

IDFC Working
Group on
Cooperation for
Development

Cooperation Roundtable

- *Discussion on modes of
Cooperation*

4 September 2018

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Introduction

The International Development Finance Club (IDFC)¹ coined the concept ‘Cooperation for Development’ to describe the form of cooperation favoured among its members. The IDFC is a group of 23 development finance institutions from Africa, Asia, Europe, the Americas and the Middle East. The group’s institutional capacity varies from experienced to emerging, which makes cooperation key in developing the expertise of the entire group.

In 2016, the IDFC established a Cooperation for Development (CfD) Working Group to explore ways through which the Club could deepen cooperation and learn from each other. A paper was prepared in which it set out the origin of the term ‘cooperation for development’ and described ways in which members of the Club worked together.

At the end of 2017, CfD 2.0 was launched to map the experiences of members in their efforts to work together. As part of the 2018 agenda, it was agreed that the CfD Working Group would continue to explore ways to work together and to learn from experiences of other modes of cooperation. As the 2016 paper explained, South South Cooperation and Trilateral Cooperation (Triangular) formed the foundation of the IDFC’s mode of cooperation. However, the members of the IDFC felt that their experiences within the Club were not quite being addressed by the two commonly used terms.

Context for debate

The concept of cooperation has gained high visibility again with Sustainable Development Goal 17 that recognizes that partnerships are required to achieve the SDGs. The Post-Busan agenda has also highlighted the importance of cooperation in development programmes. The work of the Research and Information System for Developing Countries (RIS) on South South Cooperation provides sufficient context for continued cooperation among Global South member states. The 2019 Buenos Aires Plan of Action (BAPA +40) marks the 40-year anniversary of the Second High Level Conference of the United Nations on South South Cooperation. BAPA+40 also provides an opportunity to create new partnerships for international development cooperation. Under Argentina’s leadership of the G20 and the host of BAPA+40, partnerships play an important role in the G20 and BAPA agendas. They aim to:²

1. Promote dialogue between South-South and traditional cooperation through, in particular, triangular cooperation;
2. Rethink how a multidimensional concept of development can be embedded in the international cooperation system;
3. Create a strategic framework for promoting effective south-south and triangular cooperation in science technology and innovation;

¹ <https://www.idfc.org>

² OECD Development Co-operation Report 2018 – Joining forces to leave no one behind.
<https://doi.org/10.1787/dcr-2018-en>

4. Build multi-actor alliances; and,
5. Generate data and information systems that track and show the value of South-South and triangular cooperation in a more systematic way.

South South Cooperation is politically acceptable leading from the Non-Aligned Movement days of the 1970s. 'For emerging powers, such as China and India, SSC is directly articulated as a value-free and apolitical tool for delivering benefits to another developing country, as well as the contributing countries themselves'.³

The UNDP's states that 'Through triangular cooperation, Southern development assistance providers can benefit from the financial and technical support, experience and technical know-how of multilateral and developed-country partners. The increased capacity to tackle development challenges, strengthened partnerships and enhanced regional integration benefits everyone.'⁴

In addition to reflecting the changing debates among development institutions, this debate comes on the eminent release of an Institute for Global Dialogue publication on trilateral cooperation and development diplomacy. The publication comes at a time when the international development landscape continues to undergo significant changes as members of the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) and non-OECD DAC countries grapple with the implications of the changing nature of the global development landscape. With the United Nations (UN) and its member states increasingly looking to find practical ways of implementing the sustainable development goals (SDGs) adopted in 2015, it has become evident that their realisation will not be possible without building sustainable global partnerships. It is in this broader context where trilateral cooperation may come to find its place in the post-2015 global development landscape.

While its roots can be found in the Buenos Aires Plan of Action of 1978, it is only in recent years that development practitioners and scholars have taken this form of cooperation more seriously, especially in the context of the rise of emerging powers as sources of development cooperation throughout various regions in the global south. This has created a development landscape where ideas and practices to combat the most pressing social, political, and economic questions of our time are no longer the preserve of development practitioners and thinkers from member states of the OECD DAC. While the MDGs were crafted in a development landscape, where donors from the DAC were largely expected to provide support and ideas to countries of the global south, their immediate successors, the SDGs, were negotiated in a world where developing countries themselves have become development models, in particular areas, to their peers in the global south. This changing landscape is reflected in the manner in which the SDGs capture challenges which do not only affect developing countries, but socio-political challenges, which affect rich and poor countries alike.

³ Haldrup, Lassen and Tarp (2017). South-South Cooperation, Inter-state relations and regional integration – Regionally based South-South Cooperation in the context of changing political dynamics.

<http://concordconsulting.org/wp-content/uploads/2017/12/South-South-Cooperation.pdf>

⁴ UNDP Frequently asked questions: South-South and Triangular Cooperation.

http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Development%20Cooperation%20and%20Finance/SSC_FAQ%20v1.pdf

Rationale for Cooperation Roundtable

The IDFC is in the process of deepening collaboration among its members across a variety of working groups. The Club is interested in other forms of cooperation and wishes to engage in debates about the nature of those modes of cooperation, the pros and cons and the lessons learned or best practices. This roundtable would present a platform for discussions on where the debates currently are on the modes of cooperation. How the BAPA +40, the G20 agenda and other global programmes are establishing cooperation networks.

The roundtable provided an opportunity for academics, think-tanks and practitioners from development finance institutions to present their thoughts and experiences with cooperation and to look at the potential for creating global change through cooperation. Two leading voices in the debate, Dr Philani Mthembu and Sanusha Naidu, both from the Institute for Global Dialogue, a reputable think-tank in South Africa, provided their views on Trilateral and South South Cooperation, respectively.

The next section of the report maps some of the key points presented and a synopsis of the discussion. The final section looks at how the debate can be taken forward. The following synopses were informed by three questions:

- What is the status of the debate and how has the narrative changed over time?
- Is there room for improvement?
- How could the debate develop in the near future?

South South Cooperation – Sanusha Naidu

The South South Cooperation (SSC) debate has gained prominence in recent years due to high-level meetings leading up to Busan in 2011, the various Financing for Development Conferences, and to the upcoming 40th anniversary of the Buenos Aires Action Plan (BAPA). The discourse and scholarship on the SSC has been led by the Research and Information System (RIS) for Developing Countries based in New Delhi, India. The Delhi Process on South-South and Triangular Development Cooperation (CDC) highlights the development of these frameworks and their importance to global governance and global partnerships for development. An interesting development comes in the inclusion of civil society and the private sector into the government-to-government debates on cooperation. The 'value-free' characterization of SSC is currently under debate as interests and foreign policy objectives enter into the narratives on SSC and TDC.

The original narrative on SSC was constructed in the 1955 Bandung Conference that recognized the voices and experiences from the South. However, currently, SSC is not value-free and has influenced the construction of the OECD-DAC's development narrative. Other frameworks for cooperation also include SSC, such as the G20, WTO, FOCAC and India-Africa Summits. The language used to describe SSC has changed from common but differentiated responsibilities to equal relationships and partnerships. This change is evidenced in the formation of Goal 17 on partnerships, which has become crucial to the success of the post-2015 programme.

The BAPA+40 and the Bandung Conference provide opportunities to revitalize the SSC narrative in the contemporary period. There are potential linkages between the two conferences that could drive the current

debate but it should be noted that the South is not a homogenous group and the impacts of global decisions are different across different contexts. New voices and experiences can highlight agency, for example, the Palestine International Cooperation for Development Agency can use their experience with refugees to provide technical assistance through SSC.

The Second High-Level United Nations Conference on South-South Cooperation will be held in Buenos Aires from 20 – 22 March 2019. BAPA +40 marks the anniversary of the 1978 meeting that adopted the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries. The UN Secretary General has asked for a progress report on SSC and triangular cooperation that would identify new opportunities, as well as challenges and suggestions to overcome those challenges.⁵ This is an opportunity to move from the mega trends of SSC to local cooperation initiatives within and between countries. Theresa May recently called for a new development paradigm for cooperation.

The role of monitoring and evaluation of SSC will continue to grow in importance as resources become limited. It is important to bring about convergence in global frameworks such as the G20, SDGs, Agenda 2030 and continental frameworks, for example, Africa's Agenda 2063. The world has become multi-polar or multiplex⁶ with a plurality of actors and a myriad of cultures, economies, politics and societies. What needs to be clarified is the implementation narrative. How do we define the role of the private sector and civil society? Is there commitment on funding from SSC partners? Which frameworks do we use to monitor and evaluate the impact of SSC?

In conclusion, the SSC debate has been led by India. The SSC narrative should take into account new platforms such as BRICS and the IDFC.

Trilateral Cooperation – Philani Mthembu

The landscape for development cooperation is currently changing but the narrative relies on old concepts. Concepts such as 'emerging powers' continue to be used instead of 'southern powers'. Poverty should not be used as an indicator of non-recognition. It is vital that the debates use consistent definitions for SSC and development cooperation from the South but the main challenge is at a conceptual level rather than in the construction of a narrative.

In relation to the financing modes used in reference to southern powers, it is also important that SSC is not conflated with 'aid' European assistance is not talked about as 'aid'. Might be more concessional than other loans but they are not conflated with European aid. However, in the SSC context, the numbers are conflated too easily. The categorization of finance (grants, aid, concessional finance, loans, etc.), export credits, buyers' credits make up development finance. Of the \$60 billion contributed by the Chinese during the recent FOCAC meetings, \$15 billion will be for grants and concessional loans. OECD calls them 'other official flows' when money doesn't fit into official definitions.

Trilateral cooperation also has definitional issues that are evidence by the range of trilateral cooperation initiatives. For example, Germany defines trilateral cooperation very narrowly, where the cooperation starts with the joint conceptualization, planning and go on to the co-implementation of a project with an OECD

⁵ <http://sdg.iisd.org/events/second-high-level-un-conference-on-south-south-cooperation/>

⁶ Amitav Acharya (2017). After liberal hegemony: The advent of a multiplex world order. *Ethics and International Affairs*, 31(3), p. 271 – 285.

country working with an emerging economy. The trilateral definition could also encompass two countries from the global south working in a third country, resulting in South–South–South Cooperation (SSSC). The definitions could move beyond nation-state cooperation to incorporate two nation states working with a regional economic community, or an international organisation working with a country in a third country.

The upcoming book on cooperation highlights the different experiences of cooperation at a country level. The Monitoring and Evaluation frameworks are often brought into the agreement from the traditional development partners. An example of this dynamic is evident in the USAID, South Africa, Lesotho/ Irish Aid, South Africa and Malawi projects aimed at boosting the productivity of potatoes in those countries. The USAID and Irish Aid were providers of finance and South Africa was appointed as the project manager. The OECD M&E framework is used and local suppliers were overlooked.

Southern partners have been working on M&E through the Network of Southern Think-tanks (NeST) and other similar organisations such as the Research and Information System for Developing Countries (RIS) in Delhi. Germany is currently conducting an evaluation of their trilateral projects around the world to determine if the project has added more value than if it had been structured as a bilateral project. In this case, the benefit is only measured for the recipient country. As budgets in the north become more constrained, one of the benefits that trilateral cooperation could bring is through the combination of resources to work on development issues, which allows the northern partners to learn from southern actors. The ideal partnership should be non-hierarchical and be based on a win-win outcome.

Trilateral cooperation will remain an important form of cooperation but there is pressure for the conception of it to change. As countries from the global south have more resources, trilateral cooperation creates opportunities for the north to say they need collaboration to achieve their development objectives. For now, trilateral cooperation is less prevalent than SSC but it does offer opportunities for growth of all parties involved.

Cooperation for Development in the IDFC

The Cooperation for Development workstream was constructed in a changing development landscape and growing cooperation between the global North and South. The International Development Finance Club aimed to challenge the multilateral institutions by highlighting new ways of cooperating and areas such as climate finance, SDGs and financing innovation. The IDFC mode of cooperation goes beyond SSC and trilateral cooperation. It recognizes that the world is changing and offering opportunities for new conceptions of cooperation.

JICA and the AFD provided information about their experiences with cooperation. JICA is known for its expertise in trilateral cooperation with partners such as the GIZ, UNDP and ILO. JICA engages with soft-cooperation and partners with the DBSA, SADC and NEPAD. An additional example provided was JICA's partnership with Brazil and Malaysia for SME development.

The AFD explained that implementing a project can be based on trilateral cooperation. The Johannesburg Development Agency's (JDA) Programme 'Our City Our Block' is an urban development partnership initiative involving the AFD, the City of Johannesburg and India and promotes exchanges with France, JHB and India. An important issue that emerges in partnerships such as these is the transaction cost for recipient.

One aspect of cooperation is supporting common goods such as climate mitigation, pandemics and international security. Partners are moving towards more evolved understanding of cultural and natural resources held in common that are not owned privately and have the opportunity to develop a set of norms

and values to manage the access to and use of these resources. The IDFC could work on these commons. The reality facing us moves the AFD to think differently on how they can work on the commons and work on governance of the commons. The commons has become a new driving concept of the AFD/French as it relates to tangible and intangible resources. The AFD has adopted a differentiated approach across a number of developing issues.

Cooperation for Development can change the way cooperation takes place. The IDFC partners can challenge existing definitions of cooperation and common terms such as 'emerging markets' by questioning the politics behind these terms. The IDFC could explore new instruments for financing projects and combine existing instruments in innovative ways. The Club could also crowd in private and institutional investors into the municipal space with AFD and use financial instruments that catalyse other actors or credit enhancement mechanisms for development. Finally, in order to determine our success levels we will need to measure the developmental impact of our collaborative partnerships.

Discussions

- Elizabeth Sidiropoulos from the South African Institute of International Affairs (SAIIA) co-founded the Network of Southern Think-tanks (NeST) in Delhi 2014 (Delhi 2) with RIS, the China Agricultural University (CAU-China) and Instituto de Pesquisa Econômica Aplicada (IPEA-Brazil). The objective was to continue the 2013 debates in Delhi 1 in a scholarly context, to influence the OECD DAC landscape and acknowledge the rise of the South.
- While SA is viewed definitionally as an emerging development partner, it is aware of the kinds of expectations and challenges other countries face. South Africa recognizes that it needs to bring fellow Africans into discussions on the evolving developing cooperation field. NeST Africa plans to prepare a few policy briefs on themes that should be discussed in Buenos Aires at the BAPA +40 workshop in June. The papers will include debates on Peace and Security; a definitions paper; the role of civil society; monitoring and evaluation; engaging the SDGs and other global forums; and other issues on financing for development.
- An important question is whether countries that have poor people qualify as powers. Definitions determine how partners engage with southern partners and, in turn, how some big southern partners engage with smaller partners. The concept of 'emerging power' needs to be debated and adjusted to suit the reality of big southern partners contributing a significant quantum of development finance, they can make a significant impact and with that goes a degree of responsibility and accountability
- If new partners enter the DFI space, the nature of monitoring and evaluation would also need to change and to broaden to include the new engagements. The challenge for national development banks would be to make sure that working with the private sector does not result in a lower development impact.
- The global commons is an important issue in SSC and development finance discussions but should not be at the expense of the development imperatives of middle- and low-income countries. DFIs need to make sure that they create financing instruments for the global commons and for development as, in some cases, a portion of the 0.7% responsibility is being diverted to global commons and global public goods to the detriment of national development imperatives.

- Cooperation extends beyond triangular modes of collaboration because the nature and numbers of global actors change. Political theorist, Amitav Acharya defines a ‘decentered, multiplex’⁷ and fluid world that has more than one centre of power and in which countries could choose partnerships with different development actors in a system. The nature of the system will determine the relationship; therefore, it remains for DFIs and development partners to define the needs and to adjust to the ongoing global debates. In the Delhi 4 Development Compact, partners commit to capacity building, skills development, technology transfer, investment and trade cooperation. India has moved the narrative on cooperation from a policy perspective to one based on dialogue and inclusion.
- At a national level in South Africa, the Department of Science and Technology has capitalized on triangular cooperation where they have prioritized the governance, M&E and impact of projects. The DST has emphasised collaboration on policy development in partner countries to ensure capacity building among partners. Transparency and value addition become very important in national agendas.
- NeST has been working on a SSC M&E framework to measure the effectiveness of SSC. It is built on principles from previous SSC conferences and includes inclusive concepts of national ownership, horizontality, accountability, development effectiveness, people centred inclusivity, transparency. There is a need to focus on multi-stakeholder partnerships but SSC is primarily a government-to-government relationship.
- For the Human Sciences Resources Council’s Africa Institute in South Africa (AISA)⁸, the M&E framework is important but implementation capacity is very difficult for most developing countries. There is a gap between the findings of research and the impact on communities. Data processes could create gap; therefore, studies should move beyond quantitative indicators and measure qualitative indicators at a community level and find the direct impact of the financing. West Africa has constructed an M&E framework that accommodates a multi-donor development support system. The IDFC could construct a similar framework to show who is funding what and where to combat duplication and policy incoherence. If a planning approach were to be adopted for the IDFC’s work, based on who is doing what and where and what governments need, more could be achieved.
- The HSRC’s African Unity for Renaissance Conference (AURC) focused on ‘Accelerating Industrialisation in Africa: Implications for Job Creation and Poverty Reduction’⁹. They highlighted agriculture; food security; innovation for irrigation technology; green finance; and water as key sectors requiring finance. AISA recommended that DFI groupings such as the IDFC could work on the nexus between industrial action plans, development agenda, trade policies and growth policies to create a coherent approach to development.
- Cooperation with states should be demand driven and built on capacity building initiatives. Long-term trends show that Africa is a continent of present and future opportunities but it is the role of

⁷ <https://www.mixcloud.com/carnegiecouncilaudiopodcast/after-liberal-hegemony-the-advent-of-a-multiplex-world-order-with-amitav-acharya/> See also <https://www.ethicsandinternationalaffairs.org/2017/multiplex-world-order/>

⁸ See the HSRC’s AISA Bridging the Gap series.

⁹ <http://www.ai.org.za/uncategorized/aurc-2018-outcome-statement>

development partners to expand the choices and the policy space for countries through the contribution of SSC. The meeting agreed that national interests are paramount. The AFD ensures coordination and alignment with national policies and finds ways to work with entities such as municipalities and State Owned Enterprises.

- The IDFC is exploring way in which they could collaborate with regional and key decision-making bodies to share the Club's ideas and work. There is an opportunity to structure a full relationship from planning to implementation relationship and to ensure that local specialists provide technical assistance to projects.
- Sanusha Naidu pointed to an opportunity for the IDFC to engage at the continental level with the AU reform and development cooperation for the continent and to the UN SSC High-Level Panel. There is an opportunity to frame how projects are conceptualized and programmed. Development partners should look at different mechanisms around catalyzing finance for development especially new sources of finance, for example, pension funds.
- Philani Mthembu referred to forthcoming books on African policy on China and another on SSC policy. And concluded that DFIs could engage with state actors, private sector actors and think-tanks. He advised that our lessons should also focus on the failed events and not only on the success stories because DFI can learn from the failures too.

Conclusion

The discussion delivered information that provides food for thought for the IDFC. It ultimately comes down to what role the IDFC would like to play in development cooperation and how far it is willing to move the debate and the parameters of collaboration. The multiplex world and regional politics are providing opportunities for collaboration that could drive new agendas and new partnerships for the future. The meeting concluded that the term 'Cooperation for Development' was based on a theoretical framework free of ideology and power and that the IDFC has an opportunity to create new conversations about development and the implementation thereof.

In conclusion, the meeting highlighted the following proposals:

- An opportunity exists for IDFC members to engage with the private sector and civil society as cooperation partners.
- IDFC members and academics could debate modes of cooperation jointly and move the theoretical and practice forward towards new understandings and concepts of cooperation.
- Monitoring and Evaluation frameworks for SSC and Trilateral Cooperation are being developed. The annual survey could outline the kind of cooperation and the best practices as part of an M&E evaluation of the Club's work.
- The IDFC could present its mode of cooperation at high-level meetings where other modes are discussed and shaped on international forums, such as RIS or at the OECD-DAC meetings.

Annex 1: Programme Agenda

4 September 2018

DBSA, Midrand

Time	Topic	Presenter
9am	Welcome and introductions	DBSA and IGD
9.30 – 10.30	Current modes of cooperation <ul style="list-style-type: none"> • South South Cooperation • Triangular Cooperation Cooperation for Development	Sanusha Naidu, Independent Philani Mthembu, IGD Michele Ruiters (DBSA) Carl Bernadac (AFD) and Hiroshi Mochizuki (JICA)
10.30 – 11.00	Networking tea	
11.00 – 12.30	Discussion on cooperation and global agenda	All
12.30 – 13.00	Way forward and closing remarks	DBSA and IGD

Annex 2: Attendance Register

Name	Organisation
Tomomi Tokuori	Japan International Cooperation Agency (JICA)
Hiroshi Mochizuki	Japan International Cooperation Agency (JICA)
Carl Bernadac	Agence Française du Développement (AFD)
Philani Mthembu	Institute for Global Dialogue (IGD)
Sanusha Naidu	Institute for Global Dialogue (IGD)
Elizabeth Sidiropoulos	South African Institute for International Affairs (SAIIA)
Cyril Prinsloo	South African Institute for International Affairs (SAIIA)
Amanda Lucey	OXFAM
Karabo Mlambo	Department of Science and Technology
Thobekile Nkosi	Department of Science and Technology
Sikhumbozo Thomo	ANC International Relations Committee
Yanda Mjekula	ANC International Relations Committee
Rantiti Penane	ANC International Relations Committee
Mxolisi Notshulwana	Development Bank of Southern Africa
Thembisile Khoza	Development Bank of Southern Africa
Sherine Panton-Ntshona	Development Bank of Southern Africa
Michele Ruiters	Development Bank of Southern Africa