.

### Urbanization indicators for some Latin American countries. 1951 and 2005

Country	Number of cities with over 100,000 inhabitants		Urban population (percent of total population)	
	1951	2005	1951	2005
Chile	3	19	60.7	86.6
Colombia	6	30	43.0	76.0
Mexico	11	69	42.5	74.7
Dominican R.	1	8	23.9	63.7
Ecuador	2	13	28.5	61.3
El Salvador	1	4	36.5	50.4
Guatemala	1	2	24.9	46.1

Source: SEGIB, based on <http://www.eclac.org/estadisticas/>

As urbanization advanced in these countries, it became acutely important to also advance sustainable environmental management. In pursuit of this objective, some South-South and triangular cooperation projects in 2009 addressed environmental sustainability and residue management. These included:

#### 1. Mexico - Germany triangular cooperation with Ecuador and Dominican Republic

In 1995, the German Cooperation Agency (GTZ) decided to support a project in Mexico to transfer environmental management and solid waste know-how. Based on the positive outcomes from this collaboration, the two countries decided in 2003 to share the lessons learned with others in the region. The objective was to reach out to municipalities in full urban expansion, in particular the environmental agents, to train them in urban solid waste management. The courses were built around three modules on waste prevention and integral management, covering topics such as design; public awareness programs on the concept of the 3Rs: Reduce, Reuse, Recycle; relevant legal frameworks; storage technologies and methods, among others.

Since 2005, environmental workers in at least 1600 municipalities have received training, mostly in Guatemala and El Salvador (2008) and Ecuador and Dominican Republic (2009). In addition, the GIRESON Network was created. This is a Latin American solid waste portal ([www.giresol.org](http://www.giresol.org)) designed to facilitate access by its members to all the tools needed to disseminate knowledge about Solid Waste Prevention and Integral Management.

## Box III.2. Urbanization and environmental sustainability: towards better waste management (continued)

### 2. Chilean-German cooperation project with Colombia

This triangular cooperation focused on institutional capacity-building for the environmental authorities in the Department of Valle del Cauca in Colombia. The objective was to provide training specifically in hazardous waste management, known by the Spanish acronym RESPEL. Hazardous waste is described as “*material that is corrosive, reactive, explosive, toxic, ignitable, or an infectious agent.*” ([http://www.giresol.org/index.php?option=com\\_content&view=article&id=33&Itemid=82](http://www.giresol.org/index.php?option=com_content&view=article&id=33&Itemid=82)).

### 3. Spain-Bolivia-El Salvador triangulation

This intervention consisted of a course on nonconventional waste water treatment technologies for officers at the Ministry for the Environment and Natural Resources (MARN) of El Salvador.

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; Burdet and Sudjic (2007); statistics from the Economic Commission for Latin America and the Caribbean (ECLAC) (<http://www.eclac.org/estadisticas/>); web page of the Organization of Ibero-American States (OEI - Decade of Education for Sustainable Development) (<http://www.oei.es/decada/index.php>); GIRESOL Network (<http://www.giresol.org/index.php>)

In the economic domain, 57% of triangular cooperation initiatives supported development of productive sectors: agriculture, forestry, fishery and industry. In agriculture, activities exhibited a high degree of scientific and technological complexity: they were strongly focused on phytosanitary issues requiring substantial investment in research. The project described in Box III.3 involving three South countries (Bolivia, Cuba and Venezuela), is particularly to the point: a triangular cooperation to apply advances in plant and animal health to sustainable animal husbandry. The remaining 43% of the economic projects were in infrastructure and service development, in general, employment policies, transportation and economic application of advances in science and technology.

## Box III.3. Combining phytosanitary measures with South-South-South triangulation

One phytosanitary project executed in 2009 was particularly commendable as its objective was to control the invasion of pastures by one of the five most pervasive weeds in the world: male or bracken fern –*pteridium aquilium* (Alonso-Amelot, 1997). The project was designed as a South-South-South triangular cooperation with Venezuela and Cuba as providers and Bolivia as recipient.

Bracken fern is a troublesome weed in high altitude pastures. It has invaded 20 or more crops in 65 countries. It is highly invasive for several reasons (Arnaude and Peraza, 2004):

1. It is pest and disease resistant;
2. It has the propensity to colonize cropland where slash and burn agriculture is practiced;
3. It re-establishes more rapidly than other species because it releases a chemical substance inhibiting root growth for other plant species and absorbs large quantities of water, thus depriving other crops.

However, the worst damage is not the invasive nature of the plant, but the harmful effects caused by its presence (Alonso-Amelot, 1997) (Arnaude and Peraza, 2004):

- By decreasing grass and fodder growth, it reduces available feedstuff for livestock;
- Bracken fern ingestion can cause serious health problems in ruminants: acute and chronic poisoning, blood disorders, acute hemorrhagic syndrome, and blindness in goats. In the most acute cases, consumption of the weed may cause gastric cancer.
- Humans are not risk-exempt: several studies suggest that areas invaded by bracken fern may be associated with an increased risk of human esophageal or gastric cancer.

### Box III.3. Combining phytosanitary measures with South-South-South triangulation (continued)

Fighting the spread of this weed calls for a combination of control tactics, ranging from chemical treatment with herbicides to biologic control by the use of microorganisms and fungi.

The triangular cooperation project promoted by Cuba and Venezuela in Bolivia sought to clear some bracken fern-invaded regions in Bolivia. The objective was to develop techniques to notably reduce the presence of bracken fern, triggering a chain of positive effects: greater availability of fodder and grass for the cattle in the region; reduce the impact on other plant species and on livestock; develop a sustainable livestock production system.

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; Alonso-Amelot (1997); Arnaude and Peraza (2004).

Lastly, one fifth of triangular cooperations in 2009 had a social vocation. Projects were executed in education (bridging the gap between school and employers), health (biopsychosocial care for people with disabilities, and prevention and treatment of cervical cancer), social safety net policies (design poverty-reduction programs), and policies to support access to housing for the most disadvantage.

### Box III.4. Strengthening social housing policies

Two very different South-South and triangular cooperation projects executed in 2009 to develop social housing policies were particularly interesting:

1. The first project was promoted through the AGCI-GTZ Trilateral Cooperation Fund in Paraguay to support development of a sustainable, long-term housing policy in Paraguay, a policy with a social bias to also help overcome poverty and inequality.

The benchmark was the social housing policy developed by Chile in the past decades. According to a document by the Economic Commission for Latin America and the Caribbean (ECLAC) (Held, 2000), this policy:

- combined subsidies for people in need of housing, and market trends;
- developed standards for social housing;
- promoted the allocation of subsidies and mortgages to applicants based on their status in three areas: savings, demographics, and socio-economic profile.

To identify the real needs and give priority to the low-income population, implementation of the policy was preceded by studies of the housing shortage, understood as the difference between the number of existing households and available housing units.

The first phase of the triangular cooperation project that Chile and Germany executed in Paraguay (2007-2009) consisted in providing the General Statistics, Surveys and Census Bureau (DGEEC) and the National Housing Council (CONAVI) of Paraguay with methodologies to calculate the housing shortage, a prerequisite for Phase II in 2010. This next phase aims to develop a policy to guarantee access to housing for the traditionally excluded population.

### Box III.4. Strengthening social housing policies (continued)

2. The second project replicated a joint Japan-Mexico cooperation with El Salvador. The project also targeted the low income population who, in addition, lived in areas particularly vulnerable to seismic activity. The objective was to develop construction technologies for earthquake-resistant popular housing in the Central American country.

The precedent was the experience executed by Japan in Mexico before 2001, the year in which El Salvador, following two strong earthquakes, requested assistance from the government of Japan. Japan decided to respond through a triangular cooperation project with its Mexican counterpart.

The first phase of the project executed in El Salvador (2001-2008) developed and implemented the necessary methodologies. Thus, the large structures and tilting table laboratories were installed to generate data and formulate recommendations to reduce vulnerability and the risk of building collapse in the event of an earthquake.

The second phase, launched in 2009, is expected to be concluded in 2012. The objective is to disseminate the use of these methodologies to avoid building vulnerable housing, and to develop policy frameworks enforcing compliance with proper building codes.

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; electronic resources from the Ministry of Housing and Urbanism (MINVU) of Chile (<http://www.minvu.cl>); Held (2000).

The country needs and capacities profile was developed by combining two types of information: the role played by each country in the different projects, and the activity sector for the projects. The most relevant data are summarized in Graphs III.3; a review of the graphs shows that:

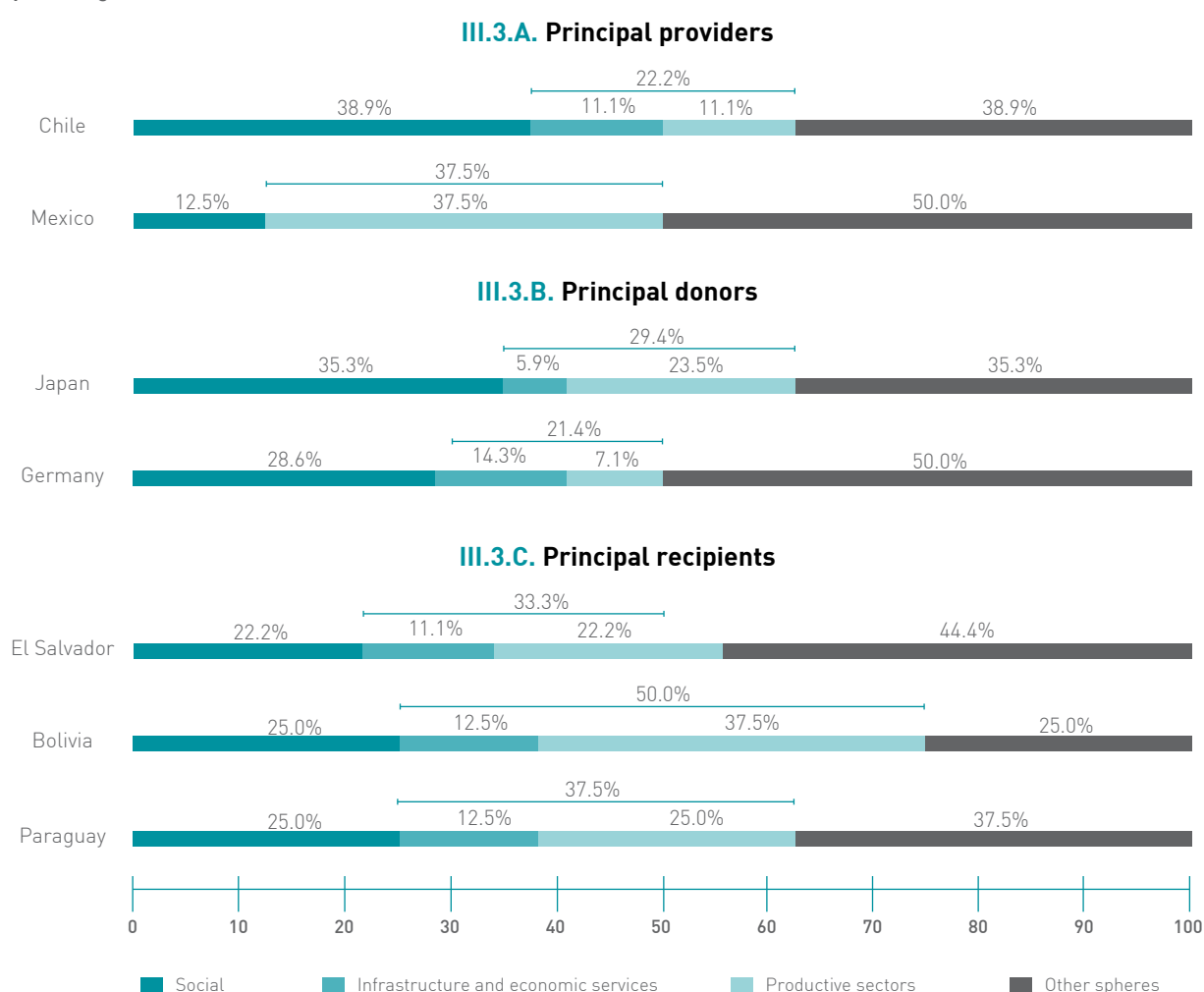
1. 80% of the capacities transferred by Chilean cooperation through a triangular venture focused on developing public policy (in health, education, social safety nets and environment) and institutional management. Many of the beneficiary institutions in the latter effort are agencies with economic responsibilities (Superintendence of Trade and Industry, central government agencies involved in the effective implementation of development) which explains why Chilean triangular cooperation of a strictly economic nature was under 20%.
2. Mexico's environmental management and disaster prevention capacities are particularly strong. Mexico also executed projects in the economic dimension, mostly in agriculture and implementation of technologies to improve crops and production.
3. As for the recipients, triangular cooperation helped El Salvador overcome some of its environmental deficits (waste water management and biodiversity); Paraguay strengthened its public sector through institutional capacity-building and implementation of policies, especially social; and Bolivia boosted its economic development in agriculture, fishery, and science and technology.



4. Lastly, among the non-regional donors, Japan was the country with the most diversified profile. One example can be found in the range of international courses offered to third countries in 2009: social courses (e.g., implementation of biopsychosocial care model for rehabilitation centers or community health centers); economic subjects (training in sustainable cattle production for small and medium-sized enterprises--SMEs); and others (civil protection or disaster prevention programs). The German profile was highly targeted in environmental issues (waste management, forestry management, biodiversity) and institutional capacity-building, frequently in economic subjects (international trade, industry, government contracts, statistics).

**Graph III.3. South-South and triangular cooperation distribution by role and activity profile. 2009**

In percentage



**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

## NOTES

<sup>1</sup> Triangular projects executed by Brazil in African countries, for example, are not included.

## CHAPTER IV

### REGIONAL HORIZONTAL SOUTH-SOUTH COOPERATION

### Introduction to the methodology

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As with the other modalities, a review of the status and evolution of regional horizontal South-South cooperation in Latin America shows the need to further refine its conceptual delineation. This Report describes the efforts carried out by the Latin American countries to gather and classify data relating to cooperation experiences that are both regional and horizontal.

The starting point was the 2008 Report providing a first interpretation of regional horizontal South-South cooperation. This form of cooperation was presumed to comprise the following characteristics:

- Cooperation was part of a regional consultation effort;
- Two or more developing countries were involved;
- To guarantee horizontality (understood as unconditional dialogue between partners), the countries worked jointly, in coordination, to design and execute cooperation projects and/or programs. Also, cooperation was adapted to local realities, and aligned with national development plans and strategies of the recipient countries that sought such cooperation;
- Project execution was preferably entrusted to the government agencies responsible for the applicable public policies. The agency Secretariat, in coordination with the appropriate unit of the consultative mechanism, provided administrative and technical support for project execution;
- To guarantee reciprocity and equity, regional horizontal South-South cooperation projects received contributions in kind and/or financing from participants, often supplemented by funds from external sources.

In keeping with these criteria, the 2008 Report reviewed the dynamics of the cooperation systems of five regional agencies: the Bolivarian Alliance for the Peoples of Our Americas (ALBA), the Andean Community of Nations (CAN), the Ibero-American Conference, the Southern Common Market (MERCOSUR), and the Central American Integration System (SICA), known by their Spanish acronyms. The analysis revealed a very heterogeneous reality as summarized in Table IV.1: the organizations developed their own characteristic cooperation systems, not necessarily in accord with the traits associated a priori with regional horizontal South-South cooperation. In fact, horizontality was not a defining characteristic of the cooperation systems as it was only apparent in a few particular experiences, so strengthening this concept unambiguously would be a major challenge.

**Table IV.1. Characteristics of Regional Cooperation Systems**

REGIONAL ORGANIZATION	COOPERATION AND OPERATING SYSTEM	COOPERATION AREAS AND PROGRAMS	SOURCE OF FINANCING
<b>Bolivarian Alliance for the Peoples of Our Americas (ALBA)*</b>	In September 2007, it was decided to create a Technical Secretariat reporting to the Council of Ministers and the Council of Presidents. At present, projects are approved by the Summits of Heads of State	Most projects are in the energy and social sectors (education, health, and sports)	Internal, economic and technical contributions from member countries (especially Venezuela and Cuba, respectively)
<b>Andean Community (CAN)</b>	An International Technical Cooperation System was established. The organs of the CAN submit proposals to the General Secretariat who then raises funds, outlines the programs, and supports and monitors execution through a Technical Cooperation Unit	Programs are executed in sectors ranging from border development to cooperation between police and law enforcement or the promotion of democracy and human rights	Mixed, combining international cooperation funds with variable contributions from member countries
<b>Ibero-American Conference</b>	Organized around the Ibero-American Cooperation Programs. Member countries submit proposals. Each Program has a Technical Secretariat hosted by a Ministry in the sponsor country or by an Ibero-American organization.	Usually in one of the following three areas: Cultural, Economic and Social	Internal, contributed by the countries participating in the programs (with one particularity: two of the countries, Spain and Portugal, are also international cooperation donors)
<b>Southern Common Market (MERCOSUR)*</b>	The system comprises two mechanisms: the Technical Cooperation Committee (CCT)* and the Structural Convergence Fund (FOCEM)*	Emphasis is given to strengthening the economic and trade sectors, as well as the integration system itself	Depends on whether the cooperation is executed through the CCT (external financing) or the FOCEM (internal financing with country contributions according to their economic reality)
<b>Central American Integration System (SICA)*</b>	The system is a work in process. At present, the International Cooperation Bureau works with the relevant institutions to develop, manage and monitor regional programs	Executes projects in diverse sectors, especially Environment, Tourism, Culture, Economy and Social areas	Mixed, combining international cooperation funds with variable contributions from member countries

**Source:** Reproduction from SEGIB (2009). \* Spanish acronyms.

In light of these results, the 2009 Report took a methodological step forward, switching from a review of the dynamics of cooperation systems to a study of specific cases, representative of regional horizontal South-South cooperation in the overall consultation process. Accordingly, six projects were selected and examined from those reported by Ibero-American countries, executed in the framework of ALBA, the CAN in conjunction with the OAS (Andean Health Organization), the Ibero-American Conference, MERCOSUR and the Mesoamerican Project. The conclusions are summarized in Table IV.2.

As the table shows, the selected experiences met the criteria of a regional horizontal South-South cooperation project or program. However, they had quite distinct origins: the first two projects (technical assistance between MERCOSUR member countries) flowed from earlier bilateral North-South cooperation interventions; two others (the Ibero-American and ALBA Grannacional programs) resulted from scaling up South-South bilateral projects to triangular and regional cooperation; the last two (Mesoamerica and Andean) were the only two originally designed as horizontal cooperation within their respective regional execution framework, with participant financing.

**Table IV.2. Selected regional horizontal South-South cooperation cases, by genesis. 2008**

Genesis	Original project			Development of the resulting regional project/program
	Name	Provider	Recipient	
Projects deriving from earlier North-South cooperation projects	Enhance container and packaging technology for merchandise distribution in MERCOSUR*	Japan, through the Japan International Cooperation Agency (JICA)	MERCOSUR	Before executing the project, several intra-regional technical assistance projects were carried out to correct asymmetries between MERCOSUR member countries: countries with greater capacities assisted lagging countries (Argentina aided Bolivia, Brazil helped Paraguay)
	Enhance national statistical data collection and processing systems	European Union (EU)	MERCOSUR	Before executing the project, several intra-regional technical assistance projects were carried out to correct asymmetries between MERCOSUR member countries: countries with greater capacities (Argentina and Brazil) helped the lagging country (Paraguay)
Originally Bilateral horizontal South-South cooperation projects scaled up to regional	Human Milk Banks	Brazil	Several Latin American countries	The XVII Summit of Heads of State and Government in Chile (2007) proposed scaling-up this initiative to the regional level: the Ibero-American Human Milk Banks Program. The program was executed in all signatory countries (including Argentina, Brazil, Bolivia, Paraguay, Uruguay, Venezuela and Colombia). Financial contributions were made by all countries, but Brazil covered the core expenses.
	Literacy program "Yes, I can"	Cuba	Venezuela	Once its literacy rates improved, Venezuela joined Cuba to execute triangular cooperation in Bolivia and Nicaragua. Following accession by Dominica, Honduras and Ecuador to the Bolivarian Alternative for the Americas (ALBA)*, the Grannacional ALBA-Education Program took over execution of these South-South-South triangulations
Regional projects with strong horizontal characteristics and participant funding	Biofuel program	Colombia, through the Mesoamerican Project	El Salvador and Honduras	Construction of three biofuel plants in Honduras and El Salvador funded and executed by Colombia. Two objectives: promote renewable energy and an economic alternative to agriculture for local populations. Project will be scaled-up to Guatemala, Mexico, Panama and Dominican Republic.
	Andean Border Health Plan (PAMAFRO)*	Colombia, Ecuador, Peru, Venezuela through the Andean Community of Nations (CAN)* and the Andean Health Organization (OAS)*	Colombia, Ecuador, Peru, Venezuela	Bilateral technical cooperation between border countries: Colombia with Venezuela, Ecuador and Peru, on the one hand; Ecuador with Peru, on the other. Promotes and strengthens social and community organization to fight malaria. Funding (US\$26 million for 2007-2011) provided by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Source: SEGIB (2009). \* Spanish acronyms

This report continues to review interventions reported by Cooperation Agencies and/or Bureaus in Ibero-American countries. Nonetheless, in a desire to fuel the conceptual debate on regional horizontal South-South cooperation, changes were made to the criteria used in the preceding study. Specifically, as shown in Table IV.3, countries reported interventions that satisfied the definition of this form of cooperation, but were executed under different institutional frameworks:

1. A significant number were carried out under the umbrella of regional consultation: South-South undertakings only involving developing countries, such as the Association of Caribbean States (ACS), ALBA, CAN, MERCOSUR and SICA; also North-South undertakings involving Spain, Portugal and Andorra (in the case of Ibero-American Organizations) and countries such as the United States and Canada (Mesoamerican Project and Organization of American States – OAS).

**Table IV.3. Participation in regional horizontal South-South cooperation reported by countries, by institutional framework. 2009**

Country	Institutional framework underpinning execution of Regional Horizontal South-South Cooperation								
	AEC <sup>1</sup>	ALBA <sup>2</sup>	CAN <sup>3</sup>	MERCOSUR <sup>4</sup>	IBEROAMERICAN Organizations <sup>5</sup>	MESOCAMERICAN Project	SICA <sup>6</sup>	OEA <sup>7</sup>	Other
Argentina									
Bolivia									
Brazil									
Chile									
Colombia									
Costa Rica									
Cuba									
Dominican R.									
Ecuador									
El Salvador									
Spain									
Guatemala									
Honduras									
Mexico									
Nicaragua									
Panama									
Paraguay									
Peru									
Uruguay									
Venezuela									

Note: 1) ACS: Association of Caribbean States; 2) ALBA: Bolivarian Alternative for the Americas; 3) CAN: Andean Community of Nations; 4) MERCOSUR: Southern Common Market; 5) COMJIB: Conference of Ministers of Justice of Ibero-American countries, OEI: Organization of Ibero-American States for Education, Science and Culture, OIJ: Organization of Ibero-American Youth, OISS: Ibero-American Social Security Organization, and SEGIB: Ibero-American General Secretariat; 6) SICA: Central American Integration System; 7) OAS: Organization of American States.

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

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2. Interestingly, a growing number of experiences reported as regional and horizontal involved a different mix of institutions (classified as “Other” in Table IV.3). Examples include:

- a) Interventions whose common thread was to join efforts to address sector problems: for instance, actions in the framework of the Conference of Ministers of Justice of Ibero-American countries (COMJIB), the Inter-American Conference of Ministers of Labor (IACML) and the Institute of Nutrition of Central America and Panama (INCAP), under the umbrella of the Ibero-American Conference, the OAS and the SICA, respectively.
- b) Programs operating as quasi-triangular cooperation scaled-up to the regional level, often involving non-governmental actors.

As previously suggested, the evidence justifies a new angle for the analysis, i.e., focusing on the institutional framework underpinning the regional horizontal South-South cooperation. The resulting conclusions add another dimension to the discussion about components, actors and principles that characterize this modality. Likewise, in view of the fact that reports include players such as Spain in several consultative mechanisms to which it is not party (i.e., CAN or MERCOSUR), the relationship between Spain’s primary cooperation instrument – Official Development Assistance – and strengthening regional horizontal South-South cooperation will also be reviewed.

### **Regional Horizontal South-South Cooperation: interventions through consultative processes**

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Tables IV.4 and IV.5 reflect the principal traits of four regional horizontal South-South cooperation programs and projects reported by countries for this Report:

- Project to study and support persons with disabilities (ALBA);
- Productive Integration Program (ORPIP) to promote micro, small and medium-sized enterprises (MSMEs), correct asymmetries and complement production models in countries moving towards trade and economic integration (MERCOSUR);
- The Ibero-American Land Management Institutional Capacity-Building Program (Proterritorio), using a design to promote integral local development;
- Disaster Reduction Program for sustainable development of border cities in Peru and Ecuador to design policies to help vulnerable regions manage the impact of natural disasters (OAS).

As the tables show, these experiences involved at least 18 of the 22 Ibero-American countries and were carried out under the auspices of one of the following four consultative mechanisms: two South-South (ALBA and MERCOSUR) and two North-South (Ibero-American Conference and OAS). The selected projects were executed in various sectors (health, enterprise, government capacity-building and disaster prevention) and bear signs typical of regional horizontal South-South cooperation. Specifically, in this regard:

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- 1. With respect to objectives.** The projects were designed as Technical Cooperation to help build capacities at the appropriate institutions at all levels of government (local, regional and national). Achievement of the objective is evidenced by the design and implementation of public policies. This is equally true for the MERCOSUR MSME project where support for enterprises first required strengthening government training and financing policies.
  - 2. With respect to execution.** These being instances of technical cooperation, the selected projects resorted to the same type of instrument: studies; diagnostics; transfer of technology, resources and know-how; training through seminars, workshops, courses and internships; consulting services; exchange of experiences and technical assistance between countries (South-South in all selected cases).
  - 3. With respect to procedures.** These projects are considered horizontal because they were demand-driven, i.e., requested by the recipient. The country request was particularly clear in the Ibero-American and Inter-American projects where the demand-driven mechanism is built into the policy framework of their cooperation systems (specifically, development of Cooperation Programs in the first case, and submitting project requests to the relevant body of the Inter-American Council for Integral Development – CIDI, in the second). Other characteristic traits of horizontal cooperation include joint and coordinated action by providers and recipients. In addition, actions were adapted to local realities, aligned with national strategies and regionally coordinated. Examples include preparation of the Proterritorios Plan of Action 2009-2010 (combining national plans developed in accordance with country strategies); and multidisciplinary teams of professionals from all participating countries working together from inception to final implementation of the ALBA project for persons with disabilities.
  - 4. With respect to financing.** In all cases, developing countries contributed technical and professional resources. But these countries also provided financial contributions commensurate with their economic realities: in the case of ALBA, the budget was exclusively financed with contributions; in the cases of the MERCOSUR, Ibero-American Conference and OAS, the country contributions were complemented with international cooperation resources from donors such as Spain, the IDB, the Financial Fund for the Development of the River Plate Basin (FONPLATA), the Andean Development Corporation (CAF), or Banco del Sur. In the latter cases, all the contributions were raised by the so-called Cooperation Funds – to wit: FOCEM (Structural Convergence Fund of MERCOSUR), the Proterritorios Land Management Cooperation Fund, and the Special Multilateral Fund of the Inter-American Council for Integral Development (FEMCIDI).
  - 5. Other issues.** The content of Tables IV.4 and IV.5 suggests there was a strong desire to guarantee project sustainability. To this end, several actions were taken, including training professionals in the recipient countries, integrating resulting policies with national strategies and priorities, and seeking regular sources of financing to ensure project continuity.



**Table IV.4. Regional horizontal South-South cooperation programs and projects, in a South-South institutional framework. 2009**

INSTITUTIONAL FRAMEWORK	ALBA (BOLIVARIAN ALTERNATIVE FOR THE AMERICAS)	MERCOSUR (SOUTHERN COMMON MARKET)
PROJECT	Project to Study Persons with Disabilities	Permanent Regional Observatory for Productive Integration (ORPIP, by its Spanish acronym) (Line 5 of the MERCOSUR Productive Integration Program)
OBJECTIVE AND ACTIVITY SECTOR	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> <li>• Identify people with disabilities</li> <li>• Study the causes</li> <li>• Assess needs</li> <li>• Provide a comprehensive response, prioritizing critical cases</li> </ul> <p><u>Sector:</u> Health</p>	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> <li>• Correct asymmetries between MERCOSUR member country economies</li> <li>• Build productive complementarity for firms in the MERCOSUR region, especially SMEs, in particular those in less developed member countries</li> <li>• Strengthen the public sector to train, finance and support these firms</li> </ul> <p><u>Sector:</u> Enterprise</p>
PARTICIPANTS	<p><u>Ibero-American:</u> Cuba, Bolivia, Ecuador, Nicaragua and Venezuela.</p> <p><u>Other:</u> St Vincent and the Grenadines, Dominica, and Antigua and Barbuda.</p>	<p><u>Ibero-American:</u> Argentina, Brazil, Paraguay, Uruguay and Venezuela.</p>
GENESIS	Born in Cuba (2001-2003). Given the positive outcomes, it was scaled-up bilaterally to Venezuela (2007-2008). In 2009, it was integrated into ALBA and was carried out in Ecuador, Nicaragua and Bolivia at the request of the governments. In 2010, it will be scaled up to the remaining member countries.	In 2008, during Argentina's Pro Tempore Presidency, MERCOSUR advanced the productive integration proposal. The objective was to improve complementarity of national firms to smooth out the relative differences in economic development in the region. This resulted in the MERCOSUR Productive Integration Program, a program to promote complementarity between national companies (especially SMEs and firms in least developed countries) by strengthening public policy.
EXECUTION MECHANISMS	<ul style="list-style-type: none"> <li>• Perform the study and analysis applying clinical, epidemiological, pedagogical and social methods</li> <li>• Create multidisciplinary work teams: 400 Cuban medical practitioners (different fields), computer experts and local staff - some trained at the Latin American School of Medicine (ELAM) in Cuba or in Venezuela</li> <li>• Coordinate a response with national organizations and agencies in keeping with national policies for persons with disabilities</li> </ul>	<p>The Productive Integration Program has seven horizontal lines of action, including: cooperation between entrepreneurial and productive development agencies, research &amp; development, technology transfer and human resources training. Line 5 relates to the Permanent Regional Observatory for Productive Integration (ORPIP). The ORPIP will:</p> <ul style="list-style-type: none"> <li>• Perform diagnostics of productive sectors in the region, and of the situation of micro, small and medium-sized enterprises in MERCOSUR member countries (plus Venezuela). The Observatory's primary function is to develop a productive sector geographic information system (GIS)</li> <li>• Generate data to design and develop public programs and/or policies to promote productive integration of companies in the region</li> <li>• The following instruments will be used: <ul style="list-style-type: none"> <li>- Technical Assistance between countries</li> <li>- Seminars - Workshops from one country to the rest</li> <li>- Sector policy coordination</li> </ul> </li> </ul>
FINANCING MECHANISMS	<p>All countries donate basic goods and services (drugs, wheelchairs, etc.); construction (housing, childcare centers, cytogenetic laboratories, etc.)</p> <p>Additionally, Cuba and Venezuela contribute professional, technical, material and financial resources.</p> <p>Recipient countries contribute professional resources and cover the maintenance costs.</p>	<p>Because this instrument was designed to correct asymmetries between countries, it is financed through the MERCOSUR Structural Convergence Fund (FOCEM), a fund to which countries make contributions commensurate with their means. Nonetheless, supplementary funding is received on occasion from:</p> <ul style="list-style-type: none"> <li>• National, regional and international lending institutions (i.e., CAF, IDB, FONPLATA, Banco del Sur, etc.)</li> <li>• Traditional donors (e.g., Spain)</li> </ul>
OTHER	National policy integration ensures program sustainability. In addition, the National Medical Genetics Center in Cuba trains professionals from Venezuela and Ecuador (soon to be extended to Nicaragua and Bolivia)	Sound financing will be in place shortly through the creation of the MERCOSUR Fund to Support Small and Medium-sized Enterprises involved in productive integration initiatives.

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; Lucangeli (2008); and the MERCOSUR Productive Integration Program ([http://www.mercosur.coop/recm/IMG/pdf/Programa\\_de\\_Integracion\\_Productiva\\_del\\_Mercosur.pdf](http://www.mercosur.coop/recm/IMG/pdf/Programa_de_Integracion_Productiva_del_Mercosur.pdf))

**Table IV.5. Regional horizontal South-South cooperation programs and projects, in a North-South institutional framework. 2009**

INSTITUTIONAL FRAMEWORK	IBERO-AMERICAN CONFERENCE	OAS (ORGANIZATION OF AMERICAN STATES)
PROJECT	Ibero-American Land Management Cooperation Program (Proterritorios)	Disaster Risk Reduction Program for Sustainable Development in the cities of Piura (Peru) and Machala (Ecuador)
OBJECTIVE AND ACTIVITY SECTOR	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> <li>• Improve the quality, efficiency and impact of policies and public spending</li> <li>• Land management capacity-building for institutions, social organizations, stakeholders and public agents</li> <li>• Promote and coordinate participation, decentralization and reorganization of productive systems with a spatial vision</li> </ul> <p><u>Sector:</u> Institutional capacity-building and integral rural development</p>	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> <li>• Reduce the vulnerability of settlements in areas prone to natural hazards and prevent future vulnerability</li> <li>• Develop a Disaster Risk Management System for local governments, civil defense, communities and other stakeholders in the cities of Machala and Piura</li> </ul> <p><u>Sector:</u> Disaster prevention</p>
PARTICIPANTS	<p><u>Ibero-American countries:</u> Brazil, Bolivia, Chile, Colombia, Costa Rica, El Salvador, Spain, Guatemala, Mexico, Panama and Peru</p> <p><u>Support:</u> Inter-American Institute for Cooperation on Agriculture (IICA) and United Nations Fund for Population Activities (UNFPA)</p>	<p><u>Provider:</u> Peru</p> <p><u>Recipient:</u> Ecuador</p>
GENESIS	In 2006, some Ibero-American officers responsible for rural development public policy began informally to exchange land management experiences. They soon realized mechanisms were required to coordinate these exchanges and cover deficiencies in resources, legislative frameworks, policy design and strategies to link land management with sustainable development. Accordingly, at the initiative of Mexico and Spain, the XVIII Ibero-American Summit in El Salvador in 2008 approved the Ibero-American Proterritorios Program.	Piura and Machala are two large cities in the Peru-Ecuador border area. In recent years both cities have shown signs of disorderly growth. The population has settled in areas highly vulnerable to flooding especially in the rainy season and when the El Niño phenomenon intensifies. In light of the problem, the two countries submitted to the Inter-American Council for Integral Development (CIDI) a request for support to share disaster prevention experiences.
EXECUTION MECHANISMS	<p>The program comprises three lines of action:</p> <ol style="list-style-type: none"> <li>1. Knowledge, research and systematization of lessons learned. Land management observatories</li> <li>2. Capacity-building in land management (develop legislative and regulatory frameworks, design new strategies and public policies, technical and human resources, among others)</li> <li>3. Connectivity program (dissemination and awareness-raising mechanism)</li> </ol> <p>Instruments used include:</p> <ul style="list-style-type: none"> <li>- Data generation</li> <li>- Training for stakeholders</li> <li>- Consulting services</li> <li>- Technical assistance</li> </ul> <p>Implementation is aligned with the Plan of Action 2009-2010, reflecting all the national actions agreed by the countries in the Program. Sometimes, international organizations such as IICA and UNFPA provide technical and management cooperation</p>	<p>Capacity and knowledge sharing to transfer know-how from Peru to Ecuador in the following areas:</p> <ul style="list-style-type: none"> <li>• Design Disaster Reduction Plans.</li> </ul> <p>These should include:</p> <ol style="list-style-type: none"> <li>1) Assessment of dangers, vulnerability, risks and land use measures</li> <li>2) Methods to identify and prioritize disaster prevention and mitigation projects</li> </ol> <ul style="list-style-type: none"> <li>• Strengthen local disaster risk management institutions</li> </ul>
FINANCING MECHANISMS	<ul style="list-style-type: none"> <li>• Countries contribute human and technical resources, complemented by financial resources</li> <li>• A Land Management Cooperation Fund was established, administered by SEGIB, coordinating technical, administrative and financial matters with the Program Technical Secretariat</li> <li>• The Fund is replenished through: <ol style="list-style-type: none"> <li>1. Voluntary country contributions</li> <li>2. International Cooperation contributions</li> </ol> </li> </ul>	<p>Financing is provided by:</p> <ul style="list-style-type: none"> <li>• The Special Multilateral Fund of the Inter-American Council for Integral Development (FEMCIDI), receiving member contributions according to a quota scale</li> <li>• Local counterpart contributions from the participating countries (in this instance, the Civil Defense Institutes of Peru and Ecuador)</li> </ul>

**Table IV.5. Regional horizontal South-South cooperation programs and projects, in a North-South institutional framework. 2009 (continued)**

INSTITUTIONAL FRAMEWORK	IBERO-AMERICAN CONFERENCE	OAS (ORGANIZATION OF AMERICAN STATES)
OTHER	Program sustainability and viability are a matter of constant concern for the countries. A preliminary evaluation of actions executed rated the program positively, and recommended measures to strengthen certain areas so as to ensure the success of the initiative	Complemented by the Peru-Ecuador Bi-national Border Development Program. This Program combines integration and cooperation between the two countries with execution of social and productive infrastructure programs and projects.

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

### Regional Horizontal South-South Cooperation: interventions within institutional frameworks

Some of the regional horizontal South-South cooperation projects reported by countries for this edition of the Report on South-South Cooperation in Ibero-America were not carried out under the auspices of a traditional regional organization. As explained earlier, countries combined horizontal characteristics and South-South elements with regional experiences executed under very different institutional frameworks. Tables IV.6 and IV.7 describe four such interventions: the first two are highly sectoral; the latter two combine triangular and regional cooperation components.

Two sector interventions were selected: the Model Plan for Access to Justice of the Conference of Ministers of Justice of Ibero-American Countries (COMJIB, by its Spanish acronym) and the Food Security and Nutrition Surveillance project of the Institute of Nutrition of Central America and Panama (INCAP). Although both the COMJIB and the INCAP are part of a broader consultative mechanism (the Ibero-American Conference and the Central American Integration System (SICA), respectively), they are independent entities with legal capacity, created to address specific sector problems in the region (Justice and Food Security, respectively). In fact, these institutions antedate the consultation mechanisms of which they are part (INCAP was established in 1949 and the COMJIB in the 1970s) and their highest governing bodies consist of a General Secretariat (COMJIB), and a Council consisting of Ministers of Health of the Central American countries and the Director of the Pan American Health Organization (PAHO) in the case of INCAP.

With respect to horizontal, South-South and regional components, both projects (Table IV.6) involved at least 18 of the 22 Ibero-American countries. The final objective in both cases was to design public policies for their respective ambits. To this end, they undertook to standardize existing capacities through technical cooperation projects, for which the recurring instruments were studies, training, and transfer of resources and technical assistance between countries (South-South in some cases; North-South in others). Here again, projects are demand-driven, requested by recipient countries working jointly and in coordination with provider countries. In fact, particularly in the Access to Justice project, the countries from the South – both provider and recipient countries – determined the action lines. Lastly, the COMJIB financed the project itself, using member country quotas and voluntary contributions from participants for each line of action. The INCAP projects were financed by PAHO as support organization, using both country quotas and global ODA. It should also be noted that other mechanisms, such as the Inter-American Conference of Ministers of Labor (CIMT, by its Spanish acronym), had similar origins, operational and institutional frameworks. Box IV.1 shows technical assistance provided by the CIMT through the Inter-American Network for Labor Administration (RIAL).

**Table IV.6. Regional horizontal South-South cooperation programs and projects with a sector-based institutional framework. 2009**

INSTITUTIONAL FRAMEWORK	COMJIB* (CONFERENCE OF MINISTERS OF JUSTICE OF IBERO-AMERICAN COUNTRIES)	INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA (INCAP)*, CENTRAL AMERICAN INTEGRATION SYSTEM (SICA)*
PROJECT	Model Plan for Access to Justice (one of the seven COMJIB action lines) Headed by Chile	Food Security and Nutrition Surveillance
OBJECTIVE AND ACTIVITY SECTOR	<p><u>Objective:</u> Guarantee access to justice for all citizens of participating countries, emphasizing inclusion of vulnerable groups:</p> <ul style="list-style-type: none"> <li>• Indigenous peoples</li> <li>• Youths</li> <li>• Women</li> </ul> <p><u>Sector:</u> Justice</p>	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> <li>• Provide Central American countries with a regional Food and Nutrition Surveillance System (SISVAN)*</li> <li>• Improve country capacities to make decisions and design policies for the public health sector</li> </ul> <p><u>Sector:</u> Institutional capacity-building and health</p>
PARTICIPANTS	<p><u>Action lines determined by:</u> Brazil, Bolivia, Chile, Ecuador, Spain, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic and Uruguay.</p>	<p><u>Ibero-American countries:</u> Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Dominican Republic</p> <p><u>Others:</u> Belize</p> <p><u>Support:</u> Pan American Health Organization (PAHO), through the budget and country offices</p>
GENESIS	At the plenary session in las Palmas (Spain) in 2006, the COMJIB decided to prioritize the line of action "Access to justice." One year later, a meeting of experts in this matter was convened in Chile. The principal outcome was a "Guide of Good Practices for Access to Justice" proposing the desired model of justice and actions needed to achieve it (information strategies, training, creation of special units).	The project was carried out at the request of countries in accordance with BAPA guidelines for TCDC. Countries had domestic regulatory frameworks and mechanisms to analyze and report on Food and Nutrition Safety. However, in 2008, they determined it was best to homogenize capacities and institutions so as to generate current and systematized regional data. Project prerequisites: an overall diagnostic of data subsystems; a SWOT <sup>1</sup> analysis of existing subsystems; a methodology to operate the SISVAN with the existing subsystems.
EXECUTION MECHANISMS	<ul style="list-style-type: none"> <li>• Intergovernmental policy coordination</li> <li>• Technical Assistance between countries. Countries having determined action lines may participate as providers or recipients. Other COMJIB member countries, like Spain or Portugal, may provide assistance. In 2009, the following two projects were executed: <ul style="list-style-type: none"> <li>a. Promotion of a Culture of Peace among youths in conflict with law enforcement in Ecuador, with transfers from Brazil and Spain</li> <li>b. Creation of integral care centers for victims of gender-based violence in Bolivia, with assistance provided by Spain, Brazil and Peru</li> </ul> </li> </ul>	<p>For project execution, countries received:</p> <ul style="list-style-type: none"> <li>• Diagnostic instruments for indicators, data availability and existing data subsystems</li> <li>• A software package</li> <li>• A proposed methodology to implement the SISVAN developed by the INCAP</li> </ul> <p>Subsequently, in 2009, countries:</p> <ul style="list-style-type: none"> <li>• Shared experiences</li> <li>• Attended workshops</li> </ul> <p>Project execution was partially conducted by virtual means.</p>
FINANCING MECHANISMS	COMJIB resources from member country quotas plus voluntary contributions to action lines from participating countries. The Spanish cooperation fund is one example of voluntary contributions	The budget amounted to US\$61,400 contributed by the Pan American Health Organization (PAHO) with funds from country quotas and contributions from international cooperation donors

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

\*Spanish acronym - <sup>1</sup>SWOT: strengths, weaknesses, opportunities, threats

**Table IV.7. Regional triangulations. 2009**

INSTITUTIONAL FRAMEWORK	REGIONAL PROGRAM HIV/AIDS	FUND FOR REGIONAL PROJECTS – NORAD (NORWEGIAN AGENCY FOR INTERNATIONAL DEVELOPMENT)
PROJECT	Project to harmonize public policy for school-based sexual and HIV/AIDS prevention education	Project “Capacity-building and technology-sharing to manage biodiversity: Herbariums in Central America”
OBJECTIVE AND ACTIVITY SECTOR	<p><u>Objective:</u> Ensure school-enrolled youths have access to sexual and AIDS prevention education</p> <p><u>Sector:</u> Sexual education and reproductive health</p>	<p><u>Objectives:</u> - Develop capacities to generate and administer botanical data for integration in socio-productive processes - Support creation of a regional conservation and development agenda</p> <p><u>Sector:</u> Biodiversity (environment)</p>
PARTICIPANTS	<p><u>Providers and recipients:</u> Argentina, Brazil, Chile, Paraguay, Peru and Uruguay</p> <p><u>Support from:</u></p> <ul style="list-style-type: none"> <li>• HIV/AIDS and Viral Hepatitis Department of the Ministry of Public Health in Brazil</li> <li>• German cooperation agency (GTZ)</li> <li>• Joint United Nations Programme on HIV/AIDS (UNAIDS)</li> </ul>	<p><u>Provider:</u> Costa Rica through the INBIO (National Biodiversity Institute), a non-governmental organization publicly regulated due to its critical importance</p> <p><u>Recipients:</u> Central American countries (El Salvador, Guatemala, Honduras, Nicaragua and Panama)</p> <p><u>Collaborators:</u> universities in participating countries</p>
GENESIS	In 2006, MERCOSUR undertook a consultation revealing that countries in the region had little installed capacity for school-based sexual and HIV/AIDS prevention education. Under the circumstances, Argentina, Brazil, Chile, Paraguay, Peru and Uruguay decided to implement horizontal cooperation programs to give youths access to relevant information and to strengthen national policies on sexual and HIV/AIDS prevention education.	Until 2002, Norway was one of Costa Rica’s principal ODA donors. Support targeted, in part, organizations such as the INBIO. In 2002, when Costa Rica was classified as a MIC, Norway decided to use part of its ODA to create Funds for regional projects, such as the one executed by INBIO in 2003-2009.
EXECUTION MECHANISMS	<ul style="list-style-type: none"> <li>• Public policy coordination</li> <li>• Technical assistance among participating countries</li> <li>• Training of trainers</li> </ul>	<p>Countries identified their needs and requested:</p> <ul style="list-style-type: none"> <li>• The sharing of experiences and internships for herbalists in different countries</li> <li>• Training workshops</li> </ul> <p>Specific examples:</p> <ul style="list-style-type: none"> <li>• Regional. Edible plant workshops. Contributed to crop-free food security as these are naturally growing plants.</li> <li>• Petén (Guatemala). Children with plant poisoning are brought to health stations. Response time is crucial. However, health professionals are often uninformed about plants. A toxic plants handbook was prepared and distributed to health posts to improve response to plant poisoning cases</li> <li>• Copán (Honduras). The architectural treasure is surrounded by great natural diversity. Tourist guides were trained in heritage interpretation.</li> </ul>
FINANCING MECHANISMS	Financed as a triangulation because funding is provided by the German cooperation agency (GTZ) and the Ministry of Public Health of Brazil. Funds are also contributed by support organizations such as UNAIDS.	Funding mostly provided by Norwegian cooperation. INBIO is the executing agency.
OTHER	<p>Achievements to guarantee sustainability:</p> <ol style="list-style-type: none"> <li>1) Institutionalization of concepts methodologies and products</li> <li>2) Strengthening public policy</li> <li>3) Sexual education capacity-building</li> <li>4) Inclusion of sexual education in school curricula and at primary schools</li> <li>5) Ministry of Education budget allocations, contribution to the “Ministerial Pact for prevention through education”</li> </ol>	<p>The project increased and accrued social capital: a large group of trained scientists; recovery of traditional knowledge; dissemination of scientific information to a broad public; new strategies to manage the society-nature relationship; herbariums rebuilt and given national institution status.</p> <p>One of the keys to project success was respect for cultural differences and characteristics of the participating institutions.</p>

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; material from the National Institute of Biodiversity (INBIO) of Costa Rica (<http://www.inbio.ac.cr>); German cooperation agency (GTZ) documentation on the Regional HIV Programme in Latin America, the Caribbean and Africa for Brazil (<http://www.gtz.de/en/index.htm>).

### Box IV.1. The Inter-American Network for Labor Administration (RIAL)

In 2001, the Inter-American Conference of Ministers of Labor (IACML) of the Organization of American States (OAS) decided to prioritize institutional capacity-building for their respective ministries. Following discussions to determine the best mechanism, the IACML decided in 2005 to create the Inter-American Network for Labor Administration, known by its Spanish acronym RIAL. The network, made up of all OAS member countries, was conceived as a mechanism for cooperation and technical assistance between the ministries of labor of member countries. In fact, the RIAL Technical Secretariat is hosted at the Department of Social Development and Employment (DSDE) at SEDI/OAS.

In the initial phase, from 2006 to 2009, horizontal cooperation was essentially implemented by means of the following tools:

- A program portfolio ([www.sedi.oas.org/ddse/rial](http://www.sedi.oas.org/ddse/rial)) that systematizes labor administration programs undertaken by the Ministries of Labor, to help plan South-South and North-South cooperation between administrations.
- Hemispheric workshops and seminars to share experiences, lessons learned and to make recommendations.
- A Cooperation Fund to coordinate and finance bilateral cooperation activities (South-South and North-South) among the Ministries. Responding to an open call, Ministries submit proposals for bilateral technical assistance negotiated directly by the Ministries involved, at the request of the recipient and based on capacities and weaknesses. As of now, funds have been received from by the OAS itself, in addition to Canada, United States, Brazil, Mexico and Argentina.
- Studies and policy papers.

The Ministries of Labor of member countries were involved in all the activities, sometimes in the dual role of provider and recipient. However, they may obtain external technical support from other actors such as trade unions, employer associations, the International Labor Organization (ILO), the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC), among others.

One recent specific example of cooperation was the consultancy provided by Argentina to Ecuador to design and implement a Labor Observatory, modeled on the Observatory of Employment and Business Dynamics of the Argentine Department of Labor – a useful guidance tool for employment policy decision-making.

**Source:** Case histories from the High Level Event on South-South Cooperation and Capacity Development in Bogota ([www.impactalliance.org](http://www.impactalliance.org)).

Other experiences reported as regional horizontal South-South cooperation presented special characteristics from both an institutional and operational perspective. Table IV.6 describes a project to harmonize public policy for school-based sexual and HIV/AIDS prevention education, and another to build biodiversity management capacities. Both projects meet the criteria for regionally executed triangulations:

- In the first, the German Cooperation Agency (GTZ) and the Joint United Nations Programme on HIV/AIDS (UNAIDS) provided financial and technical support; the Ministry of Public Health of Brazil was the lead provider owing to its well-recognized experience fighting AIDS; and the other countries (Argentina, Chile, Paraguay, Peru and Uruguay), as participants in the horizontal exchange of experiences and technical assistance, were sometimes recipients, other times providers.

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- In the second case, the Norwegian Cooperation Agency (NORAD) provided resources to create a Fund for Costa Rica to execute regional projects through its National Biodiversity Institute (INBIO). INBIO administered the Fund and arranged regional horizontal technical cooperation in coordination with counterpart public entities and universities in several Central American countries (El Salvador, Guatemala, Honduras, Nicaragua and Panama) at the request of the recipient countries.

A further review of the details of these two projects (Table IV.7) confirms both present sufficient horizontal, regional and South-South characteristics to fit the type of cooperation described in this chapter. In short, both were based on technical cooperation; they relied on technical assistance, training and policy coordination; their purpose was to strengthen public policies and institutions at all government levels (local, national and regional); they were demand-driven mechanisms; and were executed through joint and coordinated action by all participants. However, some traits differed with those a priori associated with regional horizontal South-South cooperation:

- The experiences were not executed in the framework of regional consultative processes; they have no institutional structure or legal capacity. In other words, the genesis of these cooperation projects or programs was somehow linked to global ODA.
- In fact, further supporting that view, they had less financial autonomy and more support from external financing. Specifically, as previously indicated, the sources of funding were the German and Norwegian cooperation agencies.
- The type of players also ranged widely. For example, there were national government institutions (Ministry of Public Health of Brazil); public universities (e.g., the National Autonomous University of Honduras – UNAH); intergovernmental organizations (i.e., UNAIDS); and non-governmental organizations (although an NGO, the INBIO is subject to public legislation owing to its critical importance for Costa Rica).
- The source of funds and support from multilateral organizations gave these projects and programs a stronger North-South component than the other cases analyzed.

Another experience with similar characteristics was the Agrohealth project to increase food security through genetic engineering of Latin American staple foods (see Table IV.2). This was a regional triangulation project supported by Canadian cooperation, coordinated and headed by Colombia, executed through technical cooperation in 14 countries of the region, all playing dual provider-recipient roles, and with the participation of public and private players.

As a final point, this analysis seeks to advance one of the objectives set out at the beginning of the chapter: develop a better conceptual definition of regional horizontal South-South cooperation. The analysis is particularly relevant for the institutional framework associated with this form of cooperation, as well as the nature of the protagonists. In fact, a major challenge for South-South cooperation in the coming years will be to determine the role that non-governmental actors may effectively play in a form of cooperation apparently intended to strengthen public institutions and policies.

## Box IV.2. The Agrohealth Project: Food Security and Crop Biofortification

The term “hidden hunger” was coined a few years ago to describe a problem associated with eating foods such as rice, beans, maize and sweet potato that are highly caloric and filling, but often fail to provide sufficient nutrients. “Hidden hunger” is found especially in developing countries, although not exclusively, and in particular among the highly vulnerable populations such as pregnant women and children under the age of five. Fourteen countries (Bolivia, Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru, plus Haiti) set out to tackle the problem by working together in genetically engineering some of the staple foods consumed in Latin America, that are deficient in micronutrients. As an added benefit, this project would also boost food security in the region.

The project started out as a consortium of public and private international institutions dedicated to improve food security and nutrition in Latin America and the Caribbean by breeding crops with increased nutritional value and high yields. The consortium consisted of five leading agrohealth institutions: the International Center for Tropical Agriculture (CIAT)\* in Colombia; the Latin American and Caribbean Consortium to Support Cassava Research and Development (CLAYUCA)\* hosted by CIAT; the International Potato Center (CIP)\* in Peru; the Brazilian Agricultural Research Corporation (EMBRAPA); and the International Maize and Wheat Improvement Center (CIMMYT),\* with a regional office in Colombia.

The institutions from the 14 Latin American countries that later began to work with the initial group (such as the National Grain Research Institute of Cuba) did so in response to calls from the consortium. They attended annual workshops, conducted joint research, provided technical assistance to each other, and they shared experiences. Occasionally, institutions such as the CIAT of Colombia offered the services of their laboratories to perform some of the work. In fact, the CIAT actually raised the funds needed for this cooperation by submitting a regional food security project to the Canadian International Development Agency (CIDA).

Cuba hosted one of the experiences aimed at developing and implementing public policies for food security. Cuba is the Latin American country with the highest per capita rice consumption (70 kg per year). The National Grain Research Institute decided to improve the iron and zinc content of this staple. The experience was successful: imported rice contains 3.19 mg of iron per kilogram whereas the improved variety contains 5.27 mg. As a result, the nutritional impact per unit of rice consumed improved by 20%. This observation encouraged the partners to consider preparing processed products with this improved rice. The work was explicitly incorporated in Cuba’s National Nutrition Plan. Learning from this experience, Panama also decided to link breeding improvement with national nutrition policies.

**Source:** National Grain Institute (ING), a department of the Ministry of Agriculture (MINEG) of Cuba.

\* Acronyms in Spanish.

## ODA and strengthening Regional Horizontal South-South Cooperation

Regional horizontal South-South cooperation cases assembled for this Chapter include experiences in which Spain participated in two forms of consultative processes: processes to which it is party (e.g., linked to the Ibero-American Conference), and those to which Spain is not a member (MERCOSUR, CAN, SICA, among others). It is, however, interesting to note that Spain plays a dual role regardless of the situation. In particular:

- In some of the reported experiences, Spain combined financial with technical and professional support through its involvement in technical assistance, sharing of experiences, seminars or workshops, among others.



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- Other times, Spanish cooperation was limited to financial support. What is noteworthy is that this support did not simply consist of transferring Official Development Assistance (ODA) to Regional Organizations. Instead, the instrument was used to support specific regional and horizontal experiences.

In effect, Official Development Assistance (ODA) may be used as an effective instrument to support strengthening regional horizontal South-South cooperation. In the specific case of Spain, the Spanish Multilateral Cooperation Strategy in force since 2009 (DGPOLDE, 2008) serves as a guiding principle. The Strategy frames Spanish ODA in the context of Regional Organizations.

It would be fair to say that the Strategy considers the importance and effectiveness of multilateral initiatives to tackle global problems, and chooses to prioritize capacity-building in the multilateral cooperation system. Accordingly, Spanish cooperation supports increasing ODA funds for multilateral organizations while redistributing funds among three types of actors: United Nations Agencies (especially actions aimed at achieving the Millennium Development Goals), Development Funds and Regional Initiatives. The document explicitly acknowledges the role played by Regional Organizations to promote development and prefers to promote mechanisms that will help strengthen them.

In Latin America, this objective is pursued through explicit support for various regional consultative processes. The support is institutionalized through Memorandums of Understanding and periodic meetings of Joint Commissions. As part of this ongoing process, the Spanish Agency for International Development Cooperation (AECID) has signed Memorandums with several regional consultative processes such as the CAN, MERCOSUR, SEGIB and SICA.

Table IV.8 shows that in 2009 Spain earmarked more than US\$75 million of its ODA to eight regional organizations: the five Ibero-American entities plus CAN, SICA and MERCOSUR. Practically half of this amount (some US\$35 million) was channeled towards projects and/or programs to strengthen regional horizontal South-South cooperation in Latin America.

In fact, Table IV.8 simply reflects selected experiences under a double criterion: on the one hand, cases linked to Ibero-American organizations (COMJIB, OEI, OIJ, OISS and SEGIB) as well as sub-regional processes (CAN, MERCOSUR and SICA); and on the other, cases where funding explicitly targeted regional, horizontal and South-South projects. Lastly, in 2009, Spain provided US\$29.5 million for projects to strengthen regional horizontal South-South cooperation carried out in the framework of Ibero-American organizations, plus US\$4.5 million for similar projects carried out in the framework of consultative processes such as CAN, SICA and MERCOSUR. These contributions allowed for cooperation with instruments such as technical assistance, training, sharing of experiences and policy coordination. These instruments are in keeping with the double objective of strengthening public policies in Latin American countries while providing the region with greater capacity to face global problems.

**Table IV.8. Spain's contributions to Regional Horizontal South-South Cooperation through Spanish ODA. 2009**

REGIONAL CONSULTATIVE PROCESS/ORGANIZATION THAT RECEIVED THE FUNDS	STRENGTHENING HORIZONTAL SOUTH-SOUTH COOPERATION			
	VOLUME OF FUNDS (US DOLLARS)	FRAMEWORK FOR APPROVAL OF FUNDS	MECHANISM TO STRENGTHEN SOUTH-SOUTH COOPERATION	SAMPLE PROJECTS SUPPORTED WITH THE FUNDS
Ibero-American programs of the Ibero-American General Secretariat (SEGIB)	17,772,858	Summit Heads of State and Government; Joint Commission	<ul style="list-style-type: none"> <li>- Sharing public policy experiences</li> <li>- Technical Assistance between countries</li> <li>- Training for government officials, experts and policy-makers</li> <li>- Coordination of intergovernmental policies</li> </ul>	<ul style="list-style-type: none"> <li>- Ibero-American Program for Technology Transfer and Training in Integrated Water Resource Management</li> <li>- Ibero-American Program to Strengthen South-South Cooperation</li> <li>- Gender Observatory</li> <li>- Emergencies and natural disasters</li> <li>- Good SME Practices</li> </ul>
Organization of Ibero-American States for Education, Science and Culture (OEI)	10,011,874	Joint Commission	<ul style="list-style-type: none"> <li>- Sharing public policy experiences</li> <li>- Coordination of intergovernmental policies</li> <li>- Technical Assistance between countries</li> <li>- Training public managers</li> <li>- Replication of good practices</li> <li>- Dissemination of knowledge</li> </ul>	<ul style="list-style-type: none"> <li>- Program to develop and modernize Technical and Professional Education in Ibero-America</li> <li>- Program to support the quality of basic education in Ibero-America</li> <li>- Program for Cultural Education and Training (ACERCA)</li> </ul>
Conference of Ministers of Justice of Ibero-American countries (COMJIB)	1,295,365	Joint Commission	<ul style="list-style-type: none"> <li>- Sharing public policy experiences</li> <li>- Coordination of intergovernmental policies</li> <li>- Technical Assistance between countries</li> </ul>	<ul style="list-style-type: none"> <li>- Program to care for women victims of gender violence</li> <li>- Promote a culture of peace among youths in conflict with the law</li> <li>- Model Plan for Access to Justice</li> </ul>
Organization of Ibero-American Youth (OIJ)	226,299	Joint Commission	<ul style="list-style-type: none"> <li>- Sharing public policy experiences</li> <li>- Training public experts and managers</li> </ul>	<ul style="list-style-type: none"> <li>- Ibero-American System of Youth Indicators</li> <li>- Training practitioners in public policy for youths</li> </ul>
Ibero-American Social Security Organization (OISS)	114,373	Joint Commission	<ul style="list-style-type: none"> <li>- Coordination of intergovernmental policies</li> </ul>	<ul style="list-style-type: none"> <li>- Ibero-American Social Security Agreement</li> </ul>
<b>Total Ibero-American</b>	<b>29,420,769</b>	<b>---</b>	<b>---</b>	<b>---</b>
Andean Community of Nations (CAN)	2,789,600	Memorandum of understanding	<ul style="list-style-type: none"> <li>- Sharing public policy experiences</li> <li>- Coordination of intergovernmental policies</li> <li>- Technical Assistance between countries</li> <li>- Training public experts and managers</li> </ul>	<ul style="list-style-type: none"> <li>- Andean Regional Program (PRA), with activities such as:</li> <li>- Preparatory workshop for the Program for Justice and to Fight Crime in the Andean Community</li> <li>- Workshop on Analysis of the Dynamics in Land Cover Changes and Land Use in the Northern and Central Andes</li> </ul>
Central American Integration System (SICA)	1,738,989	II Joint Commission (June 2005)	<ul style="list-style-type: none"> <li>- Agreements</li> <li>- Projects executed through dependent bodies and entities (SITCA – Central American Tourism Integration System; or OSPESCA – Central American Fishing Organization, among others)</li> </ul>	<ul style="list-style-type: none"> <li>- Project to strengthen civil service in Central America and the Dominican Republic</li> <li>- Training Program in regional integration for Central American officials</li> <li>- Preparation of a quality tourism services program</li> </ul>
Southern Common Market (MERCOSUR)	21,940	Memorandum of understanding	<ul style="list-style-type: none"> <li>- Technical Assistance between countries</li> </ul>	<ul style="list-style-type: none"> <li>- Seminar-Workshop Public Policy in <i>Regional Integration processes: Small-scale agriculture and gender equality in MERCOSUR</i></li> <li>- Seminar-Workshop <i>MERCOSUR Border Integration and Cooperation</i></li> </ul>
<b>Total Others</b>	<b>4,550,529</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>TOTAL CONTRIBUTION TO STRENGTHEN REGIONAL HORIZONTAL SOUTH-SOUTH COOPERATION</b>	<b>33,971,298</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>TOTAL CONTRIBUTION TO LATIN AMERICAN REGIONAL ORGANIZATIONS</b>	<b>75,197,954</b>	<b>---</b>	<b>---</b>	<b>---</b>

Note: Funds mentioned here do not account for total Spanish contribution to the above Regional Organizations. These amounts only represent the portion of Spanish contributions used in 2009 for projects and/or programs executed as regional horizontal South-South cooperation. **Source:** SEGIB, based on Spanish Agency for International Development Cooperation (AECID) data.



**CHAPTER V**  
**SUCCESS STORIES IN BILATERAL HORIZONTAL**  
**SOUTH-SOUTH COOPERATION**

### Success stories and Program to Strengthen South-South Cooperation

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A new section was added to the 2008 and 2009 editions of the Report on South-South Cooperation in Ibero-America. This section marked a shift from simply conceptualizing and systematizing South-South cooperation, to a first attempt to identify cases emblematic of “*good practices*”, “*best practices*” or “*successful experiences*”. The intention was to advance one of the ongoing debates central to the international development agenda: the relationship between Cooperation (in this case South-South) and Effectiveness.<sup>1</sup>

The criteria used to identify such experiences were developed by general consensus reached at successive meetings of the Ibero-American Cooperation Officers. The criteria proposed combined outcome-related issues with others focused on the implementation process. Specifically, as stated in the Report and the methodological note, a selected project should have:

- a) been “*...born through consensus among countries deemed partners, preferably a consensus forged in the framework of a Joint Commission or equivalent entity;*
- b) *... At its conclusion, left at least one of the partners with a new installed capacity*”.
- c) As an additional criterion, the assessment and later selection as Good Practice “*should preferably, although not exclusively, be determined by the recipient partner.*” (SEGIB, 2009, Chapter V).

However, as the topic gained importance on the international and regional agendas, the Cooperation Officers went one step further. As explained in Chapter II, at the Ibero-American Summit of Heads of State and Government in San Salvador in October 2008, the Officers decided to create the Ibero-American Program to Strengthen Horizontal South-South Cooperation. In November 2009, they developed the Annual Work Plan (AWP) for the Program with five Action Lines. The fifth action line refers exclusively to the need for developing criteria to identify successful cases of South-South cooperation carried out in the Ibero-American space ([www.cooperacionsursur.org](http://www.cooperacionsursur.org)).

In keeping with these changes, this Report presents the work carried out under the Program to Strengthen Horizontal South-South Cooperation to compile what are now called “successful stories.” In fact, since the Program was established in January 2010, this chapter summarizes progress made this year only. Advances were made in three key areas:

- a) Determine criteria to identify success stories;
- b) Develop a proposed systematization methodology;
- c) Conduct a first systematization exercise with two selected projects.

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\* Lead author: Technical Unit of the Ibero-American Program to Strengthen Horizontal South-South Cooperation (Prepared by Maria Clara Sanin, Consultant; Supervision, Patricia Gonzalez, Manager, Technical Unit).

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As a last note, this Chapter was prepared by the Technical Unit of the Ibero-American Program to Strengthen Horizontal South-South Cooperation. The analysis is based on inputs from the discussions and conclusions of Program workshops and meetings, complemented by the *Report on South-South Cooperation in Ibero-America* and consultations with all member countries.

## Criteria to identify success stories

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Program member countries understand the need for an increasingly effective and horizontal South-South cooperation. Identifying successful cases that satisfy both requirements will help detect and share lessons and practical advances made by countries; recognize areas in need of improvement; give greater visibility to cooperation; and serve as example to plan future interventions.

Common criteria are needed to qualify a case as “successful.” Thus, following on from criteria developed in previous editions, the Program seeks to deepen aspects inherent to horizontal cooperation. In addition, it was decided that for the time being, application of the results should be limited to projects executed as bilateral horizontal South-South cooperation. A challenge for the future will be to scale-up application of the resulting criteria to regional and triangular cooperation.

Box V.1 summarizes the twelve criteria agreed during the analysis to help countries identify successful cases of bilateral horizontal South-South cooperation. These criteria – subject to continuous improvement based on input from Program members – serve as a benchmark for use in combination with other criteria countries deem relevant. It should be noted that:

- a) Criteria fall into two categories: the first focuses on the cooperation *process* to reflect horizontality; the second is associated with project *outcomes* to reflect effectiveness.
- b) The terms used in the definition of the criteria were chosen to ensure a common understanding by all program members, thus ensuring all countries could identify them easily.
- c) Lastly, each criterion was linked to a specific project phase:
  - Phase 1, identification of the cooperation;
  - Phase 2, formulation and negotiation;
  - Phase 3, project implementation;
  - Phase 4, project outcomes.

Using the criteria thus defined, each country will decide which experiences to report as successful cooperation. Ideally, success stories will be reported by the recipient country. The criteria do not constitute an evaluation mechanism in themselves, rather a guide to facilitate classification. Central to this system, a country must respond to all the criteria before an experience may be reported as successful.

## Box V.1. Criteria to identify successful cases of bilateral horizontal South-South cooperation

IDENTIFICATION	<b>Demand-driven based on a strategic need</b> Technical cooperation arises from a request made by one country wanting to tackle priority issues identified in development plans, laws or other official documents such as sector, institutional, or territorial plans.
	<b>Provider know-how</b> The provider's experience/know-how/capacity derives from a successful undertaking in the country that the provider wants and is able to share.
FORMULATION AND NEGOTIATION	<b>Horizontal negotiation</b> The provider and the recipient enter into the cooperation voluntarily, without conditions and/or political or commercial constraints.
	<b>Planning consensus</b> The objectives, activities and resources required for the cooperation are mutually agreed by the partners and spelled out in an official document.
	<b>Adaptability</b> The provider country evaluates the particular characteristics of the recipient's context and institutions when planning the mechanisms to share and adapt the know-how.
IMPLEMENTATION	<b>Shared responsibility</b> The two countries contribute human, material and financial resources to comply with the planned time-line and activities. The cooperation is neither fully dependent on provider supplied experts and/or materials nor will it generate future dependence on the provider.
	<b>Savings</b> The cost of the cooperation is lower than what it would cost the recipient to develop the capacity by other means.
	<b>Innovation</b> The initiative uses novel means and methods to share or transfer know-how.
	<b>Transparency</b> Information about this cooperation, including resources invested, is available to the general public
OUTCOMES	<b>Installed Capacity and Mutual Benefit</b> Once project objectives are achieved, the recipient will have gained new installed capacity and the provider will have learned lessons of value for its own institution and for future cooperations.
	<b>Sustainability of outcomes</b> The recipient country will implement mechanisms to ensure long-term continuity of project outcomes.
	<b>Replicability</b> Upon project completion, the recipient has the capacity to offer the acquired know-how to other countries, or to replicate it within the country.

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## Methodology to systematize success stories

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One Program objective is for countries to systematize their success stories. Systematized knowledge will, in turn, allow for dissemination of lessons learned and improve cooperation effectiveness and horizontality. Since this process is undertaken in the framework of a Program for Institutional Capacity-building for South-South Cooperation, the results should also help identify criteria or project phases requiring greater methodological or conceptual development, and develop tools to assist countries.

To attain this objective, a preliminary proposal for a user-friendly, low-cost systematization methodology was designed. This methodology:

- a) Provides a list of suggested questions to be discussed in all project phases and the criteria associated with each phase. The replies will provide relevant data on individual criteria.
- b) The questions should not be viewed as a survey, but as a guide for conversations with project participants. At these conversations, the person conducting the systematization exercise will ask the interviewees to describe the project genesis, development and outcomes. All questions must be answered during the narrative.

The following are important factors to consider for this exercise:

- a) These conversations will, at a minimum, involve the country officers responsible for negotiating the initiative and the experts in charge of project execution in each country.
- b) All participants will be advised as to the purpose and methodology of the systematization, and their questions concerning the process or outputs will be answered before starting the exercise.
- c) South-South cooperation country bureaus will help organize and conduct the conversations.
- d) Participants may meet at a single session or multiple sessions broken down by country or by implementation phases.
- e) Ideally, the exercise will be conducted at least six months after project completion to gather as much information as possible about project outcomes and sustainability.
- f) The systematized data will be communicated back to the participants to confirm the interpretation of the information.
- g) Participants will be asked to provide all available project documentation.

Box V.2 illustrates the suggested questions for each criterion.



## Box V.2. Suggested questions to systematize cases

<b>Identification</b> Demand-driven, based on a strategic need  Provider know-how	<ul style="list-style-type: none"> <li>• Describe the requesting partner's plan/priority/program/project for sector/territorial development or law addressed in this technical cooperation.</li> <li>• How did the provider partner identify the requesting partner's need for cooperation in the matter?</li> <li>• Why did the requesting partner decide to execute the cooperation with this provider partner?</li> <li>• How did the two countries' institutions make contact?</li> <li>• Describe the provider country's experience in the matter.</li> <li>• Why was the provider institution/country interested in cooperating in this matter or with this country?</li> <li>• Did the provider partner have the administrative, financial and technical resources to deliver the cooperation?</li> </ul>
<b>Formulation and negotiation</b> Horizontal negotiation  Planning consensus  Adaptability	<ul style="list-style-type: none"> <li>• Where and when was this cooperation project negotiated?</li> <li>• What country representatives participated in the negotiation process? In what capacity?</li> <li>• What conditions did one or both parties stipulate for project execution?</li> <li>• Is there an official document spelling out the agreement between the parties? If yes, name the document and describe the drafting process.</li> <li>• Who helped formulate the project? In what capacity?</li> <li>• Describe the objectives, anticipated outcomes and responsibilities established when formulating the project.</li> <li>• How were project costs calculated? How were they shared by the parties?</li> <li>• Was project planning recorded in a document? If yes, in what document?</li> <li>• Were the provider partner's experience/know-how/capacities adjusted to the requesting partner's context?</li> <li>• How is this adjustment reflected in the project?</li> </ul>
<b>Implementation</b> Shared responsibility  Savings  Innovation  Transparency	<ul style="list-style-type: none"> <li>• What resources (human/material/in kind) did each party contribute to project implementation?</li> <li>• What functions were assigned to each party's experts during project implementation?</li> <li>• Following project implementation, is the requesting partner in any way dependent on provider partner products or experts?</li> <li>• Did the project begin and end on the dates established in the project time-line?</li> <li>• In the event of a change or slippage, explain the reason and any impact it may have had on project execution.</li> <li>• Where the project costs commensurate with the anticipated outcomes? Explain.</li> <li>• If a partner failed to have the required resources during implementation, how was this solved?</li> <li>• Was the total project cost in line with the estimated cost? If no, why not and how was the overrun, if any, covered?</li> <li>• Did the experience use a methodology or develop an activity deemed novel or innovative for capacity-building? If yes, describe.</li> <li>• What information about the experience is available for consultation by the general public, and how?</li> </ul>
<b>Outcomes</b> Installed capacity and mutual benefit  Sustainability of outcomes  Replicability	<ul style="list-style-type: none"> <li>• Which of the planned outcomes did the project achieve?</li> <li>• If some anticipated outcomes were not achieved, explain why.</li> <li>• What requesting country capacities were strengthened and how will they help improve the recipient institution?</li> <li>• What lessons learned or value added did the provider institution obtain from this cooperation?</li> <li>• Did the project generate any unanticipated positive outcomes? If yes, describe.</li> <li>• Did the experience include an evaluation or feedback mechanism between partners at the end of project execution? If yes, how was the process carried out, who participated, and what matters were addressed?</li> <li>• How will sustainability of outcomes be assured?</li> <li>• What is most important to guarantee sustainability?</li> <li>• What skills did the requesting partner acquire through the project that it feels able to share with other institutions in the country or with other countries?</li> <li>• Would the cooperating partner repeat the experience with other countries? If yes, what would the partner improve in future cooperations? If no, why not?</li> <li>• What lessons learned from traditional North-South cooperation did the partner apply to this South-South cooperation?</li> </ul>

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For this Chapter, country cooperation agencies and/or bureaus reported at least 30 projects (under different South-South cooperation modalities) they considered success stories (Table V.1). Of these 30 cases, two were selected to test the proposed methodology. The two cases consisted of bilateral horizontal South-South cooperation projects, not one-time actions, that complied with regional and sector diversity criteria. The selected pilot cases are:

- a) Technical cooperation to create a Cooperation Map, between the International Cooperation Office of *Acción Social* (the Agency for Social Action) in Colombia and the International Cooperation Department of the Planning and Budget Office of Uruguay (*Oficina de Planeamiento y Presupuesto* – OPP).
- b) Technical cooperation provided by the Ministry of Economy of El Salvador to the Ministry of Economy of Guatemala to implement a Fund to promote competitiveness and export capacity among Micro, Small and Medium-sized Enterprises (MSMEs).

In the process of testing the method with the above two cases, the criteria and the list of suggested questions were refined. The test also confirmed it is possible to develop an easy-to-use, low-cost systematization method, requiring little effort and time from the countries as the relevant data can be collected in just two days per case. Owing to their diversity, interesting lessons were drawn from these cases as to the advantages and problems to implement South-South cooperation. A representative number of cases in the region will need to be systematized before we can identify the strengths of this type of cooperation based on evidence, and the areas where the Ibero-American Program to Strengthen South-South Cooperation may provide valuable methodological and conceptual inputs to improve the quality and impact of such cooperation. The two pilot cases are described in the following sections of the chapter.

## Case 1. The Cooperation Map shared by Colombia with Uruguay

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One of the major challenges confronting cooperation agencies in Latin America is to have readily available, easy to understand tools for effective consultation on international cooperation provided and received by countries. Colombia's experience in this matter allowed Uruguay to develop institutional capacities so as to post current information on the Internet. This case, reported as a success story by both the recipient and the provider, reflects the relevance of identification criteria and underscores the importance of horizontal negotiation, adaptability of the experience to the local context, and shared responsibility to guarantee the mutual benefit of the project and the sustainability of its outcomes (Box V.3).<sup>3</sup>

### Clear motivations, similar challenges

In August 2007, Uruguay passed a Law providing for the creation of the Uruguayan Institute for International Cooperation "... to coordinate, supervise and monitor international cooperation (IC), and formulate plans and programs to fulfill the country's development policies."<sup>4</sup> Enactment of this Law triggered a deep process of institutional and juridical transformation to adapt Uruguayan institutions to the current global context of development assistance, in particular considering Uruguay's classification as an Upper Middle Income Country (UMIC) with a high Human Development Index. As the process became even more relevant to the Uruguayan agenda, the 2010 Budget Law renamed the institution Uruguayan International Cooperation Agency (AUCI, by its Spanish acronym).

**Table V.1. Successful cases reported by Ibero-American countries, by modality**

MODALITY	PROVIDER	RECIPIENT	SECTOR	PROJECT/ACTION
Bilateral Horizontal South-South Cooperation	Argentina	Haiti	Agriculture	Self-sufficiency in fresh foods – Pro Huerta (Market Gardens) Haiti
		Paraguay	Fish farming	Cross-border pisciculture technical cooperation program (CARPA)
	Brazil	Panama	Health	Capacity-building to fight Hantavirus in rural areas and areas prone to spread of the disease
		Panama	Agriculture	Transfer of coffee technology for sustainable agriculture systems
	Colombia	Guatemala	Legal public defense	Investigation to produce evidence in the Defense strategy
		El Salvador	Cooperation management	Share Cooperation Maps
		Uruguay	Cooperation management	Share Cooperation Maps
		Guatemala	Management system	Quality management system for Public Defense
	Chile	Ecuador	Institutional strengthening	Gendarme training project
		Uruguay	Cooperation management	Support implementation of the legal-institutional structure of the Cooperation Agency
		Bolivia	Health	Twinning of the hospitals El Niño in La Paz and Exequiel González Cortés in Santiago
		Paraguay	Social protection	Support for the social welfare system
		Mexico	Justice	Support for Reform of the Mexican Criminal Justice System
		Haiti	Education	Early education: Early childhood reference centers
			Poverty reduction	Food security and agricultural development
			Education	Human resources training in Chile: Police agent training support and scholarships
		Costa Rica	Budget management	Improving evaluation of budget administration
	Cuba	28 countries	Education	“Yes, I can” program, and version adapted to native cultures
	Ecuador	Bolivia	Health	Capacity-building to control dengue and clinical treatment for patients with dengue
	El Salvador	Guatemala	Industry and trade	Support MSME export capacity / FOEX-FONDEPRO model
	Mexico	Bolivia	Education	Develop multimedia materials to teach native languages and cultures
		Chile	Institutional strengthening	Chile, the Americas and the World 2008: A public opinion and foreign policy study
	Mexico and Chile	Mexico and Chile	Technical, scientific, educational and cultural	Mexico – Chile Joint Cooperation Fund
South-South and Triangular Cooperation	Cuba Venezuela	Nicaragua	Health	Specialization for health practitioners and specialized health care workshop
			Education	Professional education for low-income students in rural areas
	Chile and Germany	Dominican Republic	Poverty reduction	Enhance employment for youths in disadvantaged areas
		Third countries	Environment and State modernization	GTZ-AGCI Trilateral Cooperation Fund
	Mexico and Japan	El Salvador	Disaster assistance	Earthquake-resistant social housing project
Regional Horizontal South-South Cooperation	Cuba	ALBA	Disability	Study of persons with disabilities
	El Salvador, Guatemala, Honduras	Trifinio biosphere reserve	Water	Joining efforts in the Trifinio biosphere reserve

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus; and Case histories from the High Level Event on South-South Cooperation and Capacity Development in Bogota, March 2010 (<http://www.impactalliance.org>).

**Box V.3. Criteria to identify successful cases of bilateral horizontal South-South cooperation applied to the Uruguay-Colombia case**

IDENTIFICATION	DEMAND-DRIVEN BASED ON A STRATEGIC NEED	In August 2007, Uruguay enacted a Law providing for the creation of the Uruguayan Institute for International Cooperation. This signaled the start of a wide-ranging process of institutional and juridical transformation, and enhancements to the administration of cooperation. Uruguay sought assistance from Colombia to develop instruments to manage and visualize the cooperation data system.
	PROVIDER CAPACITY	Colombia developed an international cooperation data system linked to a Cooperation Map: a visually-friendly, freely accessible, easy-to-use tool showing, on a political map of the country, international cooperation interventions in execution. A top priority on Colombia's International Cooperation Agenda 2007-2010 is to strengthen delivery of technical cooperation.
FORMULATION AND NEGOTIATION	HORIZONTAL NEGOTIATION	The Cooperation Directors of the two countries negotiated Colombia's unconditional support to help Uruguay develop a cooperation map.
	PLANNING CONSENSUS	The negotiation covered expected outcomes, required activities, and the parties' resources and obligations. Acción Social drew up a formal request for cooperation detailing the agreements. This document was signed in the framework of the Uruguay - Colombia Joint Commission on 20-21 November 2008.
	ADAPTABILITY	One of the major challenges and successes of the project was to adapt the Map to the Uruguayan data system, and political and administrative division. In the planning phase, it had been thought this would be a short process. In fact, it took more than six months but guaranteed a good outcome.
IMPLEMENTATION	SHARED RESPONSIBILITY	Both countries made technical and economic contributions to this experience. In the words of an official at the Uruguayan OPP "the countries worked side-by-side and consider the final outcome to be a joint product."
	SAVINGS	The institutions calculated total expenditures by the parties to be under US\$15,000. Uruguay saved the cost of learning how to structure and visualize its data system.
	INNOVATION	The experts of the two countries communicated almost exclusively by virtual means facilitating greater interaction at lower cost.
	TRANSPARENCY	This cooperation experience appears on the cooperation maps of the countries, both of which are freely accessible on the Internet.
OUTCOMES	INSTALLED CAPACITY AND MUTUAL BENEFIT	Uruguay now has a Cooperation Map that is fully adapted to its reality and freely available on the Internet. In addition, thanks to Colombia's extended technical support, the Uruguayan team developed the required skills and realized many other countries in the region share the same obstacles and challenges. Meanwhile, Colombia gained visibility for its Map on the international scene and was able to refine its cooperation to develop similar maps.
	SUSTAINABILITY OF OUTCOMES	The budget of the future Uruguayan International Cooperation Agency has a line item covering the cost of administering the map and improving the data system.
	REPLICABILITY	Uruguay believes that although the map belongs to Colombia, they can jointly help other countries learn from this process to adapt the map.

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The International Cooperation Department of the Planning and Budget Office (OPP), responsible for establishing the Agency, ascertained that such a transformation required improving the country's cooperation management processes. One of the actions included in its work plan was to identify interesting experiences in the matter in Latin America, giving priority to finding information systems with powerful management and visualization tools.

Since the late 1990s, the Government of Colombia had been working on an information system on international cooperation received and delivered by the country. In 2004, with financial support from the European Union and later from Spain, the International Cooperation Office of Acción Social created a cooperation database. One year later, this database was complemented by an Internet version called Cooperation Map (hereinafter the Map). This is a visually-friendly, easy-to-use, publically accessible tool showing, on a political map of the country, international cooperation interventions in execution. The Map has the capacity to discriminate information according to different variables such as source of funds, topics, priority areas, amount and interventions by region.<sup>5</sup>

The information system and the Map satisfied the requirements of the Colombian cooperation officers, providing tools to perform deeper analyses in real-time of the cooperation received and delivered by the country. With the development of these tools, the Government was able to: a) improve communication channels, information exchanges and coordination with donors; b) have more and better planning and decision-making information; c) support management, monitoring and oversight of cooperation; and d) make information available to the general public.

When Colombia presented its Map at a South-South cooperation seminar in Chile in 2007, it generated great interest among participating countries, including Uruguay, as it was a pioneer tool providing public visualization of assistance flows. Given the interest shown, Acción Social formally offered to support development of similar Maps in the region, in accordance with one of the priorities on Colombia's International Cooperation Agenda 2007-2010: strengthening delivery of technical cooperation.

### **Common interest**

Uruguay's interest in developing an information system to efficiently manage and visualize cooperation matched Colombia's interest in sharing the Map experience. The Director of the OPP Cooperation Department contacted the Acción Social Director for International Cooperation to plan a visit to learn more about the Colombian institutional cooperation model and see the Map in operation. This visit allowed the OPP to assess whether the tool was suitable for its own interests and whether the Colombian cooperation institutions bore any resemblance to their Uruguayan counterparts to ensure a smoother adaptation process. Upon confirming these two realities, the OPP formally requested technical cooperation from Acción Social.<sup>6</sup> Sharing its Map the first time gave Colombia the opportunity to work on a pilot case to strengthen its position as a provider of cooperation information systems.

The Cooperation Directors of the two countries negotiated this project, imposing no conditions other than the mutual commitment to successfully complete the project. The negotiation covered expected outcomes, required activities, and the parties' resources and obligations.

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- a) Colombia committed to support establishment of the Uruguayan Cooperation Agency with greater capacity to visualize cooperation projects by means of the specific software needed to run a Cooperation Map. To this end, Acción Social was to donate the software and user license to the Uruguayan government so it would not be dependent on Colombia in the future. In addition, it would provide technical and technological support to design and develop the Map. The costs incurred for this support would be covered with resources from Colombia's International Cooperation and Assistance Fund (FOCAI, by its Spanish acronym).
  - b) Uruguay committed to make all the necessary technical adjustments for the Map to become operational, and make available to Colombia and other countries any future enhancements or modifications.

Acción Social drew up a formal request for cooperation detailing the agreements. This document was signed in the framework of the Uruguay - Colombia Joint Commission on 20-21 November 2008.<sup>7</sup>

### **Dealing with adaptation**

One of the great virtues, as well as a great operational challenge presented by this case was adapting the Map to the Uruguayan information system, and the country's political and administrative division. When attempting to upload the existing Uruguayan cooperation data into the Map software, it was quite obvious the quantity and quality of data needed to be improved. In the planning phase, it was thought this would be a short process. In fact, it took more than six months as Uruguay had to decide on the relative importance of project data, and then allocate human resources and time to obtain, organize and enter the data.

Throughout this phase, the Acción Social technical support was crucial for the OPP as they shared lessons learned from the construction of their own information system. To benefit from the assistance of a country that had already tackled the same problems was a boon for the Uruguayan process. The provider country invested much more time without detracting from the quality or availability of the support. Handling of the extension was greatly aided by the use of virtual means of communication: practically all interactions were via electronic mail.

Design of the visual interface of the Map of Uruguay was also changed during implementation. Acción Social hired Colombian computer experts to work with its own experts to help the OPP generate the visual map. However, once the changes were made, it was agreed that the Colombian experts would deliver open source software to the Uruguayan computer experts so they could finalize the local adjustments, while also leaving the installed capacity to manage the system. The OPP covered the cost of the new providers. The institutions calculate the total expenditure by the parties was under US\$15,000. However, this figure does not account for the value of the time put in by OPP and Acción Social staff.

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### ***“It is contribution, not duplication”***

Thanks to the joint work by Acción Social and the OPP, Uruguay today has a Cooperation Map fully adapted to the local reality and freely accessible on the Internet.<sup>8</sup> The budget of the future International Cooperation Agency has a line item covering the cost of administering the map and improving the data system.

Both countries enjoyed additional benefits from this experience:

- a) Although they did not calculate the time and effort invested in adapting the Map to the local system, Colombia's extended technical support transformed this exchange into a valuable capacity-building experience for Uruguay. To depend on Colombia's information systems know-how and enjoy constant support during the institutional change was crucial to shorten the process, prevent problems, develop staff skills, and realize that many other countries in the region face the same obstacles and challenges. This experience helped them understand the role of an egalitarian partner in South-South Cooperation where, according to an OPP officer, “the countries worked side-by-side and consider the final outcome is a joint product.”
- b) For Acción Social, this first experience of sharing its Cooperation Map afforded visibility on the international stage, furthermore showing that the South-South cooperation agenda is broad and includes technological progress. It also allowed Colombia to structure a better Map delivery program, factoring in the need to adapt it to other contexts and expectations. Lastly, discussions with the OPP about the information systems provided inputs for Acción Social to improve its own system in an ongoing effort to perfect the system.

### **Final comments from both countries**

The two countries were satisfied with the experience, and believe it was possible thanks to the convergence of several factors:

- a) On the one hand, Uruguay had a real and pressing need to develop its Map, and Colombia was keen to share the know-how. This explains why the project was a priority for both institutions.
- b) On the one hand, the exercise was between peer cooperation institutions, greatly facilitating the dialogue. This reflection led the two countries to conclude that a good technical experience is but the first step for an exchange. A vital ingredient for success is also to have people skilled in managing cooperation.
- c) Lastly, the institutional, physical and cultural proximity helped build mutual trust. Shared knowledge and flexibility in the implementation was another asset. Since the cooperating experts work in similar fields they easily understood the problems encountered by their peers. Furthermore, the use of virtual media to conduct the activities in a project with an execution period of close to one year resulted in transportation cost savings while affording flexibility to the partners without affecting the quality of the cooperation.

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However, there were also some challenges. In fact, to have a country's cooperation officers involved in a project raised some concern in both countries:

- a) This experimental exchange underscored the need for specific South-South cooperation procedures, in particular better planning and feedback systems not limited to simply verifying execution. These processes should identify lessons learned (positive and negative) from the experience and the value-added for each partner.
- b) Lastly, participants agreed there is need for better mechanisms to compute man-hours invested in the project, especially since the officers involved in the cooperation exercise take on this responsibility in parallel with their regular duties.

## **Case 2. El Salvador and Guatemala: Fund to promote export capacity among MSMEs**

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A successful experience in El Salvador, flowing from an earlier South-South cooperation process with Chile, allowed Guatemala to structure a fund to promote productivity and export capacity among its micro, small, and medium-sized enterprises (MSMEs).<sup>9</sup> The analysis of this case confirms that adaptation to the local context is key to the success of the know-how sharing process and its future replicability; requests must be demand-driven by a requester who firmly believes in the relevance of the process; and the provider must have a strong motivation [Box V.4].<sup>10</sup>

### **A convergence of motivations**

Central American countries face the need to bolster competitiveness and export capacity as more global markets open: the United States-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA); Free Trade Agreement negotiations with the European Union; and negotiations for the Customs Union in the framework of Central American Integration. In this context, the Ministry of Economy of El Salvador created the FOEX-FONDEPRO Fund to strengthen competitiveness and build export capacity among its micro, small and medium-sized enterprises (MSMEs)<sup>11</sup> given that practically 90% of Salvadoran firms fall under this category [Vicens and Stark, 2009].

FOEX-FONDEPRO was created in 2002 under the National Competitiveness Program, based on an associative strategy to enhance productive performance in Chile (*Proyectos Asociativos de Fomento*–PROFO), launched by the Chilean Economic Development Agency.<sup>12</sup> The Chilean model was adapted to the institutional, economic and business context of El Salvador, resulting in a model aligned with local needs and possibilities. The FOEX-FONDEPRO Fund offers nonreimbursable cofinancing to MSMEs of up to 75% of the total cost of a project or initiative to improve their export capacity. Such demand-driven cofinancing aims to improve quality, productivity or technology; develop new markets; promote partnering arrangements and innovation; and develop novel ventures. The Fund operated with international cooperation resources until 2010. Today, as part of El Salvador's Integral Export Promotion Strategy, it is financed with national budget resources.



**Box V.4. Criteria to identify successful cases of bilateral horizontal South-South cooperation applied to the El Salvador-Guatemala case**

IDENTIFICATION	DEMAND-DRIVEN BASED ON A STRATEGIC NEED	Learning about the FOEX-FONDEPRO model, the Ministry of Economy of Guatemala, believing the model to be a useful tool to implement its MSME Policy (2005) and Program to Support Trade and Integration (Component 4: Internationalization of MSMEs), sought the cooperation of its counterpart in El Salvador.
	PROVIDER CAPACITY	The FOEX-FONDEPRO Fund has been operating in El Salvador since 2002 and has been classified as a "good practice" by GTZ-DESCA /CENPROMYPE and IBERPYME. El Salvador believes that strengthening the export capacity of Central American MSMEs will improve their negotiating capacity on the global scene.
FORMULATION AND NEGOTIATION	HORIZONTAL NEGOTIATION	The cooperation was agreed upon by the Ministries of Economy of Guatemala and El Salvador, supported by CENPROMYPE, with no technical, political or commercial conditionalities.
	PLANNING CONSENSUS	The cooperation objectives, activities and resources were agreed upon by the two ministries and then embodied in a Letter of Understanding between CENPROMYPE, the Ministry of Economy of EL Salvador and the Ministry of Economy of Guatemala.
	ADAPTABILITY	El Salvador created FOEX-FONDERPO after adapting a similar model developed by Chile. That experience taught the Salvadoran experts that adaptation to the local context was crucial to the success of the endeavor. Cooperation with Guatemala was based on their understanding the model so as to adapt it to the Guatemalan context.
IMPLEMENTATION	SHARED RESPONSIBILITY	The Letter of Understanding specifies the responsibilities of each ministry. Guatemala received an open source FOEX-FONDERPO administration platform so as to avoid any future dependence on El Salvador.
	SAVINGS	GTZ provided financial support for project execution. Although the countries did not compute the cost of the man-hours of the experts involved in the transfer, they were in agreement that the cost would have been far higher had other means been used.
	INNOVATION	The transfer of proven technological platforms applicable to the Central American context is an innovative approach adopted in this experience.
	TRANSPARENCY	The websites of the two ministries posted a news release announcing the signing of the Letter of Understanding. Outcomes have not yet been published since the process is not finalized.
OUTCOMES	INSTALLED CAPACITY AND MUTUAL BENEFIT	Guatemala Ministry of Economy staff were trained in use of the FOEX-FONDEPRO model, and Guatemala now has its own operating manuals and technology platform. The Fund is not yet operational. The Ministry of Economy of El Salvador ratified its interest in sharing the Fund with other countries, but indicated that the methodologies needed to be refined. One side outcome of the project was learning about Guatemala's foreign trade policies.
	SUSTAINABILITY OF OUTCOMES	Although the Fund is not yet operational, resources have been earmarked for its implementation.
	REPLICABILITY	Guatemala was unable to respond to this criterion because the Fund is not operational. Nonetheless, this cooperation is an example of replication of an earlier cooperation between El Salvador and Chile.

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Owing to its innovative approach and good results, FOEX-FONDEPRO was classified by GTZ-DESCA/CENPROMYPE and by the Ibero-American Program of Institutional Cooperation for Development of Small and Medium-sized Enterprises (IBERPYPE) as a “good practice” and a replicable model for Central America. Subsequently, DESCA/CENPROMYPE organized a regional internship to share the experience with other Central American governments. The Ministry of Economy of Guatemala attended the internship and realized the tool offered great potential: it could be used to implement the institutional priority of promoting internationalization of SMEs, while fulfilling the objectives of the *Program to Support Foreign Trade and Integration* (Component 4).

The Ministry of Economy of Guatemala requested German cooperation, through GTZ, to conduct a policy and institutional viability study for implementation of the Fund in the country. As part of this process, a visit to El Salvador was arranged to see FOEX-FONDEPRO operating in situ, and to speak with beneficiary enterprises. Ministry decision-makers and experts were joined on this trip by members of the Board of Trade of Guatemala, representing prospective Fund beneficiaries. Hearing the Salvadoran business owners’ success stories and considering the favorable opinion of the viability study, the Ministry of Economy of Guatemala requested technical support from its Salvadoran counterpart.

Sharing this experience allowed the Ministry of Economy of El Salvador:

- a) First, to support the development of MSME export capacity in another Central American country, thereby strengthening the regional negotiating position that ultimately helps its own entrepreneurs.
- b) Second, to strengthen its institutional vision “*to be acknowledged as one of the best Latin American entities providing cofinancing to MSMEs to strengthen their competitiveness.*”<sup>13</sup>

### **The exchange in practice**

The agreements were negotiated by: for El Salvador, the FOEX-FONDEPRO Director and the Deputy Minister for Trade and Industry; for Guatemala, the Deputy Minister for Development of Micro and Small Enterprise. In March 2010, the agreements were embodied in a Letter of Understanding between the two Deputy Ministers, with FONDEMYPE support.<sup>14</sup> However, because the Letter was not submitted to the respective Foreign Ministries, it could not be taken up by the Binational Commission that met on 14 April 2010.

In the Letter of Understanding:

- a) El Salvador committed to facilitate human resources to help prepare and validate the Guatemala Fund operating manuals; train staff; and provide open source programs to administer the FOEX-FONDEPRO platform, thereby avoiding any future dependence on El Salvador.
- b) The Ministry of Guatemala undertook to assign senior management and technical staff to develop and validate the manuals; arrange training for its staff; and implement the Fund.

The agreements were implemented without delay thanks to the committed support of the Deputy Ministers and the absence of conditionalities.

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The positive impact was further enhanced by the attitude of the staff in both countries:

- a) Staff in El Salvador had experienced a similar process when Chile provided technical support to establish FOEX-FONDERPO. From this experience, they learned the value of adapting the model to local institutional, political, business and social realities. For this reason, during internships, visits and the transfer of material, the Salvadoran experts stressed the importance of not looking at the exchange simply as a transfer of know-how or materials to Guatemala. The process was an opportunity to explore pros and cons of the Fund, and the most relevant lessons learned during the process.
- b) For the Guatemalan experts, this perspective coming from their Salvadoran peers, with whom they share similar issues and institutional and social challenges, gave them the confidence to believe in the model and its success in their country.

Despite completing all project activities, recent changes in the Guatemalan administration delayed final approval and implementation of the Fund. However, the Letter of Understanding will not expire until December 2010, allowing sufficient time to fulfill all agreed activities while it remains in effect, although not enough to assess the project's success.

As a closing comment, this process enabled El Salvador to ratify its interest in sharing Fund know-how with other countries, while appreciating the need to better document the work methodology and develop tools for use in such processes. They also understood the value of maximizing use of virtual media and regional platforms to share concerns, experiences and knowledge simultaneously with several countries. As a side benefit to this process, the FOEX-FONDEPRO experts learned about Guatemala's foreign trade policies, better understanding some of the barriers for Salvadoran products to penetrate that market.

### **Lessons for the future**

The players identified some relevant lessons, in addition to adaptability, to facilitate implementation of this experience:

- a) The project should be demand-driven, arising from a political and technical belief that the exchange is necessary and useful to resolve or tackle a sectoral challenge.
- b) The provider institution must be clearly motivated to be involved in the project, thereby guaranteeing institutional priority and the allocation of generally scarce human resources. The planning phase should take account of potential changes to authorities during project implementation.
- c) Arrange regional sector events blending supply and demand; complement with in situ visits to learn firsthand about the experience so as to gain a deeper understanding and be able to evaluate its relevance. In this particular case, end-beneficiary representatives were involved from the start of the process, and their input was taken into account before finalizing the agreement.

Lastly, the countries agreed this project has a demonstration effect: how an experience born as an exchange of technical cooperation between two South countries can, once the recipient has attained sufficient maturity and sustainability, be transferred by the recipient to other countries incorporating its own lessons learned through the same experience.

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## NOTES

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<sup>1</sup> The primary benchmark for case studies linking South-South Cooperation and Effectiveness was developed by the Task Team on South-South Cooperation for the High-Level Event in Bogota in March 2010, reporting on 110 cases (<http://www.impactalliance.org>)

<sup>2</sup> Contrary to the Reports 2008 and 2009 emphasizing Good Practices, this Report focuses on Success Stories in keeping with the decision made by the Cooperation Directors in the Program Annual Work Plan.

<sup>3</sup> This case was systematized using the methodology described at the beginning of the chapter. Meetings were held with Uruguay on 6 and 7 September 2010, with support and collaboration from the International Cooperation Department of the Planning and Budget Office. The meeting with Colombia was held on 8 October 2010, with support from the International Cooperation Office of Acción Social. The information provided in this Report was collected at these meetings through conversations and documents provided by the participants. Our special thanks to Martín Rivero, Felipe Ortiz, Mateo Porciúncula, Mariana González, Sebastián Villano, Sandra Priscal and the team of the Siniestro technology firm in Uruguay, and to Jorge Enrique Prieto and Mónica Varona from Acción Social in Colombia, for their valuable support.

<sup>4</sup> Art. 116 of Law No. 18172 enacted on 31 August 2007: “*Establish the Uruguayan Institute for International Cooperation (IUCI) to coordinate, supervise and monitor international cooperation (IC), and formulate plans and programs to fulfill the country’s development policies.*”

<sup>5</sup> Colombia’s International Cooperation Map may be viewed at: [http://www.accionsocial.gov.co/acci/web\\_acci/nuevomapa/main.asp](http://www.accionsocial.gov.co/acci/web_acci/nuevomapa/main.asp)

<sup>6</sup> The request was made using the Acción Social model form for Technical Cooperation applicable to all South-South cooperation requests.

<sup>7</sup> Republic of Colombia and Republic of Uruguay (2008). Final minutes of the II Joint Commission for Technical, Scientific and Cultural Cooperation between the Republic of Colombia and the Eastern Republic of Uruguay. Bogota, 20-21 November 2008.

<sup>8</sup> Uruguay’s International Cooperation Map may be viewed at: <http://iuci.opp.gub.uy/cooperacion/mapa/>

<sup>9</sup> This project between Guatemala and El Salvador was executed in 2010 and is therefore no included in Chapter II of this report – Bilateral Horizontal South-South Cooperation in Ibero-America in 2009.

<sup>10</sup> This case was systematized using the methodology described at the beginning of the chapter. Meetings with El Salvador took place on 27 and 28 September 2010, with support and collaboration from the Deputy Minister for Development Cooperation and the Ministry of Economy of El Salvador. Conversations with Guatemala took place on 29 and 30 September 2010, with support from SEGEPLAN and the Ministry of Economy.

<sup>11</sup> In El Salvador, an MSME is a company with total annual sales under US\$7 million.

<sup>12</sup> PROFO, *Proyecto Asociativo de Fomento*, supports the preparation and development of groups of at least five companies sharing a business idea for globalized markets. For more information, visit: <http://www.corfo.cl>

<sup>13</sup> Information gathered from the FOEX-FONDEPRO webpage: <http://www.foex.gob.sv>

<sup>14</sup> Letter of Understanding between the Centre for the Promotion of Micro and Small Enterprise in Central America (CENPROMYPE), the Ministry of Economy of El Salvador (MINEC), and the Ministry of Economy of Guatemala (MINECO) to implement the competitiveness fund for MSMEs in Guatemala (FONDECO).



CHAPTER VI  
IBERO-AMERICA AND GLOBAL OFFICIAL  
DEVELOPMENT ASSISTANCE

### Introduction

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This Chapter examines the relationship between Official Development Assistance (ODA) and the Ibero-American region in the 2000-2009 period. The discussion centers on three particular issues:

1. The first section reviews the principal trends in global ODA volume, taking into account the effect of the economic crisis in the latter part of the decade and the impending deadline (2015) the international donor community set itself to fulfill the commitments embodied in the Millennium Development Goals (MDG).
2. The second section focuses on global ODA flows to the nineteen Ibero-American recipient countries in this period. The analysis looks at the overall trend, the share of total international aid delivered to the region, and the respective weights of cooperation donors and beneficiaries.
3. The last section concentrates on ODA flows between members of the Ibero-American community: Specifically, from Spain, Portugal and Andorra, in order of volume, to the nineteen ODA recipient countries.

Two data sources were used to conduct this study: the statistics and reports issued by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD/DAC); and, as in previous chapters, data generated by the Cooperation Agencies and/or Bureaus of the Ibero-American Conference member countries.

### Global economic crisis and Official Development Assistance flows

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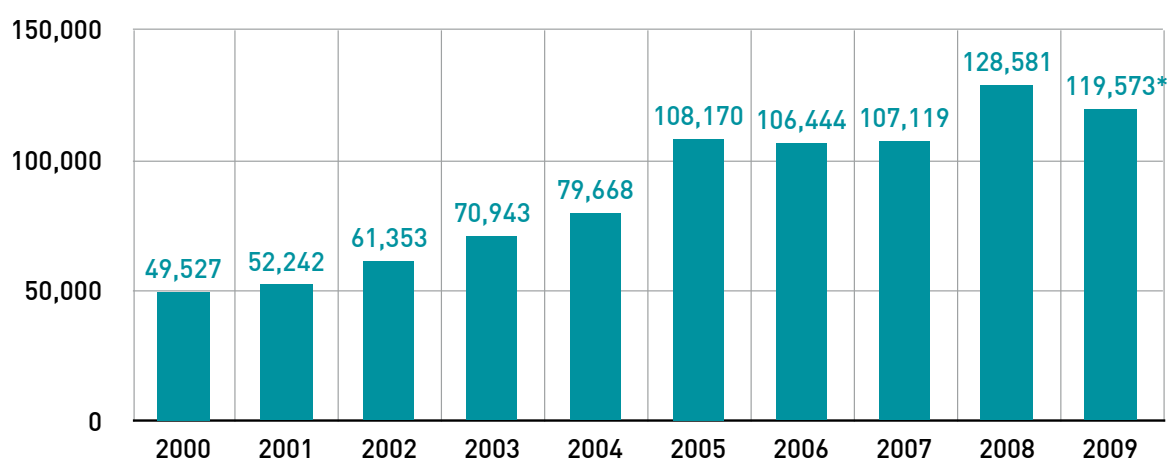
Table VI.1 shows the global ODA growth trend for the period 2000 to 2009. Aid doubled in the first half of the decade, from almost US\$50 billion in 2000 to more than \$108 billion in 2005. ODA jumped significantly in 2005 owing to the critical juncture (essentially debt relief for Iraq, Afghanistan, and Nigeria), but - interestingly - after reaching a high, international cooperation levels remained stable until 2007. There was another major spike in global aid from 2007 to 2008, with ODA reaching a historical high close to \$130 billion in 2008. As for 2009, only preliminary, partial data covering ODA from DAC donors are available. Nonetheless, the Development Cooperation Forum (DCF) of the United Nations Economic and Social Council (ECOSOC) reported in July 2010 that non-DAC donors account for approximately 10% of global ODA. Extrapolating this figure, the final amounts for 2009 are estimated to equal or exceed 2008 assistance.

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\* Lead author: Jose Maria Vera, Planning Director, Ibero-American General Secretariat (SEGIB)

**Graph VI.1. Total net ODA delivered to developing countries. 2000-2009**

In millions of dollars



\* Data for 2009 were drawn from the most recent OECD/DAC report exclusively relating to ODA volume contributed by DAC members. Therefore, figures do not include contributions from non-DAC donors or multilateral cooperation agencies. **Source:** SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline) and DAC (2010).

In any event, the direction of global ODA in the past decade cannot be viewed independently from the pledges made by the international community of donors to achieve the Millennium Development Goals (MDG) by 2015. The decisions adopted at successive summits (Millennium Declaration, Monterrey, Paris, Accra, and Doha, among others) had a bearing on both the global trend and some particular points of inflection. For instance, the jump from \$108 billion in 2007 to \$128.5 billion in 2008 is explained by the urgency to fulfill the commitments made at the United Nations Summit in 2005 setting a goal for global ODA in 2010 to be \$50 billion above the 2005 volume.

The MDG also helped redirected aid towards the least developed countries. In point of fact, Graphs VI.2.A and VI.2.B suggest that the greatest increase in development assistance flows in the past decade did indeed target the least advanced countries and low-income countries, rising from about \$17.5 billion in 2000 to almost \$50 billion in 2008, and African countries (up from \$15 billion to \$44 billion)

While welcoming the progress made thus far, the recent United Nations High-level Plenary Meeting on the Millennium Development Goals (New York, September 2010) expressed deep concern for what appears irremediable: the improbability of achieving the MDGs within five years. Further complicating matters, the global crises occurring in quick succession (food security, energy, financial) impacted ODA in two ways: on the one hand, increasing the need for resources of the least developed countries; on the other hand, decreasing future ODA forecasts owing to the fiscal adjustments made by the principal donors.

In any event, the DAC and ECOSOC (2010) reports indicated that the crisis had a marginal impact on the actual flows of development cooperation in 2009. Furthermore, even at the height of the crisis, donors meeting at high level forums recommitted to maintain or increase current volumes to attain the UN target of 0.7% of

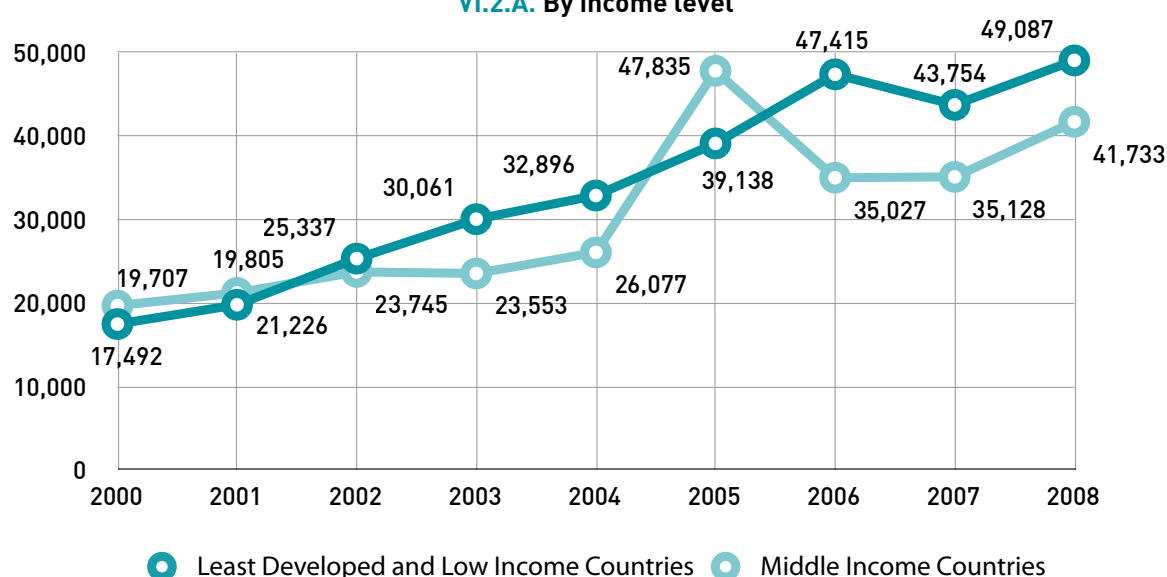


gross national income (GNI) devoted to ODA. These commitments were made at forums such as the G8 meeting (Aquila, Italy, July 2009), OECD and World Bank (Moscow, Russia, February 2010) or the Development Cooperation Forum (DCF) (New York, United States, July 2010). However, future compliance with these objectives conflicts with the announcements made throughout 2010 by some of the leading global ODA donors about impending major fiscal adjustments that would reduce or slow their ODA commitments for 2010-2012 (ECOSOC, 2010).

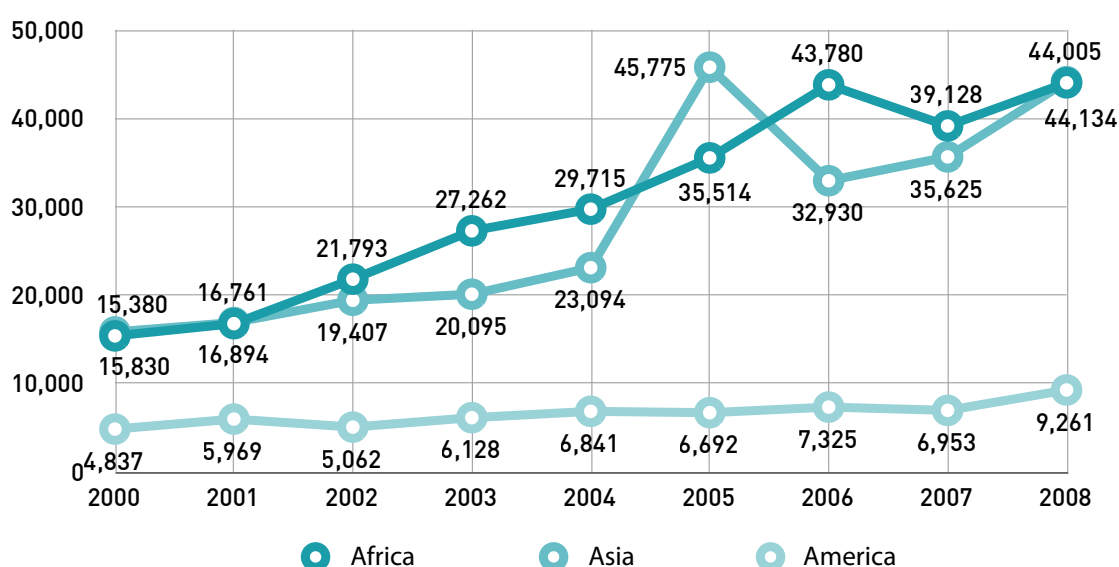
**Graph VI.2. Net global ODA,  
by recipient income level and geographic area. 2000-2008**

In millions of dollars

**VI.2.A. By income level**



**VI.2.B. By geographic area**



Source: SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

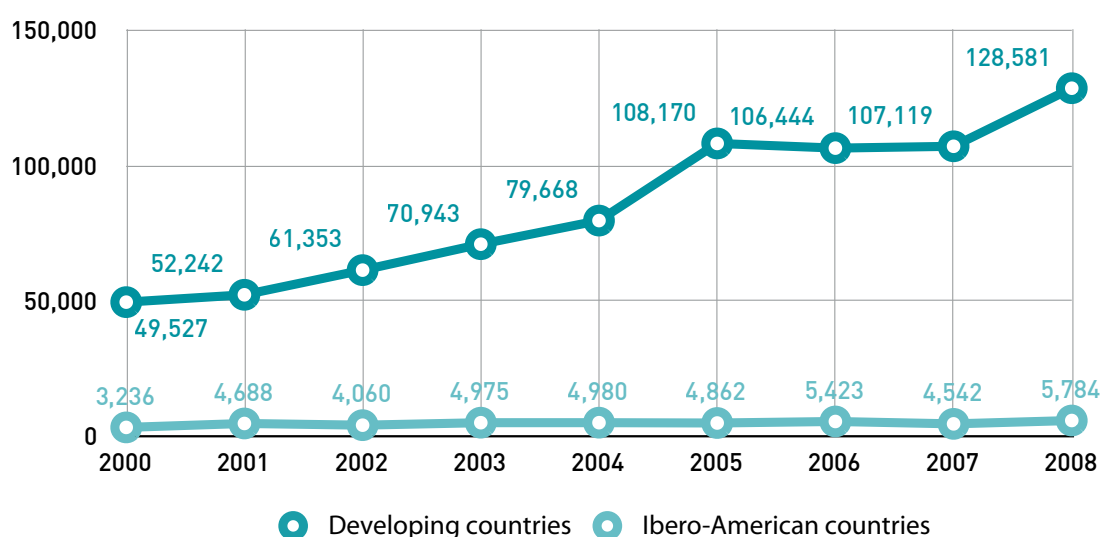
## Official Development Assistance flowing to Ibero-America

Graph VI.3.A shows that in the past ten years global ODA to Ibero-American countries has been irregular despite growing from \$3.236 billion in 2000 to almost \$5.8 billion in 2009. Yet, the rhythm of the increase in aid to the region was not in sync with global ODA as it grew by 9.3% on average per year compared to 13.2%. Because of the difference in growth rates, Ibero-America was gradually displaced as recipient of Official Development Assistance (from 6.5% at the beginning of the decade to 4.5% in 2009) (Graph VI.3.B).

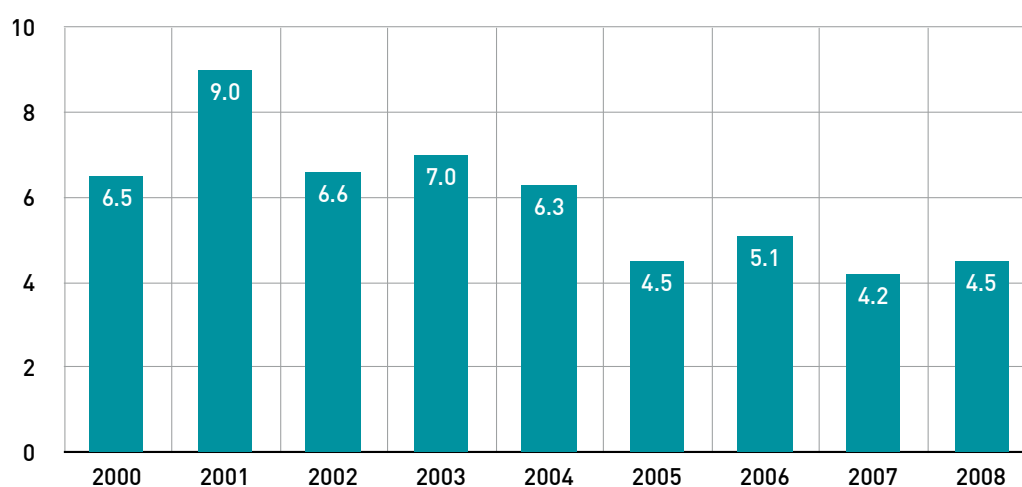
### Graph VI.3. Net ODA to Ibero-American countries and developing countries. 2000-2008

Amounts, in millions of dollars; share, in percentage

#### VI.3.A. Comparison of trends



#### VI.3.B. Ibero-American share of total global ODA



Source: SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

In relation to recipients (Table VI.1 and Graph VI.4), aid to the region was highly concentrated. In fact, from the perspective of geographic distribution and income level, more than three quarters of ODA in 2008 targeted two recipient groups: lower middle-income countries (LMIC) in the Andean region (40% of the \$5.8 billion) and in Central America (36%). Further disaggregating the data, in 2009 Colombia (top ranked, with \$975 million) accounted for 17% of total regional ODA, whereas Bolivia (third ranked), Peru and Ecuador received 11%, 6% and 4%, respectively. Nicaragua, with almost \$750 million, equivalent to 13% of the total, was the second ranked recipient. Honduras and Guatemala each received about 10% of ODA, and El Salvador, recipient of some \$230 million ranked somewhat lower, with a 4% relative share. The other Andean and Central American countries, classified as Upper Middle Income, received amounts ranging from US\$30 to \$66 million, with shares ranging from 0.5% for Panama to 1% for Costa Rica and Venezuela.

**Table VI.1. Net global ODA to Ibero-American countries, by recipient. 2000-2008**

In millions of dollars. In descending order, based on 2008 data.

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Colombia	186	384	438	800	515	621	1,005	723	972
Nicaragua	560	931	517	843	1,240	763	740	840	741
Bolivia	482	744	689	938	785	643	850	477	628
Honduras	448	657	461	394	658	690	594	464	564
Guatemala	263	234	250	247	217	257	484	454	536
Peru	397	451	488	517	463	450	463	260	466
Brazil	231	220	208	198	154	243	113	321	460
El Salvador	180	238	233	192	216	204	163	88	233
Ecuador	146	184	220	175	153	226	188	217	231
Dominican R.	56	107	145	69	85	81	54	123	153
Mexico	-58	118	125	123	108	180	270	113	149
Paraguay	82	61	57	51	22	51	56	108	134
Argentina	52	145	81	107	91	96	115	101	131
Cuba	44	54	64	75	104	88	94	93	127
Chile	49	75	-7	86	58	152	87	121	73
Costa Rica	10	0	0	29	13	26	32	58	66
Venezuela	76	45	57	81	45	50	63	78	59
Uruguay	17	15	14	24	29	14	21	37	33
Panama	15	26	20	27	23	27	31	-135	29
<b>Total</b>	<b>3,237</b>	<b>4,689</b>	<b>4,060</b>	<b>4,976</b>	<b>4,980</b>	<b>4,862</b>	<b>5,424</b>	<b>4,542</b>	<b>5,784</b>

Source: SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

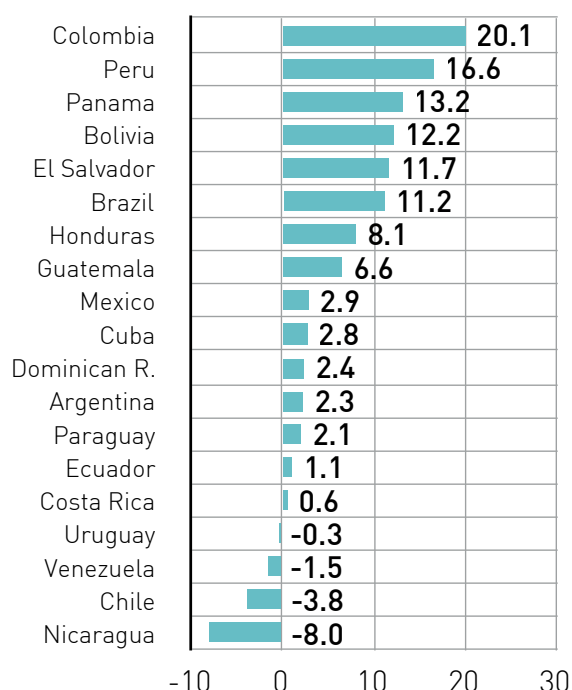
**Graph VI.4. Share of total ODA to the region, by recipient. 2007-2008**

In percentage

**VI.4.A. Share in 2008**



**VI.4.B. Contribution to the 2007-2008 change**



Source: SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

Brazil is the one recipient country that stands out from the rest: although a very active provider of South-South cooperation, Brazil received more than \$450 million in development assistance in 2008 (a significant 8% of the regional total). It was followed by the Spanish-speaking Caribbean (Cuba and Dominican Republic) with less than \$300 million between the two countries (4.8% of ODA). Mexico received almost \$150 million, obtaining more aid (2.6%) than Paraguay (2.3%). Lastly, Argentina received in excess of \$100 million, whereas Chile and Uruguay were among the five countries under the US\$100 million mark (\$73 and \$33 million, respectively).

These changes in quantity of aid received by the countries in 2007 and 2008 explain the increase in regional ODA compared to the previous year: about US\$1.2 billion, increasing from \$4.55 billion in 2007 to practically \$5.8 billion in 2008. As may be noted in Graph VI.4.B, Colombia, Peru and Bolivia, on the one hand, together with El Salvador, Honduras and Guatemala, on the other, contributed 75% of the final increase. They were followed by Brazil (an increase of about \$140 million in ODA received) and Panama (with a negative ODA in 2007). The increases offset the downturn brought about by countries such as Nicaragua, second ranked recipient in the region, whose ODA fell by \$100 million (from \$840 million in 2007, ranking it first, to \$740 million in 2008).

**Table VI.2. Net ODA to Ibero-American countries, by donor. 2000-2008**

In millions of dollars. In descending order, based on 2008 data.

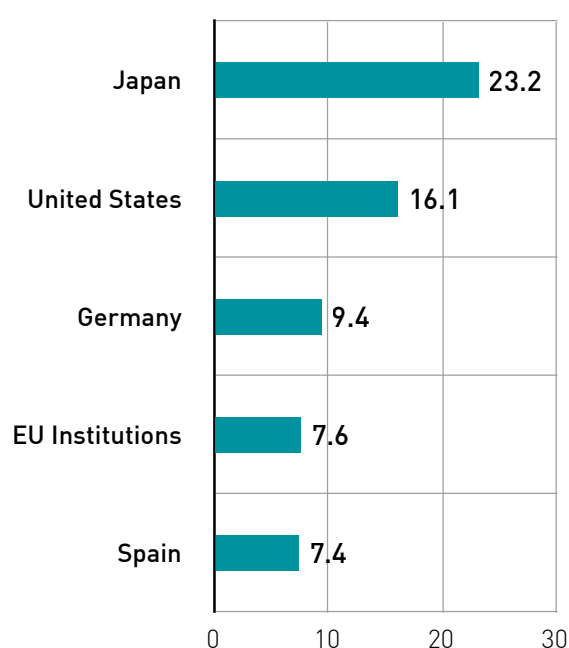
	2000	2001	2002	2003	2004	2005	2006	2007	2008
United States	521	1,000	986	1,501	1,124	1,236	1,582	1,046	1,426
Spain	241	647	365	449	572	498	658	1,017	1,187
Germany	306	307	320	434	611	385	359	345	568
Japan	750	710	546	441	271	404	414	203	225
France	83	85	133	155	235	122	229	276	156
Sweden	135	112	102	113	151	132	144	154	148
Canada	60	66	93	107	113	137	117	164	143
Other countries	492	658	725	640	760	782	568	143	786
<b>Total Bilateral</b>	<b>2,588</b>	<b>3,585</b>	<b>3,272</b>	<b>3,838</b>	<b>3,837</b>	<b>3,696</b>	<b>4,073</b>	<b>3,348</b>	<b>4,639</b>
EU institutions	245	424	263	392	365	444	531	624	518
Other agencies	405	680	525	745	778	723	820	570	627
<b>Total Multilateral</b>	<b>649</b>	<b>1,104</b>	<b>788</b>	<b>1,138</b>	<b>1,143</b>	<b>1,167</b>	<b>1,351</b>	<b>1,194</b>	<b>1,145</b>
<b>All donors</b>	<b>3,237</b>	<b>4,689</b>	<b>4,060</b>	<b>4,976</b>	<b>4,980</b>	<b>4,862</b>	<b>5,424</b>	<b>4,542</b>	<b>5,784</b>

Source: SEGIB: based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

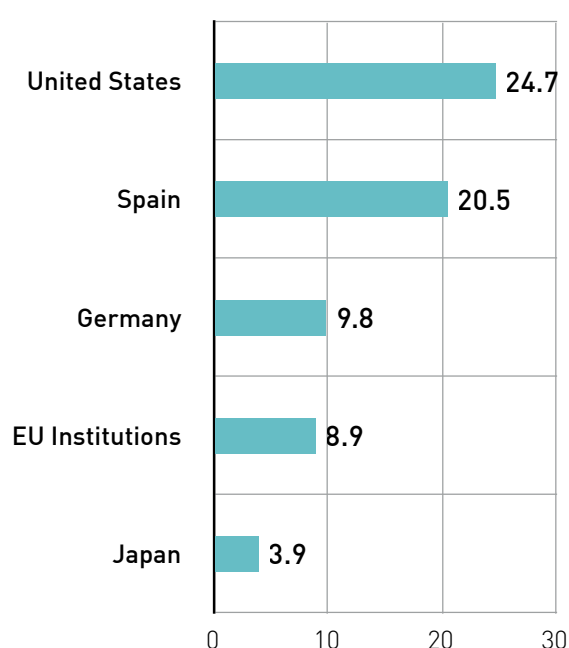
**Graph VI.5. Donor weights  
in net ODA to Ibero-American countries. 2000 and 2008**

In percentage

**VI.5.A. Share in 2000**



**VI.5.B. Share in 2008**



Source: SEGIB: based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

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Turning now to donors, Table VI.2 and Graphs VI.5 show the evolution in source of funds from 2000 to 2008. In 2008, the United States allocated some US\$1.425 billion to the countries of the region, equivalent to 25% of the regional total. This contribution ranked the United States as the top donor, closely followed by Spain with almost \$1.2 billion (1/5 of the total \$5.8 billion). The third ranked bilateral donor came in quite a bit lower: Germany allocated slightly over \$550 million to Ibero-America, almost the same proportion (10%) as the first multilateral donor, the European Union, which provided an additional \$500 million through its institutions. Finally, Japanese cooperation for Ibero-America was around \$150 million (3.9%), similar to the amounts contributed by Sweden and Canada. However, it is worth mentioning that Japan's assistance to the region in 2008 was far below the volume contributed at the beginning of the decade (US\$750 million), at a time when Japan was the top donor. This gradual reduction in quantity of aid resulted in Japan's displacement by the United States and Spain, two countries that have since 2005 retained the top donor rank in the region.

In any event, the relative weight of recipients and donors must be interpreted in light of their existing bilateral relationships. Graphs VI.6.A and VI.6.B were developed for this purpose: the first shows the concentration of funds the principal donors earmarked for Ibero-America, broken down by recipients; the second shows the dependence between the principal recipients and these donors. Three significant conclusions may be drawn by combining the data on these two graphs:

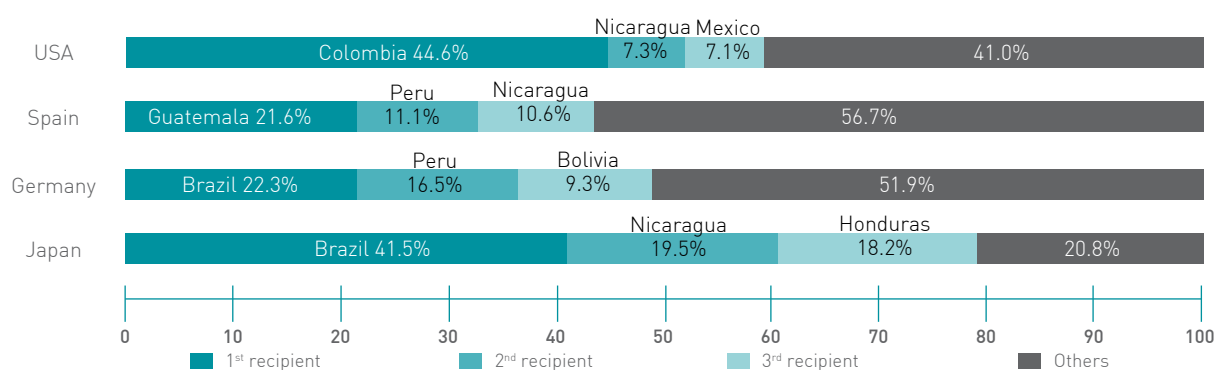
1. The United States and Colombia have a particularly close cooperation relationship: \$635 million were mobilized in 2008 alone, equivalent to 45% of total United States assistance to the region and two thirds of the total received by the Andean country. In fact, US cooperation to Colombia is \$513 million greater than aid to the second recipient (Bolivia). Hypothetically, assuming this was an "extraordinary" difference, Colombia would have received a total of about \$450 million, placing it on a par with Brazil and below other recipients like Peru and Guatemala; and the United States would have contributed less than US\$1 billion to Ibero-American countries, placing Spain at the top of the list of donors in lieu of the United States.
2. 2008 data further reveal that 40% to 60% of assistance given to the other top recipients (Nicaragua, Bolivia, Honduras, Guatemala and Peru, each with more than 8% relative share of regional ODA) came from a combination of funds from the United States and Spain. The proportions assigned by each donor were quite similar (14-17%; 17-20%; ... according to the case) with the exception of Guatemala where practically half of the ODA was provided by Spain (first donor) compared to 13% from the United States (second donor).

3. Lastly, in the case of Brazil (another country with an 8% share of regional ODA), half the funds came from German (27.5%) and Japanese (20.3%) cooperation. Graph VI.6.A shows that Brazil also ranked highest on the list of these two donors. This is explained by Brazil's long-standing bilateral relationship with Germany and Japan, in addition to the many triangulation agreements with the two countries.

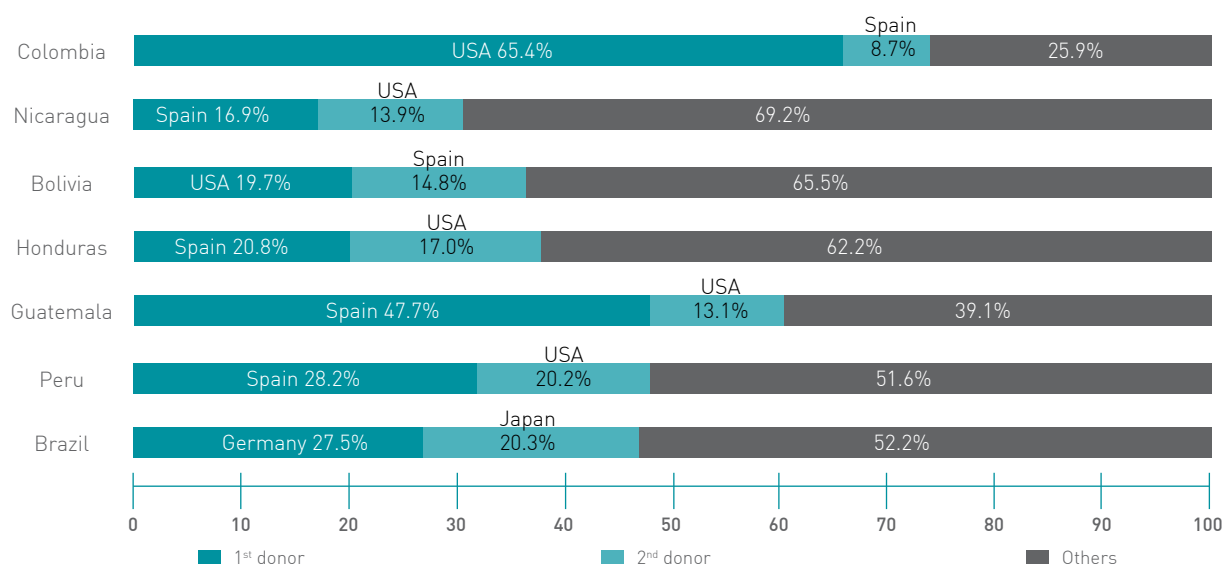
## Graph VI.6. Relationship between principal ODA donors and recipients in Latin America. 2009

In percentage

### VI.6.A. Concentration of donor funds, by recipient



### VI.6.B. Source of funds received, by donor



Note: Graph VI.6.A shows the four largest bilateral donors in the region; Graph VI.6.B shows recipients with more than 8% of total ODA to the region in 2008.

Source: SEGIB: based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

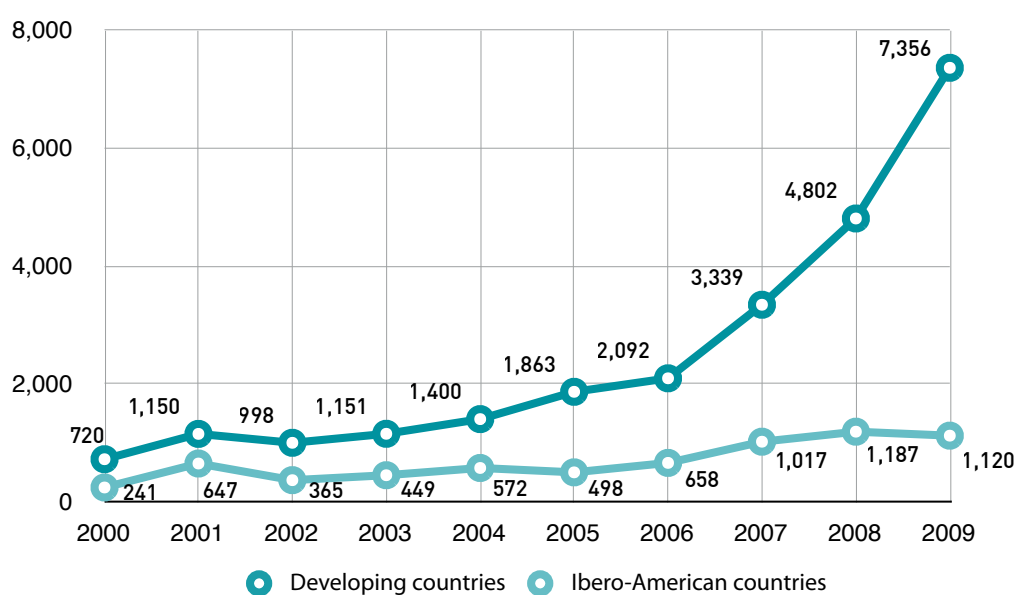
## ODA from Spain, Portugal and Andorra to their Ibero-American partners

In the past decade, Ibero-American intra-regional ODA has flowed from the countries of the Iberian Peninsula (Spain, Portugal, and Andorra –within its means) to the continental nations (nineteen Middle Income Countries –MIC– from Mexico to Chile). This section examines those flows in the period 2000-2009 following the same procedure as above. The analysis focuses on donors in order of relative weight.

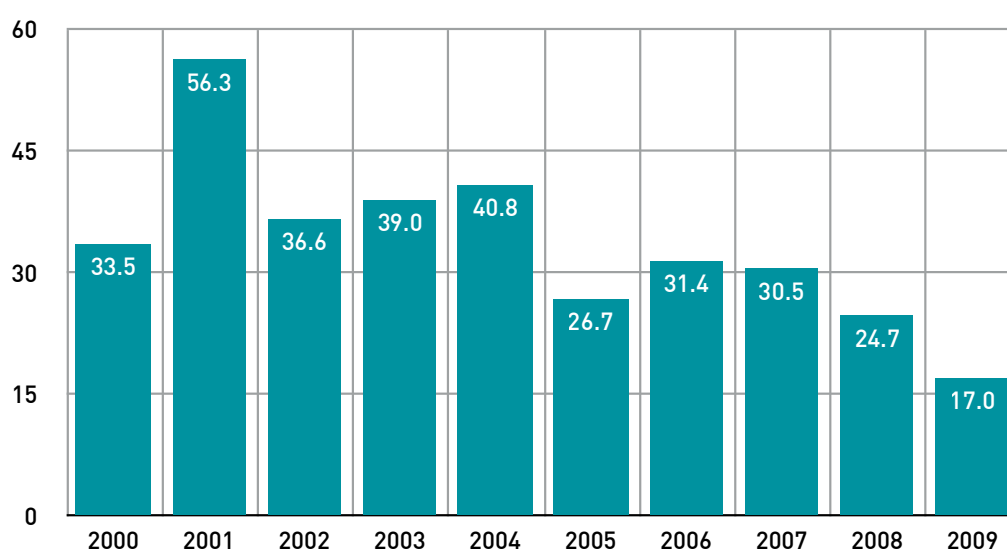
### Graph VI.7. Net ODA delivered by Spain to other Ibero-American countries. 2000-2009

Amounts, in millions of dollars; share, in percentage

#### VI.7.A. ODA to Ibero-America and to all developing countries



#### VI.7.B. Ibero-American share of total net Spanish ODA



Note: 2009 data were obtained from AECID in euros, converted to dollars at the European Central Bank average exchange rate for 2009 (1€ = 1,3933\$). **Source:** SEGIB, based on data from the Spanish Agency for International Development Cooperation (AECID); Development Assistance Committee (DAC) statistics at [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline); and DGPOLDE (2009).



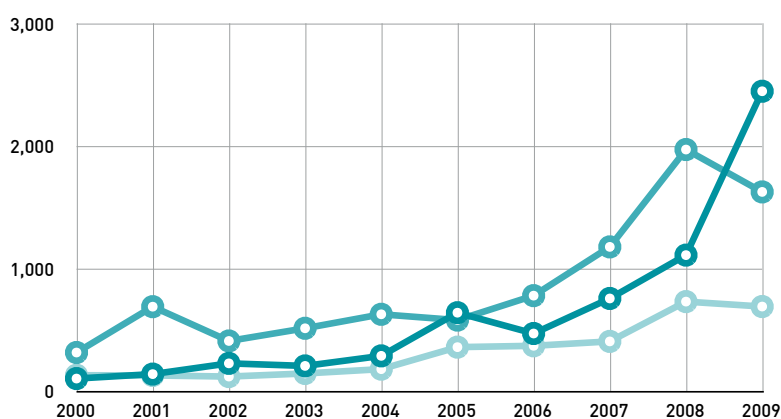
First, we look at Spanish ODA as shown in Graphs VI.7.A and VI.7.B. The first graph compares Spanish assistance to its Ibero-American partners with Spain's overall aid to developing countries in the 2000-2009 period. The second graph shows the evolution of the relative weight of Spanish ODA to Ibero-America in respect to its total ODA. These graphs reveal the following trends:

1. Spanish Official Assistance had a growth trend from 2000 to 2008: from US\$241 million in 2000 to \$1.187 billion in 2008 (historical high for the period). However, Spanish cooperation to Ibero-America dropped 5.7% in the 2007-2008 biennium. As a result, the total amount in 2009 was somewhat lower, with a volume of \$1.12 billion.
2. Despite the sustained growth of Spanish aid to Ibero-America (24.5% annual average from 2005 to 2009), the difference when compared to its overall aid to developing countries (38.2% –i.e., 14 percentage points higher), explains why Spanish ODA to Ibero-American recipient countries dropped several percentage points: from 33.5% in 2000 to 26.7% in 2005 and 17% in 2009.

More recently, the strong growth in Spanish ODA versus the slippage of the Ibero-American region as primary destination must necessarily be linked to Spain's growing international commitments as a donor. The "Regional Priorities" chapter of the *Spanish Cooperation Master Plan 2009-2012* enumerates the criteria for allocating ODA. These include: contributing to poverty reduction and to sustainable human development, and compliance with the MDGs and with the International Aid Effectiveness Agenda. The above translates into concentrating aid on the Least Developed Countries and Low Income Countries meaning, in graphic terms, "*consolidate Sub-Saharan Africa as a priority for Spanish Cooperation* (DGPOLDE, 2009; p.194), while maintaining "*the commitment with traditional partners* (in Latin America)." However, consistent with our analysis in Chapter IV, the trend is to channel cooperation through "*support for regional consultative mechanisms (...), such as SICA, CAN and SEGIB*" (DGPOLDE, 2009, p.195).

### Graph VI.8. Total net Spanish ODA, by geographic area. 2000-2009

In millions of dollars



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
AFRICA	107.1	143.5	231.2	210.3	292.3	644.5	474.8	760.7	1,114.4	2,451.4
LATIN AMERICA AND CARIBBEAN	319.6	693.6	413.9	517.4	631.5	584.2	783.7	1,181.5	1,975.7	1,629.9
ASIA	134.5	132.6	123.4	148.7	184.0	363.6	374.4	410.3	735.0	694.7

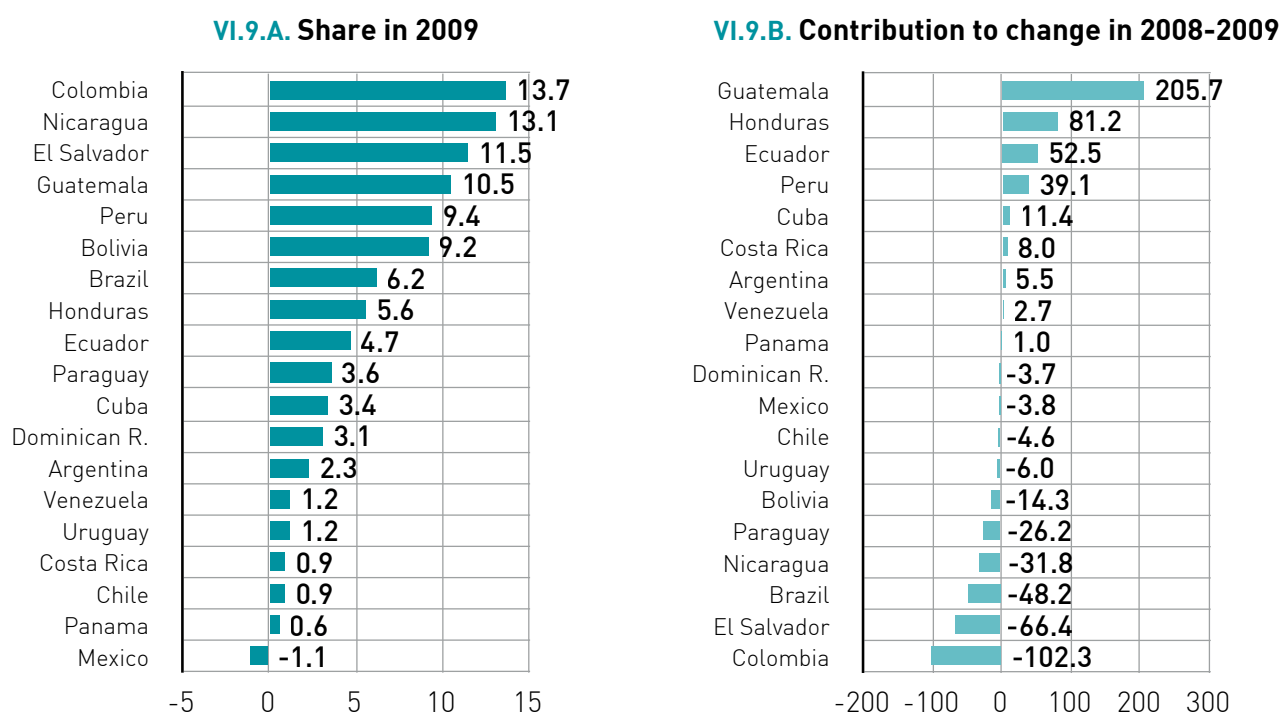
2009 data from the Office of Development Planning and Policy Evaluation (DGPOLDE) of Spain, in euros, converted to dollars at the European Central Bank average exchange rate for 2009 (1€ = 1,3933\$). **Source:** SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline) and DGPOLDE statements.

Compliance with these commitments is reflected in Graph VI.8 plotting the progression of Spanish ODA from 2000 to 2009 to three developing regions: Africa, Latin America and Caribbean,<sup>2</sup> and Asia. As the graph shows, from 2000 to 2008, with only the exception of 2005, Spanish cooperation primarily targeted the Latin American region. The point of inflection coincides with the 2008-2009 biennium: as ODA to Latin America and the Caribbean declined (from almost US\$2 billion in the first year to \$1.63 billion the second year), aid to Africa increased exponentially (from \$1.14 billion to practically \$2.5 billion). As a result, 2009 denotes a reversal in the trend from previous years, with Africa becoming the prime recipient of Spanish Official Development Assistance. As a final comment, 70% of this aid (some \$1.7 billion) was delivered to Sub-Saharan Africa.

In accordance with the *Master Plan*, it would be logical not to expect changes to the distribution of ODA by regions in the coming years. What is more, the announcement made in 2010 as part of the fiscal adjustment to counter the economic crisis, means cooperation aid will be cut back by some €600 million over two years.<sup>3</sup>

### Graph VI.9. Country shares of Spanish ODA to the region. 2008-2009

In percentage



Methodological note: In relation to contribution to change, it should be recalled that Spanish ODA to the region fell in 2008-2009. Consequently, the country shares –measured as (Country A change in 2008-2009/Total 2008-2009 Change)\*100– must be read inversely: positive figures are assigned to countries whose ODA fell (-/-) because they contributed “positively to total decline.” Inversely, negative signs (-/+) are assigned to countries whose ODA increased and therefore partially offset the drop in total ODA.

Source: SEGIB, based on Spanish Agency for International Development Cooperation (AECID) data.

Lastly, still on the subject of Spanish cooperation for its Ibero-American partners, the review looked at the recipient-based distribution of ODA in 2009. Graph VI.9<sup>4</sup> shows that aid targeted six particular countries in the Andean and Central America region. All six received from Spain ODA volumes ranging from US\$100 to \$150 million: Colombia (top recipient), Peru and Bolivia in the Andean region; Nicaragua (second recipient), El Salvador and Guatemala in Central America. The other countries received lower quantities, ranging from \$7 million (Panama) to practically \$70 million (Brazil). Mexico was the only country with a negative Spanish ODA flow.

As for ODA volumes to the seven top recipients of Spanish cooperation (including Brazil, but not Peru), the importance attached by Spain to the *Water and Sanitation Cooperation Fund* in 2009 was decisive. This Fund was approved at the XVII Ibero-American Summit of Heads of State and Government in 2007 with the objective of helping Latin America achieve Target 3 of MDG 7. To this end, Spain pledged some US\$1.5 billion to the region over a four-year period. As shown in Table VI.3, in 2009, the Fund executed \$236 million in eight countries. For many countries, the Fund accounted for 25% to 40% of their ODA from Spain.

**Table VI.3. Water and Sanitation Cooperation Fund, by recipient. 2009**

Amounts, in millions of dollars; share, in percentage

	COLOMBIA	NICARAGUA	EL SALVADOR	GUATEMALA	BOLIVIA	BRAZIL	PARAGUAY	ARGENTINA	TOTAL
<b>Water Fund</b>	<b>62.0</b>	<b>51.5</b>	<b>33.4</b>	<b>28.1</b>	<b>23.2</b>	<b>28.5</b>	<b>6.8</b>	<b>2.3</b>	<b>235.9</b>
<b>Spanish ODA</b>	<b>153.9</b>	<b>146.8</b>	<b>128.3</b>	<b>117.2</b>	<b>102.7</b>	<b>69.3</b>	<b>40.7</b>	<b>25.9</b>	<b>---</b>
<b>Share</b>	<b>40.3</b>	<b>35.1</b>	<b>26.0</b>	<b>24.0</b>	<b>22.6</b>	<b>41.1</b>	<b>16.8</b>	<b>8.7</b>	<b>---</b>

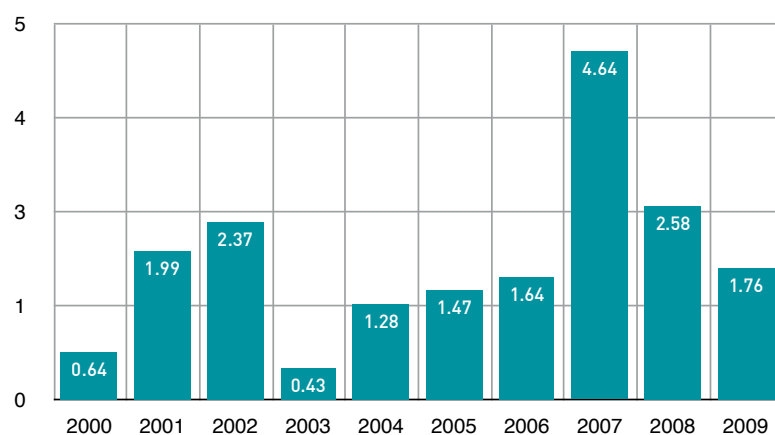
Source: SEGIB, based on Spanish Agency for International Development Cooperation (AECID) data.

The next donor, Portugal, delivered US\$1.8 million to its Ibero-American partners in 2009 (Graph VI.10).<sup>5</sup> Two reasons underlie the low volume: Portugal's lesser capacity to earmark funds for development cooperation (US\$512.9 million in 2009); and cooperation primarily targets Africa and Portuguese-speaking countries. In keeping with this policy, Portugal concentrated its ODA in Ibero-America to a primary recipient: Brazil. Nonetheless, distribution in 2009 was more diversified than in previous years: Brazil received 70% of Portuguese ODA, El Salvador almost 10%, whereas Venezuela, Argentina, Nicaragua, Chile, Uruguay, Peru and Mexico, in order of relative importance, shared the remaining 20%.

Last, Andorra's development cooperation for its Ibero-American partners. The volume and evolution in 2009 was very similar to that of the previous year: about US\$300,500 in ODA to Ibero-America in 2009 compared to almost \$360,000 the previous year. The most striking change, however, came from the type of instrument used: Humanitarian and Emergency Aid. Specifically, in 2008, eight Ibero-American countries received ODA from Andorra. In three cases (Cuba, Honduras and Guatemala) humanitarian aid was significant (100% for the first two countries, 16.5% for the third). Conversely, all ODA reported in 2009 was emergency aid. Graph VI.11 breaks aid down by country, showing funds were again delivered to countries in Central America (Costa Rica, El Salvador Guatemala and Nicaragua) and the Andean region (Bolivia and Peru).

### Graph VI.10. Net ODA delivered by Portugal to other Ibero-American countries. 2000-2009

In millions of dollars

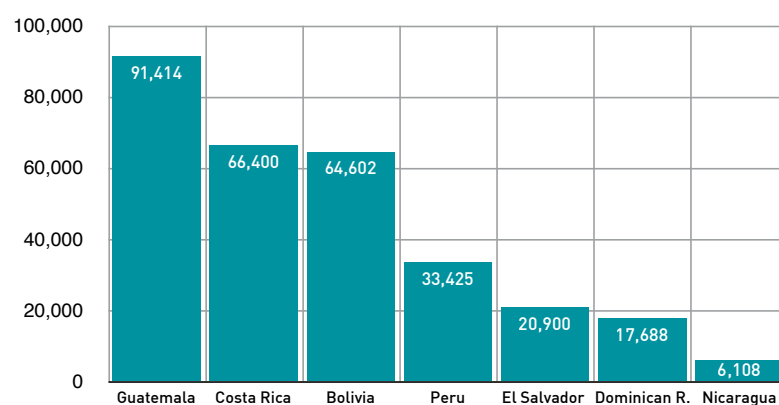


Note: Data for 2009 were provided by IPAD – Portuguese Institute for Development Support, in euro, converted to dollars at the European Central Bank average exchange rate for 2009 (1€ = 1,3933\$).

Source: SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline) and IPAD data.

### Graph VI.11. Net ODA delivered by Andorra to other Ibero-American countries, by recipient. 2009

In dollars



Note: 2009 data were provided by the Ministry for Foreign Affairs and Institutional Relations of the Principality of Andorra, in euro, converted to dollars at the European Central Bank average exchange rate for 2009 (1€ = 1,3933\$).

Source: SEGIB, based on data from [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline) and the Ministry for Foreign Affairs and Institutional Relations of the Principality of Andorra.

## NOTES

<sup>1</sup> References to these forums are provided in Box I.1 annexed to Chapter I.

<sup>2</sup> Includes all countries in the region, not just the nineteen members of the Ibero-American Conference.

<sup>3</sup> Europa Press, 12 May 2010.

<sup>4</sup> Absolute data are presented in Table A.1 of the Annex, Net Spanish ODA to Ibero-American countries, 2000-2009.

<sup>5</sup> Absolute data are presented in Table A.2 of the Annex, Net Portuguese ODA to Ibero-American countries, 2000-2009.



CHAPTER VII  
COOPERATION INSTITUTIONS  
IN IBERO-AMERICA

### Introduction

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Ibero-American Cooperation institutions are in a state of continuous evolution as they grapple with the normal changes in public administration, in addition to the following two issues:

1. First, recipient countries with significant inflows of traditional cooperation are gradually adapting to the provisions of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. These countries are expected to comply with certain requirements as they implement the Agenda, while at the same time taking a stronger leadership role in cooperation, ensuring it is in keeping with national plans and structures.
2. Second, South-South and triangular cooperation have gained traction in the region, as made manifest in successive editions of this Report. Such cooperation is not new to the region as evidenced by its long history. However, the renewed dynamism in recent years is changing the face of cooperation – and even foreign relations – between Latin American countries.

Many institutions play a dual role: manage foreign cooperation inflows – significant volume despite sizeable decreases for many countries – while directing, negotiating and managing South-South projects.

This Chapter of the 2010 Report reviews cooperation institutions in Ibero-America, describing their structure, coordination teams and processes, and identifies major trends and future challenges. The objective is to understand current structures while contributing to a forward-looking discussion to develop structures capable of effectively tackling the challenges facing cooperation.

For purposes of this chapter, as for the Report itself, our focus is on the institutions whose Director is the government-appointed Ibero-American Cooperation Officer in the framework of the Ibero-American Summits. In the event cooperation leadership is shared by two institutions – usually a Foreign Ministry Agency and a Planning Secretariat or Ministry – the analysis will refer to both.

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\* Lead author: Jose Maria Vera, Planning Director, Ibero-American General Secretariat (SEGIB)

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## Government institutions responsible for cooperation

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This chapter divides Ibero-American countries into two groups:

1. The first group includes the Iberian Peninsula provider-only countries (Andorra, Spain and Portugal), and countries combining a significant South-South Cooperation (SSC) provider role with an ODA and SSC recipient role (Argentina, Brazil, Chile, Colombia, Cuba, Mexico and Venezuela). In addition, several countries are members of International Financial Institutions.
2. The second group includes countries that are essentially cooperation recipients, although some are or will soon start providing SSC (Bolivia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Nicaragua, Panama, Paraguay, Peru and Uruguay).

The following analysis stems from data provided to SEGIB by technical cooperation institutions, often responsible for non-reimbursable financial cooperation in Ibero-American countries. Country descriptions in the different sections of the chapter vary according to the depth of detail provided.

Box VII.1 presents the overall panorama. Most provider countries created an Agency attached to the Ministry of Foreign Affairs, with differing degrees of autonomy. Mexico is in the process of creating an Agency; Argentina, although taking a different path, intends to modify the organizational chart of its Cooperation Bureau to boost its provider capacity.

Recipient-only countries present a broader range of structures that, nonetheless, fall into two categories: the cooperation unit – agency, bureau, vice-ministry – is attached either to the Foreign Ministry or to the Planning Secretariat or Ministry, usually reporting to the Office of the President. Except in the case of agencies, entities attached to the Foreign Ministry generally share responsibility with the Planning Ministry or equivalent (Costa Rica, Colombia, ...). Some countries are currently in the process of creating an Agency, e.g., Uruguay; others are still considering the option.

Ecuador presents a unique case. For many years it had an Agency, then reverted to a Technical Secretariat – although the functions remained unchanged – to better integrate the unit with government. Yet other countries – such as Panama and Bolivia – assign cooperation to the Ministry of Finance or Investments working in coordination with the Ministry of Foreign Affairs.

The panorama is ever changing as the institutional models are in constant evolution. However, the pace has accelerated in recent years. The gradual withdrawal of traditional cooperation, the dynamism of South-South cooperation and the surge in national planning, especially in small and medium-sized countries, are the chief catalysts for these processes of change.



## Legal frameworks

A few countries in the region enacted specific international cooperation laws and/or decrees providing definitions, principles, objectives and a framework for action. In the majority of cases, however, the legislation is essentially limited to specifying functions, powers and the framework for action for the responsible units. The policy framework is supplemented with operating and functional regulations.

Peru stands out among the former group owing to its complete legislative package, with an International Technical Cooperation Law providing the framework, supplemented by regulations and a decree covering the Decentralized Cooperation System and the National Cooperation Policy issued in 2007. The legislation essentially deals with the receipt of resources, APCI's primary function.

Among donor countries, Spain instituted a similar structure. The International Development Cooperation Law was enacted in 1998, complemented by decrees to regulate functions, and a decree creating the new AECID was passed in 2007. Spain also developed a four-year Cooperation Master Plan. In Portugal and Andorra, the legal framework governing cooperation is built around documents specifying the strategic vision and planning. The same holds true in several recipient countries, such as El Salvador, a country in the process of developing its National Cooperation Strategy.

### Box VII.1. Cooperation Institutions, by country

Country	Cooperation Institution
Andorra	<i>Department of Multilateral Affairs and Cooperation</i> , attached to the <b>Ministry of Foreign Affairs and Institutional Relations</b> . Cooperation is a fundamental component of Andorran foreign policy.
Argentina	<i>Directorate General for International Cooperation</i> , under the Secretary for International Coordination and Cooperation at the Ministry of Foreign Affairs, International Trade, and Faith. The Ministry is responsible for negotiating all cooperation in coordination with the relevant line ministries.
Brazil	<i>Brazilian Cooperation Agency (ABC)</i> , integrated with the <b>Ministry of Foreign Affairs</b> through the Under-Secretariat General for Cooperation and Trade Promotion. The ABC was created in 1987 on account of the growing number of cooperation projects between Brazil and other countries.
Chile	<i>International Cooperation Agency (AGCI)</i> – a decentralized public institution, attached to the <b>Ministry of Foreign Affairs</b> , linked to the office of the President of the Republic. It has juridical personality and its own capital. AGCI was part of the Planning Ministry (MIDEPLAN) until 2005.
Colombia	Two institutions manage Colombian international cooperation: - The <i>Presidential Agency for Social Action and International Cooperation</i> (referred to as <i>Acción Social</i> in this Report); and - The <i>International Cooperation Bureau</i> of the <b>Ministry of Foreign Relations</b> . The Foreign Office directs cooperation received and offered by the country. <i>Acción Social</i> programs, negotiates, coordinates, and oversees assistance. Each institution has cooperation-related duties, whether for delivery or receipt.
Cuba	The <i>Vice-Ministry for Latin America</i> at the <b>Ministry of Foreign Trade and Investment (MINCEX)</b> handles all international cooperation.
Mexico	<i>Directorate General for Technical and Scientific Cooperation</i> , under the <b>Economic Relations and International Cooperation Unit</b> at the <b>Ministry for Foreign Affairs</b> . In addition, there is a Directorate General for Educational and Cultural Cooperation. On 13 April 2010, the Lower Chamber passed the International Development Cooperation Act creating the <i>Mexican International Cooperation Agency</i> .
Portugal	<i>Portuguese Institute for Development Support (IPAD)</i> attached to the <b>Ministry of Foreign Affairs</b> through the Secretariat of State for Foreign Affairs and Cooperation.
Spain	<i>Spanish Agency for International Development Cooperation (AECID)</i> , attached to the <b>Ministry of Foreign Affairs and Cooperation</b> through the Secretary of State for International Cooperation (SECI). AECID replaced the former AEI in November 2007. The Agency has juridical personality, its own capital and liquid assets, and administrative and functional autonomy within the bounds set by the Law of State Agencies.
Venezuela	<i>International Cooperation Bureau</i> of the <b>Ministry of Popular Power for Foreign Affairs</b> .

In Costa Rica, the legal framework consists of a decree regulating the administrative process and the functions of the relevant entities – Foreign Affairs and MIDEPLAN – as well as the general direction and principles for the country's International Cooperation.

Argentina, Chile, Colombia, Dominican Republic, Ecuador, Guatemala and Nicaragua have legal frameworks that correspond either to a typical cooperation institution, the broader institutions to which they are attached, or to a government coordination bureau. Whatever the case may be, this legislation was enacted to develop and bring practices into compliance with the embracing law governing cooperation, such as the Constitution (Brazilian case).

Mexico and Uruguay are in the process of approving or implementing a broad legal framework, with its own budget allocation. Yet others, such as the Dominican Republic, are looking into the option of developing a new legal framework.

It should be noted that few countries have legislation providing comprehensive support and guidance for current or future South-South cooperation. The countries presently establishing a new legal framework are looking for ways to ensure more complete coverage of South-South cooperation.

### Box VII.1. Cooperation Institutions, by country (continued)

Country	Cooperation Institution
Bolivia	<i>Vice-Ministry for Public Investment and External Financing (VIPFE)</i> under the <b>Ministry for Development Planning</b> . This Ministry is responsible for technical, economic and financial cooperation, and designs development investment and financing policies.
Costa Rica	Cooperation management is shared by the <i>International Cooperation Directorate</i> of the <b>Ministry of Foreign Affairs and Faith</b> , responsible for negotiating international cooperation, and the <b>Planning Ministry (MIDEPLAN)</b> responsible for steering internal development via national institutions and the National Development Plan.
Dominican Republic	<i>Vice-Ministry for International Cooperation</i> of the <b>Ministry of Economy, Planning and Development</b> , the governing entity for the National Planning System. The Vice-Ministry is responsible for relations with international cooperation organizations and agencies, and for managing and evaluating technical and nonreimbursable financial cooperation received by the country.
Ecuador	On 16 July 2010, the Ecuadorian International Cooperation Agency (AGECI) became the <i>Technical Secretariat for International Cooperation (SETECI)</i> . This change will strengthen the institution's capacity as a government structure and clarify its role to administer public policies relating to international cooperation. SETECI, as the AGECI before, is attached to the <b>National Planning and Development Secretariat (SENPLADES)</b> and is now authorized to participate in foreign debt swaps.
El Salvador	<i>The Vice-Ministry for Development Cooperation</i> is under the aegis of the <b>Ministry of Foreign Affairs</b> and the Directorate General for Cooperation. The latter was responsible for overhauling the country's cooperation administration and strategy.
Guatemala	<i>Under-Secretariat for International Cooperation</i> of the <b>Planning and Programming Secretariat of the Office of the President (SEGEPLAN)</b> . Its key function is to help formulate the national development policy.
Nicaragua	<i>External Cooperation Secretariat</i> , part of the <b>Ministry of Foreign Affairs</b> , responsible for relations with ODA partner countries.
Panama	The responsibility for cooperation in this country is shared between the <b>Ministry of Economy and Finance (MEF)</b> for technical and scientific cooperation, and the <b>Ministry of Foreign Affairs</b> for educational, cultural and sports cooperation.
Paraguay	<i>International Cooperation Bureau</i> of the <b>Ministry of Foreign Affairs</b> .
Peru	<i>Peruvian International Cooperation Agency (APCI)</i> , one of the first institutions of its kind in the region. A decentralized public entity attached to the <b>Ministry of Foreign Affairs</b> , with technical, economic, budgetary and administrative autonomy.
Uruguay	<i>International Cooperation Department</i> of the <b>Office of Planning and Budget (OPP) of the Presidency</b> in coordination with the <b>Ministry of Foreign Affairs</b> , the country's Foreign Policy executing agency. The <i>Uruguayan International Cooperation Agency (AUCI)</i> will be created in the near future, reporting directly to the <b>President of the Republic</b> .

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## Dual function: receive and offer cooperation

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It is striking to note how many Ibero-American cooperation institutions are transitioning from recipients of resources from traditional donors to providers of South-South cooperation. Owing to the diversity of countries, the transition is neither uniform nor does it follow the same pattern. However, managing this duality is a highly determining factor for institutional decisions and one of the challenges facing institutions.

This fact is made clear in one of the objectives of the Mexican Directorate General for Technical and Scientific Cooperation: "Strengthen Mexico's dual position with respect to cooperation from an integral perspective, harnessing efforts and capacities for national development, especially in the most depressed and lagging areas, and continue to be a provider for third countries, especially in Central America."

In the face of this new reality, the situation varies from country to country:

1. Spain and Portugal are established development cooperation providers. However, in the 1980s they also made the transition from recipient to donor. Furthermore, both Spain and Portugal receive significant volumes of resources from the European Union, not categorized as ODA but requiring sound administration and integration with national plans and policies. Regardless of the historical background, the cooperation receiving and providing institutions were attached to different ministries and opted for different institutional structures – an experience that may be helpful to other countries.
2. Countries with greater expertise and capacity to offer South-South cooperation attach their institutions to the Ministry of Foreign Affairs owing to the close link between cooperation and foreign policy. In the case of essentially recipient countries, the institution may be attached to the Foreign or the Planning Ministry, or a combination. For example:
  - The Chilean Cooperation Agency was formerly attached to the Planning Ministry. Five years ago it was transferred to the Foreign Ministry reflecting the loss of relevance of inflows in favor of offering cooperation and raising funds for triangular interventions.
  - Brazil went through a process similar to Chile's. In both countries, the Agency administers cooperation received by the country, usually technical assistance. However, the structure and processes are increasingly focused on delivery.
  - Argentina and Mexico are both undergoing change to tackle the dual function, although with different intensity. The former is looking to create a specific South-South cooperation unit within the International Cooperation Directorate. The latter is in the process of establishing a Cooperation Agency. When fully implemented, the institution will resemble those of other provider countries in the region, governed by a consistent and broad legal framework. Both countries will continue to administer bilateral cooperation inflows and coordinate cooperation received at the Provincial, State and Municipal levels. Nonetheless, both now lean more towards delivery.

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Careful consideration should be given as to whether having a single institution managing the two functions poses problems or offers advantages – especially if only nonreimbursable technical cooperation is at issue. Technical cooperation hinges on knowledge, the sharing of experiences, lessons, technology and processes. Ultimately, in the case of both SSC and the receipt of cooperation, the cooperation institutions coordinate the relationship between line ministries and other institutions, usually the executing agencies. The value-added provided by cooperation institutions lies in their ability to negotiate, administer and support the transfer and implementation of experiences, capacities and good practices. The fact that South-South cooperation is centered on reciprocity and mutual benefit supports the idea of having a single institution perform both functions.

3. Countries receiving significant volumes of funds have structured their institutions accordingly. In a few countries, such as Uruguay or Costa Rica, the duality is slowly emerging. The former has two ministries sharing the responsibility, although receipt and delivery of cooperation is not evenly distributed. In the latter, MIDEPLAN plans and manages while the Foreign Ministry negotiates. The Ministry has greater responsibility for SSC, and Joint Commissions and Projects are coordinated by Committees and Technical Teams comprising members of both ministries and other sector-related institutions.

Some countries, such as Peru or El Salvador, opted to establish SSC units to channel inflows, as well as the delivery of cooperation – long-standing although modest for Peru, embryonic for El Salvador. They offer interesting examples of preeminently recipient countries where the existing institutions embarked on the road of offering cooperation based on accrued or learned skills and experiences. Something similar occurred in the Dominican Republic: they are developing a supply database reflecting all successful experiences in the country.

4. In yet other cases, like Ecuador, and especially Cuba and Venezuela, the delivery of cooperation is closely tied to regional integration and solidarity. Although these countries have institutions to coordinate the delivery of cooperation – SETECI in Ecuador created a new unit dedicated to offering SSC – several ministries are actively involved in cooperation, whether delivery or receipt, especially for South-South cooperation between these countries.

In any event, the dual function affects all aspects, not only the legal and operational framework of the institutions or their attachment to a specific ministry. The internal structure and the workforce profile must be considered before the delivery of cooperation can be added to the traditional receipt of resources.

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## Structure and organization

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The organizational structure of cooperation institutions varies but can be classified in three large groups: by geographic area, by actors, and by functions. A case-by-case analysis reveals diverse purpose-driven situations and combinations of structures and organizational approaches:

1. The classic structure combines geographic area and cooperation actors. A good example is the International Cooperation Directorate of the Costa Rican Foreign Ministry, with regional departments and a department each for relations with financial and non-financial international agencies. The Dominican Republic has a similar structure, but limited to a general directorate each for bilateral and multilateral, and an analysis and coordination unit under the Cooperation Vice-Ministry. El Salvador's Cooperation Vice-Ministry adopted a similar structure: by actors, complemented by an unofficial, decentralized cooperation department and a South-South unit within the bilateral department.
2. Among providers, Brazil and Chile like Spain took a sector approach, creating units, directorates and departments dedicated to specific topics or broad sectors. Spain recently created sector units reporting to geographic divisions. The Brazilian ABC created three functional coordination offices to support three sector units: one for technical cooperation among developing countries (TCDC / SSC), and one each for cooperation received from bilateral and multilateral agencies. The Chilean AGCI has a simpler organizational chart embracing the same philosophy as Brazil: a sector-based department, with a unit for horizontal cooperation and another for bi- and multi-lateral cooperation. These cases illustrate the need to develop a matrix lending due weight to sector specialization for cooperation received or given.

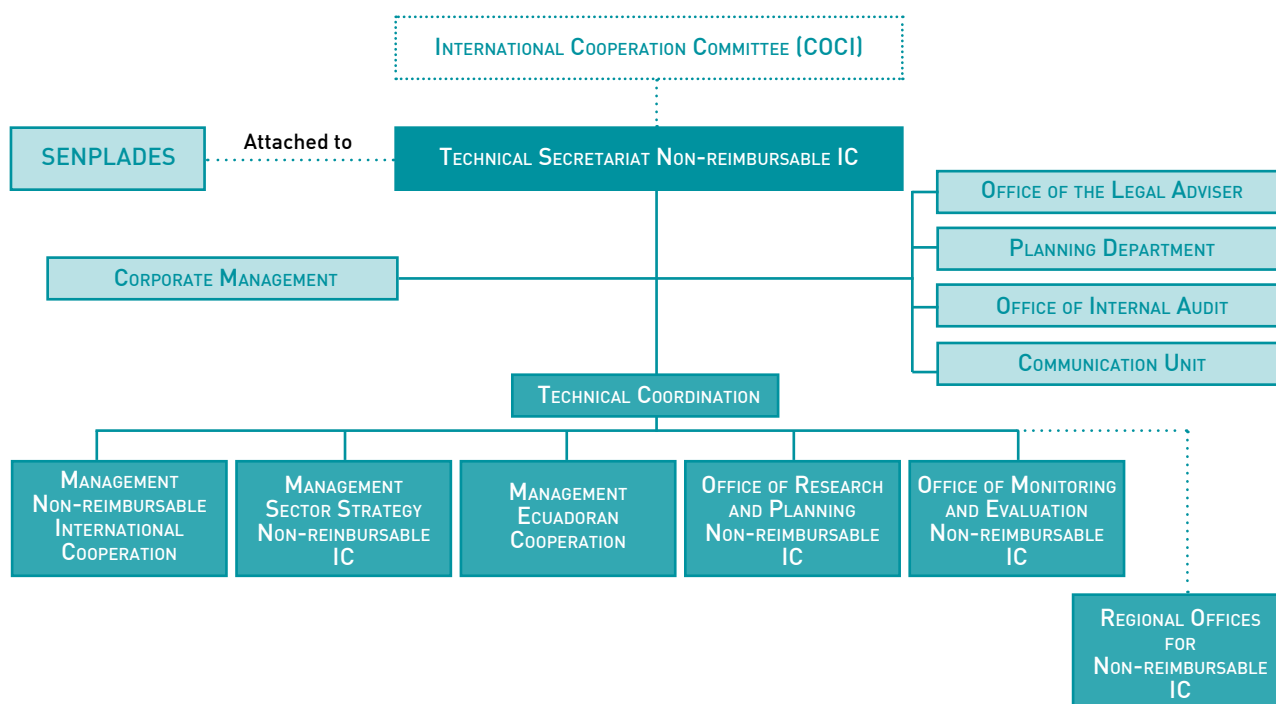
Without a doubt, a matrix organization entails a number of complexities best addressed through a clear distribution of responsibilities and power and well-defined processes. Sector specialization adds content and quality to cooperation, thus giving greater value relative to the simple management of projects and programs. However, there is no certainty it will work, and it may cause problems that hamper administration of the institution. In fact, some providers, such as Portugal, opted for an eminently geographic structure, supported only by planning and management units.

3. Mexico has a somewhat similar situation. Not having yet decided to take the path towards an agency structure, the Technical and Scientific Cooperation bureau currently operates through divisions combining geographic and functional aspects: received, given and regional cooperation, with one sector specifically for disaster prevention and assistance. Interestingly, Mexico is one of the few countries with a dedicated unit for regional cooperation, not necessarily analogous to the classic multilateral cooperation departments. Argentina is another country currently in the process of redefining its structure. Meanwhile, it has a simple actor-based organizational chart: Bilateral, multilateral, and a projects division.
4. Yet other institutions favor functional structures with processes and process-based organizations. Acción Social in Colombia, with responsibilities over and above international cooperation, adopted a mixed structure combining numerous process units with functional units, assigning two of them to deal with international cooperation.

The SEGEPLAN International Cooperation Under-secretariat in Guatemala is organized by functions: administration, monitoring and evaluation of cooperation, together with a territorial cooperation division. Peru has four divisions: Policies and Programs, Administration and Negotiation, Operations and Training, and Oversight and Supervision, and three offices: Administration, Legal Counsel, and Planning, consistent with a functional and process-based structure.

5. Lastly, there is the case of Ecuador: as AGECI evolves into SETECI, the structure and organizational chart is changing substantially. The institution developed a process-based organizational structure shown in Diagram VII.1.

**Diagram VII.1. Organizational Structure of Ecuador's Technical Secretariat for International Cooperation (SETECI)**



**Source:** Technical Secretariat for International Cooperation (SETECI) of Ecuador.

As shown in the diagram, SETECI proposes to implement a process-based management system specifying the guiding principles, support and advisory processes shared with other institutions, and enabling processes. These units will come together and interact with regional offices. This is perhaps the most advanced and complex organizational chart among the institutions reviewed, presenting a major challenge for an effective and efficient implementation with a limited workforce.

## Human capital

Table VII.1 summarizes the staffing at institutions as reported by the Cooperation Officers. In the case of larger institutions (Acción Social in Colombia, SEGEPLAN in Guatemala, ...), data only reflect staff assigned to international cooperation. The categories in the table are for reference only as institutions do not necessarily use comparable profiles.

**Table VII.1. Cooperation institution staffing, by country**

Country	Management	Professionals	Experts	Administration	Total
Andorra	1	---	2	1	4
Argentina	7	---	33	5	45
Bolivia	12	---	66	---	88
Brazil	15	---	38	89	142
Chile	7	---	61	24	92
Colombia (1)	3	4	36	5	48
Costa Rica (2)	2	---	9	3	14
Dominican R. (3)	8	---	22	17	47
Ecuador	1	---	56	7	64
El Salvador	18	---	209	307	610
Guatemala	60	241	432	---	733
Mexico	5	---	11	5	21
Nicaragua	6	---	7	23	36
Peru	5	---	28	10	43
Portugal	10	49	32	9	100
Spain HQ (4)	26	---	136	21	183
Spain overseas (5)	17	---	51	81	149
Uruguay	2	---	22	2	26

(1) Only includes Acción Social staff assigned to the International Cooperation Bureau. Foreign Ministry not included. (2) Refers only to International Cooperation Bureau staff. MIDEPLAN not included. (3) Includes staff at the Multilateral Cooperation Directorate General recently incorporated to the Vice-Ministry for International Cooperation. (4) The total includes 76 contract workers. (5) The professional category includes senior management associates, architects, and program and project managers. The experts category includes local staff.

**Source:** SEGIB, based on reporting from cooperation agencies and/or bureaus.

The questionnaires sent to Cooperation Officers did not include specific staffing questions other than headcount. Also, it is difficult to draw general conclusions from so many different scenarios. Nonetheless, some general considerations were identified:

- Some countries experience a high turnover at the senior level. Politically appointed heads of institutions are usually replaced when a new administration takes office. Governments may also decide on replacements in midterm resulting in the loss of stability and momentum for processes and change. Senior management stability and experience gained from years on the job contribute positively to the work within the institutions, as well as in the countries' presence and influence at international venues and processes.

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- The second tier management is crucial, especially to offset the effect of high turnover at the highest level. Some institutions have extremely professional and experienced personnel at this level who built a career through years of service and continuous learning.
  - Most institutions have a group of professionals and experts with five to ten years experience who are vital to ensure continuity. At the same time, they recruit well trained young professionals hoping to make a career in the field of cooperation. In the medium and long term, these recruits will be essential; it is therefore worth investing in their training and offering them job stability, a practice not pursued with the same vigor in all countries.
  - A common practice in some countries is to appoint members of a specific civil service corps to certain executive and professional positions. In fact, many positions in cooperation institutions are held by members of the Foreign Service. Undoubtedly, many foreign service professionals have the vocation and training to work in international development cooperation. However, these institutions may be undermined if only these civil servants may be appointed.

Training is important to ensure that skilled professionals are available to work in a complex, ever changing field like cooperation. The Ibero-American Program to Strengthen South-South Cooperation sent a questionnaire and organized a workshop to identify training needs for staff at these institutions. As a result, the following training needs were identified and the Program is developing specific modules:

- Project administration, including evaluation. Central and basic training for cooperation workers requiring a depth of knowledge and frequent refresher courses.
- Technical capacities, especially with respect to indicators, impact measurement, and information systems.
- Negotiation skills.
- Skills to transfer knowledge, practices, and experiences.

The last item is particularly relevant for training in technical cooperation. Cooperation professionals will be helping their peers – experts with extensive technical knowledge in a given sector – explaining and helping adapt their know-how and experience. They must also help recipients understand, adjust and effectively apply this knowledge.

## **Coordination with other cooperation agencies and players**

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“System” is a concept frequently mentioned in the context of cooperation institutions in Ibero-American countries. Several countries, to a greater or lesser degree, have developed stable frameworks to coordinate and work with other ministries and administrations, as well as with civil society.



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Coordination occurs at three levels:

- Government ministries.
- Regional and local government (decentralized cooperation).
- Academia and private organizations (NGOs, unions, associations, enterprise ...)

Recipient countries develop a closer coordination, usually around a National Development Plan formulated in accordance with the Effectiveness Agenda to serve as strategic framework for foreign cooperation.

Such is the case of Nicaragua, where the National Human Development Plan is coordinated at the Cabinet level; or Ecuador, whose *Plan Nacional para el Buen Vivir*\* is a policy specifically designed for nonreimbursable cooperation. The SETECI (formerly AGECI) formulates plans and policies, works with the coordinating ministries who in turn work with line ministries. Autonomic governments manage the cooperation they receive but always in coordination with the common strategy. Meanwhile, the country is designing a process-based cooperation system seeking input from all stakeholders. The system will strengthen the cooperation units in all relevant ministries.

Ecuador, Chile, Spain and Peru have a policy-making board or council governing the Cooperation Agency. This governing body – comprised of representatives from several ministries, usually those involved in cooperation – facilitates interagency coordination in support of the Agency's work, as well as the cooperation sponsored by the participating ministries.

Peru also implemented a Decentralized National System for Nonreimbursable International Cooperation tasked with developing national priorities aligned with national strategies. The system integrates organic units and public and private offices responsible for international cooperation, including the legislative and judicial branches, and Peruvian and foreign NGOs operating in the country. The System is organized and run by the Peruvian Cooperation Agency (APCI). In addition, there is a Donors Forum and a Multi-sector Coordination Committee responsible for formulating the political and programmatic framework for cooperation among the different Ministries.

The Peruvian System is not limited to coordination: it also provides training to help regional governments develop plans and take other capacity-building actions supported by international cooperation.

Guatemala also integrates foreign cooperation received with the national plan (Plan Esperanza). SEGEPLAN works closely with the Foreign Ministry and the Ministry for Public Finance. Coordination with the decentralized administration is managed through a system of Development Boards.

In Colombia, foreign cooperation is aligned with the National Plan "*Estado Comunitario, Desarrollo para Todos*." Colombia, like other countries, has a National Cooperation System to coordinate assistance both received and given. A powerful Cooperation Map, used by other countries as a model, provides the data and depth for coordination. Acción Social works in close rapport with the Foreign Ministry, and also meets with other stakeholders, to ensure all are aligned with the Cooperation Strategy.

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\* Translator's note: Buen Vivir is understood by the indigenous peoples of the Andean region as a solid principle meaning life in harmony and equilibrium between human beings and the natural environment of which they are part.

Costa Rica, like Colombia, has two institutions deeply involved in international cooperation. The structure calls for a significant effort and opportunities for coordination between the two. MIDEPLAN is responsible for coordinating foreign cooperation with the National Plan. Coordination with other ministries is accomplished through a liaison system.

El Salvador, currently reengineering its institutional structure, will launch an Integrated Development Cooperation System centered on information about programs and projects received by the country's institutions. The system is complemented by coordination meetings with stakeholders.

The Dominican Republic approved a National Development Strategy providing the framework for Cooperation. The country endorses a National Cooperation System complemented by sector meetings between public and private institutions managing cooperation in a given sector.

It is interesting to note that traditional cooperation (ODA) is better coordinated than SSC received, and articulation is still in its infancy in the case of cooperation supplied. The exceptions are countries such as Spain, with a long tradition and many years spent strengthening coordination systems (Box VII.2); and Portugal, where an Interministerial Cooperation Committee and a Coordination Forum coordinate with other stakeholders. Portugal also instituted a decentralized management system pivoting around IPAD, with ministries, NGOs, academia and other institutions.

### **Box VII.2. The Spanish Cooperation coordination system**

Spanish Cooperation employs the following coordination mechanisms:

- A complete project data system receiving inputs from all institutions, although the depth of data is still insufficient.
- A common planning process at the Ministry of Foreign Affairs and Cooperation. Despite improvements to the system, it is not yet fully integrated with other Ministries, notwithstanding the efforts of an Inter-Ministerial Commission for International Cooperation.
- Spain instituted an Inter-territorial Commission to assure coordination with Decentralized Cooperation agents, and a Cooperation Board to bring together NGOs, enterprise and academia. This arrangement is conducive to dialogue and information, although players retain autonomy over operational decisions. There is interaction in the case of Agency-funded programs involving NGOs or decentralized administrations

**Source:** Spanish Agency for International Development Cooperation (AECID).

Mexico is also moving towards strengthening coordination. It has developed one of the most powerful and complete information systems in the region, expected to collect data from all the ministries and public offices receiving or providing cooperation. Cooperation received is aligned with the National Development Plan; cooperation given has a preliminary planning framework that needs fleshing out.

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Interagency coordination in Brazil is essentially bilateral, between the ABC and certain line ministries. There is sufficient information about cooperation received by other institutions but little about South-South cooperation supplied, whether by ministries, state governments, municipalities, or others. The exception occurs when the technical mission or the project are jointly executed by the ABC and the other institution. The Chilean situation is similar: the AGCI strengthened its internal information system but has little access to cooperation involving other ministries and public institutions.

Argentina is midway in the change process, shifting from case-by-case coordination with other ministries for specific projects, to the development of a networked federal cooperation program that will help strengthen other institutions. They are working on a skills catalogue and an international cooperation map to complete the information and strengthen coordination.

In Venezuela, cooperation is driven by line ministries, in particular those with more weight on the supply side of projects and programs. The Foreign Ministry collects data, especially when regional integration and consultative mechanisms are involved.

As a last point, countries agree there is little coordination in relation to reimbursable cooperation, whether received from financial institutions or contributed, in growing amounts, to the IDA, IDB, and sub-regional financial institutions. In any event, some information is collected on the nonreimbursable loan components and general plans.

In summary, the following may be inferred from country inputs:

- Interagency coordination is increasing, although still limited.
- Data is the primary channel to promote coordination. Cooperation institutions have or are creating maps and information systems to reflect cooperation received or given.
- Countries show great disparity as to the next major steps. Sector plans and meetings, supply catalogues, and policy and general plan consultations are the most frequently used channels.
- Still, there is little coordination. Line ministries are actively involved in cooperation, although without necessarily notifying the responsible institutions (Agency, Foreign Ministry, Planning Ministry).
- ODA-recipient countries have managed to make significant strides, especially when they have a National Plan to serve as a vector for integration. Frequently, capacity-building efforts targeting the cooperation units at ministries and decentralized governments serve as another indirect way to promote coordination.
- The practice of consultation with civil society, academia and other stakeholders is underused. Other than participation in shared public information systems, interaction is limited to occasional town hall meetings that are neither regular nor supported by a legal framework.

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## Future trends and challenges

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There has been no major shift in the trend of international development cooperation in Ibero-America in recent years. As indicated in the previous chapter, ODA to countries in the region remains steady at approximately US\$5 billion, and is not expected to grow. It may decrease in step with expected global ODA reductions owing to donor fiscal contraction. South-South and regional cooperation in the framework of consultative mechanisms and integration processes will continue to grow, taking up more energy and a larger place in national and regional dynamics.

In a context of perpetual evolution, cooperation institutions will have to continue adapting to the new world, frequently changing course and structures, and combining functions.

The next section details the principal trends and challenges countries will need to tackle in respect to their structures, institutions, legislative frameworks and planning.

### 1. Institutions and location

- As cooperation given gains importance, it perhaps no longer makes sense to attach cooperation institutions to Planning Ministries or Secretariats. Cooperation activities, whether on the provider or recipient side, involve close interrelations with foreign agencies. Accordingly, it would be logical **to attach these institutions to the Foreign Ministry**, although granting them some autonomy and the authority to interact with other ministries. They could still coordinate with the Planning Ministry or similar entities to integrate foreign cooperation with national and sector plans.
- Alternatively, the institution could report directly to the Office of the President.
- If not feasible, another option is to have **two distinct institutions** to resolve the double function aspect: one responsible for foreign ODA and South-South cooperation received, the other supplying cooperation and participating in regional and sub-regional programs.
- Attaching them to the Foreign Ministry would not necessarily entail subordination to the current foreign policy agenda. This is a recurring debate among donors such as Spain, inviting constant tension. Some thought has been given to creating Cooperation Ministries, although such a solution sounds somewhat extreme in the case of the principal Latin American providers.
- At the end of this chapter, **a Cooperation Agency is offered as a potential best solution.**

### 2. Legal and planning frameworks

- It would be desirable for all countries to enact **legislation to protect and direct international cooperation**, transcending the simple delegation of duties to the responsible institution. Although cooperation is protected by encompassing legislative frameworks such as the Constitution, there remains a need for laws specifying the principles, objectives, planning and coordination frameworks, organs and functions. Such laws will not only protect and direct, but also ensure the stability of cooperation over time.
- Such a Cooperation Law could be further complemented with regulations, policies, decrees and plans, mindful of not being excessive but necessary and practical for effective management. **Multiyear master plans** are a valuable tool for introducing strategy and stability.
- Cooperation received (ODA and SSC) must necessarily be linked to the country's National Development Plan. Cooperation given should preferably follow a plan combining political orientation with the supply inventory, priorities, and processes.

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- Changes are needed to improve the still limited scope and coverage of legal support afforded South-South cooperation in many countries.

### 3. Structure

There is no perfect structure, applicable to all cases. The particular circumstances and institutional framework of each country merits a case-by-case analysis. Nonetheless, some relevant trends may be postulated from a review of cases.

- A recipient institution may be best served by a **combined geographic/players (bi- or multi-lateral) structure** complemented by some functional planning and evaluation units, with line ministries providing the sector knowledge.
- A **process-based organization**, such as that implemented in Ecuador, is appealing although complex unless external and internal interactions are clearly defined for each phase of a program or project.
- In provider countries, on the other hand, **separate units for geographic areas and players** may work best, especially considering that triangulation with traditional donors is often the preferred mode of financing. However, the cooperation institution must **accrue sector experience**. This suggests adopting a matrix, a complex option requiring careful thought for a clear and authoritative distribution of power within the structure.
- **Regional Cooperation should be afforded greater visibility in institutional organization charts.** It presupposes working as a team with others in cross-cutting programs, calling for specific skills and greater relevance in the institutions.

### 4. Human capital

The principal challenges and trends discussed earlier in the chapter may be summarized as follows:

- It is important to provide institutions with stability at the higher levels, and staff specifically trained in international development cooperation with years of service to gain expertise in this line of work.
- Young professionals who bring new blood, sound training and energy to the institutions must be assured of job stability and continuing education.
- In addition to traditional education in project management and negotiation skills, staff should be trained in the transfer and absorption of know-how and experiences, key skills for technical cooperation.

### 5. Coordination with other cooperation agencies and players

- Despite advances reported by several countries, others still face the challenge of implementing **powerful information systems**. Many systems are incomplete, do not reflect all cooperation received, let alone cooperation provided, nor do they provide sufficient information on projects and programs. Earlier chapters in this Report discuss the inability of these systems to assess the economic value of cooperation provided.
- **Inter-ministerial coordination for foreign ODA inflows is strong**, but not for SSC given. Cooperation institutions know and have command over what they manage or are involved in. One way to advance inter-agency coordination would be to build synergies, and therefore efficiency, while respecting jurisdictions. Several systems support this avenue but all require political will and the appropriate framework.

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- Equal importance should be given to **encouraging social engagement and coordination with other players** in cooperation plans and activities. From joint policy and program discussions to coordinated sector and geographic area interventions, there is an array of opportunities for participation – insufficiently explored, with little legal coverage, therefore lacking stability and relevance. Creation of Cooperation Boards with clear competencies and sound frameworks would be a positive step forward.

## 6. Cooperation modalities

Too frequently, South-South cooperation is only associated with technical cooperation. This Report usually referred to it as non-reimbursable financial assistance. Moreover, a few countries in the region are actively involved in economic and financial cooperation and debt management, contributing funds to international, regional or sub-regional financial organizations or large infrastructure programs. There ought to be a closer connection between these two cooperation activities, currently split between Foreign Ministry for technical cooperation, and Ministry of Finance or of Economy for financial assistance. Such a rapport could, inter alia, make better use of contributions by at least articulating technical cooperation with nonreimbursable financial cooperation contributed by more and more countries in the region to International Financial Institutions.

## 7. International Cooperation Agencies

In closing, some remarks about a potentially sound institutional architecture valid for some countries. We advocate the Agency model, although the name is unimportant – it could just as well be called Institution or Secretariat. What matters are the principles and directions most frequently associated with an Agency.

- A decentralized or non-concentrated entity, with some autonomy, attached to the Ministry of Foreign Affairs. Spain took the initiative of adding the term “and Cooperation” to the Ministry name, signaling the importance attached to international cooperation for a country’s foreign action. Alternatively, the entity could report directly to the Office of the President.
- It should have a policy-making board or council with representatives from other ministries to enhance inter-agency coordination and ownership by other public entities. In reciprocity for inviting ministries to sit on the Agency’s governing body, the ministries’ cooperation activities should be a joint effort tackled through integrated master plans and joint commissions under the Agency’s leadership.
- Governed by public administrative regulations with all applicable controls, the entity should nonetheless retain some flexibility to deal with a sensitive issue: international cooperation in complex and delicate situations.
- Properly staffed to ensure good management and bring value added to cooperation resources. Staffing should be proportionate to the volume of resources managed and the complexity of execution. Senior management and a professional corps trained in the subject matter will provide stability.
- The structure should be such as to provide value added to projects and programs, accruing experience, geographic and sector knowledge, plus skills to manage key processes, including the transfer and uptake of know-how.



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ANNEX

**Matrix A.1.** Bilateral horizontal South-South cooperation actions, by activity sector. 2009

In units

**A.1.1. Social Dimension**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil								1	1			1		2		4	3	1	13	
	Colombia																2			2	
	Cuba					5			1			1							4	11	
	Ecuador	1																		1	
	El Salvador																				
	Guatemala																				
	Honduras																				
	Nicaragua																				
	Paraguay																	1		1	
	Peru																	21		21	
	Dominican R.																				
UMIC	Argentina									3	2	1			1					7	
	Chile	1			2		7		2	1							3			16	
	Costa Rica								1											1	
	Mexico						1		1	1	1	1	3		1		1			10	
	Panama																				
	Uruguay													2		1			1	4	
	Venezuela									2										2	
TOTAL		2			2	5	8			6	8	3	3	4	2	4	1	32	3	6	89

**Matrix A.1. Bilateral horizontal South-South cooperation actions, by activity sector. 2009**  
(continued)

**A.1.2. Economic dimension: Infrastructure and economic services**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil														1					1	
	Colombia						2					4			6		1			13	
	Cuba																		3	3	
	Ecuador																				
	El Salvador																				
	Guatemala																				
	Honduras																				
	Nicaragua																				
	Paraguay																				
	Peru			1		1	1													3	
	Dominican R.						1													1	
UMIC	Argentina				3	1			1	1		1			1		2		1	11	
	Chile				1	2														3	
	Costa Rica							1		1							1			3	
	Mexico	1								3		2					1	1		8	
	Panama																				
	Uruguay		4	1						2	3		2							12	
	Venezuela			1	3	4														8	
TOTAL		1	4	3	4	8	7		1	1	7	3	7	2		8		5	1	4	66



**Matrix A.1. Bilateral horizontal South-South cooperation actions, by activity sector. 2009**  
(continued)

**A.1.3. Economic dimension: Productive sectors**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC											UMIC								
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil								1											1	
	Colombia						1			2	1	2			8		2			16	
	Cuba								1			3							6	10	
	Ecuador																		1	1	
	El Salvador																				
	Guatemala																				
	Honduras																				
	Nicaragua																				
	Paraguay																				
	Peru							1			1									2	
	Dominican R.																				
UMIC	Argentina				2	1					2				1		3		2	11	
	Chile	1		3	4				2							1				11	
	Costa Rica																				
	Mexico									1		2			1					4	
	Panama																				
	Uruguay		3				1						1			1				6	
	Venezuela				3					1										4	
TOTAL		1	3	3	9	1	2	1		5	4	3	7	1		10	2	5		9	66

**Matrix A.1. Bilateral horizontal South-South cooperation actions, by activity sector. 2009**  
(continued)

**A.1.4. Other dimensions**

PROVIDERS		RECIPIENTS																		TOTAL	
		LMIC												UMIC							
		Bolivia	Brazil	Colombia	Cuba	Ecuador	El Salvador	Guatemala	Honduras	Nicaragua	Paraguay	Peru	Dominican R.	Argentina	Chile	Costa Rica	Mexico	Panama	Uruguay		Venezuela
LMIC	Bolivia																				
	Brazil				4				2	2								5		13	
	Colombia					2				1	2				2		1			8	
	Cuba								3			5							1	9	
	Ecuador	1							1	1	1			1	1				1	7	
	El Salvador						1													1	
	Guatemala																				
	Honduras																				
	Nicaragua																				
	Paraguay																				
	Peru			1																1	
	Dominican R.																				
UMIC	Argentina				4		3		2	2	1	2			1		3			18	
	Chile	2		2	8	7	2		1	3						2		5		32	
	Costa Rica																				
	Mexico	1				2			1					1			4	1		10	
	Panama																				
	Uruguay																				
	Venezuela				1															1	
TOTAL		4		3	1	16	11	6		10	8	3	9		2	4	2	8	11	2	100

Countries classified by income level according to World Bank GNI per capita criteria: Lower middle income - LMIC (US\$936 - US\$3,705); Upper middle income - UMIC (US\$3,706 - US\$11,455).

Source: SEGIB, based on reporting from cooperation agencies and/or bureaus.

**Table A.1. Net Spanish ODA to Ibero-American countries. 2000-2009**

In US million. In descending order, based on 2009 data.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
COLOMBIA	13	25	32	14	10	31	69	64	85	154
NICARAGUA	20	399	22	73	208	60	37	115	125	147
EL SALVADOR	22	46	56	27	27	43	44	61	84	128
GUATEMALA	15	17	18	23	22	39	224	253	256	117
PERU	19	29	32	44	56	66	69	109	131	105
BOLIVIA	22	30	31	52	55	67	52	75	93	103
BRAZIL	6	7	6	7	10	10	17	33	37	69
HONDURAS	35	33	36	58	54	95	44	111	118	63
ECUADOR	23	19	43	25	31	48	38	71	88	53
PARAGUAY	5	8	4	12	6	7	10	13	23	41
CUBA	11	10	13	15	17	15	18	24	46	38
DOMINICAN R.	16	17	38	25	45	21	18	27	32	35
ARGENTINA	-6	-4	10	41	33	12	14	22	30	26
VENEZUELA	28	11	17	36	3	-5	10	16	15	14
URUGUAY	3	2	1	4	3	2	4	13	9	13
COSTA RICA	11	3	10	10	10	2	3	10	15	10
CHILE	-2	-3	2	2	3	4	4	7	7	10
PANAMA	13	7	6	8	7	4	6	11	7	7
MEXICO	-11	-9	-12	-27	-28	-24	-23	-17	-15	-13
<b>TOTAL</b>	<b>241</b>	<b>647</b>	<b>365</b>	<b>449</b>	<b>572</b>	<b>498</b>	<b>658</b>	<b>1,017</b>	<b>1,187</b>	<b>1,120</b>

Note: Data for 2009 reported by the Spanish Agency for International Development Cooperation (AECID) in euro converted to dollars at the European Central Bank average exchange rate for 2009 (1€ = 1,3933\$).

Source: SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline) and AECID data.

**Table A.2. Net Portuguese ODA to Ibero-American countries. 2000-2009**

In US dollars. In descending order, based on 2009 data.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
BRAZIL	620,000	860,000	1,270,000	370,000	880,000	1,140,000	1,200,000	3,800,000	1,810,000	1,220,227
EL SALVADOR	0	90,000	0	0	0	0	0	40,000	0	167,349
VENEZUELA	0	30,000	110,000	0	80,000	100,000	110,000	150,000	120,000	77,797
ARGENTINA	0	130,000	510,000	0	80,000	30,000	70,000	140,000	120,000	70,386
NICARAGUA	0	0	0	0	0	0	0	0	0	52,695
CHILE	0	50,000	70,000	60,000	50,000	50,000	90,000	130,000	100,000	51,816
URUGUAY	0	10,000	80,000	0	10,000	10,000	20,000	90,000	110,000	44,364
PERU	0	50,000	60,000	0	0	10,000	0	60,000	0	43,637
MEXICO	0	60,000	110,000	0	80,000	120,000	110,000	120,000	100,000	22,564
CUBA	0	10,000	150,000	0	90,000	0	10,000	10,000	60,000	0
GUATEMALA	0	250,000	0	0	0	0	20,000	0	60,000	0
HONDURAS	20,000	150,000	0	0	0	0	0	0	60,000	0
COLOMBIA	0	0	10,000	0	0	10,000	10,000	100,000	40,000	0
BOLIVIA	0	0	0	0	10,000	0	0	0	0	0
COSTA RICA	0	150,000	0	0	0	0	0	0	0	0
ECUADOR	0	150,000	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>640,000</b>	<b>1,990,000</b>	<b>2,370,000</b>	<b>430,000</b>	<b>1,280,000</b>	<b>1,470,000</b>	<b>1,640,000</b>	<b>4,640,000</b>	<b>2,580,000</b>	<b>1,756,221</b>

Note: Data for 2009 provided by IPAD – Portuguese Institute for Development Support, in euro converted to dollars at the European Central Bank average exchange rate for 2009 (1€ = 1,3933\$).

Source: SEGIB, based on [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline) and IPAD data.

**Table A.3. Development cooperation and sectors of activity**

Dimension of cooperation	DAC Group	Sector	Description
Social	Infrastructure and social services	Education	<u>Basic to university</u> . Interventions in the areas of educational policy, research, teacher training, professional training, etc.
		Health	<u>General and basic</u> . Health policy, medical services, medical research, basic nutrition, health infrastructure, health education, training for health care providers, basic health care, etc.
		Population and reproductive health	Programs and policies on population, reproductive health care, family planning, STI prevention, specialized training, etc.
		Water supply and sanitation	Water resources policy, supply and purification, development of drainage basins, training, etc.
		Other	Social services, housing policy, etc.
Economic	Infrastructure and economic services	Energy	<u>Generation and delivery</u> . Energy policy, energy production, gas distribution, thermal power plants, hydroelectric plants, solar energy, energy research, etc.
		Transport and warehousing	Transport policy, road, railroad, river and air transport, warehousing, etc.
		Communications	Communication, telecommunications, radio, television, and press policy, information and communication technologies, etc.
		Science and technology	<u>Scientific and technological development</u> . Support for the transfer of knowledge to strengthen the scientific system, universal access to technology, etc.
		Banking and finance	Financial policy, monetary institutions, financial services education, etc.
		Employment	Employment policy, etc.
		Business	Services and institutions to support enterprises. SME development, privatization, capacity-building processes, etc.
	Productive sectors	Extractive	<u>Prospection and extraction of mineral and energy resources</u> . Planning and legislation for mining, geology, coal, oil, gas, minerals, etc.
		Agriculture	Agrarian policy, arable land, agrarian reform, food sovereignty, animal husbandry, alternative crops, agricultural cooperatives, etc.
		Forestry	Forestry policy, forestry development, forestry research, etc.
		Fishery	Fishery policies, services, research, etc.
		Construction	Construction policy
		Industry	Industrial policy, industry by sectors, etc.
		Tourism	Tourism policy, etc.
		Trade	<u>Foreign trade policy and regulation</u> . Regional trade agreements, multilateral trade negotiations, etc.
Other	Multisector	Government and civil society	Economic development planning, public sector management, institutional and/or civil society capacity-building, State modernization, governance, human rights (extension of first, second and third generation rights), combat impunity, demobilization, removal of anti-personnel landmines, post-conflict peace-building (UN), statistical training, etc.
		Culture	Culture and leisure, libraries, museums, etc.
		Environment	Environmental protection, environmental policies, biodiversity, animal health, environmental research, etc.
		Gender	Programs and projects to link women and development, foster and support women's groups and organizations, etc.
		Other	Rural and urban development, alternative non-farming development, community development, etc.
	Humanitarian and Emergency Aid	Humanitarian aid	Emergency food aid, all types of disaster aid, aid to rebuild infrastructures or restore essential services to facilitate a return to normalcy.
		Disaster prevention	Logistical support to prevent earthquake- or climate-related disasters (hurricanes, cyclones, tropical storms, etc.).

Source: SEGIB, based on the OECD/DAC classification (November 2004)







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