Mexico’s Role in Development Cooperation: Bridging North and South

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Introduction

For decades, and especially in recent years, emerging countries have practiced South-South Cooperation (SSC) on an increasingly frequent basis. The impact of SSC on the global development agenda is growing. This brings to the fore the question of how to create political dialogue and collaboration between emerging SSC practitioners and traditional – often northern – donors and their institutions, in order to establish a more cohesive development strategy.

The main focus of this paper is to analyze how Mexico, a country whose geographical affiliations are shared between North and Latin America, can serve as a bridge between North and South, facilitating communication and agreements between both hemispheres in order to improve the governance of international development cooperation.

In this regard, the UN can play an important role in supporting Mexico’s efforts to establish innovative, permanent, and even institutionalized mechanisms for coordination and partnership between North-South and South-South Cooperation models. These initiatives could serve to improve both development cooperation and SSC governance in order to strengthen the current development agenda, as guided by the Global Goals for Sustainable Development.

National context: An overview of Mexican development cooperation

Mexico is an emerging country that finds itself positioned in geostrategic terms as both a North American and Latin American country. Its development cooperation is, historically, an activity that aims to complement national capacities in terms of internal development, in light of Mexico’s status as a recipient country of development assistance. According to the OECD, in 2012 Official Development Assistance (ODA) to Mexico was US $417 million and reached, in 2013, $561 million, with Mexico ranking 6th amongst Latin American and Caribbean recipient countries.\(^1\)

Given its own capacities to undertake development cooperation, and the political will to implement such actions, SSC has been consistently practiced by Mexico since the 1980s, and is key to bolstering Mexico’s presence abroad. Mexico often emphasizes the importance it gives to its international commitments by pointing out that it is ranked as the tenth highest core contributor to the UN, and the main contributor amongst Latin American and Caribbean countries.\(^2\) As is the case in other emerging countries (and indeed in northern countries), Mexican international cooperation is a normative activity and a cornerstone of its foreign policy, as outlined in the Mexican Constitution since 1988.

In 2011, in an attempt to better regulate development cooperation, Mexico introduced legislation and a new framework which attempted to provide greater capacity for achieving foreign policy and development objectives. This new law proposed the furthering of Mexican interests in line with the needs of international partners by means of cooperation activities, with the aim of more emphatically contributing to the regional and global development agenda, as well as to domestic goals.\(^3\)

To achieve such objectives, the law established the creation of several initiatives and bodies which addressed five key areas. The administrative pillar took the form of the Mexican International Development Cooperation Agency (Agencia Mexicana de Cooperación Internacional para el Desarrollo, or AMEXCID); the Advisory Council took on the role of orchestration; the programming pillar was formed by the PROCID Program; the National Register and Information System (SIMEXCID) took on the role of statistical pillar; and the National International Development Cooperation Fund (FONCID) formed the financial pillar. For the first time in Mexico’s history, such pillars constituted a “comprehensive national IDC [International Development Cooperation] system”,\(^4\) with its own unique structure.\(^5\) Since 1951, Mexican IDC has been managed in various capacities by the Secretary for Foreign Affairs, through a mix of General Directorates, Under Secretaries, institutes, unities, government departments, and, since 2011, AMEXCID.\(^6\)

Mexican SSC is the product of a fusion of collaboration models from emerging countries, together with the propensity to apply selectively, gradually, and not always consistently, certain parameters for action promoted by the OECD.\(^7\) This results in a particular model of development cooperation with two broad but distinctive features: the first being traditional tendencies, and the other being a more innovative approach. Given the hybrid structure of Mexican cooperation, these features result in notable similarities and differences in Mexico’s approach to cooperation vis-à-vis the models of other emerging countries. Mexico aims to implement its own type of ‘South-South’ cooperation, which is based in part on the principles of SSC, but also draws on some of the norms that
This positions Mexico as a potential bridge between both approaches, where — without relinquishing its role as a developing country — it attempts to establish dialogue and convergence (in terms of mutual adaptability) between North-South and SSC models. This could help foster better development governance, ensuring the identification and construction of a global development agenda with a greater capacity for meeting the challenges identified in the 2030 Agenda for Sustainable Development.

Mexico’s selective application of OECD-DAC principles

Since its accession to the OECD in 1994, and especially in recent years, Mexican cooperation has gradually assumed some of the institutional traits promoted by the OECD Development Assistance Committee (DAC). The Mexican government aims to act pragmatically in adopting some DAC practices.

In this regard, and based on precepts specific to the Aid Effectiveness Agenda (to which Mexico is a subscriber), one characteristic of Mexican development cooperation, as set out in the aforementioned legislation, are the steps taken towards quantifying and publishing official figures on development assistance. Thus in a fashion similar to the DAC group — and unlike many other southern providers — Mexico has committed itself to measuring the resources that finance its SSC as a step towards better institutionalization and increased accountability of these activities.

Despite the selective application of this element of OECD-DAC donor practice, the prospect of Mexico joining the DAC as a full member is unlikely. The Mexican government has been clear in stating that it currently has no intentions to do so since this would disqualify Mexico from receiving ODA, a possibility Mexico is not willing to accept. But it is also no doubt due, in part, to the ever-expanding view that the models put forward by the OECD-DAC are increasingly seen as inadequate for governing southern cooperation and that SSC is not so much aid but rather a form of economic and technical cooperation mutually benefiting cooperating countries. So, norms and standards developed essentially for ODA can have but limited application.

Nonetheless, the quantification of cooperation statistics is important for Mexico for various reasons, among which three stand out: firstly, as an accountability exercise in the allocation of public resources; secondly, to be able to evaluate the costs and benefits of such resources; and thirdly, to be able to monitor and meet the provisions of the National Development Plan with respect to the goal of tripling the amount of Mexican cooperation allocated in the period 2013-2018.

For these reasons, since 2009, Mexico has been establishing a methodology to calculate this amount using OECD-DAC norms and accounting systems, with the aim of complementing its own strategies for the compilation of national statistics. However, despite these similarities, the methodology used does not correspond exactly to that of the DAC. Mexico is not a full DAC member and so is not obliged to use the DAC methodology of calculation; indeed, it seems that there is an unwillingness on the part of AMEXCID to adopt the ODA model in its entirety, although it is currently unclear which parts of the model it favors. Mexico does not, in fact, use the DAC definition of ODA to measure SSC. This is firstly because Mexico defines its cooperation as SSC, and as such the government does not believe that it should be identified as conventional (North-South) aid. Secondly, Mexico does not currently have sufficient data-gathering capacity required for DAC collection methods.

In 2009, the Ministry of Foreign Affairs quantified for the first time the Mexican resources devoted to IDC. Although the resulting preliminary figure was not made public at the time, informal data indicates that the estimate for that year was nearly $105 million, which is equivalent to 0.01% of GDP. Mexico trailed all of the BRICS countries in terms of development spending. According to the latest available data for technical, scientific and education cooperation, as well as financial support (mainly debt forgiveness) and humanitarian aid (excluding contributions to multilateral organizations), Mexico devoted around $411 million to international development cooperation in 2013, and $551 million including contributions to multilateral organizations and administrative expenses. This represents a staggering fivefold increase over the course of just four years, placing Mexico in the same category of many small developed countries in terms of its development cooperation spending.

Annex 1 sets out Mexican spending on cooperation with respect to other donors, giving an idea of the resources that Mexico allocates in comparison with OECD-DAC members, non OECD-DAC
donors, and other emerging providers.

**Mexico as a South-South cooperation provider**

The current Mexican government, seeking to make Mexico “an actor with global responsibility”, notes that “foreign policy will rely on IDC as an expression of solidarity and, at the same time, a means of promoting the welfare and prosperity of our country and the international community.”\(^{16}\) Like many other southern providers, Mexico’s development cooperation is thus explicitly contingent on national interests, but simultaneously sensitive to the determined development needs of partner countries.

In the words of the Executive Director of AMEXCID, the international cooperation provided by Mexico “is considered a soft power instrument that facilitates and promotes diplomatic relations at a bilateral, regional, and global level.”\(^{17}\) In addition to its explicitly political purposes, Mexican cooperation aims to strengthen key development sectors for its partners, especially those in Central America, with which it shares historical, political, economic, and cultural ties that promote such interactions. Indeed, as is the case for many other southern cooperation providers, Mexico’s main SSC partners are located in its own regional sphere of Latin America and the Caribbean. In this respect, the Mexican authorities have committed to the best implementation of SSC principles, synthesized horizontally and in terms of mutual responsibility between the parties involved, thus avoiding aid practices that extend asymmetries between partners.\(^{18}\)

The further institutionalization of Mexican cooperation through the 2011 legislation was a result of the influence of practices characteristic of emerging cooperation partners, in terms of the establishment of norms, objectives, and processes aiming to apply the principles of SSC. On a global level, the establishment of the Millennium Development Goals and the Sustainable Development Goals, together with other strategies (such as the Ibero-American Program for the Strengthening of South-South Cooperation of the Ibero-American General Secretariat)\(^{19}\) for improved SSC, as well as the Aid Effectiveness Agenda promoted by the OECD, have fostered a determination in Mexico to reform its international cooperation, and more specifically to align it with the canons of SSC. Mexico has therefore embraced both the principles of SSC and also aid effectiveness principles such as those agreed upon in the Paris Aid Effectiveness Declaration of 2005. Indeed, the International Development Cooperation Program 2014-2018 states that “Mexico considers that the principles for a more effective cooperation… have contributed favorably to the international effort to improve the quality of cooperation conditions and therefore its impact in international development.”\(^{20}\)

Despite this vision, Mexican cooperation continues to show significant inertia and indeed could be seen to share another characteristic of other emerging development actors’ cooperation practices in its institutional weaknesses. For example, annual IDC reports prioritize the diffusion of quantitative data (number of projects and programmes), without delving into a comprehensive evaluation of the developmental impact of these projects and programmes.\(^{21}\) Moreover, Mexico’s development architecture is fragmented and somewhat weak institutionally, a common trait amongst other emerging development partners.\(^{22}\)

**Mexico as a North-South bridge**

In recent years, Mexico has dedicated itself to strengthening dialogue and partnerships between North and South in the area of development, based on its experience as both provider and recipient, its particular geographical situation between North and Latin America, its institutional IDC capacity, and its growing involvement in global affairs.

Mexico has attempted to bridge the two main traditions of development cooperation (North-South and South-South respectively), and in this manner forge a more cohesive global structure capable of meeting both the old and new challenges faced by humanity, particularly in light of the 2030 Agenda for Sustainable Development.

The key premises that sustain this position rest on the following statements, as expressed by the Mexican government:

- The presumed distance and incompatibility between the cooperation provided by developed and developing countries constitutes a false dichotomy, given that both can be complementary, provided that there is dialogue and co-responsibility between the partners involved.
- SSC is absolutely compatible with the DAC principles of the effectiveness of cooperation, which is implemented by means of institutional strengthening.
• The management of aid from traditional donors can be adapted to cooperation management from SSC partner countries.\(^{23}\)

With the objective of making progress in delivering upon these statements, and capitalizing on its unique traits in the area of development cooperation, Mexico sees itself taking on the role of a “bridge country” between North-South and South-South cooperation.\(^ {24}\)

Such a position has been made evident through different forums and platforms. Among the more important, as already mentioned, is Mexico’s role in the OECD as a DAC observer. It uses its position as an observer to raise awareness within its committee about the need to involve southern cooperation partners in discussions around the agenda on the effectiveness of aid and other related issues.\(^ {25}\) In this way, Mexico seeks to promote an ever increasing receptivity and adaptability between both the “northern” and “southern” approaches to development cooperation.

In the words of the former Mexican Ambassador to the OECD and the Mexican Representative at the DAC, a tangible result of this approach was the OECD declaration entitled ‘Welcoming new partnerships in international development’.\(^ {26}\) Through the content of this document, the OECD recognizes the growing role of emerging countries as cooperation providers, without denying their role as beneficiaries. The document closely reflects the Mexican position on this matter.\(^ {27}\)

Mexico has also contributed to the process of re-formulating the DAC external relations strategy in order to recognize non-member donors, such as Mexico, which are, simultaneously, both ODA recipients and SSC providers. With regard to this document, one significant advance is its recognition of the strengths and unique characteristics of emerging countries as both providers and recipients. It also recognizes the commitment of emerging providers to resolving their own internal challenges in terms of development, and their long histories of involvement in SSC. The document proposes closer ties and increased dialogue between North-South cooperation and SSC, noting that triangular cooperation is a particularly useful strategy in this regard.

Another exercise that by some measure was able to facilitate this “bridging” was the framework for dialogue that was opened up between the then Group of Eight (G8) and the leading five emerging economies at the time (G5 - Brazil, China, India, Mexico, and South Africa). Mexico played a key role, coordinating and reconciling positions in a framework of equity between both groups, which resulted in the Heiligendamm-L’Aquila Dialogue Process (2007-2009), a political consultation mechanism between the G8 and G5 to improve development governance.\(^ {28}\)

Furthermore, during the negotiations of the Fourth High Level Forum on Aid Effectiveness that took place in Busan in 2011, Mexico helped to secure Brazil’s commitment to join the Global Partnership for Effective Development Co-operation (through which it also secured commitments, with reservations, from India and even China). According to a government official, that Mexico was also able to ensure the success of the talks – the celebration of the North-South political dialogue and Brazil’s commitment to join the process – bears witness to the role that it played in achieving a sense of partnership between the relevant actors from the South in terms of the development agenda.\(^ {29}\)

Further to its desire to serve as a link between the two hemispheres, in April 2014 Mexico hosted the first High-Level Meeting of the Global Partnership for Effective Development Cooperation. The meeting sought to find points of convergence between the distinct actors in development cooperation, with a view to establishing point-by-point commitments in the area of effective aid and development and, through this, making advances toward improved governance of such activities. The absence of important emerging donors such as Brazil, India, and South Africa, among other factors, demonstrated the continuing complexity of establishing channels of communication, not to mention concrete commitments, in terms of identifying shared but differentiated responsibilities between northern and southern actors in the sphere of development.\(^ {30}\)

**The role of the United Nations**

Considering the complexity involved in making adequate links between North-South and South-South cooperation, the UN has an important role to play in supporting Mexico in this objective. As a multilateral organization of global scope, it has a particular legitimacy that other entities lack, in promoting forums for political dialogue on those aspects that interest, and divide, its members. The UN certainly seems to be better positioned than others, such as the OECD (undermined by a selective membership and therefore not representative of the interests of various countries, especially southern ones), to facilitate the development of
strategies for better global development governance.

The UN can support Mexico as a facilitator of improved North-South political dialogue on development issues through three main pathways:

1. By promoting the institutionalization of Mexican SSC;
2. By enhancing dialogue between Mexico and other SSC providers; and
3. By encouraging the establishment of a permanent and institutionalized political dialogue among the actors in North-South cooperation and emerging actors.

Promoting the institutionalization of Mexican SSC

The 2014-2019 United Nations Development Assistance Framework for Mexico establishes the basis for the joint work of the UN and the government, proposing in Area VI (which is entitled Global Partnership for Development) the goal that “the Mexican Government will have strengthened its position as an effective regional and global development partner for which it will have consolidated a pertinent international cooperation platform.”

In this regard, the United Nations Development Programme (UNDP) already has a history of supporting Mexican SSC. The 2011 Collaboration Framework Agreement between the Government of Mexico and UNDP, and the AMEXCID-UNDP Cooperation Programme, both include support for systematizing Mexico’s good practice on SSC.

Mexico and the UNDP have together designed four strategies to promote, facilitate, catalyze and improve its SSC practices: supporting SSC schemes; facilitating networks; systematizing best practice; and supporting the institutional and operational development of SSC.

Enhancing dialogue between Mexico and other SSC providers

Given that the UNDP has signed similar agreements with six other emerging economies (Brazil, China, India, Indonesia, South Africa, and Turkey), there are many opportunities for fluid and constant dialogue between AMEXCID and the development cooperation agencies in other countries supported by UNDP. This could help to establish common positions on better SSC governance in order to provide emerging countries with the chance to improve their national strategies for cooperation. They would be aware of practices, both good and bad, of other emerging countries, and thus be able to contribute with greater impact to the improvement of the rules that shape SSC and development cooperation more widely. This could be achieved by bringing these countries together on a regular basis, perhaps with the support of UN agencies such as UNDP, and establishing a permanent political and technical dialogue on this matter.

Encouraging the establishment of a permanent and institutionalized political dialogue among the actors of North-South cooperation and emerging cooperation actors

The UN could continue to support Mexico’s efforts to establish innovative mechanisms for collaboration and partnership between various models of North-South aid and SSC, with the aim being to improve the governance of both international development and SSC in order to strengthen the current development agenda (guided by the Global Goals). In particular, in addition to fostering and promoting SSC through the Office for South-South Cooperation, the UN could play a more active role in supporting initiatives such as those advocated by Mexico: the creation of permanent knowledge-sharing platforms for political and technical dialogue between North-South and South-South cooperation. This could be approached in concrete terms through such instruments as the Core Group of South Cooperation Partners, run by the United Nations Department for Economic and Social Affairs, as established in the framework of the “Delhi Process.”

Through such mechanisms, the UN could encourage a new and more constructive relationship between different models of development cooperation. In this sense, in the words of a high-ranking AMEXCID Official, “Mexico will commit itself to work with the United Nations in the establishment of institutionalized dialogue and partnerships between both modes of collaboration, particularly in anticipation of the Post-2015 Agenda.”

Conclusion

Emerging countries have an increasing influence and impact on the global stage in multiple ways. One reflection of this is that, through their cooperation activities, emerging donors have been able to transform the traditional framework of development cooperation, which has often been conceptualized in terms of a relationship between Northern provider and Southern beneficiary. The implication is that North-South and South-South cooperation must find points of convergence, in order to form a coherent and effective development agenda. In light of the discussions around the Global Goals and the 2030 agenda for Sustainable Development, now more than ever it is essential that these different actors open up dialogue, and develop the means to coordinate their activities.
In this sense Mexico, as both a North American and Latin American country, makes use of its unique place in the development framework, having the potential to serve as a bridge between North and South. This could involve fostering channels of dialogue between both hemispheres in the area of development where, through shared and differentiated responsibilities, the North and South find themselves linked in a more balanced way. Mexico is already showing its engagement on the international stage in development issues, through its stated desire to “contribute to global prosperity, either through bilateral or multilateral international cooperation activities.”\textsuperscript{35} The UN has a role to play in facilitating this engagement and contributing to the generation of spaces for dialogue, and an institutionalized interaction between different actors and frameworks of cooperation. In this way, synergies can be fostered, and without losing their respective identities, countries can agree on concrete commitments and actions to build a more solid agenda for development.
Annex 1

ODA of a selection of OECD-DAC members and non-DAC reporting countries, in addition to estimates of development cooperation flows of emerging providers that do not report to the DAC, 2013 (gross USD millions, current prices)
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Endnotes

1 Below Haiti (US $1,171 million dollars), Brazil (US $1,150 million dollars), Colombia (US $852 million dollars) and Bolivia (US $699 million dollars). OECD-DAC (2015) “Receipts for Mexico” (OECD: Paris), available at https://public.tableau.com/views/AidAtAGlance_Recipients/Recipients?embed=&n:showTabs=y&show_count=no78&showVizHome=no1

2 Whilst contributions are essentially membership (and, thus, compulsory) fees, Mexico frequently uses this to highlight its contributions, for soft power purposes. Secretaría de Relaciones Exteriores (2015) “Presencia histórica de México en la ONU” (SER: Mexico).


4 AMEXCID (2011) “Sistema Mexicano de Cooperación Internacional para el Desarrollo” (AMEXCID: México).

5 Venezuela proclaimed its International Cooperation Law in 1958 and, according to the Ibero-American Program for the Strengthening of South-South Cooperation (PIFCSS), aside from Mexico Ecuador, Brazil, Chile and Peru also have national IDC systems. PIFCSS (2014) “Diagnóstico de los marcos normativos e institucionales para la gestión de la Cooperación Sur-Sur en los países de Iberoamérica”, Documento de Trabajo, No. 6, p. 16. However, none of these countries have a structure like Mexico’s, featuring the five pillars discussed. That is to say, a system based on binding legislation that establishes a coordinating institution, together with other mechanisms for programming, registration, and publicity, and a permanent fund for such activities, which through the synergy and inter-relationships among them attempt to comprehensively strengthen IDC in Mexico.


7 For example, although Mexico is a signatory of the Paris Declaration, this country has not been subject to external evaluations of the effectiveness of its SSC. Nor does it use to the five principles of the Paris Declaration in order to evaluate the processes and results of its development programmes and projects.

8 Mexico has been very clear that it does not intend to participate in the DAC as a full member, and instead seeks to maintain its status as an observer.

9 Gobierno de la República (2013) Plan Nacional de Desarrollo 2013-2018, México, p. 99. Particularly stated in sections 2.1.7: “Contribute Help to define the Post 2015 Development Agenda of the United Nations”; 5.1.6: “Strengthen the role of Mexico as a responsible, active and engaged actor in the multilateral arena, driving priority strategic issues of global and benefit consistent with the national interest”; and 5.1.7: “To promote a vigorous policy of international cooperation that contributes both to the development of Mexico and the development and stability of other countries, as an essential element of Mexico’s role as a responsible global actor”. The Foreign Affairs Sectorial Program also refers to this matter: “In a broader context Mexico will have a growing interest in contributing to growth, either through its bilateral and multilateral activity, or international cooperation”. Secretaría de Relaciones Exteriores (2013) “Programa Sectorial de Relaciones Exteriores 2013-2018”, Mexico, p. 22. Finally, in its first article, the IDC Law refers to the many topics covered by Mexican cooperation which together contribute to a better global governance in the field of development.


18 One of the main mandates to avoid asymmetries between partners in the framework of the practice of SSC is established in the “International Development Cooperation Program 2014-2018”, which requires the national government to comply with the principles of mutual responsibility, complementarity and co-financing, noting in this regard that “...at no point will creating dependency be sought with the collaboration offered”. Secretaría de Gobernación, Diario Oficial de la Federación (2014) “Programa de Cooperación Internacional para el Desarrollo 2014-2018”, México, 30 April.


28 This process brought elemental results (such as, for example, commitment to achieving the MDGs and mobilizing resources for development), and this mechanism of interaction contributed to the creation of processes for more inclusive communication between both groups. Ernesto Soria Morales (2010) “El diálogo entre el G8 y el G5 sobre desarrollo: la experiencia del proceso de Heiligendamm (PDH) en la construcción de una visión compartida”, Revista Española de Desarrollo y Cooperación, No. 26, Madrid. The Final Report of the Heiligendamm-L’Aquila Dialogue Process is available at: http://calderon.presidencia.gob.mx/2009/07/informe-final-sobre-el-proceso-de-heiligendamm/
29 Interview with an AMEXCID official. Mexico City, 14 June 2015.
33 Meeting held in April 2013, sponsored by India and UNDESA, with the objective of forming a forum that approaches themes centered on SSC, its construction and relationship with collaboration with the North. The final document is available at: http://www.un.org/en/ecosoc/newfunc/pdf13/dcf_delhi_conference_report.pdf
34 Interview with an AMEXCID official.