

"INTERNATIONAL DEVELOPMENT CO-OPERATION AFTER COVID-19: PROSPECTS FOR STRENGTHENED TRIANGULAR PARTNERSHIPS BETWEEN LATIN AMERICA AND THE CARIBBEAN AND OECD MEMBERS"



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INTRODUCTION

During the current COVID-19 pandemic, sharing knowledge, experiences and data through strong partnerships is more important than ever. The Ibero-American General Secretariat (SEGIB)¹ and the Organisation for Economic Co-operation and Development (OECD)² have thus embarked on drafting this joint policy brief, bearing in mind that Ibero-America is at the epicentre of the COVID-19 pandemic, facing one of the most challenging moments in its history³. With only 8.2% of the world's population, Latin America and the Caribbean (LAC) has suffered from 20% of COVID-19 cases and 32% of deaths from the virus globally⁴. As the world's most developed economies have started vaccinating their populations and, thus, opening the road to recovery in 2021, ensuring equitable access in most countries, including in LAC, remains challenging.

Countries at all levels of development have been confronted with this unprecedented health crisis, which has carried extreme economic, social and sustainable development consequences. The COVID-19 crisis has aggravated existing development challenges in LAC, while governments' capacities are tightly constrained with weak social protection and health systems and large proportions of societies working in the informal sector, exacerbating inequalities and social discontent⁵. In 2020, the LAC region recorded the highest number of social unrests globally, calling for reforms and a recovery based on broad consensus-building within societies⁶. However, the COVID-19 emergency has also highlighted similarities of development challenges among different countries, underlining inequalities across the globe, and calling for more global solidarity, co-operation and partnerships⁷.

Most countries in LAC rely on COVAX, vaccines from China and Russia, and donations from different countries - such as Spain- while some of the larger economies are able to sign deals with various suppliers and even produce vaccines. The Ibero-American space has been active in fostering co-operation, for instance, Portugal announced that it would donate 5 per cent of its vaccines to Portuguese-speaking African countries at the XXVII Ibero-American Summit of Heads of State and Government⁸.

International co-operation, including triangular partnerships, can support governments in unlocking ambitious support to Latin America and the Caribbean to prevent the loss of lives and fight back the socioeconomic impacts of the crisis, containing the risk of aftershocks and investing in their

¹ SEGIB is an international support organisation for 22 countries that make up the Ibero-American community: the 19 Spanish- and Portuguese-speaking countries in Latin America and those of the Iberian Peninsula - Spain, Portugal and Andorra. SEGIB is a relevant platform for experience and knowledge exchange – including on learning from the early days of the pandemic - with long experience in South-South and triangular co-operation.

² The OECD has been collecting data, providing analysis and policy responses to support the global fight against the pandemic. SEGIB and OECD signed a Memorandum of Understanding (MoU) in March 2020, which encourages joint analysis and policy work on issues related to development co-operation.

³ OECD-LAC Regional Programme (2020)

⁴ OECD-LAC Regional Programme (2021)

⁵ OECD COVID-19 Paper: “COVID-19 in Latin America and the Caribbean: An overview of government responses to the crisis”.

⁶ OECD-LAC Regional Programme (2021)

⁷ Global Partnership Initiative on Effective Triangular Co-operation (2021), “Leveraging triangular partnerships to respond to COVID-19 and build back better from the pandemic”, BPC Papers, Vol. 8, N.2, BRICS Policy Center, Rio de Janeiro.

⁸ Summit of Andorra, on April 2020 <https://www.europapress.es/nacional/noticia-portugal-compromete-vacunas-paises-africanos-habla-portuguesa-20210421205605.html>

sustainable recovery. The COVID-19 crisis has exposed and accelerated trends in the international co-operation architecture. It has fast-tracked the need for re-thinking how countries can interact and learn from each other in a changing global landscape, forging partnerships and joining up efforts that go beyond financing for sustainable development.

Against this background, this policy brief aims to:

- Provide a brief overview of current COVID-19 related challenges in LAC,
- Identify recent trends in international development co-operation (South-South, North-South and triangular co-operation) with LAC in addressing these challenges and supporting sustainable development in the region;
- Present ongoing triangular co-operation projects that tackle the crisis in its different dimensions (health, social, economic);
- and provide an outlook for stronger triangular collaboration among members of the OECD's Development Assistance Committee (DAC) and the LAC region.

The COVID-19 pandemic and related crises threaten to reverse existing progress in achieving the Sustainable Development Goals (SDGs)

According to the 2021 United Nations (UN) World Economic Situation Prospects, the LAC region's GDP declined by 8% in 2020. That is, the worst health and economic crisis in 90 years in the region, characterised by a heavy human toll and an economic contraction of historic proportions⁹. The economic impact has been particularly severe on Argentina, Brazil, Panama, Peru and Venezuela, in addition to the Caribbean's tourism-dependent economies, which have suffered double-digit contractions of GDP. Although the region's short-term outlook is uncertain and will depend on the vaccine rollout and the impact of policy measures, according to the 2021 report of the UN Economic Commission for Latin America and the Caribbean (ECLAC) on the Social Panorama of Latin America¹⁰:

- The poverty rate increased up to 33.7% of the Latin American population in 2020, amounting to 209 million people in poverty. That is, 22 million people more than in 2019 fell into poverty;
- Extreme poverty in the region reached levels in 2020 that had not been seen in the last 20 years, up to 12.5% in 2020 and reaching 78 million people. That is, 8 million people more than in 2019 found themselves living in extreme poverty;
- The regional unemployment rate reached 10.7% in 2020, an increase of 2.6% compared to 2019 levels. The drop in employment levels has particularly affected women, informal workers, young people and migrants.

A shock of this magnitude is undoing years of progress in achieving the 2030 Agenda, with Latin America having some of the highest COVID-19 death rates in the world¹¹.

Debt sustainability has also become a critical issue after the COVID-19 outbreak, particularly in LAC countries. Public debt in the region increased from 58% of GDP in 2019 to 72% in 2020 and could

⁹ United Nations (2021), World Economic Situation Prospects, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2021_FullReport.pdf

¹⁰ ECLAC (2021), Social Panorama in Latin America, https://www.cepal.org/sites/default/files/publication/files/46688/S2000965_en.pdf

¹¹ Newsweek Opinion article by Mariana Mazzucato and Rebeca Gryspan, <https://www.newsweek.com/biden-promise-peoples-vaccine-opinion-1568259>

continue to rise to 76% by 2023¹². Aiming at facilitating creditors in members of the DAC to implement debt relief initiatives, DAC development co-operation providers agreed on counting the rescheduled or forgiven amounts as ODA in July 2020¹³. In October 2020, the G20 agreed on an additional six-month debt suspension for the poorest nations to support them in their response against the COVID-19 pandemic and in dealing with their economic fallout.

Moreover, the impacts of climate change are further challenging progress towards the SDGs, demanding urgent action from DAC members and LAC countries. However, climate change impacts disproportionately affect developing countries, for instance, Central American countries such as Nicaragua, Guatemala, Honduras and Mexico. Natural disasters, such as the Eta and Iota storms in 2020, and other climate change impacts could push 132 million people into extreme poverty by 2030, according to the World Bank¹⁴.

- **LAC countries and DAC members** could team up in discussions on global public goods, vaccine rollout and strengthening resilience towards crises, including those induced by climate change. To enhance transparency of global development co-operation efforts, DAC members and LAC countries could continue expanding their joint work under the Total Official Support for Sustainable Development (TOSSD) framework, an international standard for measuring all contributions for sustainable development, including those to international public goods.

COVID-19 is bringing the impact of rising inequalities to the fore

The COVID-19 pandemic is leading to rising inequalities around the globe, revealing the strong link between inequality (SDG 10) and poverty (SDG1)¹⁵. For many decades, Latin America and the Caribbean has been the most unequal region in the world. According to ECLAC's Social Panorama of Latin America¹⁶, inequality in total income per person is expected to have grown in 2020 in the region, leading to the average Gini index being 2.9% higher than in 2019. ECLAC projections show that the Gini index will increase between 1% and 8% in the region, with the worst results expected in the LAC's largest economies¹⁷. Inequalities are especially evident along rural-urban, formal-informal employment, gender, and indigenous and Afro-descendant populations. At the same time, in OECD countries and all regions of the world inequalities are increasing – typically affecting poorer household and significantly exacerbating existing social inequalities.

According to the latest joint report between the ECLAC and the International Labour Organisation (ILO) on the employment situation in LAC, 54% of the population in the region is not contributing nor

¹² Inter-American Development Bank (2021): 2021 Latin American and Caribbean Macroeconomic Report, Inter-American Development Bank, <https://publications.iadb.org/publications/english/document/2021-Latin-American-and-Caribbean-Macroeconomic-Report-Opportunities-for-Stronger-and-Sustainable-Postpandemic-Growth.pdf>

¹³ <https://www.oecd.org/newsroom/donors-agree-on-aid-treatment-of-debt-relief.htm>

¹⁴ <https://documents1.worldbank.org/curated/en/706751601388457990/pdf/Revised-Estimates-of-the-Impact-of-Climate-Change-on-Extreme-Poverty-by-2030.pdf>

¹⁵ OECD (2020), Development Co-operation Report: Learning from crises, building resilience, URL: <https://www.oecd.org/dac/development-co-operation-report-20247721.htm>

¹⁶ ECLAC (2021), Social Panorama in Latin America, https://www.cepal.org/sites/default/files/publication/files/46688/S2000965_en.pdf

¹⁷ ECLAC (2021), ECLAC Special Report COVID-19 No. 8: Political and social compacts for equality and sustainable development, https://repositorio.cepal.org/bitstream/handle/11362/46146/1/S2000672_en.pdf

affiliated to health systems¹⁸. About half of the population is in informal employment¹⁹ and, thus, without access to social security. Indeed, informality is one of the critical development challenges in Latin America, which also significantly affects women - 54% of women in non-agricultural jobs in LAC are in informal employment²⁰.

Living up to the commitment of mainstreaming gender in all forms of development co-operation through the COVID-19 response and recovery is more important than ever. Even before the outbreak of the COVID-19 pandemic, gender equality and violence against women and girls were topics of concern in many LAC and DAC societies. In LAC, many factors push women into vulnerable forms of employment, not least the need to combine unpaid work with income generation, with very limited or no social protection in areas including healthcare or insurance²¹. As a result, public demonstrations emerged in Mexico, Argentina, Chile or Spain in recent years as an expression of social unrest. Due to the lockdown measures in 2020, women's demands became louder on digital platforms and public demonstrations temporarily stopped.

SEGIB's Report on South-South and Triangular Cooperation in Ibero-America 2020 found that the region has advanced in order to align their co-operation with the Agenda 2030 and the SDG 5 on gender equality. For example, in the framework of bilateral South-South cooperation, several projects aimed to provide care for victims of violence against women, to promote greater gender equality and women's economic empowerment²². However, the pandemic has reinforced existing inequalities – such as power imbalances, systemic gender inequalities, and gender-based discrimination. According to the Norwegian Refugee Council (2020), "women and girls are facing the worst impacts and greater risks due to the loss of livelihoods and work caused by COVID-19"²³.

DAC members are also committed to supporting women's empowerment and gender equality in LAC. DAC support to programmes dedicated to gender equality and women's empowerment in LAC, either as principal or secondary objective²⁴, amounted to USD 2.9 billion in 2019. That is, 39% of DAC's bilateral allocable aid to the LAC region pursued gender equality-related objectives in 2019. In comparison, the DAC average is 45% across all regions; therefore, there is room for improvement in co-operation with LAC. Development partners in LAC and DAC will need to use all tools at hand to

¹⁸ ECLAC/ILO (2020), Employment Situation in Latin America and the Caribbean: Work in times of pandemic – the challenges of the COVID-19, https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-santiago/documents/publication/wcms_746274.pdf

¹⁹ European Parliament (2021): The informal economy and coronavirus in Latin America, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690587/EPRS_BRI\(2021\)690587_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690587/EPRS_BRI(2021)690587_EN.pdf)

²⁰ UN Women (2020), The Impact of COVID-19 on Women, UN Women, New York, <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/policy-brief-the-impact-of-Covid-19-on-women-en.pdf?la=en&vs=1406>

²¹ OECD (2019), Enabling Women's Economic Empowerment - New Approaches to Unpaid Care Work in Developing Countries, <http://www.oecd.org/fr/migrations/enabling-women-s-economic-empowerment-ec90d1b1-en.htm>).

²² SEGIB (2021). Report on South-South and Triangular Cooperation in Ibero-America 2020. Madrid. Pag 59. <https://informesursur.org/en/report/report-of-south-south-and-triangular-cooperation-in-ibero-america-2020/>

²³ Gorevan, Daniel. (2020). Downward Spiral: the economic impact of Covid-19 on refugees and displaced people. Norwegian Refugee Council – NRC. Pag 22. https://www.nrc.no/globalassets/pdf/reports/nrc_downward-spiral_covid-19_report.pdf

²⁴ The DAC Gender Equality Policy Marker is based on a three-point scoring system, to qualitatively track the financial flows that target gender equality in development co-operation. Principal means that gender equality is the main objective of the project/programme and is fundamental in its design and expected results. The project/programme would not have been undertaken without this objective. Significant or secondary objective means that gender equality is an important and deliberate objective, but not the principal reason for undertaking the project/programme, often explained as gender equality being mainstreamed in the project/programme.

identify challenges and risks, and integrate concerns for gender equality into major decisions on issues ranging from economic stimulus packages to redouble financing, and improve policies and practices for gender equality and women's empowerment across a range of sectors. This approach also implies ensuring women's representation in leadership and decision-making when responding to this crisis at every level, including the political²⁵.

The COVID-19 pandemic has particularly affected indigenous populations. According to the Regional Indigenous Platform Against COVID-19 "For Life and Peoples", and the Fund for the Development of Indigenous Peoples of LAC, the highest number of COVID-19 cases among indigenous populations (72.5%) in LAC were in Brazil, Peru and Guatemala, and only Belize, El Salvador and Uruguay did not report COVID-19 infections among indigenous people²⁶. COVID-19 has impacted many spheres of indigenous populations' lives beyond the health of their communities and individuals, including economic activities and food security. Moreover, during the pandemic, safeguards in the industrial and extractive industries were at times eased, exposing indigenous communities to more violations of their rights²⁷.

At the same time, the crisis has also been an example where good practices from indigenous populations have flourished, putting their knowledge, resources and decisions into action to (i) prevent the spread of the infection, such as adopting self-isolation measures; (ii) treat its consequences through traditional practices on care protocols; and, (iii) deploy extensive co-operation efforts, articulating and channelling the joint work of extensive collaboration networks in order to support other communities highly impacted by the pandemic.

- **Through triangular initiatives, LAC countries and DAC members could follow the leave no-one behind pledge**, emphasising the strong links between SDGs 1 and 10. LAC countries and DAC members could benefit from existing structures, such as the recently created **DAC Community of Practice on Poverty and Inequality**. LAC countries and DAC members can partner in regional, tri- and bilateral programmes to curb the rapid spread of inequalities, e.g. in supporting indigenous communities, women and girls, and marginalised groups, engaging in programmes to support informal workers, strengthening social security systems, and not least in ensuring equal access to COVID-19 vaccines in LAC.
- Foster information and knowledge exchange on good practices in **integrating gender equality perspectives into their LAC and DAC development projects and programmes, including triangular co-operation**, in dedicated fora, such as the DAC Network on Gender Equality (GenderNet).

²⁵ COVID paper Gender: https://read.oecd-ilibrary.org/view/?ref=136_136621-wc776cqdgx&title=Response-recovery-and-prevention-in-the-coronavirus-%28COVID-19%29-pandemic-in-developing-countries-Women-and-girls-on-the-frontlines

²⁶ Regional Indigenous Platform Against COVID-19 "For Life and Peoples" (2020). Third Regional Report "Good practices of indigenous peoples in the face of the pandemic. Resilient communities". Pag 39. https://indigenascovid19.red/wp-content/uploads/2020/09/FILAC_FIAY_tercer-informe-PI_COVID19_final.pdf

²⁷ SEGIB and EU (2021): *Cooperación Sur-Sur y Triangular y Pueblos Indígenas*, will be available on: www.cooperaciontriangular.org

Digitalisation bears opportunities and risks during the COVID-19 pandemic, particularly to civic space

The digital transformation brings new opportunities to cope with the current crisis and overcome its long-term consequences. During the lockdown, digital technologies allowed part of LAC's population to keep working and continue their education and training while complying with social distancing measures. Digital technologies have also enabled development co-operation providers to continue operating with technical assistance programmes during the lockdown.

Countries and populations lacking digital infrastructure and skills risk being left behind by the ongoing impact of the COVID-19 crisis, aggravating existing inequalities. Recent studies show that countries with robust connectivity infrastructure can mitigate up to half of the negative economic impacts of pandemics (Katz, Jung and Callorda, 2020[7]). However, despite progress in the past decade, digital divides remain across governments, households, workers and firms, leaving especially those most vulnerable behind²⁸. A study of national education responses to the COVID-19 crisis found that 64% of low income countries provided remote learning through online platforms, compared to 94% of lower-middle income countries (UNESCO; UNICEF; The World Bank, 2020[9]).

Across LAC countries, civil society and civil society organisations are forming partnerships and networks, physical and digital, to address the impacts of the COVID-19 crisis. The implications of digital transformation for the civic space are particularly relevant in the context of the COVID-19 pandemic, which has been marked by the widespread deployment of digital technologies to respond to the global crisis. However, at a time when physical space for civil society is shrinking globally, digital transformation has opened new spaces online. Digital technologies are providing new ways to exercise the freedoms of association, peaceful assembly and expression. This has translated into positive trends in the digital civic space by, for instance, opening new online civic spaces, strengthening certain civic spaces offline, and emerging more dynamic and inclusive civic spaces marked by greater civic activism and engagement. Yet, digital technologies have also brought new ways to restrict fundamental rights, which emanate from a diversity of actors -including state actors and digital technology companies- and might create new forms of exclusion²⁹.

Against this background, following the spirit of the recently adopted 2021 DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Aid³⁰, development actors need to explore and address challenges, risks, and systemic inequalities associated with digital technologies that restrict or lead to digital disenfranchisement of civil society. For instance, strengthened legal frameworks on data privacy and security could be beneficial. There are existing good practices that

²⁸ LEO 2020 <https://www.oecd-ilibrary.org/docserver/e6e864fb-en.pdf?expires=1603268818&id=id&accname=ocid84004878&checksum=6AF3647A22AB5225AF64F99BBD7E76AE>

²⁹ OECD (2020), "Digital transformation and the futures of civic space to 2030", *OECD Development Policy Papers*, No. 29, OECD Publishing, Paris, <https://doi.org/10.1787/79b34d37-en>.

³⁰ Development Assistance Committee Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance (2021), OECD/LEGAL/5021, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5021#dates>. This is the first international standard marking a solid commitment by providers of development co-operation and humanitarian assistance to enabling civil society as a contributor to the 2030 Agenda. The Recommendation includes several provisions, which are grouped in three pillars about how development co-operation providers can better: (i) respect, protect and promote civic space; (ii) support and engage with civil society; and (iii) incentivise civil society organisations effectiveness, transparency and accountability.

could be replicated by DAC and LAC peers, such as the Spanish data protection authority's work against gender-based violence in the Ibero-American digital space³¹. Yet, only 23% of African countries, 45% of Asian and Pacific countries, and 51% of countries in the Americas have legislation in place to secure the protection of data and privacy (United Nations Conference on Trade and Development, n.d.[6]).

- **LAC countries and DAC members** could embrace **digitalisation** in new triangular co-operation programmes and projects and build on good experiences of using digital technologies and e-government in designing initiatives to support the region's recovery³². Furthermore, DAC members and LAC countries can engage in innovative mechanisms to identify new projects -e.g. hackathons (Box 2) - and spot digital innovations across the globe to adapt them to the region's needs.

Development co-operation remains a critical tool to tackle COVID-19

Official development assistance (ODA) should, to every extent possible, be protected to secure the progress achieved towards the SDGs, join up forces for the UN Decade of Action, and expand support to global public goods. Estimates of the 2021 Global Outlook on Financing for Sustainable Development foresee a drop of 700 billion USD in external finance to developing countries (OECD, 2020_[2]). ODA reached its highest level ever - USD 161 billion - in 2020, even as global GDP fell dramatically. Yet, collectively, development co-operation providers' efforts to meet key international commitments, such as the 0.7% ODA as a share of GNI, are off track³³. The 2020 ODA volume was equivalent to a small fraction of DAC countries' domestic financial measures. Against this context, development co-operation providers are being called on to do more to address increasing needs, notably in regards to the estimated SDG financing need of USD 3.7 trillion³⁴.

Latin America and the Caribbean is a region mainly composed of middle- and high-income countries. Since 2001, ODA to the region has been steadily declining as more DAC members are phasing out bilateral co-operation with countries in the region³⁵. Compared to other regions, LAC received less ODA from DAC members in the early response to the COVID-19 outbreak, despite being the region that was hit hardest by the pandemic, according to a survey conducted by the OECD Development Co-operation Directorate. The European Union (EU) is strengthening its ties and collaboration with LAC³⁶ from a strategic, political level³⁷ and through its "Team Europe" package (Box 1) and has pledged EUR 918 million to support the region.

³¹ AECID (2021), Strategy of the Data Protection Authorities for Fighting Against Gender Based Violence in Ibero-America in a Gender Approach,

<https://intercoconnecta.aecid.es/Gestin%20del%20conocimiento/Estrategias%20de%20las%20autoridades.pdf>

³² OECD DCD Foresight Policy Brief 2020 (forthcoming)

³³ OECD (2021), "Development co-operation funding: Highlights from the complete and final 2019 ODA statistics", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/401f9a42-en>.

³⁴ OECD (2021), "Development co-operation during the COVID-19 pandemic: An analysis of 2020 figures and 2021 trends to watch", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/e4b3142a-en>.

³⁵ Development at a glance, ODA by regions, Americas (2019): <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/America-Development-Aid-at-a-Glance-2019.pdf>

³⁶ October 2020 Foreign Affairs Council

³⁷ https://eeas.europa.eu/headquarters/headquarters-homepage/87216/latin-america-europe-%E2%80%98other%E2%80%99-transatlantic-relationship_en

Box 1: "Team Europe"

The Team Europe Global Recovery Package aims to support partner countries in the fight against the COVID-19 pandemic and its consequences – e.g. supporting the COVAX initiative on vaccines - by combining resources from the European Union, its Member States, the European Investment Bank and the European Bank for Reconstruction and Development (EUR 36 billion). The package targets emergency response to humanitarian needs; strengthening health, water and sanitation; and, addressing the social and economic consequences of the crisis.

In LAC, Team Europe benefits from the experience, resources and networks from existing EU programmes, such as Adelante, EUROsocial, EUROCLIMA, EL Pacto, Bridging the Gap and Eurofront. Current co-operation to respond to the COVID-19 crisis in LAC already includes initiatives and projects between the European Union and Argentina, Chile, Colombia, Ecuador, Nicaragua or Paraguay, in partnership with other stakeholders, such as the International Organisation for Migration and the Red Cross. Furthermore, recognising that the COVID-19 crisis requires quick actions, Team Europe and the German government called for innovative digital solutions to tackle the challenges of the pandemic through the [#SmartDevelopmentHack](#), where two of nine projects include or specifically target countries in LAC.

Some philanthropic organisations also supported LAC countries since the early impacts of the pandemic, directing contributions to Latin America and Africa as the main beneficiary regions. In this regard, the most significant private foundations included the BBVA Microfinance Foundation, Coca-Cola Foundation, Google.org and MetLife Foundation. For instance, the BBVA Microfinance Foundation continued its lending activities in Latin American countries in their COVID-19 response, providing loans and debt moratoria and rescheduling debt in Chile, Colombia, the Dominican Republic, Panama and Peru. In addition to their financial contributions, many foundations also provided various kinds of non-financial assistance to their partners working in Latin America, such as capacity building, grant repurposing and loosening reporting obligations.

Public-private partnerships between DAC members and LAC countries also played an important role in the COVID-19 response and recovery. For instance, the initiative OxyGEN, an emergency ventilator coded developed by the Spanish startup Prototyfy.xyz, is an open-source medical device that has been replicated in Peru, Mexico, Chile, Colombia, Brazil, Argentina and Ecuador³⁸.

³⁸ <https://www.segib.org/iberoamerica-genera-iniciativas-de-articulacion-publico-privada-para-luchar-contra-el-covid-19/>

South-South and Triangular Co-operation complement ODA and contribute to the response of COVID-19 and toward a regional alignment with the 2030 Agenda

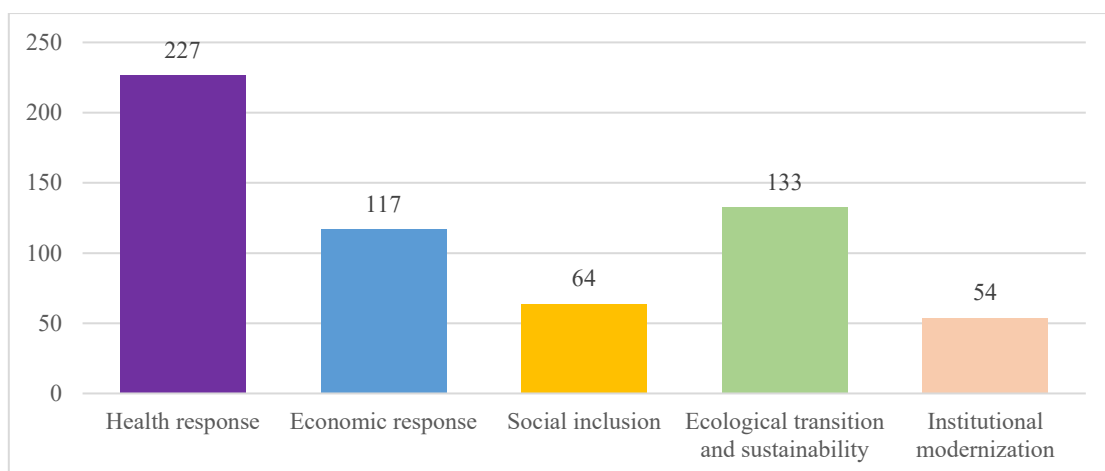
Furthermore, LAC countries provided different kinds of support to their partners in the region and shared knowledge and experiences to assess how their good practices in several sectors could provide a complex and multidimensional response to address future crises³⁹.

Powerful tools such as South-South and Triangular Cooperation naturally emerged in the framework of COVID-19 as possible response from the international development co-operation system to this crisis. Despite their smaller relative size compared to ODA, these modalities gained strength since the 2030 Agenda and were recognised as effective means of implementation of the Sustainable Development Goals. Their constitutive values, which underpin their legitimacy, as well as their characteristics and instruments for a specific action, make them tools with enormous potential to contribute to responding to these global crises such as COVID-19.

There is no comprehensive data in terms of the complete contribution from the international community to alleviate the effects of the pandemic since 2020. A look back on the South-South and triangular co-operation promoted in previous years, allows us to draw lessons learnt and verify that most of the capacities strengthened from those modalities allowed countries to tackle the crises caused by the pandemic from a stronger perspective. Indeed, the Ibero-American region has exceptional experience and a considerable amount of actions, projects and programs (more than 9,000) carried out during the last decade that account for the above.

Based on all this information, SEGIB reviewed the accumulated experience to extract lessons that could contribute to the immediate response, but also in the medium and long term, to the COVID-19 crisis. As a result, the organisation categorised the initiatives registered in recent years as they addressed the crisis from a health, economic, social, ecological transition and institutional modernisation response, as the following graph shows:

Bilateral South-South Cooperation projects, according to their potential contribution to a multidimensional response to the COVID-19 crisis. Ibero-America, 2018-2019 (in units)



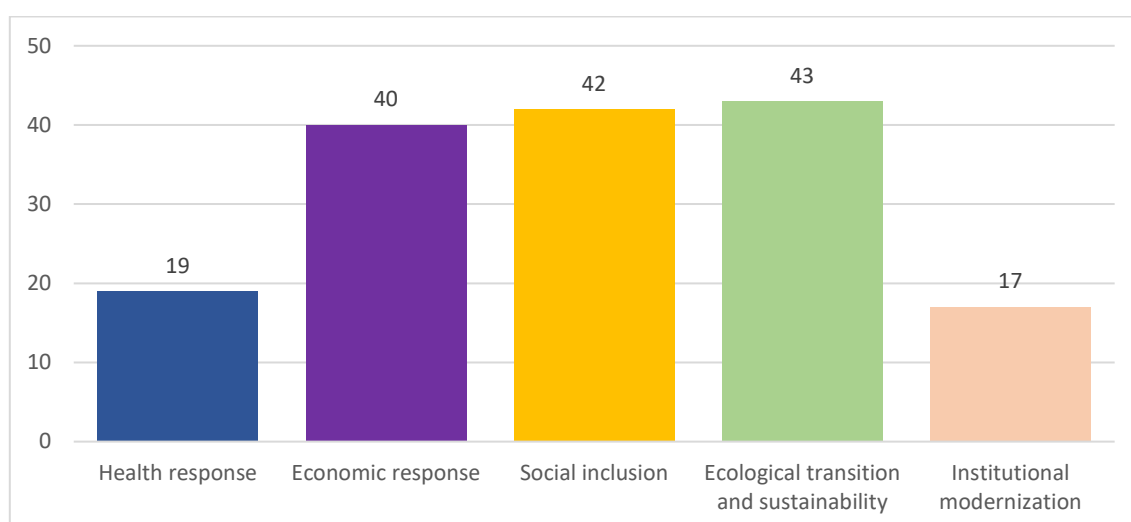
Source: SEGIB based on data provided by Agencies and Directorates-General for Co-operation

This exercise involved the analysis of 595 bilateral South-South co-operation projects in Ibero-America between 2018 and 2019. Of these, 227 contribute to the health response to the crisis, strengthening the capacities of health systems, epidemiological surveillance systems, and response to the pandemic, but also to prevent future challenges. Specifically, these projects strengthen the health sector from a broader perspective and cover a variety of topics such as: communicable diseases; non-communicable diseases and risk factors; determinants and health promotion throughout the entire life course; health systems; preparedness, surveillance and response.

With reference to the economic response and social inclusion, 109 initiatives contribute to these areas that require protecting the most vulnerable populations in order to *"leave no one behind"*. In this sense, in terms of social policy, lessons learnt include the areas of vulnerable populations, education and gender, and in terms of economic policy, the emphasis is on business and employment.

Regarding the lessons learnt from triangular co-operation initiatives, 166 projects were analysed. Out of almost 20 addressed the health response to the crisis and more than 80 addressed the economic and social inclusion response, as shown in the following graph.

Triangular Co-operation projects, according to their potential contribution to a multidimensional response to the COVID-19 crisis. Ibero-America, 2018-2019 (in units)



Source: SEGIB based on data provided by Agencies and Directorates-General for Co-operation

The health response was centered on control of zoonosis; the strengthening of public health systems, and especially the regulation and access to quality medicines and actions to tackle other epidemics and serious communicable diseases in the region, such as HIV-AIDS, chikungunya, dengue, Zika and malaria, while the economic and social responses were focused on the agricultural and industrial sectors, tourism and the strengthening of the business sector and specialised measures to protect vulnerable groups (migrants, Afro-descendant populations for example) as well as to promote access to basic goods and services (housing, subsidies).

The experience from these projects suggests that triangular co-operation is an innovative and flexible modality, which may prove as an effective instrument in constructing a collective response to the COVID-19 crisis or another of similar nature⁴⁰. Deepening and strengthening partnerships, including

⁴⁰ It is also important to mention the recent collaboration between SEGIB and the Institute for Cooperation on Agriculture (IICA) in order to analyse the South-South and Triangular Cooperation in agriculture and food security in times of COVID-19. This is an example about how multilateralism and mutual exchange could contribute to analyse problems in a

reinforcing multilateralism and global solidarity, is more important than ever, as the EU and Latin America argue⁴¹. As Ibero-American countries stated in April 2020 in the Andorra Summit Declaration: Innovation for Sustainable Development - 2030 Goal:

"Strengthening of multilateralism as it is the most effective instrument to coordinate the actions defined by the States, as well as to share experiences and find health, social, economic and environmental solutions, based on the respect for human rights and international law, which allow a better recovery in all countries" and "highlighted the role of South-South and Triangular Cooperation, internationally recognised as effective tools to support the achievement of the SDGs, in response to the challenges of multidimensional crises (...)"⁴².

In terms of strengthening multilateralism two interesting programmes deserve closer attention: First, SEGIB and the European Union by taking advantage of their accumulated experience, decided to work together to build an innovative Triangular Co-operation model⁴³. For this, a collective strategy is launched, based on research and action, as well as technical and political dialogue. During its two-year duration, the project works on the generation of consensus and knowledge around three main areas: triangular co-operation and SDGs; triangular co-operation and vulnerable groups (indigenous populations); decentralised triangular co-operation (cities). Second, the German Regional Fund for Triangular Co-operation with Latin America and the Caribbean (LAC) is an example of refocusing ongoing programmes or mechanisms in light of the COVID-19 pandemic. Germany has extended the criteria of its call for applications on an extraordinary basis to meet the specific demands of 2020 due to the pandemic. The proposals should not necessarily focus on the health sector but rather on the social, economic and structural consequences affecting the countries of the region (Box 2).

Box 2. COVID-19 response of the German Regional Fund for Triangular Co-operation in Latin America and the Caribbean

The German Federal Ministry for Economic Co-operation and Development (BMZ) and the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) established the German Regional Fund for Triangular Co-operation with Latin America and the Caribbean in 2010, which has since then opened almost 20 rounds of proposals. With defined processes, criteria and deadlines, the fund is a well-established and known mechanism fostering triangular partnerships between Germany and LAC countries.

In 2020, following the outbreak of the COVID-19 pandemic, German development co-operation adjusted its processes, merging the two annual calls for proposals into one call, providing more flexibility for partner countries to identify their needs and capacity in responding to COVID-19. The

multidimensional manner. The infographic "*South-South and Triangular Cooperation in agriculture and food security in the face of COVID-19*" concludes that the COVID-19 crisis has led to a deterioration of food security in LAC and agriculture plays a strategic role in countries' economic growth, exports, employment, food security, poverty reduction and greater social inclusion. Please visit: <https://informesursur.org/css-agricola-alimentaria-y-covid/EN/>

⁴¹ Crisis COVID: Construyendo soluciones conjuntas entre ALC y Europa - Una alianza en materia de Cooperación Triangular puede constituir una solución innovadora a nuestros problemas comunes. Área de Cooperación Sur-Sur de SEGIB – Comisión Europea UE, Noviembre, 2020.

⁴² XXVII Ibero-American summit of heads of state and government of Andorra. April 21st 2021. <https://www.segib.org/wp-content/uploads/Declaracio%CC%81n-XXVII-Cumbre-Andorra-ES.pdf>

⁴³ For further information please visit: www.cooperaciontriangular.org

2020 call included a rationale on how the proposal was dealing with the consequences of the pandemic in that specific area of the proposal.

The Regional Fund received almost 30 proposals, of which 23 were reviewed, and 14 were successfully endorsed by BMZ. The total German contribution reached 3.5 million EUR, adding 1.1 million to the initially planned budget. The Fund operates on a cost-sharing basis: Germany provides at most 50% of the budget and up to 300 000 EUR. There has been a considerable increase in contributions from the beneficiary country, and almost 50% of the proposals endorsed by BMZ mention win-win and mutual benefits. Together with the contributions from pivotal and beneficiary partners, the 14 approved projects will provide approximately 10 million EUR for triangular co-operation projects addressing the negative impacts of the pandemic in LAC. BMZ considered the 2020 budget – 3.5 million EUR of German resources – as part of its Emergency COVID-19 Support Programme.

Source: GPI 2021, interviews with GIZ.

In July 2020, the Global Partnership Initiative for Effective Triangular Co-operation (GPI) launched a survey to explore members' recent and future triangular work, including on the COVID-19 response. The use of triangular co-operation in the early response to the COVID-19 outbreak was limited due to the urgency to respond to the immediate challenges posed by the pandemic. Nonetheless, many GPI members shared their willingness to use triangular co-operation on the second stage of the response, focusing on capacity building, knowledge exchange and longer-term results. For instance, Colombia, Costa Rica, and Peru, welcomed the opportunity to submit proposals to Germany's Regional Fund for Triangular Co-operation (Box 2); Uruguay is reformulating some of its triangular initiatives to adapt them to the COVID-19 context; Peru has launched a set of projects; and, the Latin American and Caribbean Economic System (SELA) has organised Inter-American discussions to evaluate co-operation with the aim of improving and facilitating access to humanitarian aid in the COVID-19 context.

Another interesting example of triangular co-operation is Mexico's and Argentina's partnership with Oxford University and AstraZeneca to produce and distribute the vaccine in Latin America and the Caribbean. Argentina is producing the active biologic, it is shipped to Mexico for bottling and distribution to Latin America and the Caribbean. In both cases, local pharmaceutical laboratories are working with the governments to accomplish this triangular co-operation project. In June 2021, Mexico donated over a million doses of its contract with AstraZeneca to Belize, Bolivia, El Salvador, Guatemala, Honduras, Jamaica, Paraguay and Trinidad and Tobago⁴⁴.

Triangular co-operation offers an opportunity for jointly addressing the global pandemic, learning from the experience from both regions in addressing the impacts of COVID-19. In the last decade, DAC countries and LAC have reinforced their co-operation in strengthening their public health systems; supporting the access to medicines; reorganising the emergency nets and primary care services; and co-operating in preventing and controlling epidemics, such as HIV/AIDS. They have also co-operated on social services and policies, from which both communities could draw lessons for leaving no-one behind in the COVID-19 recovery. Furthermore, disaster management has also been an area of co-

⁴⁴ GPI (2021),

operation between both communities, setting the ground for strengthened co-operation for fostering resilience in the COVID-19 and post-outbreak times⁴⁵.

COVID-19 has turned the world upside down, and the LAC region and DAC members have much to gain from strengthening their collaboration in building back better and more sustainable from the pandemic

Changes in the broader development co-operation architecture are taking place. The COVID-19 crisis has accelerated and reinforced trends while testing the robustness of the current architecture. For instance, the People's Republic of China has contributed to the global response by extending material support to both developing and developed countries since the early stages of the COVID-19 pandemic. Concretely, China contributed to Latin America's COVID-19 response by providing medical supply donations and pledging USD 1 billion in COVID-19 vaccines at the early stages of the COVID-19 outbreak⁴⁶. By late May 2021, China had supplied more than 165 million vaccines to the region, with Brazil, Chile and Mexico receiving significant shares⁴⁷. South-North co-operation from Latin America also took place. For example, Cuba sent doctors to Italy. Similarly, China delivered 2 million surgical masks and 50,000 testing kits to Italy as well⁴⁸. Faced with narrowed action from the region's traditional partners, Mexico, Argentina and Peru have signed agreements with China to pre-purchase millions of doses of Chinese-made vaccines.

Countries in LAC have also taken up a global leadership role during the pandemic in multilateral fora. For instance, during the G20 virtual summit in March 2020, the Mexican President proposed universal access to COVID-19 medication and equipment for treatment, as well as to eventual vaccines. The UN General Assembly endorsed and adopted the proposal the following month (Resolution 74/274), opening the way for the COVAX mechanism to finance and deliver vaccines to low and middle-income countries⁴⁹.

Nevertheless, the scope of the multilateral regional support to the LAC region in addressing the effects of the COVID-19 pandemic seems limited. Compared to other regions, LAC's response was less performant in terms of the regional response. In contrast, Sub-Saharan Africa was relatively more used to dealing with pandemics in the last years and counted with regional networks and structures to address the COVID-19 pandemic collectively. This is partially explained by the fact that, at the structural level, while several regional organisations in LAC aim for a wider integration, co-operation notably takes place on the sub-regional level. Yet, LAC still benefits from regional support. The Pan-American Health Organisation (PAHO) has launched an updated Response Strategy and Donor Appeal to support countries and territories in the Americas to prepare for and respond to COVID-19. On access to vaccines, PAHO is working towards facilitating access to COVID-19 vaccines under the COVAX Mechanism. As a result, Colombia received the first vaccines on 1 March 2021. In addition, PAHO will

⁴⁵ For further information we invite you to read the highlight “Disaster management to build a more resilient region to face the COVID-19 crisis” on: <https://informesursur.org/en/disaster-management-to-build-a-more-resilient-region-to-face-the-covid-19-crisis/>

⁴⁶ <https://www.wilsoncenter.org/publication/latin-america-and-china-times-covid-19>

⁴⁷ Atlantic council <https://www.atlanticcouncil.org/event/the-race-to-vaccinate/>

⁴⁸ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_600

⁴⁹ GPI (2021)

offer countries in the Americas to purchase vaccines as a block through the PAHO's Revolving Fund⁵⁰. With the support of the Inter-American Development Bank, the EU and other financial institutions and providers, PAHO aims at securing the funding needed for lower-income countries in the region to join the purchase.

An outlook for strengthened triangular co-operation between LAC countries and DAC members

COVID-19 will affect every building block of development co-operation and roll out a new equation for all partners in development to solve. No co-operation modality alone is a silver bullet to tackle the complexity of the development challenges aggravated by the pandemic outbreak (GPI 2021). The development co-operation community is at a strategic moment to harness effective partnerships for horizontal knowledge sharing and innovative thinking. The time is ripe for learning from different partners and talking more about how we engage in development co-operation - the partnerships. DAC members and countries in the LAC region are natural partners in this endeavour as they share many values and work towards achieving the 2030 Agenda for Sustainable Development.

There are opportunities between the LAC and DAC countries for mutual exchange and joint learning in response to the pandemic, building on complementary efforts in tackling the pandemic and supporting each other in building back better, notably by increasing partnership modalities in triangular and South-South co-operation. Several areas seem especially promising for stepping up triangular co-operation and support countries to respond to the crisis. Those areas are not only related to health but also to inequalities, digitalisation, gender equality and more, all pursuing the overarching goal of achieving a greener, more inclusive, and resilient COVID-19 recovery.

An outlook for strengthened triangular co-operation between LAC countries and DAC members in the post-pandemic era could include:

- LAC countries and DAC members could jointly back collective and co-ordinated global responses on inclusive **COVID-19 vaccines roll out**, such as the ACT Accelerator and its vaccines pillar, while championing together in global fora a new global consensus to establish principles for equitable access between and within countries beyond current multilateral efforts. LAC and DAC joint efforts could build on existing mechanisms for dialogue between both communities, such as the LAC-DAC Dialogue on Development Co-operation, and progressively scale up discussions to the global political fora, such as at the United Nations and G20. Some countries have already taken steps in this endeavour. For instance, Spain has committed to promoting a global and multilateral response to the COVID-19 crisis under the United Nations leadership⁵¹, including the “Joint Response for Latin America and the Caribbean against COVID-19” initiative⁵². The aim of this initiative is “to help Latin American and Caribbean countries to be better equipped to respond to

⁵⁰ https://www.paho.org/hq/index.php?option=com_content&view=article&id=1864:paho-revolving-fund&Itemid=4135&lang=en

⁵¹ Spanish Ministry of Foreign Affairs, European Union and Co-operation (2011), Strategy of Joint Response of the Spanish Co-operation to the COVID-19 Crisis, https://www.cooperacionspanola.es/sites/default/files/estrategia_de_respuesta_conjunta_de_la_cooperacion_espanola_covid19.pdf

⁵² SEGIB (2020), “Juntos por una respuesta para América Latina y el Caribe ante la COVID-19”, Declaración, <https://www.segib.org/wp-content/uploads/Declaracion--n-A.Latina-y-Caribe.pdf>

the socio-economic challenges arising from this crisis and to lay the foundations for more balanced, sustainable and inclusive growth throughout the entire region”⁵³.

- Carve out more opportunities to systematically and strategically engage in **South-South and triangular co-operation** as a way to share knowledge and experiences in a horizontal way among countries in the region and beyond. COVID-19 is already blurring the distinction between providers and beneficiaries of co-operation, fostering more horizontal exchanges and new ways of working like triangular co-operation. Countries in LAC and DAC members could seize the opportunity to learn from each other, knowing that no country is too poor to give and no country too rich too learn. We need to link better thematic approaches with modalities – mainstreaming triangular co-operation, not least as a way to provide global public goods.
- Acknowledge sub-national and regional governments as political leaders and catalysts for change in achieving progress towards the SDGs, strengthening a dynamic and multi-level South-South and Triangular **Decentralised Co-operation** ecosystem in LAC. As the study *“Towards an Ibero-American system of South-South and Triangular Decentralised Co-operation”*⁵⁴ suggests, the main current political challenge is to create solutions to understand and respond to the interdependence between local factors and transnational dynamics. Additionally, a main challenge for the configuration of the South-South and Triangular Decentralised Co-operation Ecosystem is the integration of local-based co-operation, which has emerged from cities and local government networks, and as derived from the results of a survey carried out by the PIFCSS to members of the Ibero-American community, sub-national and local governments, beyond considering themselves implementers of the Agenda, must be recognised as political leaders and catalysts for change.
- Strengthen **partnerships with civil society** actors, recognising the importance of civil society both as independent development actors with their own plans and priorities and as development providers’ implementing partners in achieving the SDGs. The crisis has reshuffled the cards on the best channels to achieve the desired outcomes on time. Civil society actors have proven to be reactive in this crisis that foster community-based approaches to fighting the virus. It will be crucial to ensure civic space and participation, recognise CSOs as development actors on their own right with connections to people on the frontlines of inequality and vulnerability, and foster structured and inclusive dialogue with DAC and LAC civil society, including local CSOs, to ensure that no-one is left behind in the COVID-19 recovery. To that end, LAC countries could consider adhering to the 2021 DAC Recommendation to Enabling Civil Society in Development Co-operation and Humanitarian Aid, marking a solid commitment to enabling civil society as a contributor to the 2030 Agenda.

⁵³Statement A JOINT RESPONSE FOR LATIN AMERICA AND THE CARIBBEAN TO COUNTER THE COVID-19 CRISIS. Pág 2. Available on:

[https://www.lamoncloa.gob.es/lang/en/presidente/news/Documents/2020/Statement%202020_06_24\(EN\).pdf](https://www.lamoncloa.gob.es/lang/en/presidente/news/Documents/2020/Statement%202020_06_24(EN).pdf)

⁵⁴ This study is about to be published and will be available on: www.cooperaciontriangular.org

