

South-South cooperation in Latin America and the Caribbean



This document was prepared at the request of the Government of Chile, in its capacity as chair pro tempore of the Community of Latin American and Caribbean States (CELAC), for the participants in the seminar “Cooperation for development: challenges post-2015”.

This document is translated from a Spanish original which has not undergone formal editing.

Contents

| | |
|---|----|
| Introduction..... | 5 |
| 1. Official development assistance in Latin America and the Caribbean has stalled | 7 |
| 2. The focus of ODA to countries of the region has shifted from infrastructure to the social sectors | 8 |
| 3. The trend in ODA across countries has been far from uniform, with a major increase for Haiti and reductions for Nicaragua and the Plurinational State of Bolivia..... | 9 |
| 4. ODA and middle-income countries: a challenge for the region..... | 10 |
| 5. The United States is the principal ODA donor to the region..... | 11 |
| 6. Much of ODA in Latin America and the Caribbean goes to Haiti | 12 |
| 7. Cuba is the leading provider of South-South cooperation, accounting for 800 actions in the period 2006-2009..... | 13 |
| 8. South-South intraregional cooperation has been averaging more than 600 actions per year | 14 |
| 9. The Bolivarian Republic of Venezuela and Paraguay are the main recipients of South-South cooperation within the region, as measured by the number of actions..... | 15 |
| 10. The need for policy dialogue at different levels | 16 |

Introduction

The efforts Latin American and Caribbean countries are making to cooperate in the development of other countries at an equal or lower level of development have taken on unexpected dimensions. In recent years it has been regarded as normal for Argentina, Brazil and Mexico to engage in cooperation programmes or activities in other countries of the region, but now countries such as Honduras and the Plurinational State of Bolivia are doing so, too. The inescapable conclusion is that cooperation in the region has acquired unprecedented momentum.

According to data from the Iberoamerican Secretariat (SEGIB), over 3,000 South-South cooperation activities were carried out between countries of Latin America and the Caribbean between 2006 and 2009. This figure does not include the projects implemented. Although there is only partial information available to date on South-South cooperation, it is known to be prolific and is likely to rise considerably in the future. While there is no accounting of the funds involved or of the impact of these activities, it is clear that this South-South cooperation is in full swing today.

South-South cooperation in Latin America, perhaps the most active region of the world in this field, is seen by the countries involved as a way not only to support development but also to learn from best practices. The modalities and the sectors of implementation may differ, but all countries are joining the movement to promote cooperation.

At a time of uncertainty about the behaviour of the traditional donors of official development assistance (ODA), there is an obvious need to make some effort to improve and expand the current cooperation. The incorporation of new modalities, such as triangular cooperation (which no longer necessarily involves one developed country and two developing countries, but often three countries within the region), reflects the interest in strengthening the cooperation that already exists.

What we are witnessing is a shared effort on the part of all countries of the region to build the kind of development cooperation that will take account of the horizontal dimension that must be present in any initiative in this area.

The need to pursue this path has led the region's decision-makers to seek forums for dialogue as a way not only to understand what each party has to offer but also to appreciate each party's experiences with execution and implementation.

Latin America faces the great challenge of mapping out its own path to South-South cooperation, and making it as effective and transparent as possible. It is with this in mind that the Economic Commission for Latin America and the Caribbean (ECLAC) now places this document at the disposal of the CELAC countries.

1. Official development assistance in Latin America and the Caribbean has stalled

Figure 1
Shares of ODA disbursements by region, 1964-2009
(Moving five-year averages, percentages)

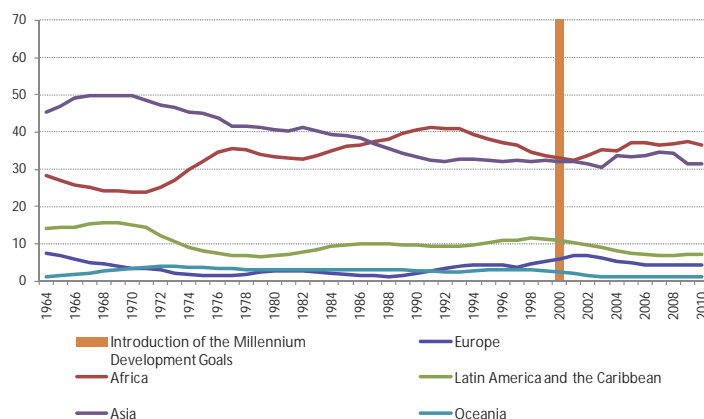
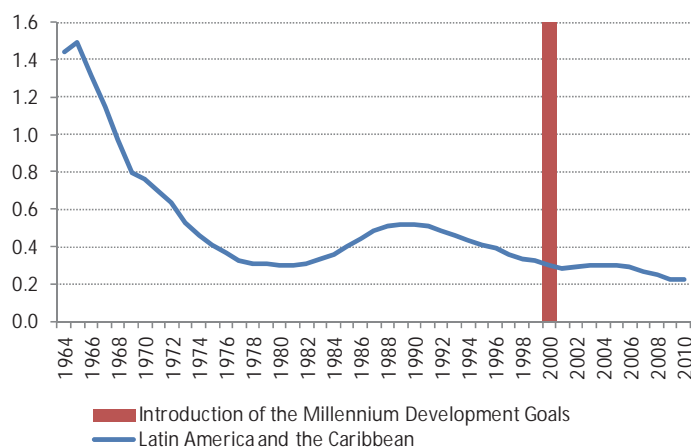


Figure 2
Net ODA disbursements to Latin America and the Caribbean
as a percentage of GNI, 1964-2010
(Moving five-year averages, percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Organisation for Economic Cooperation and Development (OECD).

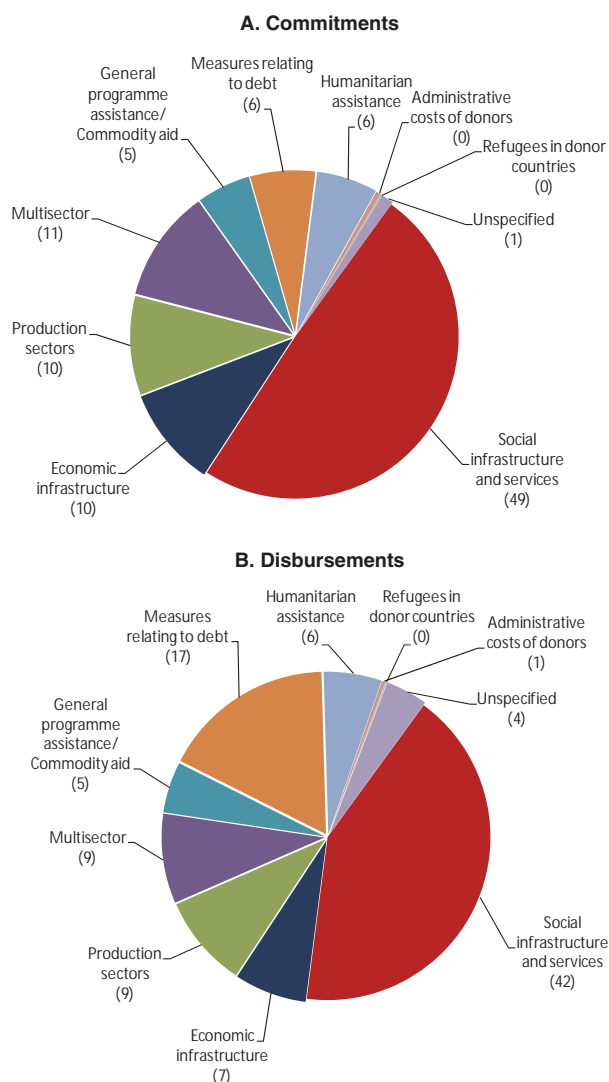
- Official development assistance (ODA) flows to Latin America and the Caribbean have declined significantly. During the decade of the 1960s, the region received on average about 14% of total ODA flows to developing countries, while the current figure is around 8% (see figure 1). Of the US\$ 131 billion disbursed to developing countries in 2010, the region received approximately US\$ 10 billion, and of this nearly one third went to Haiti.
- As a proportion of regional gross national income (GNI), ODA flows to Latin America and the Caribbean dropped from more than 1% in the 1960s to 0.4% in the 1990s and to 0.22% currently (see figure 2).
- This pattern of ODA allocation, based on per capita income levels, is closely linked to the Millennium Development Goal (MDG) indicators. Since the year 2000 there has been a marked shift in the worldwide allocation of ODA in favour of low-income and least-developed countries. That shift has come at the expense of countries classified as middle-income, which are receiving a steadily shrinking portion of assistance.
- Between 2003 and 2010, the countries of Latin America and the Caribbean together received an annual volume of net ODA disbursements averaging US\$ 7 billion, or 0.22% of regional GNI. These aggregate figures conceal disparities from one country to another in terms of GNI and in terms of per capita assistance received.

2. The focus of ODA to countries of the region has shifted from infrastructure to the social sectors

Figure 3

Latin America and the Caribbean (30 countries): average ODA commitments and disbursements by sector, 2003-2010

(All donors, on the basis of constant 2009 dollars, percentages)



- As to the sectoral concentration of ODA, there has been a steady tendency (beginning in the 1990s) to redirect ODA allocations away from economic infrastructure and general development objectives (which include, for example, structural adjustment programmes) towards social services and social infrastructure. By the mid-1990s, these sectors were already receiving around 35% of new ODA commitments to countries of the region; between 2003 and 2010 this figure averaged 49% of commitments, and 42% of gross disbursements (see figure 3).
- Thus, for the region as a whole, the greatest volume of ODA has been earmarked for social infrastructure and services, dominated by government services, civil society and "other" subsectors (including employment and housing policies and narcotics control, among other matters). There has been a slight decline in the proportion of funding allocated to the basic social services covered by the MDG indicators (primary education, basic health care, nutrition, water and sanitation). In the mid-1990s these subsectors accounted for 38% of total allocations to the social sectors, while between 2003 and 2010 they received around 30%.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Organisation for Economic Cooperation and Development (OECD).

3. The trend in ODA across countries has been far from uniform, with a major increase for Haiti and reductions for Nicaragua and the Plurinational State of Bolivia

Table 1

Latin America and the Caribbean (30 countries): ODA receipts by country and subregion, three-year averages 2004-2006 and 2008-2010

(All donors, on the basis of constant 2009 dollars, millions of dollars and percentages of total)

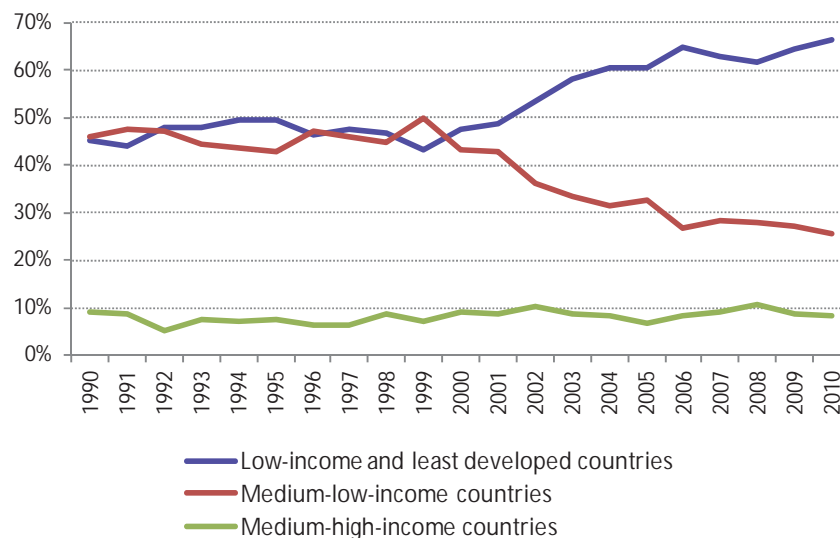
| | 2004-2006 | Percentage of total | 2008-2010 | Percentage of total | Annual variation 2004-2010 |
|--|--------------|---------------------|--------------|---------------------|----------------------------|
| Latin America and the Caribbean | 7 875 | 100.0 | 8 582 | 100.0 | 8.2 |
| Mexico | 242 | 3.1 | 318 | 3.7 | 15.7 |
| Central America | 2 903 | 36.9 | 1 819 | 21.2 | -4.4 |
| Costa Rica | 56 | 0.7 | 83 | 1.0 | 10.3 |
| El Salvador | 225 | 2.9 | 323 | 3.8 | 7.3 |
| Guatemala | 359 | 4.6 | 457 | 5.3 | 8.5 |
| Honduras | 1 038 | 13.2 | 391 | 4.6 | -1.4 |
| Nicaragua | 1 176 | 14.9 | 517 | 6.0 | -16.9 |
| Panama | 49 | 0.6 | 48 | 0.6 | 1.4 |
| South America | 3 856 | 49.0 | 3 619 | 42.2 | 2.1 |
| Argentina | 95 | 1.2 | 131 | 1.5 | 1.9 |
| Bolivia (Plurinational State of) | 1 320 | 16.8 | 606 | 7.1 | -7.3 |
| Brazil | 325 | 4.1 | 511 | 5.9 | 14.5 |
| Chile | 113 | 1.4 | 110 | 1.3 | 5.5 |
| Colombia | 790 | 10.0 | 964 | 11.2 | 4.7 |
| Ecuador | 283 | 3.6 | 286 | 3.3 | -0.5 |
| Guyana | 203 | 2.6 | 116 | 1.3 | -0.2 |
| Paraguay | 69 | 0.9 | 147 | 1.7 | 15.0 |
| Peru | 508 | 6.4 | 514 | 6.0 | 1.1 |
| Suriname | 51 | 0.7 | 121 | 1.4 | 13.9 |
| Uruguay | 39 | 0.5 | 53 | 0.6 | 4.8 |
| Venezuela (Bolivarian Republic of) | 59 | 0.7 | 60 | 0.7 | 1.7 |
| The Caribbean | 874 | 11.1 | 2 825 | 32.9 | 34.1 |
| Antigua and Barbuda | 5 | 0.1 | 11 | 0.1 | 42.2 |
| Barbados | 7 | 0.1 | 13 | 0.1 | 20.8 |
| Belize | 13 | 0.2 | 23 | 0.3 | 16.1 |
| Cuba | 84 | 1.1 | 118 | 1.4 | 6.5 |
| Dominica | 16 | 0.2 | 28 | 0.3 | 6.2 |
| Dominican Republic | 138 | 1.8 | 218 | 2.5 | 11.7 |
| Grenada | 19 | 0.2 | 18 | 0.2 | 6.5 |
| Haiti | 394 | 5.0 | 2 124 | 24.7 | 53.3 |
| Jamaica | 135 | 1.7 | 161 | 1.9 | 2.1 |
| Saint Kitts and Nevis | 3 | 0.0 | 21 | 0.2 | 48.5 |
| Saint Lucia | 7 | 0.1 | 26 | 0.3 | 32.9 |
| Saint Vincent and the Grenadines | 8 | 0.1 | 21 | 0.2 | 4.4 |
| Trinidad and Tobago | 10 | 0.1 | 7 | 0.1 | -11.2 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Organisation for Economic Cooperation and Development (OECD).

4. ODA and middle-income countries: a challenge for the region

Figure 4

Country shares in total ODA flows, by income category, 1990-2010
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Organisation for Economic Cooperation and Development (OECD).

- A look at ODA flows during the period 1990-2010, using the country income classification, shows that ODA has become increasingly concentrated in the low-income category. In 1990, around half of ODA flows went to the low-income and least-developed countries. Two decades later, in 2010, this group was receiving more than 65% of ODA flows.
- The consequence of channelling more of these flows to low-income countries is that the share of ODA received by middle-income countries has been declining steadily. In 1990, middle-income countries received, on average, a greater portion of ODA than did low-income countries (55% versus 45%). By 2010, the share of middle-income countries had dropped significantly, and they were receiving only half the volume of ODA flowing to the low-income and least-developed countries (see figure 4).
- While the MDG are of great importance for the development of the middle-income countries of Latin America and the Caribbean, the development challenges do not end there. In fact, as has been shown by a number of case studies on cooperation with middle-income countries, the Governments of the region, while still committed to achieving the MDG, are looking at these challenges in a broader context that embraces the entire development process. It is this broader set of issues, in the particular case of Latin America and the Caribbean, that deserves international cooperation support in its various forms and modalities.

5. The United States is the principal ODA donor to the region

Table 2

Principal donors of ODA to Latin America and the Caribbean, 2004-2010

(Millions of dollars)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------|-------|-------|-------|-------|-------|-------|-------|
| United States | 1 810 | 1 596 | 1 955 | 1 398 | 1 871 | 2 031 | 2 722 |
| European Union | 663 | 754 | 826 | 1063 | 1 102 | 1 125 | 1 289 |
| Spain | 631 | 584 | 783 | 1 181 | 1 975 | 1 501 | 1 370 |
| Germany | 662 | 433 | 446 | 474 | 818 | 917 | 912 |
| Japan | 309 | 408 | 431 | 225 | 269 | 142 | -343 |
| France | 343 | 250 | 305 | 359 | 213 | 232 | 664 |
| United Kingdom | 129 | 132 | 35 | -609 | 112 | 126 | 125 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Organisation for Economic Cooperation and Development (OECD).

- The lead ODA donor to Latin America and the Caribbean in 2010 was the United States, which contributed 27% of total funding to the region. The United States contribution grew by 50% between 2004 and 2010. The second-largest donor in 2010 was Spain, which accounted for 13% of ODA flows to the region. The trend of Spanish ODA is important to note: in 2004, the country provided US\$ 631 million in ODA to Latin America and the Caribbean, peaking at US\$ 1.975 billion in 2008, ahead of the United States, which in that year contributed \$1.871 billion.
- Among other ODA donors in the region, the most important are Germany, which contributed US\$ 912 million (9%) in 2010, France, at US\$ 664 million (7%) and the United Kingdom, at US\$ 125 million (1%).
- The European Union doubled its ODA contributions to Latin America and the Caribbean between 2004 and 2010: they rose from US\$ 663 million in 2004 to US\$ 1.289 billion (13% of the total) in 2010. If ODA flows from the European Union are added to those of the main European donor countries, they amount to more than 40% (US\$ 4.360 billion) of the total aid received by Latin America and the Caribbean in 2010.
- Japan is an important case, not only in terms of its steady, significant contribution to cooperation in the region over the last decade, but also because it is a Development Assistance Committee donor that is now clearly withdrawing from the region (in 2004 Japan contributed US\$ 309 million of ODA; this declined to US\$ 142 million in 2009). Moreover, Japan was one of the first promoters of triangular cooperation in the region.

6. Much of ODA in Latin America and the Caribbean goes to Haiti

Table 3

Top 10 ODA recipients in Latin America and the Caribbean

(Millions of dollars)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Haiti | 299 | 426 | 582 | 702 | 912 | 1 120 | 3 065 |
| Colombia | 515 | 621 | 1 005 | 723 | 972 | 1 059 | 901 |
| Bolivia (Plurinational State of) | 785 | 643 | 850 | 476 | 628 | 725 | 674 |
| Brazil | 154 | 243 | 113 | 321 | 460 | 337 | 661 |
| Nicaragua | 1 240 | 763 | 740 | 840 | 741 | 773 | 621 |
| Honduras | 658 | 690 | 594 | 464 | 564 | 456 | 574 |
| Mexico | 108 | 180 | 270 | 113 | 149 | 184 | 471 |
| Guatemala | 217 | 257 | 484 | 454 | 536 | 376 | 392 |
| El Salvador | 216 | 204 | 163 | 88 | 233 | 276 | 283 |
| Dominican Republic | 85 | 81 | 54 | 123 | 156 | 119 | 175 |
| Total for top 10 recipients | 4 277 | 4 108 | 4 856 | 4 305 | 5 352 | 5 425 | 7 818 |
| Total | 6 354 | 6 486 | 10 786 | 10 441 | 7 318 | 8 225 | 10 203 |
| Share of total | 67.3 | 63.3 | 45.0 | 41.2 | 73.1 | 66.0 | 76.6 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Organisation for Economic Cooperation and Development (OECD).

- In 2004 Haiti received US\$ 299 million, a figure that rose to US\$ 3.065 billion in 2010, making Haiti the largest recipient of ODA in the region. Trailing far behind, the second-largest recipient in the region during 2010 was Colombia, at US\$ 901 million. In 2004, Colombia received US\$ 515 million in ODA.
- The third and fifth ODA recipients in the region, the Plurinational State of Bolivia and Nicaragua, have seen their flows decline since 2004, dropping in the first case from US\$ 785 million in that year to US\$ 674 million in 2010 and in the case of Nicaragua from US\$ 1.240 billion in 2004 to US\$ 621 million in 2010.
- The fourth-ranking recipient in the region is Brazil, which went from US\$ 154 million in 2004 to US\$ 661 million in 2010. Mexico experienced similar growth: it received US\$ 108 million in 2004 and US\$ 471 million in 2010, making it the seventh largest recipient of ODA in Latin America and the Caribbean.

7. Cuba is the leading provider of South-South cooperation, accounting for 800 actions in the period 2006-2009

Table 4

South-South cooperation actions in Latin America and the Caribbean by provider and sphere of activity, 2006-2009

(Number of actions)

| Countries | Social | Infrastructure and production sector | Economic | Other sectors | Total |
|------------------------------------|-------------|--------------------------------------|-------------|---------------|--------------|
| Argentina | 79 | 326 | 67 | 176 | 648 |
| Bolivia (Plurinational State of) | | | | 1 | 1 |
| Brazil | 116 | 105 | 64 | 89 | 374 |
| Chile | 72 | 51 | 18 | 106 | 247 |
| Colombia | 69 | 21 | 37 | 92 | 219 |
| Costa Rica | 2 | 2 | 4 | 4 | 12 |
| Cuba | 293 | 187 | 257 | 63 | 800 |
| Ecuador | 2 | 8 | 4 | 2 | 16 |
| El Salvador | 3 | | 2 | | 5 |
| Guatemala | | | | 1 | 1 |
| Honduras | | 1 | | 2 | 3 |
| Mexico | 97 | 86 | 58 | 159 | 400 |
| Nicaragua | 3 | 2 | | 1 | 6 |
| Panama | | | | 2 | 2 |
| Paraguay | 1 | 2 | 2 | | 5 |
| Peru | 2 | 4 | 1 | 3 | 10 |
| Uruguay | 23 | 9 | 8 | 3 | 43 |
| Venezuela (Bolivarian Republic of) | 122 | 99 | 111 | 39 | 371 |
| Total | 884 | 903 | 633 | 743 | 3 163 |
| Percentage of total | 27.9 | 28.5 | 20.0 | 23.5 | 100.0 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Ibero-American General Secretariat (SEGIB).

- Cuba has become an active partner in South-South cooperation over the last decade. It was the principal provider of South-South cooperation actions in the region between 2006 and 2009. Its actions were focused primarily on the social and economic spheres.
- Other significant sponsors of South-South cooperation actions are Argentina (648 actions), Mexico (400 actions), Brazil (374 actions) and Bolivarian Republic of Venezuela (371 actions). Chile and Colombia are also making significant efforts as providers of South-South cooperation actions with 247 and 219 actions, respectively.
- In terms of the spheres of activity in which these actions have been concentrated, the infrastructure and production sector stands out. Indeed, South-South cooperation in that sector is in great demand among recipient countries.
- Attention should be drawn to the efforts made by the Plurinational State of Bolivia, Honduras and Guatemala. While their actions are not on the same scale as those of other sponsoring countries, they are nonetheless of great value and they demonstrate that South-South cooperation can be received or provided by all countries in the region, without distinction.

8. South-South intraregional cooperation has been averaging more than 600 actions per year

Table 5

South-South cooperation actions in Latin America and the Caribbean by provider and recipient country, 2006-2010

(Cumulative total number of actions)

| Sponsor/Recipient | Argentina | Bolivia (Plurinational State of) | Brazil | Chile | Colombia | Costa Rica | Cuba | Ecuador | El Salvador | Guatemala | Honduras | Mexico | Nicaragua | Panama | Paraguay | Peru | Dominican Republic | Uruguay | Venezuela (Bolivarian Republic of) | Latin America | Percentage of total |
|------------------------------------|------------|--|------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|-------------|------------|-----------------------|------------|--|---------------|------------------------|
| Argentina | | 85 | 17 | 1 | 15 | 18 | 28 | 26 | 42 | 7 | 7 | 8 | 11 | 20 | 324 | 41 | 13 | 2 | 27 | 692 | 19.9 |
| Bolivia (Plurinational State of) | | | | | 1 | | | | | | | | | | | | | | | 1 | 0.0 |
| Brazil | 21 | 29 | | 3 | 24 | 37 | 35 | 22 | 42 | 6 | 8 | 8 | 17 | 11 | 32 | 25 | 15 | 33 | 37 | 405 | 11.6 |
| Chile | 4 | 29 | 2 | | 13 | 19 | 10 | 23 | 61 | 26 | 5 | 14 | 6 | 4 | 11 | 8 | 14 | 11 | 1 | 261 | 7.5 |
| Colombia | 5 | 4 | 1 | 1 | | 31 | 19 | 13 | 43 | 33 | 24 | 14 | 10 | 21 | 14 | 21 | 16 | 11 | 1 | 282 | 8.1 |
| Costa Rica | | | | 1 | 10 | | | | | | | 1 | | | | | | | | 12 | 0.3 |
| Cuba | 14 | 30 | 16 | 11 | 21 | 5 | | 21 | 6 | 27 | 14 | 15 | 18 | 23 | 10 | 11 | 20 | 20 | 560 | 842 | 24.2 |
| Dominican Republic | | | | | 1 | | | | | | | | | | | | | 1 | | 2 | 0.1 |
| Ecuador | | 2 | | | 1 | | 1 | | | | | | | 11 | 5 | 2 | | 2 | 16 | 40 | 1.1 |
| El Salvador | | | | | | | | | | 2 | 2 | | | | | | | | 1 | 5 | 0.1 |
| Guatemala | | | | | 1 | | | | | | | | | | | | | | | 1 | 0.0 |
| Honduras | | | | | | | | | 1 | | | | | | | | | | 2 | 3 | 0.1 |
| Mexico | 10 | 28 | 8 | 20 | 22 | 27 | 12 | 44 | 67 | 50 | 22 | | 26 | 33 | 6 | 15 | 35 | 13 | 2 | 440 | 12.6 |
| Nicaragua | | | | | | | | | | 1 | 2 | | | | | | | | 3 | 6 | 0.2 |
| Panama | | | | | 2 | | | | | | 1 | | | | | | | | | 3 | 0.1 |
| Paraguay | | | | | 2 | | | | | | | | | | | | | 1 | 2 | 5 | 0.1 |
| Peru | 4 | 1 | | 1 | 4 | 1 | | 9 | 10 | 2 | 1 | 1 | 3 | 4 | 5 | | 1 | | | 47 | 1.3 |
| Uruguay | 8 | | 8 | 7 | 1 | 1 | 3 | 5 | 1 | | 1 | 6 | | 1 | 6 | 2 | 1 | | 9 | 60 | 1.7 |
| Venezuela (Bolivarian Republic of) | 16 | 47 | 21 | 6 | 6 | 4 | 129 | 22 | 7 | 6 | 7 | 5 | 55 | | 12 | 7 | 12 | 15 | | 377 | 10.8 |
| Latin America | 82 | 255 | 73 | 51 | 124 | 143 | 237 | 185 | 280 | 160 | 94 | 72 | 146 | 128 | 425 | 132 | 127 | 109 | 661 | 3 484 | 100 |
| Percentage of total | 2.4 | 7.3 | 2.1 | 1.5 | 3.6 | 4.1 | 6.8 | 5.3 | 8.0 | 4.6 | 2.7 | 2.1 | 4.2 | 3.7 | 12.2 | 3.8 | 3.6 | 3.1 | 19.0 | 100 | |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Ibero-American General Secretariat (SEGIB).

- Using the reports on South-South cooperation produced each year by the Ibero-American Secretariat (SEGIB), as part of the Ibero-American Programme to Strengthen South-South Cooperation, we have compiled a record of South-South cooperation actions from 2006 to 2009.
- Nearly 80% of South-South cooperation actions between 2006 and 2009 were sponsored by Cuba, Argentina, Mexico, Brazil and the Bolivarian Republic of Venezuela.
- The main recipients of South-South cooperation actions between 2006 and 2009 were the Bolivarian Republic of Venezuela (19%), Paraguay (12.2%), El Salvador (8%), the Plurinational State of Bolivia (7.3%) and Cuba (6.8%). The status of the Bolivarian Republic of Venezuela as a recipient is due mainly to its close cooperation with Cuba, its main cooperation partner. With the exception of Panama, nearly all countries that participated in South-South cooperation actions between 2006 and 2009 were the recipients of some initiative of this kind.

9. The Bolivarian Republic of Venezuela and Paraguay are the main recipients of South-South cooperation within the region, as measured by the number of actions

Table 6

South-South cooperation in Latin America and the Caribbean by recipient country and sphere of activity, 2006-2009

(Number of actions)

| Countries | Social | Infrastructure and production sector | Economic | Other sectors | Total |
|------------------------------------|-------------|--------------------------------------|-------------|---------------|--------------|
| Argentina | 35 | 19 | 5 | 13 | 72 |
| Bolivia (Plurinational State of) | 89 | 39 | 42 | 67 | 237 |
| Brazil | 32 | 13 | 6 | 7 | 58 |
| Chile | 21 | 4 | 1 | 19 | 45 |
| Colombia | 27 | 23 | 24 | 45 | 119 |
| Costa Rica | 36 | 23 | 30 | 45 | 134 |
| Cuba | 47 | 72 | 79 | 32 | 230 |
| Ecuador | 41 | 26 | 29 | 41 | 137 |
| El Salvador | 73 | 58 | 21 | 99 | 251 |
| Guatemala | 51 | 23 | 11 | 55 | 140 |
| Honduras | 34 | 20 | 7 | 26 | 87 |
| Mexico | 26 | 8 | 7 | 23 | 64 |
| Nicaragua | 47 | 39 | 17 | 22 | 125 |
| Panama | 39 | 19 | 15 | 19 | 92 |
| Paraguay | 55 | 221 | 32 | 105 | 413 |
| Peru | 30 | 32 | 13 | 26 | 101 |
| Dominican Republic | 34 | 20 | 22 | 40 | 116 |
| Uruguay | 41 | 15 | 9 | 19 | 84 |
| Venezuela (Bolivarian Republic of) | 126 | 229 | 263 | 40 | 658 |
| Total | 884 | 903 | 633 | 743 | 3 163 |
| Percentage of total | 27.9 | 28.5 | 20.0 | 23.5 | 100.0 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Ibero-American General Secretariat (SEGIB).

- The bulk of the actions undertaken are in the social sector and in the infrastructure and production sector. In the social sector, the leading recipient are the Bolivarian Republic of Venezuela (14%), the Plurinational State of Bolivia (10%) and Paraguay (6%). In the infrastructure and productions sector, the Bolivarian Republic of Venezuela and Paraguay account for 25% each, while, in the economic sector, the former receives 42% of actions, followed by Cuba with 12%.

10. The need for policy dialogue at different levels

- The gaps-based approach proposed by ECLAC reflects the variety and heterogeneity of development needs in Latin America and the Caribbean. It also stresses that there is no single hierarchy for those needs and that in fact the identification and ranking of priorities must rely on individual decisions by countries of the region.¹
- Consequently, recipient countries must play an active role in establishing their development objectives. It is up to each country to identify the areas where development needs and challenges are greatest. This is a first key step toward ensuring that the international cooperation system can support all countries on the road to development. This more active role must be supported with the establishment of forums for policy dialogue and for building consensus and agreements at the different levels of the international cooperation system, so that cooperation flows will be channelled efficiently and will respond to countries' needs. The dialogue must take place at several levels.
- First, there must be policy dialogue throughout the international donor community, one that will establish the general framework for discussing a global development agenda which, far from standardizing countries' development problems, will recognize their diversity and concrete specificities. The goal must be to generate a development agenda that constitutes the basis on which the international cooperation system can organize its support and that includes identifying the particular South-South cooperation contributions that are made in each region.
- Currently there are international forums where policy dialogue occupies an important place. However, these forums have been dominated by the Aid Effectiveness Programme, which has been gaining in importance over the years and which, as its name implies, has put aid effectiveness at the heart of the debate. While this discussion is relevant in relation to the ODA provided by traditional donors, it must not overlook or exclude South-South cooperation and its specific features.
- Second, there needs to be a donor-recipient policy dialogue to examine in detail the challenges holding back development and, on that basis, to reach agreements on priority areas and forms of cooperation. At this second level of dialogue, donors must adopt a broad view of development and work with recipient partner countries to identify the strategy best suited to each reality.
- This second level of dialogue must combine the principle of ownership, which in the case of South-South cooperation is important and indeed one of its outstanding characteristics. Such ownership means that recipient countries should take the lead in establishing their own plans and policies for national development.

¹ See for example, ECLAC, *Structural Change for Equality: An Integrated Approach to Development*, LC/G.2524(SES.34.3), Santiago, Chile, 2012; and *Middle-Income Countries: A Structural-Gap Approach. Note by the Secretariat*, LC/G.2532(SES.34/11), Santiago, Chile, July 2012.