

The Reality of Aid Network

The Reality of Aid (RoA) Network exists to promote national and international policies that will contribute to new and effective strategies for poverty eradication built on solidarity and equity. Established in 1993, the Reality of Aid is a collaborative non-profit initiative involving non-governmental organisations from North and South.

The Reality of Aid regularly publishes reliable reports on international development cooperation and the extent to which governments, North and South, address the extreme income inequalities and structural, social and political injustices that entrench people in poverty.

The Reality of Aid has been publishing its reports and Reality Checks on aid and development cooperation since 1993.

The Reality of Aid Global Management Committee is made up of regional representatives of all its member-organisations.

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The *South-South Cooperation: A Challenge to the Aid System?* is a special report of the Reality of Aid written by authors from Southern CSOs whose research draws on knowledge and expertise from aid agencies, academia, and community-based organizations.

Overall editorial control of the publication lies with the Reality of Aid Management Committee. The views expressed reflect the views of the authors and do not necessarily reflect the views of the Management Committee or of IBON Foundation that published this Report.

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Preface

The world's economic landscape is rapidly evolving. The first decade of the 21st century has ushered in rapid growth in the economies of emerging giants from the Global South, eclipsing the performance of the old industrial centers in the North. China is widely expected to overtake Japan as the second largest economy in the world this year. India's economic output is expected to surpass the gross domestic product (GDP) of Canada by next year. Brazil is the fastest growing economy in all of the Americas.

With economic stagnation looming on the horizon in the developed world, poor countries are increasingly looking towards other developing economies for greater trade, investments and development cooperation. The growth of regional cooperation or regionalism has also escalated as a by-product of globalization.

A number of middle-income countries from the South have recently moved from being net aid recipients to being net donors even as the vast majority of the world's impoverished population are still found in these countries. With the rapid growth of development assistance from so-called "emerging donors" from the South, there is increasing interest in South-South Cooperation especially within official government circles.

From a dedicated article extolling the importance of South-South cooperation towards aid effectiveness in the Accra Action Agenda (AAA), expectations are high that good practices in South-South cooperation will contribute important learnings towards the building of a new aid architecture that promotes effective development cooperation.

This new report from the Reality of Aid Network contributes to the growing literature on the subject by taking a critical look at the nature, shortcomings and potentials of South-South development cooperation from a Southern civil society perspective.

The report is a specialized selection of researches ranging from the emergence of new global donors such as India, China and South Africa as well as the establishment of a new international financial architecture in South America to the impact of these trends on the diverse economies of Asia, Africa and the Americas. It presents the general condition of the Southern continents along with the specific experiences of Zimbabwe, Uganda and the Philippines, and illustrates the viability as well as the deficiency of the rising South-South development cooperation. The report also contains two researches on the noteworthy contribution of Cuba in Timor Leste and South West Pacific and its ongoing cooperation with Venezuela.

This report provides development actors important lessons, not just for improving South-South cooperation but also for enhancing the development effectiveness of international development cooperation as a whole.

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