South-south cooperation has become an important source of new external resources in recent years, accounting for about 10% of global aid in 2006. Southern bilateral providers, including Brazil, China, India, Korea, Kuwait, Saudi Arab and Venezuela, provide both grants and loans, as do southern multilateral organisations such as BADEA, the Islamic Development Bank and the OPEC Fund for International Development.

DFI has recently been conducting extensive analysis of South-South aid. For the UN Development Cooperation Forum it wrote in 2008 an authoritative study of South-South and Triangular Development Cooperation, and is continuing work on preparing a global database of South-South cooperation and on studying best practices in high quality South-South cooperation.

For the November 2009 Vienna Symposium to prepare for the 2010 UN Development Cooperation Forum, DFI prepared a background analytical paper: South-South and Triangular Development Cooperation: Improving Information and Data.

DFI has also prepared a series of guides to the policies and procedures of bilateral South-South providers, to assist developing countries in choosing financing sources and other stakeholders in assessing the relative quality of different financing.

Latest work DFI carried out in this area:

5 September - South South Commonwealth Cooperation

As part of its ongoing collaboration with the Commonwealth Secretariat, DFI prepared a background paper on south-south cooperation amongst Commonwealth countries to support discussion by Senior Officials at the 2011 Commonwealth Finance Ministers Meeting in September. The study is available here.