The evolution of South-South and triangular cooperation

2

Cooperation built on solidarity and shared experience

The outpacing of North-South trade by South-South trade in recent decades not only indicates the changing geography of world trade; it also demonstrates the transformation of development cooperation through South-South and triangular cooperation in and through trade, and the impact of these cooperation modalities in the transformation of the developing economies' growth trajectories.

South-South cooperation (cooperation among developing economies) has evolved into a broad concept since its inception when 29 Asian and African economies met in Bandung, Indonesia, at the 1955 Bandung Conference. Its foundational United Nations (UN) framework, the Buenos Aires Plan of Action (BAPA), was adopted by 138 countries in 1978 (A/RES/33/134; Al-Khatib in Körber-Stiftung, 2025). These principles were reaffirmed at the Second High-level UN Conference on South-South Cooperation (BAPA+40) in 2019, and the scope of cooperation with economic and multi-actor partnerships was broadened to align with the UN 2030 Agenda for Sustainable Development. It explicitly recognized the contribution of South-South and triangular cooperation in relation to trade (A/RES/73/291).

Developing economies have long used South-South cooperation to address shared development challenges, drawing on comparable experience, approaches suited to their contexts and readily adaptable skills, tools and knowledge. It has also provided a platform for developing common positions in regional and global forums, including on trade.

South-South cooperation has grown in scale and volume as well as broadened in terms of geographic reach and approaches over the past decades. It remains anchored, however, in the same principles of respect for sovereignty, non-interference in internal affairs and self-reliance, as well as in reciprocal collaborations that are demand-driven, non-conditional and mutually beneficial.[1]

The enduring relevance of this cooperation rests in the recognition that the needs and interests of developing economies may differ and evolve, but they remain bound by a common aspiration for self-determined growth and development, and for building partnerships based on equality and mutual respect. Strategically leveraged, and with the added strength of triangular cooperation (incorporating the support of a developed economy, private sector, or international organization), South-South cooperation can further broaden mutually beneficial South-South trade relations, help close capacity gaps and geographic disparities, and facilitate joint action on key priorities for collective growth and sustainable development. South-South cooperation is not a substitute for North-South cooperation but a complement to it.

Evolution and elements of cooperation

Evolution of South-South cooperation

South-South cooperation is multidimensional; it is implemented as bilateral, regional and global arrangements in a variety of domains (economic, sociocultural, environmental, etc.). Conceptually in contrast with traditional development support or "foreign aid," which involves financial flows officially reported and tracked by donors and recipients, South-South cooperation is not treated or recorded as development assistance or aid, with parties considered as partners rather than donors or recipients. It does not fit the formal definition or reporting standards used by the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) system, thus early data are limited.[2]

However, documented initiatives illustrate South-South cooperation's long-standing emphasis on technical cooperation, knowledge exchange and capacity building in agriculture, health, education and economic modernization. Examples include the Indian Technical and Economic Cooperation Programme, established in 1964, which facilitated training and knowledge exchanges between India and other economies in Asia and Africa; the China-Africa agricultural technical cooperation from the late 1950s to the 1970s; and the Cuba medical missions to economies in Africa and the Caribbean in the 1960s, which channelled medical assistance as well as facilitated knowledge and skills exchanges.[3]

Other well-documented examples serve as a precursor to the eventual expansion of South-South cooperation in other domains: the China-Tanzania/Zambia Railway initiative in the 1970s is an early South-South approach to infrastructure development and to building economic corridors; and the Itaipu Dam initiative, established by Brazil and Paraguay in 1973, which saw the construction of the world's largest operational hydroelectric dam at the time, serves as a reference framework for cross-border South-South cooperation on building shared energy resources for growing economies.[4]

South-South cooperation in trade and innovative financing

Regional and interregional cooperation on trade and economic development has been central to South-South cooperation from its early years. The Latin American Free Trade Association, established in 1960, sought to create a regional free trade zone. The East African Community, established in 1967 by Kenya, Tanzania and Uganda, formalized regional ties and supported joint cross-border infrastructure.

Other regional blocs have advanced trade and development through South-South cooperation.

The Association of Southeast Asian Nations (ASEAN), founded in 1967, has expanded its membership and partnerships, including with advanced economies. The Caribbean Community, established in 1973 to boost trade and regional integration, has broadened cooperation to address security and development, leveraging South-South cooperation. The Southern Common Market (MERCOSUR), established in 1991, promotes regional economic integration among its members and cooperation on common interests such as migration and labour; while the Common Market for Eastern and Southern Africa, established in 1994, promotes collective self-reliance through measures including technical capacity building.

Building financial institutions and mechanisms has also been central to this evolution. Early institutions include the Inter-American Development Bank (established in 1959); the Kuwait Fund for Arab Economic Development (1961), the first development fund established by a developing economy to provide financial and technical assistance to other Arab developing nations; the African Development Bank (1964), now a major 81-member institution which established a South-South Cooperation Trust Fund in 2011; and the Asian Development Bank (1966), which helps bridge knowledge and financing gaps through South-South and triangular cooperation, including on trade. The Islamic Development Bank and the Saudi Fund for Development, both established in 1974, also support infrastructure and trade facilitation.

Institutionalization of South-South cooperation and broadening channels for developing economy-led collaborations

South-South cooperation was institutionalized within the UN's development cooperation framework in 1974, when the General Assembly endorsed the establishment of a special unit within the United Nations Development Programme (UNDP) to promote technical cooperation among developing countries (TCDC) and integrate it fully into the Programme (in 2012, this unit was renamed the United Nations Office for South-South Cooperation, tasked with promoting and coordinating South-South cooperation within and beyond the UN system). [5]

Four years later, in 1978, the foundational framework of South-South cooperation (the Buenos Aires Plan of Action or BAPA) was adopted by 138 economies at a UN high-level conference in Argentina. The core principles of South-South cooperation would be reaffirmed on its 40th anniversary, in 2019, (BAPA+40) and its scope broadened – from narrow technical exchanges in the past into broader economic, financial and multi-actor global development partnerships aligned with the UN 2030 Agenda. The Outcome Document of BAPA+40 specifically notes recognition of the role of South-South cooperation for helping enhance South-South trade, broadening the access of developing economies to markets, and building a digital economy, amongst other benefits (see Box 1).[6]

Developing-economy-led initiatives have further expanded cooperation on tariffs, trade opening in various sectors, and the development of new investments as well as expansion of transborder market opportunities: the Brazil-Russia-India-China-South Africa alliance; the India-Brazil-South Africa Trilateral Cooperation Forum; the Forum on China-Africa Cooperation; the India-Africa Forum; and the Belt and Road Initiative of China.

As their economies grew, developing countries also created funding mechanisms to address

Box 1. Outcome Document of the Second High-Level UN Conference on South-South Cooperation (BAPA+40)

… South-South cooperation and triangular cooperation increasingly take different and evolving forms, including technical cooperation, the sharing of knowledge and experience, training, capacity building and technology transfer on mutually agreed terms, aimed at achieving sustainable development through the promotion of, inter alia, economic cooperation, including trade, investment, infrastructure development and connectivity, agriculture and rural development, food security and nutrition, food safety, health, energy, disaster risk reduction, addressing climate change, as well as mutual learning and the coordination of development policies and strategies among developing countries. (para 18)

We note the role of trade in growth and economic development of developing countries and recognize the significant contribution of South-South and triangular cooperation in the area of trade and its ability to promote sustainable development, and in this regard reaffirm the importance of strengthening South-South trade in [a] WTO-consistent manner, including the Global System of Trade Preferences among Developing Countries. (para 20)

shared development priorities, including capacities for trade and development. Examples entrusted to the UN Office for South-South Cooperation (UNOSSC) as the UN focal point on South-South cooperation and triangular cooperation, include: the UN Fund for South-South Cooperation, established through the 1995 UN General Assembly Resolution 50/119, which receives voluntary contributions and resources to support the development priorities of developing economies (member states, philanthropic foundations, the private sector, etc.); the Pérez-Guerrero Trust Fund for South-South Cooperation, established in 1983 through General Assembly Resolution 38/201 to support members of the Group of 77; the India-Brazil-South Africa Facility for Poverty and Hunger Alleviation established in 2006; and the India-UN Development Partnership Fund established in 2017, which focuses support on least-developed countries and small island developing states.[7]

Triangular cooperation broadens South-South cooperation on trade

South-South and triangular cooperation emerged in the 1970s as a mechanism for building on and expanding South-South cooperation, as partnerships led by developing economies involved partners from developed economies and/or multilateral organizations. It rests on the idea that "no country is too economically poor to help and share experiences, and none is too rich to learn from others".[8]

The regional blocs that emerged in the evolution of South-South cooperation grew to involve South-South and triangular cooperation approaches to trade and matters related to trade. For instance, the Japan International Cooperation Agency-ASEAN partnership facilitates knowledge exchange on energy, disaster management and food security, alongside infrastructure and collaborative frameworks related to transport, transit routes and cross-border supply chains.[9]

Regional bodies in Latin America and the Caribbean have strengthened collaborations with the European Union (EU) and OECD countries that also advance trade cooperation. The EU-MERCOSUR trade agreement signed in January 2026 stands as a landmark free trade pact connecting the two regions, eliminating tariffs on 91 per cent of goods over time.

In Africa, the inherently South-South-oriented African Continental Free Trade Area (AfCFTA) established in 2019, which connects 54 economies in the region into a single market, has leveraged South-South and triangular cooperation as a mechanism for mobilizing capital and technical support within and beyond the region. Germany's federal development agency (GIZ), for instance, assisted the drafting of the AfCFTA Protocol on Digital Trade, which standardized e-commerce rules and data flow. Canada identifies as a key partner in the development of AfCFTA and has included non-traditional and transformative cooperation modalities to strengthen ties with the continent through mutually beneficial trade and economic relations.[10]

Data on South-South and triangular cooperation remain incomplete, as much of it takes the form of in-kind and other exchanges that conventional statistics do not capture. Chapter 4 discusses the UN Framework to Measure South-South Cooperation (developed by United Nations Trade and Development) and Total Official Support for Sustainable Development, which are helping to close this gap.

Future potential of South-South and triangular cooperation for trade and development

The scope of South-South and triangular cooperation and the range of actors involved have broadened, creating more opportunities for trade and sustainable growth. The updated South-South Galaxy+ reflects the diversity of developing economies and the solutions they co-create (see Chapter 3 for case studies and the Annex for selected initiatives). As economies have accumulated expertise and financial capacity, cooperation has expanded into infrastructure development, institution building, capacity building in public administration, collective industrialization, regional integration, digital transformation and innovative financing.[11]

The development needs of these economies and their sources of support have also diversified. Developing economies have seen increasing diversity in resource mobilization options for development: for instance, now composed largely of middle-income countries, they have enhanced capacity to mobilize domestic resources, including tapping domestic private capital, as well as remittances that have grown considerably, and are now three times greater than ODA.[12]

The Emerging Development Partners (EDP) Network, established in 2024, brings together developing economies that have become providers of support, including contributions to

ODA. It coordinates South-South cooperation-anchored efforts, with the UN Economic and Social Commission for Asia and the Pacific acting as Secretariat. It involves developing economies that have moved into middle-income status, established development cooperation agencies to manage engagement, and institutionalized South-South and triangular cooperation as a cooperation model: the Technical Cooperation Council of the Philippines (established in 1992), Turkish Cooperation and Coordination Agency (1992), Thailand International Cooperation Agency (2004), Azerbaijan International Development Agency (2011), Presidential Agency for International Cooperation of Colombia (2011), Indonesian Agency for International Development (2019) and the Kazakhstan Agency of International Development (2020).[13]

The EDP Network demonstrates the shifting model of development cooperation, with members providing development support on South-South and triangular cooperation modalities in such areas as trade and industry, trade and financial inclusion, strengthening small and medium-sized enterprises, sustainable agriculture, renewable energy and science and technology.[14]

South-South trade and cooperation as pathways to more sustainable growth in developing economies

Beyond its growing scale, South-South trade offers opportunities for structural transformation and greener growth. South-South and triangular cooperation can help economies combine access to new markets with exchanges of technology, productive know-how and policies that support greener production, resource efficiency and resilient value chains. These opportunities are increasingly relevant, as environmental standards, clean-energy technologies and low-carbon industrial policies shape competitiveness and market access.

The expanding market for green products illustrates this potential. Global exports of green industrial goods increased from US$ 429 billion in 2000 to approximately US$ 1.76 trillion in 2024, representing around 8 per cent of global merchandise trade. Developing economies are already significant participants. For instance, China exported US$ 410.5 billion of green industrial goods in 2024, followed by Mexico with US$ 72.5 billion, while India, Singapore and Thailand were also among the leading developing-economy exporters. These emerging productive capabilities also create opportunities for South-South cooperation in renewable energy, sustainable transport, energy-efficient technologies and other green industries, including through technology adaptation, skills development, standards and the development of regional supply chains. These sectors offer further growth potential.

The International Energy Agency estimates that the market for clean-energy technologies could reach approximately US$ 640 billion annually by 2030. Renewable-energy employment amounted to at least 16.6 million jobs in 2024, but remained concentrated, with China accounting for approximately 44 per cent. South-South and triangular cooperation can broaden participation in these emerging industries by supporting technology transfer, workforce development, investment partnerships, joint innovation and the localization of value chains. Triangular cooperation can further complement developing-economy expertise with additional finance, technology and institutional support.

The opportunity, therefore, is not to expand the overall volume of South-South trade, but to shape its composition and enabling environment so that trade contributes to structural transformation, resilience and environmental sustainability. The World Trade Organization has highlighted the diversification of global value chains, digitalization and the transition towards a low-carbon economy as potential sources of new opportunities for low- and middle-income economies.

Combining developing-economy knowledge and existing solutions, technologies and productive capacities with complementary financing and partnerships, South-South and triangular cooperation can help economies move towards higher-value and greener production, strengthen regional value chains and support development pathways that are more productive, inclusive, environmentally sustainable and resilient.

Conclusion

The rise of South-South trade reflects not only a shift in the geography of trade but also the growing role of developing economies as partners in each other's development. As trade and investment become more important drivers of their growth, building the necessary capacities will be a central need. South-South and triangular cooperation offer established channels for meeting this need, as the case studies in Chapter 3 illustrate, whilst Chapter 5 sets out priorities for action.

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2. OECD-DAC is an international forum and standard-setting body under the OECD that monitors global foreign aid and development assistance. It brings together major donor economies and is considered a key source of financing for development (see www.oecd.org).

3. The early South-South cooperation initiatives are not thoroughly documented, with the literature and data very slim. For these examples, see the ITEC portal of the Government of India; "Cuban Medical Internationalism: A Paradigm for South-South Cooperation" in the International Journal of Cuban Studies (2023), a retrospective in the context of Cuba's presidency of the Group of 77+China in 2023; and the China-Africa Collaboration in Agriculture and Food Security: Prospects and Challenges (2024).

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