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Discussion Paper

Middle-Income Countries' South-South Development Cooperation

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SOUTH-SOUTH COOPERATION CHINA





Empowered lives.
Resilient nations.

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Disclaimer: This paper is based on a summary of a post-conference report written by external consultant Dr. Penny Davies and does not necessarily reflect the views of the United Nations or its agencies.

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SUMMARY

This paper looks at some of the challenges, good practices and lessons learned in middle-income countries' (MICs¹) South-South development cooperation (SSC) that may be transferable and of practical use for others in their own policy formulation. The paper draws on conclusions from the post-conference report² written by Dr. Penny Davies and does not necessarily reflect the views of the United Nations or its agencies.

A growing number of MICs are becoming international development assistance providers and increasing their contributions to, and engagement in, various types of development cooperation. As a result, the global development landscape is changing. MICs are in no way homogenous and have very different experiences of providing assistance: Some have long histories, while others are new or just beginning to re-engage. Some had until recently, or still have, dual roles as 'providers' and 'recipients'. Some MICs make use of the standards of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC),³ while others provide assistance under the framework of SSC. From this variety of approaches arises an opportunity for MICs to share and learn from each other's experiences of both good practices and challenges. In addition, traditional donor countries, multilateral development agencies and development partner countries are all keen to know more about MICs' development assistance.

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This paper is divided into three main sections: 1) MICs' South-South cooperation institutional structures and functions; 2) South-South cooperation policymaking, monitoring and reporting among MICs; and 3) Operational issues in MICs' South-South cooperation.

1) **Institutional structures and functions** for development cooperation vary across countries and time. However, they are not necessarily the decisive factor in explaining the effectiveness of development interventions. Several MICs are in the process of setting up agencies or developing legal and policy frameworks for development assistance, or are in transition from one model to another. Regardless of institutional set-up, ensuring coordination is key for effectiveness. MICs often face challenges of coordination, as multiple ministries and actors can be involved in delivering assistance. Likewise, ensuring that policies from different areas of government do not contradict each other (policy coherence) is critical for development effectiveness. This is just as much a challenge for multilateral aid actors and traditional bilateral aid donors as it is for MICs.

2) **Policymaking, monitoring and reporting** are common challenges for MICs. For example, ensuring that assistance is based on the requirements of the local people and communities involved is a critical aspect for ensuring both short- and long-term development effectiveness. MICs have many experiences and lessons to share on how to engage with partner countries and base assistance on local development plans to enhance ownership and sustainability.

¹ Economies are divided according to 2012 GNI per capita, calculated using the World Bank Atlas method. The groups are: low income, \$1035 or less per capita; lower middle income, \$1036 – \$4085 per capita; upper middle income, \$4086 – \$12,615 per capita; and high income, \$12,616 per capita or more. For further information, see: <http://data.worldbank.org/data-catalog/world-development-indicators>.

² Information provided by conference participants for use in the conference report, see:

<http://www.cn.undp.org/content/dam/china/docs/Publications/UNDP-CH-SSC-%20China%20MICs%20Conference%20Report.pdf>.

³ The OECD Development Assistance Committee became part of the OECD by Ministerial Resolution in July 1961. It is an international forum of many of the largest funders of aid. For further information, see the website: <http://www.oecd.org/dac/developmentassistancecommitteedac.htm>.

Garnering political will and public support for development cooperation remains an important area for future work. Where there is a lack of public support and political will, it can be difficult for MICs' governments to communicate to their own domestic constituents the rationale for providing assistance.

'Middle-income countries' (MICs) are the 86 countries that fall into the middle-income range, as set by the World Bank's World Development Indicators. MICs account for just under half of the world's population, are home to one third of people across the globe living on less than US\$2 per day and are found in each region of the world. The definition of MICs covers a wide income range, with the MIC with the highest income having a per capita income 10 times that of the lowest. The group has grown in number since the mid-1990s, including 10 countries (such as China and Egypt) moving from the low-income to middle-income category.

MIC development assistance providers see a need to develop their own joint definitions of, and standards for, reporting on development assistance, while learning from both positive and negative experiences of OECD DAC donors. Some MICs report their overseas assistance to the DAC and have used DAC structures and processes to create similar frameworks, but with their own components. Future opportunities for MICs to share knowledge and experiences on reporting, monitoring and evaluation would be useful, including peer-to-peer learning.

3) **Operational issues:** MICs utilize various modalities for development cooperation and, accordingly, face various challenges, particularly how to secure the long-term sustainability of projects. Several MICs are making attempts to move from project-based to sector-wide approaches to improve the effectiveness of their SSC. Trilateral cooperation has become an increasingly important modality for many MICs, although this approach comes with its own challenges.

MICs' experiences in cooperating with civil society organizations (CSOs) and, to a lesser extent, with the private sector vary greatly in degree and scope. A lack of trust between governments and CSOs is a common, but not universal challenge. Overcoming this and allowing governments and CSOs to see each other as partners in development cooperation is an important question for MICs to consider.

Further, MICs often face capacity and resource constraints for development assistance, including a shortage of staff to manage the scaling up of assistance. Professional standards and codes of conduct for MICs when engaging in development assistance, capacity development, knowledge management, information-gathering systems and quality assurance are critical areas for MICs to consider when expanding their SSC.

Part 1: INSTITUTIONAL STRUCTURES AND FUNCTIONS

The first part of this paper seeks to identify some of the major advantages and challenges of different institutional approaches to delivering overseas aid. It draws out transferable good practices and lessons, and highlights issues that could benefit from further discussion in the future. Four different institutional structural models — those of Thailand, China, Australia and Japan — serve as the basis for discussion.

Institutional settings vary across countries and time, and are not the decisive factors for effectiveness

Different countries have different approaches to delivering assistance. These are not static but change over time in MICs just

as in DAC donor countries. Several MICs are in the process of developing their institutional models or are in transition from one model to another. The key lesson is that different settings can work in different countries. One model does not automatically produce a better result than any other, and no particular set-up can be recommended over any other. Institutional structure is not the decisive factor for explaining performance. Instead, other factors such as policy coordination and coherence play a more important role.

The way overseas development assistance is structured and delivered is rarely entirely separated from the broader government policy context. In particular the position of the agency in charge of delivering assistance vis-à-vis other ministries (most often the Ministry of Foreign Affairs — MoFA) varies. In this respect, there are four common approaches to aid management: 1) development cooperation integrated within the Ministry of Foreign Affairs; 2) development cooperation department/agency within the MoFA; 3) policy ministry with separate implementing agency; and 4) ministry/agency responsible for policy and implementation. However, these four examples are not exhaustive, and other models also exist.

Coordination and policy coherence are key

Policy coherence requires all government agencies to contribute to development outcomes without contradicting one another. This is a challenge for all providers of development assistance, not just MICs. MICs, like other development actors, often face challenges of coordination among several ministries (e.g. Foreign Affairs, Finance, Commerce, as well as various line ministries) and actors involved in delivering assistance. Measures to ensure coordination are key to effectiveness, regardless of institutional set-up. These can include, for example, a centralized policymaking mechanism, either in the form of an agency or an agreed strategy. Establishing a single overarching institution should not be seen as a guarantee of policy coherence, as there will still remain a need for mechanisms and ongoing processes to ensure inter-agency coordination. As long as there is one agreed and coordinated strategy to guide policies and activities, different institutional arrangements can all deliver positive results.

Some measures taken to ensure policy coherence across government include, for example, Indonesia's new National Coordination Team on South-South Cooperation and Triangular Cooperation, which has enabled strong coordination and revitalized the institutional framework. Another example is the Development Effectiveness Steering Committee (DESC) set up in Australia to provide strategic advice to the government on Australia's aid programmes.

Political will and public support

Lessons from the evolution of Japan's and Thailand's aid institutions show how crucial political will and support from the government are in ensuring well-functioning institutions. At the same time, gaining public support for development assistance is also very important. If public support for providing development assistance is limited, it can be difficult for governments to develop or reform the necessary institutions. It takes time to switch from being solely a recipient country to one that also provides development assistance, as it can be difficult for MIC governments to communicate the rationale for providing assistance given ongoing domestic development challenges. To solve such problems, some MICs have found that appealing to the win-win logic of SSC can be a useful tool to muster public support. Also, some governments find it useful to emphasize that it is in the national interest to provide assistance, given the wide-ranging regional benefits such as increased prosperity and stability.

Legal frameworks

The legal setting for SSC development is a crucial element for strong and stable institutions. The Mexican International

Development Cooperation Law exemplifies this by ensuring institutional stability for development cooperation over time and across changes in government. A strong legal framework can help protect development assistance and support the institutional framework at times when political will may be low.

There are several important features of a functioning legal framework: It should enhance transparency; promote accountability; include all actors at national level engaged in providing assistance; ensure monitoring and evaluation and be revised systematically.

Capacity and resources for delivering results

Many MICs face constraints in capacity and resources when engaging in SSC. For example, some find that they are rapidly scaling up assistance at the same time as facing a lack of staff to manage the increasing amount of work. Furthermore, a lack of resources for monitoring, evaluation (M&E) and information-gathering in partner countries is a common challenge for MICs.

Recruiting staff specialized in development cooperation and implementation as well as experts in policy and diplomacy is one way to solve this problem. Involving line ministries in development cooperation could be an advantage, as they often 'have their ears closer to the ground' and have technical counterparts in other countries engaged in SSC. At the same time, however, involving multiple parties in development assistance can complicate coordination.

Regardless of their different institutional set-ups, MICs are eager to develop capacity and improve knowledge management, including establishing their own information-gathering systems and databases.

Quality assurance is also an area MICs can find challenging. To date, professional standards and a code of conduct have not been established for MICs engaging in development assistance. This does not mean that MICs should adopt the Paris Declaration on Aid Effectiveness, although several MICs do adhere to this standard as well as the Accra Agenda for Action and the Busan Global Partnership for Effective Development Co-operation.⁴

Looking ahead, MICs have identified various ways to strengthen aid management systems, including: scaling up assistance gradually; providing assistance that is more targeted at improving people's livelihoods; promoting capacity development; improving planning of assistance over the medium term; establishing policies and strategies; and, when needed, legal frameworks for development cooperation; improving intergovernmental coordination to enhance synergies; strengthening research and M&E; and engaging in international knowledge exchanges and capacity-building events.

Part 2: POLICYMAKING, MONITORING AND REPORTING AMONG MICs

This section examines some of the advantages and challenges of different policymaking, monitoring and reporting approaches among MICs, and discusses how MICs relate to international processes. It draws out some transferable good practices as well as issues that could benefit from further discussion.

⁴ For further details and a list of countries adhering to Accra Agenda for Action and the Busan Global Partnership for Effective Development Co-operation, see: <http://www.oecd.org/dac/effectiveness/thehighlevelforaonaideffectivenessahistory.htm>.

A. Basing assistance on local demand

Communicating with and involving beneficiaries and local expertise

MICs have diverse experiences in engaging with beneficiaries and basing assistance on partner-country and local development plans. These experiences show that building and maintaining strong communication channels with beneficiaries and development partners is important for improving development effectiveness. Furthermore, experience suggests that direct involvement of local stakeholders can build a sense of ownership, which in turn enhances the long-term sustainability of projects even after the cooperation has ended.

Other practices that can help with ensuring SSC meets local demand include building their partners' capacity, and spending time with local partners to enhance mutual understanding. Outsourcing projects to local companies and making use of local material and human resources can also be very important factors in the long-term sustainability and cost-effectiveness of projects.

B. Reporting, monitoring and evaluation

Resource constraints remain a challenge for M&E

Some MICs find that a lack of resources makes it difficult to conduct M&E. Many MICs are in the process of developing reporting standards and a system of collecting data. During this development stage it is important to engage with a diverse group of stakeholders, including the intended beneficiaries, in all stages of M&E, although the process can be demanding. Future collaboration among MICs on reporting and M&E would be useful for sharing and developing standards and/or engaging in peer-to-peer learning — for example, by means of holding a regular forum.

Developing MIC-specific standards while learning from OECD DAC donors

A debate exists among MICs regarding the value of establishing MIC-specific definitions of 'aid' and standards for reporting, as opposed to making use of those of OECD DAC donors. Some argue that the DAC Official Development Assistance (ODA) definition has limitations for capturing the conceptual breadth of SSC, based on characteristics such as mutual benefit and being demand driven. Thus, many MICs feel strongly that MIC South-South assistance providers should develop their own standards for monitoring and evaluating SSC, which could draw from and build on the standards used by DAC donors where appropriate.

One example of where this has occurred already is the United Arab Emirates (UAE). The UAE has established a reporting framework compatible with that of the DAC using the Creditor Reporting System (CRS) and the United Nations, which captures all UAE aid, not just that which fulfils ODA criteria. As experiences from the UAE and others show, standardizing approaches to documenting M&E can promote transparency and enhance accountability. The quality and availability of project-level information provides a strong basis for accurate impact evaluation. Reasons for adopting this approach include that reporting with the DAC ensures consistency with international standards, which enables internationally recognized comparisons of performance and provides all UAE donors with a common framework for reporting and analysis. Other MICs have also created frameworks similar to those of the DAC, but with their own components.

C. MICs and the international development agenda

Platforms and forums for MICs to develop joint agendas and share experiences

MICs often only meet on the sidelines of international meetings or at informal forums and do not have the opportunity to develop any concrete action plan. Platforms via which MICs and other SSC partners can get together would be an important

opportunity for sharing experiences, promoting best practices and above all developing joint agendas at a global level. While DAC donors have their own platforms, there is no equivalent for MICs/SSC providers.

Post-2015 and the Global Partnership processes — where do MICs fit in?

There is not yet agreement among MICs on how they should engage with international processes, in particular the Post-MDG/Post-2015 Development Agenda and the Global Partnership for Development Effectiveness. Likewise, there is not yet any consensus on how the Global Partnership and post-2015 processes relate to each other, and how MICs can best engage. Some MICs feel that while the Global Partnership has good intentions, it could be 'old wine in new bottles'. Some argue that it is not the most appropriate forum for standardizing principles on SSC. Some MICs would prefer to focus on the post-2015 agenda rather than the Global Partnership. Others state that the idea of the Global Partnership is to include all stakeholders and get away from 'the donor/recipient logic'. They are of the view that the creation of MIC platforms to share experiences would not necessarily exclude participation in the Global Partnership.

Overall, many MICs are in favour of UN-led processes at the global level, and feel that discussions on SSC experiences and practices could usefully take place within the UN system. While some MICs feel that the OECD Task Team on SSC could serve as a useful platform for sharing information, others regard this as being too much of a DAC-led process which excludes non-DAC approaches.

Challenges of fulfilling international obligations

MICs face several challenges in their increasing role as partners in SSC. While many MICs are increasing their engagement in development cooperation, there are also pressures from traditional donors for MICs to take on more responsibilities. Likewise, there are increasingly high expectations from partner countries requesting support, in particular for infrastructure projects. International organizations are also asking for more contributions from MICs. Although these different expectations are positive in the sense that they recognize MICs as important development players, they also place demand on national management structures for MICs aid systems that are often not yet fully developed. Overall, there remain many unanswered questions around the rapidly changing global development landscape in which MICs are positioning themselves.

Part 3: OPERATIONAL ISSUES

Despite the different aid modalities each MIC adopts, most MIC assistance providers share common operational challenges in their experiences of aid delivery. This section discusses some of the major advantages and challenges stemming from different approaches for delivering assistance, including trilateral cooperation, how to involve the private sector and CSOs,⁵ and how to draw out transferable good practices and lessons. It then identifies issues that could benefit from further discussion. Some of the challenges and contradictions in the current organization of international aid, and how to overcome them, are also examined.

⁵ For more information on possibilities for involving CSOs in development cooperation and foreign aid, see UNDP China's e-book published in 2013: 'Working with Civil Society in Foreign Aid: Possibilities for South South Cooperation?' at <http://www.cn.undp.org/content/china/en/home/library/south-south-cooperation/working-with-civil-society-in-foreign-aid/>.

Ensuring long-term sustainability of projects

Both MICs and traditional donors struggle to ensure the long-term sustainability of projects and how to make technical cooperation effective. Several MICs are moving from project-based to sector-wide approaches to improve the overall effectiveness of operations. Based on lessons learned previously, some MICs focus more on local staff training to enable the transfer of operations after project completion. The simple question of efficiency and long-term effectiveness tends to result in complex discussions on policy options and modalities. Further opportunities to explore modality-related issues and learn from each other as well as recipients and DAC donors would be a useful way to help overcome this challenge.

Lessons learned in trilateral cooperation

Trilateral cooperation has become a prominent modality for many MICs, which has enabled them to play a leading role in regional development. Trilateral cooperation in the form of North-South-South (NSS) cooperation has the advantage of combining traditional donors' resources, technical skills and lessons learned from positive and negative experiences with the technical know-how of Southern partners for mutual development benefits. South-South-South trilateral arrangements also exist.

For example, Thailand's experience of NSS trilateral cooperation has allowed it to work with traditional donor countries to support SSC and regional integration. While there is interest in developing trilateral cooperation further, Thailand's experience suggests that there remain a number of lessons to be learned and challenges to overcome. For example: a lack of joint mechanisms and regular dialogues among partner countries; budget constraints and policy changes; concerns about aid effectiveness and duplication of resources, harmonization and alignment; and, finally, how to ensure ownership of assistance projects. Signing a Memorandum of Understanding (MOU) does not always provide the necessary common understanding between parties to overcome these challenges. To improve the benefits of trilateral cooperation, it is crucial that leadership and ownership of development lie within the recipient countries. It is also important to work towards fostering more horizontal partnerships in which the focus is on sharing knowledge as opposed to knowledge transfer.

Increasing cooperation with CSOs — ensuring independence and an enabling environment

In traditional donor countries the main functions of CSOs in development processes tend to be: 1) as deliverers of aid — CSOs deliver goods and services to poor communities that governments can find difficult to reach; 2) as advocates — CSOs can scrutinize government policies, suggest reforms and present alternative and visionary views; and 3) as channels for and influencers of public opinion — CSOs can give voice to the public and influence public opinion.⁶

The relationships between CSOs and governments in MICs vary considerably. In some MICs the government and CSOs work together in providing assistance, while in others this cooperation is minimal. In some MICs there is a lack of trust between the two. To overcome this mutual suspicion, it is crucial for both parties to build trust and start to collaborate with each other — although how this can be best achieved differs from country to country. In addition, how to create space for CSOs as a resource not just in their capacity as assistance deliverers but also as development actors in their own right is a key question for MICs.⁷ Collaboration with CSOs in the 'recipient' country also has many advantages. For example, local CSOs

⁶ For further information on the role CSOs can and do play in SSC for development, see information provided by conference participants for use in the conference report: <http://www.cn.undp.org/content/dam/china/docs/Publications/UNDP-CH-SSC-%20China%20MICs%20Conference%20Report.pdf>.

⁷ CSOs were given recognition as "development actors in their own right" in the Accra Agenda for Action, the outcome document of the 3rd High Level Forum on Aid Effectiveness (2008).

can help ensure sustainability of assistance, particularly in contexts of instability. Likewise, CSOs in MICs can be useful partners, as they often have experience in managing incoming development assistance.

As a general principle, it is important for CSOs to be able to operate independently and for governments to provide an enabling environment for them to do so, as set out in the Accra and Busan commitments.⁸ However, in practice, there are different experiences of to what extent CSOs can be independent actors, particularly if they receive government funding. It is also important to consider when it is appropriate to support CSOs in recipient countries, and how to balance this with the principle of non-interference in domestic political and economic affairs.

Over recent years CSOs have worked with each other at a global level both with their own commitments to effectiveness (i.e. the Istanbul Principles⁹) as well as advocating for better aid. This work is to be taken forward by the newly created CSO Partnership for Development Effectiveness (CPDE).¹⁰

Private-sector cooperation — on the rise

Private-sector cooperation is an 'up and coming' issue, given the inclusion of the private sector in the Busan Outcome Document.¹¹ Governments can play a role in supporting corporations' key business activities to be more development-friendly by, for example, exploring ways to engage with their corporate social responsibility activities.

Part 4: CONCLUSIONS AND SUGGESTIONS FOR WAYS FORWARD

The last part of this paper provides a list of issues and suggestions which MICs have indicated they are interested in exploring further, and suggestions for concrete actions which could be taken. Section 4.1 is a list of suggestions for further discussion raised by MICs. Section 4.2 poses some questions to consider to maximize the relevance and responsiveness of future information-sharing events. Finally, a set of suggestions for action is presented in Section 4.3.

4.1. Suggestions for further discussion

- *Generating political will and public support for development assistance*
 - Share experiences on how to best manage political will and public support in various MIC contexts
- *Overcoming capacity constraints, including for monitoring and evaluation*
 - How to overcome challenges MICs face (staff, resources, skills etc.) in this regard
- *Better understanding of recipient demands and needs*
 - Share experiences on best practices for how to ensure assistance is based on local demands and needs
- *Ensuring long-term sustainability*
 - How to move from stand-alone isolated projects to broader approaches to delivering assistance
- *Finding the best legal framework*
 - Share experiences on the institutional set-ups of MICs, including legal frameworks for development cooperation
- *Reporting on aid expenditure and setting common standards*

⁸ For further information about the High Level Forum processes and outcomes, see:

<http://www.oecd.org/dac/effectiveness/thehighlevelforaonaideffectivenessahistory.htm>.

⁹ For further information about the Istanbul Principles, see: <http://cso-effectiveness.org/istanbul-principles,067>.

¹⁰ For further information about CSO processes, see Better Aid: <http://www.betteraid.org>.

¹¹ See specifically paragraph 32: http://www.undp.org/content/dam/uspc/docs/OUTCOME_DOCUMENT_-_FINAL_EN.pdf.

- How MICs/SSC providers develop their own standards for what counts as 'aid' and report on these
- *Documenting the institutional set-up and modalities of MICs for development cooperation*
 - How such information could best be compiled and made available to a broad range of stakeholders, to prevent them reinventing what already exists, and to increase transparency.
- *Working with the private sector*
 - How to make use of private-sector expertise and incentivize the private sector to contribute to development objectives
- *Cooperating with CSOs*
 - How to involve and work with domestic CSOs and CSOs in partner countries
- *Policy coherence in an MIC context*
 - What are the specific challenges MICs face to ensure policy coherence, and how can they be overcome?
- *Making success of trilateral cooperation*
 - Share practical lessons of what works well and what does not when cooperating NSS or SSS cooperation for development

4.2. Questions to consider for future experience-sharing events

Inclusivity in experience-sharing among MICs — when and how?

There is clearly interest and value in sharing experiences among MICs on different aspects of development assistance and cooperation. MICs often face similar challenges and have relevant lessons to share with each other. Experience-sharing among MICs can contribute to mutual learning with the goal of increasing the effectiveness of development cooperation. At the same time, building on lessons learned, it is important for any constellation of actors providing assistance to be inclusive of intended beneficiaries. Questions to consider could include: How can initiatives among MICs be inclusive of other stakeholders — in particular, beneficiaries of development assistance? When is the right time and place for MICs to meet to share experiences? And when is the right time and place for inclusiveness, to avoid assistance providers becoming an exclusive club?

How to ensure that mutual learning is effective?

The global development landscape is going through major changes as the diversity of actors increases. This brings opportunities as well as challenges, at both local and global levels. There is widespread agreement on the need for global development cooperation dialogues to incorporate the diverse experiences of all actors beyond those which have traditionally dominated these discussions. Similarly, there is a need for mutual learning among MICs, DAC donors, partner countries, and various constituencies within these countries. This requires willingness to listen and learn from past mistakes and to find common ground based on joint interests in achieving development results. It would also be useful to further explore questions such as: What concrete examples of mutual learning activities in partner countries and at global levels exist to learn from? How could synergies be enhanced between them to avoid repetition, and how could they be documented to share examples to inspire further initiatives? How can knowledge be shared in a way that considers maximizing development effectiveness results?

How to ensure synergies in future initiatives of mutual learning?

Several initiatives set up by various organizations exist to facilitate mutual experience-sharing among MICs. This raises questions of how to ensure that the various initiatives build on each other, rather than overlap and replicate, and that

synergies are created among them. Questions to consider for all those engaged in the facilitation of experience-sharing among MICs, and between MICs and other stakeholders, could include: How could information from the various initiatives be collected and shared so that each new initiative can draw lessons from past initiatives and build on these when developing next steps? How can a space be created for MICs to meet and develop standards and joint agendas or positions at a global level? Could UNDP and other multilateral organizations play a role in facilitating this progression of mutual learning?

4.3. *Suggestions for action*

<i>SUGGESTIONS</i>	<i>DETAILS</i>
<i>Develop an online platform/Community of Practice for experience-sharing</i>	Making use of information and communication technology (ICT) is a resource-efficient way to help MICs to share and access information. The online platform would provide a space to share lessons, challenges, practices, research etc. on a range of key issues of interest as listed under Section 4.1. A Community of Practice for MICs could be managed by a multilateral organization such as UNDP ¹² and/or MICs on a rotating basis.
<i>Create mechanisms for MICs to meet before and between major international events</i>	Forums need to be developed at which MICs can get together and develop joint agendas and coordinate positions, ahead of and between global meetings on development assistance, to allow opportunities for discussion and preparation. Currently, MICs meet on the sidelines of such international meetings or at informal meetings. The hosting of such meetings could rotate among MICs, and/or UNDP could help convene meetings.
<i>Enable coordination of initiatives to enable synergies</i>	Workshops, such as the MICs development experience exchange in Beijing, are very useful for bringing different actors together, including both government representatives and academia/CSOs, to exchange experiences openly. However, as there are a number of existing initiatives (conferences, trainings etc.) targeted at MICs, it is essential to coordinate and find synergies between initiatives to avoid repetition and ensure follow-up. An international agency such as UNDP could play a role in coordinating seminars globally to ensure progression from one initiative to the next. In addition to policy-oriented discussions, activity-oriented programmes targeting aid practitioners could also be useful.
<i>Conduct research and synthesize information</i>	Further research needs to be conducted, such as case studies setting out positive experiences and challenges faced by MICs in development cooperation. The case studies could be sector-specific. There is also a need to synthesize existing information and make it more accessible. Information could be shared via an online platform, as suggested above. Academia, CSOs and international organizations such as UNDP can play an important role in identifying and filling information gaps and facilitating the synthesis and sharing of available information.

¹² Suggestions for UNDP involvement in these suggestions for action were put forward by MICs at the workshop.

BACKGROUND ON MICs' EXPERIENCE-EXCHANGE WORKSHOP

The workshop for MICs to share their experiences of development cooperation was co-hosted by the Chinese Academy of International Trade and Economic Cooperation (CAITEC) and UNDP China, in Beijing, 17–18 January 2013. The conference was generously sponsored by the UK Department for International Development (DFID). Participants from 15 countries were brought together, with an even balance of representatives from government, civil society organizations and academia. While the majority of participants were from MICs, a small number of non-MICs were also invited to share their experiences of development cooperation.

A questionnaire was used ahead of the conference to find out the interests and learning needs of participants. The responses were summarized in the pre-conference report¹³ and used to inform the finalization of the agenda. The pre-conference report also included country reports put together by UNDP with basic information on the development assistance/cooperation systems of participating countries, provided to participants before the workshop so that the workshop could concentrate on qualitative discussions (the country reports are included in Annex 2).

The conference agenda was organized into three main sessions: (1) institutional structures and functions; (2) policymaking, monitoring and reporting; and (3) operational issues. Each session consisted of presentations and discussions in plenary, followed by group discussions to explore in depth the issues raised.

The aim of each plenary session was to discuss major benefits and challenges of different approaches, draw out transferable good practices and lessons, and identify issues that could benefit from further discussion in the future. The groups were asked to draw conclusions and present to the plenary three to four general lessons learned of relevance to MICs as well as suggestions for processes and forums, both existing and potential, where MICs could discuss these issues further.

In addition to the thematic sessions, two special presentations were held. The first was on 'China's Foreign Aid Programme', presented by a representative from China's aid agency, the Ministry of Commerce, to share information about the host country's practices. The second was on 'Challenges and Contradictions in the Current Organization of Aid' by a UNDP representative. The conference concluded with a session assessing what next steps could be useful to take the agenda forward.

This report follows the logic of the conference agenda. Each section summarizes the general conclusions of the discussions and key messages from the presentations. The identity and affiliation of individual participants are not referred to, as the conference took place under the Chatham House Rule,¹⁴ to allow for an open and frank exchange of experiences.

The original post-conference report on which this Discussion Paper is based was written by Dr. Penny Davies, contracted by UNDP to write the pre-conference report, facilitate the conference and summarize the findings in the post-conference report. This Discussion Paper was adapted from the post-workshop report by the South-South Policy Team at UNDP China.¹⁵

¹³ Penny Davies, 'Pre-conference report. UNDP China and CAITEC 'Middle Income Countries Development Co-operation Experience Exchange Workshop', Beijing, 17–18 January 2013', 7 January 2013.

¹⁴ For more information, see: <http://www.chathamhouse.org/about-us/chathamhouserule>.

¹⁵ Many thanks to UNDP staff who took notes at the conference, and have worked on this paper.

COUNTRY REPORTS

In the following pages 'country reports' provide basic information on the development assistance/cooperation systems of the respective participating countries. The information was put together by UNDP, and the government representatives were asked to verify and/or make changes to the documents. Due to time constraints, not all country reports were verified; when they are not verified, this is stated. All figures cited are in US dollars, at the 8 October 2013 exchange rate.

Information on the following countries is included:

1. Brazil — not verified
2. China
3. Czech Republic
4. India — not verified
5. Indonesia
6. Mexico
7. Qatar — not verified
8. Russia
9. Thailand
10. Turkey
11. United Arab Emirates

1. BRAZIL

Key points

- Brazil's foreign aid programme, headed by the Brazil Cooperation Agency (ABC), focuses on helping countries that have had development experiences similar to its own.
- ABC notes that Brazil's reporting technique requires refinement, and that the agency lacks sufficient resources to pursue further data collection for reports.
- The regulatory framework is a challenge for ABC. The agency needs to execute its budget with more flexibility and supply other kinds of development assistance such as in-kind donations, loans and grants.

Facts

Total

Official development cooperation funds doubled between 2007 and 2008 and tripled from 2009 to 2010, when they then totalled \$50 million. But studies by ODI and Canada's International Development Research Centre estimate that other Brazilian institutions spend 15 times more than ABC's budget on their technical assistance programme. An article in *The Economist* in 2010 implies that Brazil's development aid broadly defined could reach \$4 billion a year.¹⁶

Channel

Brazil contributes 76 percent of its total assistance to multilateral institutions, whether they are international organizations or regional development banks, and the remaining 24 percent is disbursed through bilateral partnerships (SSC) or with a traditional donor partner (trilateral cooperation). Approximately one fifth of Brazil's current projects are trilateral cooperation (2011).

Geographical focus and sectoral concentration

Figure 1: ABC's total expenditure per region

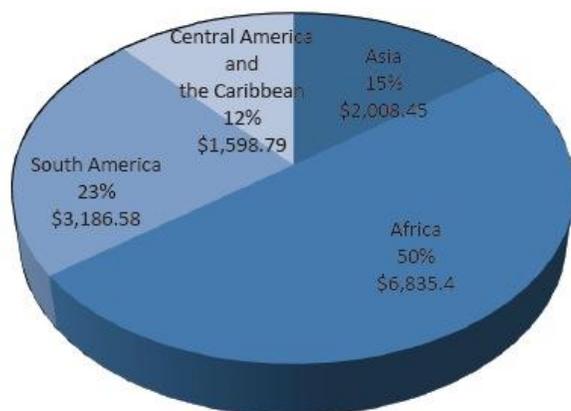
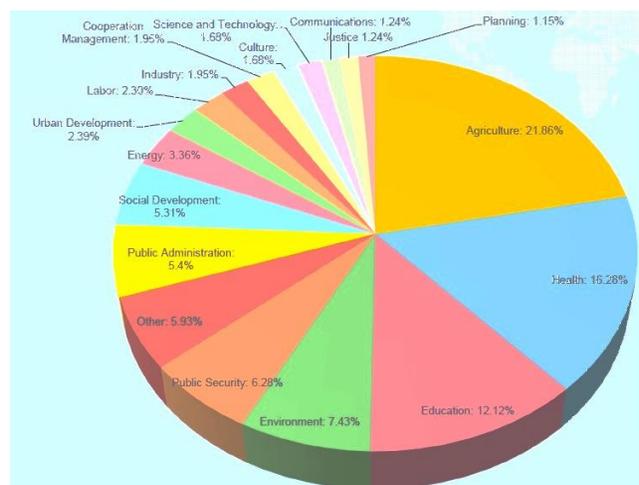


Figure 2: Classification of SSC per segment¹⁷



¹⁶ Source: *The Economist*, 'Brazil's foreign-aid programme: Speak softly and carry a blank cheque', 15 July 2010. For more information, see: <http://www.economist.com/node/16592455>.

¹⁷ Source: Brazilian Technical Cooperation. For more information, see: <http://www.oecd.org/swac/events/49257793.pdf>.

ANNEX II

Aid modalities

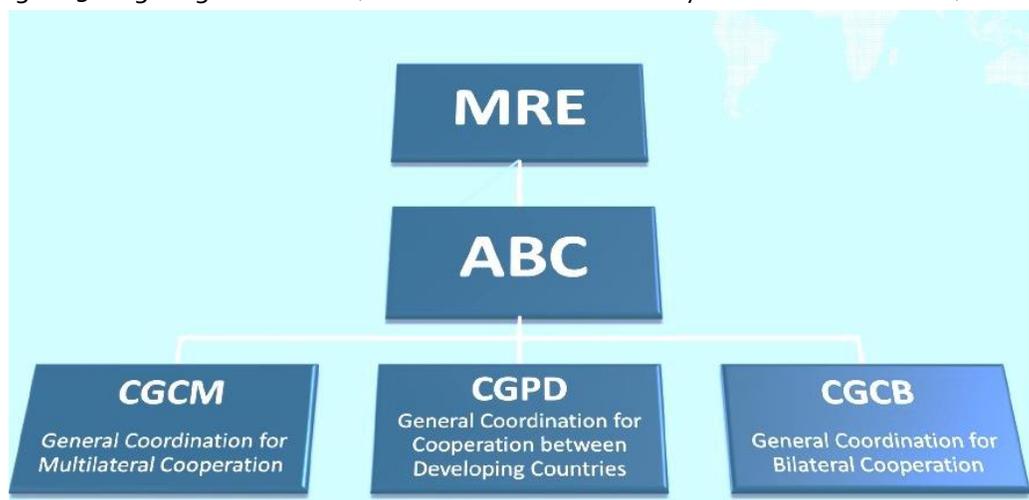
In terms of the forms of aid, Brazil divides its aid activities into the following five categories:

- Humanitarian assistance
- Technical, scientific and technological cooperation
- Scholarships for foreigners to study in Brazil
- Contributions to international organizations and regional banks
- Peace operations

Government systems — who manages what?

- At the highest level are the ministries engaged in international cooperation, representing the primary focal points for policymaking and policy coordination for development cooperation. The MoFA is intended to be responsible for articulating the actions of each ministry according to foreign policy priorities, and ABC is its main executive body (see Figure 3).
- At the lower level are the various institutions involved in development assistance, with ABC acting as both a coordinating body and a financial instrument.
- ABC is tasked with the role of overseeing the conception, approval, execution and monitoring of the projects and programmes. However, ABC's centrality in the system is fragile, and the system is operationally fragmented. Evidence suggests that a range of other entities, both public and private, is involved in the design, negotiation and provision of assistance with limited ABC involvement.
- ABC has 107 employees at the headquarters and only 10 in the field acting as focal points in some of the priority recipient countries (2010 figures).¹⁸ Most expertise lies outside ABC, and its staff are not permanent.

Figure 3: Organogram of ABC (The MRE is the The Ministry of External Relations)¹⁹



¹⁸ Data cited from Karin Vazquez (coord.), 'From a fledging donor to a powerhouse', Columbia School of International and Public Affairs, New York, 2011: 11:

http://api.ning.com/files/fH6my883OlbtHJoU7Nsc7Grias7ioVg3k2LoBIQfZTZyLoCFblyQFXb*YqsvXtEngEV3PLq1RzsWsSOoVaQstAmITC9MWOAD/FromaFledgingdonortoapowerhouseBrazilsdevelopmentcooperation2.pdf.

¹⁹ Source: Brazilian Technical Cooperation. For more information, see: <http://www.oecd.org/swac/events/49257793.pdf>.

2. CHINA

Key points

- Identifying accurate aid information is difficult, as many data are not published.
- In April 2011 the Ministry of Commerce (MOFCOM) released its first Aid White Paper, which, although brief, indicates a tendency towards increased openness.
- Despite ongoing negative coverage, more careful analysis of Chinese aid suggests that while its ultimate purpose is for domestic benefits, it is not narrowly focused on exploiting resources, resolving 'the Taiwan issue' or achieving international soft power gains.
- China established the country's foreign aid inter-agency liaison mechanism in 2008, led by MOFCOM together with the Ministry of Foreign Affairs (MoFA) and the Ministry of Finance (MoF). In February 2011 this liaison mechanism was upgraded into an inter-agency coordination mechanism.

Facts

Total

Chinese aid consists of grants and interest-free loans administered by the MoFA, concessional loans administered by China EXIM Bank and debt relief administered by MOFCOM. By the end of 2009, China had provided a total of \$42.36 billion (RMB259.29 billion) in aid to foreign countries, including \$17.35 billion (RMB106.2 billion) in grants, \$12.5 billion (RMB76.54 billion) in interest-free loans and \$12 billion (RMB73.55 billion) in concessional loans.²⁰ Since the late 1990s the MOF has been releasing the financial expenditure and budget for foreign aid annually, which includes the grants, interest-free loans and subsidies for the concessional loans, but not the capital of concessional loans. The financial expenditure of foreign aid in 2011 was \$2.6 billion (RMB15.897 billion), and the budget for 2012 was \$3.14 billion (RMB19.217 billion).²¹

Geographical focus

As the graphs from the White Paper show (below), much of the aid is spent in Africa, and nearly 40 percent is distributed to least developed countries.

²⁰ At exchange rates as of October, 2013.

²¹ Information provided by conference participants for use in the conference report, see:

<http://www.cn.undp.org/content/dam/china/docs/Publications/UNDP-CH-SSC-%20China%20MICs%20Conference%20Report.pdf>.

ANNEX II

Figure 4: Geographical distribution of China's foreign aid funds in 2009²²

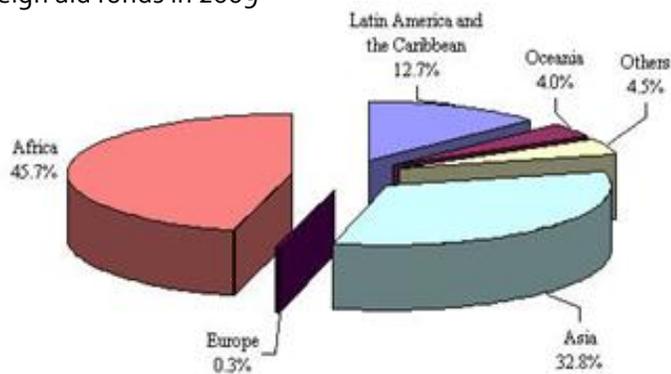
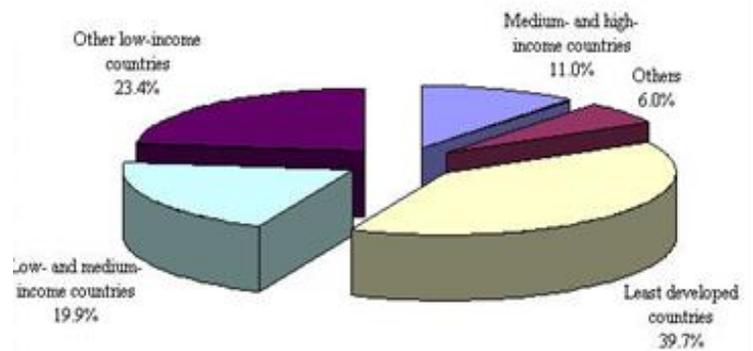


Figure 5: Distribution of China's foreign aid according to income level of recipient countries in 2009²³



Sectoral concentration

The major areas towards which Chinese aid is directed include agriculture, industry, economic infrastructure, public facilities, education, and medical and health care. The White Paper also notes that climate change has become a new area of Chinese aid in recent years.

Aid modalities

According to MOFCOM (2007),²⁴ there are three kinds of overseas aid provided by China: 1) grants; 2) interest-free loans; and 3) preferential loans.

In terms of the forms of aid, China divides its three kinds of aid activities into the following eight categories:

- Complete set of projects (at present, 40 percent of China's foreign aid expenditure is in the form of 'complete projects')
- Technical cooperation projects
- Cooperation on human resources development projects
- Sending Chinese medical teams
- Emergency humanitarian aid
- Providing foreign currency cash aid (China provides a 'small amount' of foreign currency in cash to recipient countries to meet urgent needs of production or in the case of emergency disaster relief)
- Preferential loan projects
- Sending youth volunteers
- Commodity aid (goods and materials)
- Debt relief

²² Information Office of the State Council, PR China, 'China's Foreign Aid White Paper', Information Office of the State Council, PR China, Beijing, 2011: 19. For more information, see: http://news.xinhuanet.com/english2010/china/2011-04/21/c_13839683.htm.

²³ Ibid.

²⁴ MOFCOM, 'Brief Introduction of China's Aid to Foreign Countries', information pamphlet, Ministry of Commerce of People's Republic of China, Beijing, December 2007: 6–8.

Government systems — who manages what?

- Policy direction is set by the State Council, and projects on the ground are often carried out by Chinese state-owned enterprises, which may in fact have very little to do with Chinese bureaucracy in the recipient country after having been granted the right to implement the project.
- Bilateral aid is managed by MOFCOM. Multilateral aid is scattered among various ministries. The MoF is in charge of donations to the World Bank and Asian Development Bank, MOFCOM is in charge of donations to UN agencies, Ministry of Health to WHO, Ministry of Agriculture to WFP and FAO, the People's Bank of China to the Regional Development Bank except the Asian Development Bank etc.
- MOFCOM has about 70 officials working with Chinese aid. Within MOFCOM, the Department of Aid to Foreign Countries is the responsible department.

3. CZECH REPUBLIC

Key points

- The Ministry of Foreign Affairs is in charge of the country's overall development cooperation and manages the Czech Development Agency, whereas the Czech Development Agency is responsible for the implementation of development cooperation. The Council on Development Cooperation coordinates the goals and priorities in this field. The Act on Development Cooperation and Humanitarian Aid (2010) and Development Cooperation Strategy of the Czech Republic 2010–2017 define the basic legislative and strategic framework of Czech development cooperation.

Facts

Total

The Czech Republic has a steadily increasing net ODA disbursement, from \$90 million in 2003 (0.1 percent of GNI) to \$250 million in 2011 (0.12 percent of GNI).²⁵

Channels

In 2011, the Czech Republic disbursed 70 percent of its total ODA as multilateral assistance and 30 percent as bilateral assistance. Contributions to the UN and European Union take a large share of its multilateral ODA.

Geographical focus

In line with international recommendations, the Czech Republic, within the drafting of the new strategy for 2010–2017, reduced the number of programme countries (i.e. those with the highest priority) to five: Afghanistan, Bosnia and Herzegovina, Ethiopia, Moldova and Mongolia. Bilateral development cooperation also takes place with project countries:

Georgia, Cambodia, Kosovo, the Palestinian Autonomous Territories and Serbia, as well as the former programme countries of Angola, Yemen, Vietnam and Zambia, which continue to receive assistance of redefined focus and scope.

Table 1: Top 10 recipients of Czech ODA (US\$ millions)

Ranking	2008		2009		2010		2011	
	Country	USD	Country	USD	Country	USD	Country	USD
1	Afghanistan	42.10	Mongolia	6.80	Afghanistan	13.26	Afghanistan	11.36
2	Serbia	7.80	Georgia	5.60	Mongolia	6.76	Mongolia	4.69
3	Mongolia	6.00	Ukraine	5.00	Moldavia	3.97	Moldavia	4.28
4	Palestine	4.70	Bosnia and Herzegovina	5.00	Georgia	3.89	Bosnia and Herzegovina	3.58
5	Vietnam	3.90	Afghanistan	4.60	Serbia	3.58	Serbia	3.19
6	Bosnia and Herzegovina	3.30	Serbia	4.50	Kosovo	3.52	Ukraine	3.03
7	Ukraine	3.20	Vietnam	3.60	Bosnia and Herzegovina	3.10	Ethiopia	2.93
8	Moldova	2.90	Kosovo	3.40	Ukraine	3.01	Georgia	2.05
9	Georgia	2.20	Moldova	3.10	Haiti	2.77	Belarus	1.78
10	Angola	1.90	Cambodia	2.80	Vietnam	2.36	Palestine	1.76

²⁵ Data source: overview of data reported to DAC:

[http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=DCD/DAC/STAT\(2011\)7/REV1&doclanguage=en](http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=DCD/DAC/STAT(2011)7/REV1&doclanguage=en).

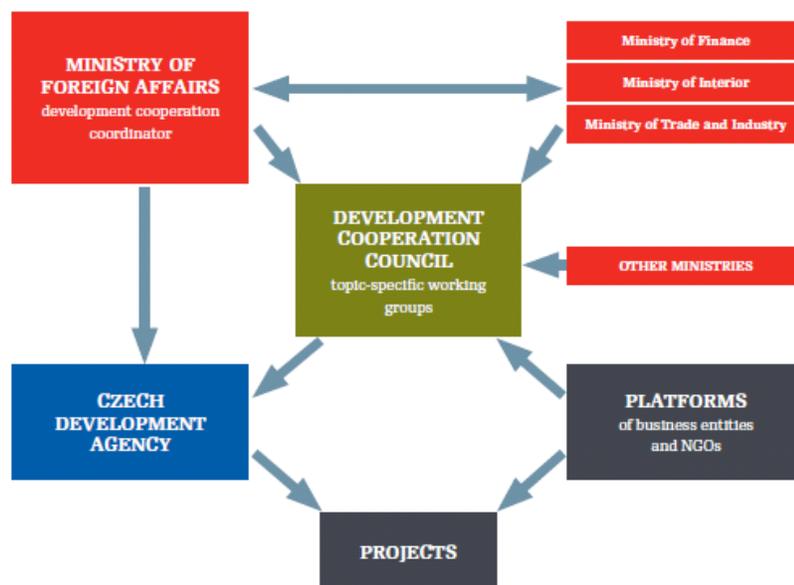
²⁶ For more information, see: http://www.mzv.cz/file/876704/Czech_Development_Cooperation.pdf.

ANNEX II

Government systems — who manages what?

- The basic legislative and strategic framework of Czech development cooperation is defined by the Act on Development Cooperation and Humanitarian Aid that became effective in 2010, as well as by the Development Cooperation Strategy of the Czech Republic 2010–2017, also approved in 2010. Besides its other aims, the Strategy updated the goals of Czech development cooperation, as well as its principles, while also defining new priority territories and sectors.
- The MoFA prepares strategic documents, annual Plans of Bilateral Development Cooperation as well as mid-term forecasts, provides for the evaluation of development projects and programmes, and manages the Czech Development Agency. It also oversees the implementation of transition assistance.
- The Czech Development Agency is responsible for the implementation of development cooperation, including the identification of suitable projects, organization of selection procedures (both public tenders and subsidies), signing of contracts and project monitoring.
- Representatives of ministries meet in the Council on Development Cooperation, which provides for interministerial coordination and coherence of the goals and priorities of development cooperation and other instruments of government policy, within the scope laid down in the Council’s Statute and approved by the government.
- Embassies in the priority countries play an important part in the identification and formulation of suitable projects, including implementation monitoring; they are an important contact point for state and other institutions from the partner countries, as well as for Czech assistance providers. A number of commitments vis-à-vis partner countries also arise from the commitments adopted within the European Union.

Figure 6: Organogram of Czech development cooperation²⁷



²⁷ Information provided by conference participants for use in the conference report, see: <http://www.cn.undp.org/content/dam/china/docs/Publications/UNDP-CH-SSC-%20China%20MICs%20Conference%20Report.pdf>.

4. INDIA

Key points

- India established a national aid agency, the Development Partnership Administration (DPA) in March 2012, in an effort to improve transparency of its foreign aid operations and streamline the delivery process of its partnership projects with developing countries.
- There is disagreement on whether India should give a large amount of aid, as it is the home to the largest number of people living in poverty of any country. Over the last two decades, assistance from Western and multilateral agencies has been reduced. Some argue that setting up an aid agency will result in a further dip in assistance for India.

Facts

Total

An article in India's *Sunday Guardian* reported that the newly established DPA would receive funding of \$15 billion over five years.²⁸ Global Humanitarian Assistance, a non-profit group, estimated that India had given total aid of \$639 million in 2010, of which humanitarian aid is \$37 million.²⁹

Channel

India's humanitarian aid was mainly channelled through multilateral organizations in 2010 and 2009 (\$30.5 million and \$10.4 million, respectively).

Geographical focus

- India's development projects overseas have a considerable geographic reach. A reported 60 countries already benefit from India-sponsored projects. Many of these projects are in India's immediate neighbourhood, namely South Asia, which accounts for about 70 percent of India's total commitments under grant assistance.
- Altogether, there are 121 Indian operational lines of credit to 54 countries. African countries are major beneficiaries of India's assistance under the Lines of Credit (LOC) programme. Of the 87 LOCs currently in operation, 39 are in African countries (2011 figure).³⁰
- Top recipients of India's humanitarian aid in 2009 were Pakistan (\$26.15 million); Haiti (\$5 million) and Afghanistan (\$3.96 million). Top recipients of India's humanitarian aid in 2010 were Afghanistan (\$14.36 million); Sri Lanka (\$1.02 million) and Palestine/OPT (\$1 million).³¹

²⁸ Source: *The Sunday Guardian*, 'India sets up global aid agency', 1 Jul 2012, For more information, see: <http://www.sunday-guardian.com/news/india-sets-up-global-aid-agency>.

²⁹ Global Humanitarian Assistance website: <http://www.globalhumanitarianassistance.org/countryprofile/india>.

³⁰ Information provided by conference participants for use in the conference report, see: <http://www.cn.undp.org/content/dam/china/docs/Publications/UNDP-CH-SSC-%20China%20MICs%20Conference%20Report.pdf>.

³¹ Ibid.

Aid modalities

- Project and project-related activities: India's aid is fundamentally project-oriented
- Programme-Based Approaches (PBAs): More aid has been channelled through PBAs, mainly in Afghanistan
- Technical assistance
- Humanitarian assistance
- LOCs: LOCs extended by the Export-Import Bank of India are generally extended to overseas financial institutions, regional development banks, sovereign governments and other entities overseas to enable buyers in those countries to import goods and services from India on deferred credit terms.
- HIPC initiative: India has committed to relieve the debt of five Heavily Indebted Poor Countries (HIPCs) for a total of US\$38 million (2007 figure).

Government systems — who manages what?

- The Indian Ministry of External Affairs (MEA) has overall responsibility for aid and technical assistance, and advises other ministries, notably the Ministry of Finance, on assistance to other countries. It mainly channels its aid in the form of grants.
- The Department of Economic Affairs within the Ministry of Finance is responsible for most of the bilateral loans extended by the Government of India, and most of India's multilateral assistance.
- The Export-Import Bank of India, fully owned by the government, is India's main conduit for providing concessional loans to developing countries. This mainly happens through the LOC facility.
- The DPA is headed by the MEA and will bring under one umbrella all agencies involved with foreign aid and development projects within the MEA.
- The DPA will oversee all the development partnership projects that India will undertake in developing countries around the world.

5. INDONESIA³²

Key points

- The Government of Indonesia has stated that South–South and Triangular Cooperation (SSTC) is one of its national priorities in the National Medium-Term Development Planning (2010–2014). Since then, it has developed the Grand Design and Blue Print of South–South and Triangular Cooperation to identify further the policy, strategy and implementation of the cooperation.
- Indonesia has established the National Coordination Team on South–South and Triangular Cooperation, co-chaired by the Minister of National Development Planning and the Minister of Foreign Affairs. The National Coordination Team consists of four core ministries, namely the Ministry of Foreign Affairs, Ministry of National Development Planning (Bappenas), Ministry of Finance and Ministry of State Secretariat, and also other line ministries including the private sector. The National Coordination Team’s task is to coordinate the implementation of the SSTC programme in Indonesia in line with government priorities.
- Indonesia endeavours to play a leading role in SSTC, evidenced by its hosting of a high-level forum on knowledge exchange involving more than 300 policymakers and practitioners from 46 countries in July 2012. During this event Indonesia launched its knowledge hub in three main areas of development issues, namely: disaster risk reduction and climate change, human development and poverty reduction; peacebuilding and good governance issues including peacekeeping, law enforcement and democracy; and economic issues, including macroeconomic management, public finance and microfinance.
- Between 2010 and 2012, Indonesia provided more than 700 activities within SSC, involving approximately 3800 participants from Asia, the Pacific, Africa, the Middle East and Latin America. In Asia, partner countries of Indonesian SSTC are: Cambodia, Lao PDR, Myanmar, Vietnam, Sri Lanka and Timor Leste. In Africa, partner countries are Tanzania, Ethiopia, Kenya and Uganda, and in the Pacific Islands they are Fiji, Papua New Guinea and Samoa.

Facts

Total

- Indonesia provided approximately \$50 million of foreign assistance between 2000 and 2012. In 2013, Indonesia allocated approximately \$2.5 million (and will increase this over time) from the state budget to support the implementation of SSTC activities.
- Indonesia has provided more than \$7 million in humanitarian assistance in the past two years alone — for example, aid to Japan after the 2011 earthquake, Haiti, Pakistan, Turkey and others. Within the Association of Southeast Asian Nations (ASEAN), Indonesia has recently provided a combined \$3.1 million in grants to six flood-affected countries.
- Indonesia has agreed to contribute \$1.5 million to the World Bank’s South-South Exchange Facility.

³² Information on Indonesia SSC programmes and activities are available at: <http://www.ssc-indonesia.org> and <http://isstc.setneg.go.id>.

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Aid modalities

- Technical assistance including short training programmes/workshops that have been specifically developed by line ministries inviting participants from Southern countries, as well as tailor-made programmes based on requests from specific countries to Indonesia
- Humanitarian aid to Haiti, Pakistan and Japan
- Expert dispatch
- Scholarship programmes (for Master's degrees) for developing countries to study at universities in Indonesia
- Project support in activities such as strengthening infrastructure in a road sector project by the Ministry of Public Works Indonesia in Timor Leste, and as a triangular cooperation with the Japan International Cooperation Agency (JICA)
- Equipment support including agricultural machinery

Government systems — who manages what?

Following the establishment of the National Coordination Team in 2010, the Government of Indonesia intended to strengthen the implementation of SSTC. The government has applied a 'one-gate policy' for the implementation of SSTC to improve integration and to achieve better results.

- In the absence of specific entities for SSTC, the National Coordination Team, which consists of the four central agencies mentioned above, works under each ministerial mandate, coordinated within the National Coordination Team. It comprises three working groups that work to strengthen: 1) the institutional and regulatory framework; 2) programme and funding; and 3) monitoring, evaluation, knowledge management and promotion and publication.
- Each line ministry involved in the National Coordination Team also has a specific role and function aligned with its mandate. For example, the MoFA's role is in foreign policy and diplomacy; the Ministry of Planning's role is in setting national priorities, development cooperation and budgeting; the State Secretariat's role is in support and facilitation; the Ministry of Finance's role is in fiscal policy and state budget; while technical line ministries will become implementing agencies for Indonesia's SSC programmes. The division of labour between line ministries within the National Coordination Team is shown in the following diagrams.

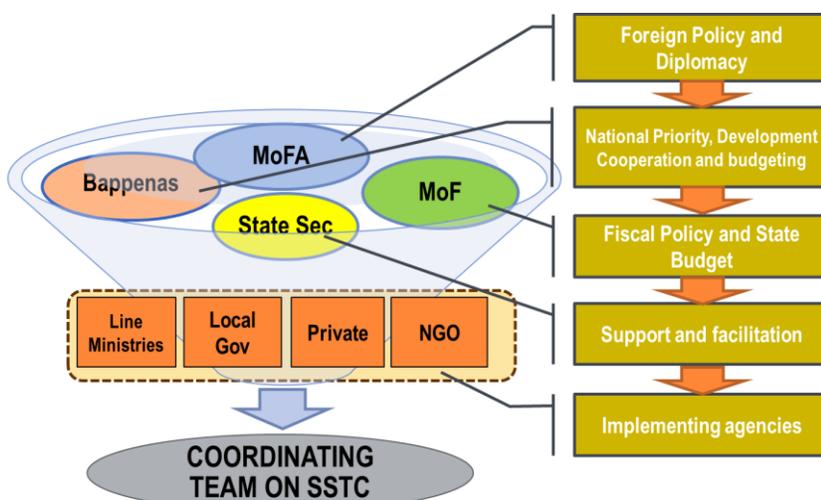


Figure 7: Organogram of the National Coordinating Team on South-South and Triangular Cooperation

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Figure 8: Management structure of the National Coordinating Team on South-South and Triangular Cooperation³³



³³ Information provided by conference participants for use in the conference report, see: <http://www.cn.undp.org/content/dam/china/docs/Publications/UNDP-CH-SSC-%20China%20MICs%20Conference%20Report.pdf>.

6. MEXICO

Key points

- Mexico is becoming an active player in the promotion of cooperation for development.
- Mexico has been active in SSC and trilateral cooperation projects. It also has a bridging function between North and South. In particular, its membership of the OECD and its role as observer in the DAC allows Mexico to often act as facilitator of the dialogue between emerging providers of cooperation and traditional donors.
- In the past, Mexican development cooperation has been characterized by fragmented actions and limited resources. The establishment of the Mexican International Development Cooperation Data System (SIMEXCID) and the Mexican International Development Cooperation Agency (AMEXCID) in 2011 are acts to improve the Mexican aid system. A new Law for International Development Cooperation (LCID) was also established in 2011.

Facts

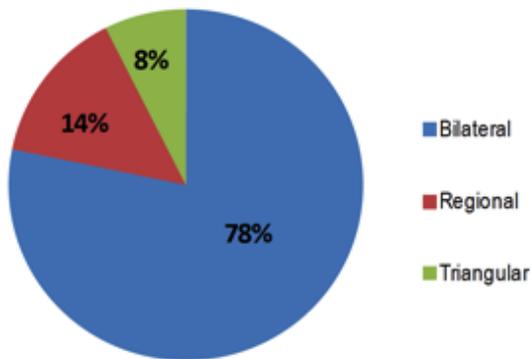
Total

There is no information on the total volume of Mexican cooperation for development given in the 2011 'Annual Report on International Cooperation for Development' (AMEXCID and SRE, January 2012).

Channels

Mexico's international cooperation is channelled through bilateral cooperation, multilateral cooperation and regional cooperation. Bilateral cooperation has the largest share (see Figure 9, which demonstrates the types of collaboration for 2011).

Figure 9: Provision of Mexican cooperation by type of collaboration



Source: AMEXCID and SRE, '2011 Annual Report on International Cooperation for Development', AMEXCID and SRE, Mexico, January 2012: 7.

Regional distribution and country selection

In 2011 Mexico's contribution to international cooperation was primarily directed toward Latin America and the Caribbean, a region with which 161 projects were developed: 126 as bilateral cooperation, 23 involved regional cooperation, and 12 involved triangular cooperation.³⁴

Aid modalities

Mexico provides its aid through the following activities:

- Projects: in sectors such as education, science and technology, agriculture, the environment, public administration, health, statistics and information technologies, and public safety.
- Exchange of experiences and development of capacities: for example, the Mexico Schools programme — on the occasion of the Mexican Independence Bicentennial, the number of facilities and support contributions were increased,

³⁴ Source: AMEXCID and SRE, '2011 Annual Report on International Cooperation for Development', AMEXCID and SRE, Mexico, January 2012: 7 (in Spanish): <http://amexcid.gob.mx/images/pdf/informe-anual-2011-ctc-amexcid.pdf>.

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benefitting about 35,000 Central American students.

- Disaster relief and humanitarian aid: Mexico responds to humanitarian crises promptly — for example the crises in Haiti, Chile, Guatemala, Honduras, Belize, Colombia and Venezuela.
- The main focus: 75 percent of Mexico's aid activities are focused on human resources development, promoting capacity-building in partner countries. In this regard, the most used modalities of collaboration are workshops, seminars and counselling, followed by joint research as part of technical and scientific cooperation.³⁵

Government systems — who manages what?

- AMEXCID is headed by the MoFA (SRE).
- AMEXCID, established in 2011, is the main instrument for the implementation of the International Development Cooperation Law, also put in place in 2011 to provide financial, strategic and information tools needed to effectively coordinate and foster all cooperation initiatives. The Law consists of four pillars for its implementation:
 - AMEXCID;
 - the Programme for International Development Cooperation (PROCID);
 - the National Registry, which provides data for an Information System of International Development Cooperation, administered by AMEXCID; and
 - The National Fund for International Development Cooperation.³⁶
- Mexico believes that its new institutional system of international cooperation, which is aligned with the principles of the Paris Declaration, is a major innovation for an MIC (see Figure 10).

Figure 10: Mexico's institutional system for international cooperation



Source: 'The 2010 Mexico Report on International Cooperation' (SRE)

³⁵ Mexican Agency for International Development Cooperation (AMEXCID) and the Japanese International Cooperation Agency (JICA), '2012 Catalogue of Mexican Capacities for International Development Cooperation', AMEXCID, Mexico, and JICA, Tokyo, 2012: <http://mexidata.info/id3502.html>.

³⁶ Ibid.

7. QATAR

Key points

- Qatar's assistance reflects the objectives of international cooperation in the Qatar National Vision for the year 2030 to achieve security and stability through development and humanitarian initiatives.
- Qatar gives high priority to discussing aid issues with many countries, various organizations, as well as national and regional bodies for better-coordinated efforts.
- In an effort to achieve high transparency and improve effectiveness of aid, the International Development Department has issued a report that provides detailed information and statistics on Qatari aid.

Facts

Total

According to the International Development Department, the total developmental and humanitarian aid provided by Qatar (governmental and non-governmental) in the years 2010–2011 amounted to \$150 million, distributed to 108 countries.

Channels

Qatari humanitarian and developmental work uses multiple channels to provide assistance, including direct bilateral support to beneficiary governments, as well as multilateral support with international organizations through financial or executive partnerships.

Geographical focus

Qatar's humanitarian assistance is not limited to Arab and Islamic regions but has widened to include distant and many geographical areas around the world. For example, aid was provided during a number of major disasters such as floods in Pakistan and Haiti; Japan's earthquakes; to assist with droughts in the Horn of Africa; and to respond to Palestine and Darfur's humanitarian crises.

Sectoral concentration

Qatar's assistance is aimed at alleviating poverty, spreading basic education and providing emergency response, urgent relief for disasters and crises, and meeting the MDGs.

Aid modalities

Aid is administered in the following forms: contributions; donations; material; in kind; technical grants; and support for humanitarian or developmental projects.

Government systems — who manages what?

Qatar's assistance is administered by the International Development Department, headed by the MoFA. The Department's objectives are available on the MoFA website.³⁷

³⁷ For more information, see: <http://www.mofa.gov.qa/en/TheMinistry/Departments/Pages/DepartmentOfInternationalDevelopment.aspx>.

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This Department is considered part of the MoFA's international cooperation sector and is assigned with organizing and guiding development and humanitarian aid and assistance. The importance of this Department is particularly evident in policymaking, accounting for and registration of assistance, follow-up and evaluation of projects and identifying partnerships. The Department's strategy and efforts fall within and in line with the MoFA's overall strategy.

8. RUSSIA

Key points

- Russia has regained its official status as a donor country in recent years and is creating an institutional base and legal framework for a national system of development assistance.
- The volume of Russian development assistance has been gradually increasing since 2000.

Facts

Total

According to Ministry of Finance reports, in 2003–2005, Russia allocated \$50–100 million (excluding debt reductions) for international development assistance (IDA) purposes. In 2008, assistance totalled \$220 million. In 2010, it grew to \$470 million. The record was set in 2009 — \$785 million — which was linked to the financial crisis of 2008 when Russia was actively increasing its support to neighbouring countries. In 2011, Russian IDA amounted to \$514 million.

Channels

Multilateral assistance counts for about 60 percent of total allocated resources of Russian IDA.

Geographical focus

The current distribution of the Russian Federation's development assistance by region is as follows: Eastern Europe and Central Asia — 29 percent; sub-Saharan Africa — 29 percent; Latin America and Caribbean — 19 percent; South Asia — 11 percent; East Asia and Pacific region — 9 percent; Middle East and North Africa — 3 percent.

Sectoral concentration

The main thematic priorities of Russian IDA are fighting hunger, maternal and child mortality, health care, technical cooperation, and training of national experts and others.

Aid modalities

Development assistance is provided through the following means: disaster relief, humanitarian aid including food supplies, projects of technical assistance, training and education, debt relief, loans etc.

Government systems — who manages what?

The MoFA assumes the organizational and coordinating roles in disbursing IDA. At present a process of empowering the Federal Agency Rossotrudnichestvo (which is within the structure of the MoFA) in the field of bilateral development assistance is taking place.

9. THAILAND³⁸

Key points

- Thailand is keen to share its development expertise and reach out to other countries to advance poverty reduction. It is the only non-OECD country in the world to have produced a report on MDG 8: the Global Partnership for Development.
- Thailand's development cooperation policy aims to 1) strengthen and promote the relationship between Thailand and its neighbouring countries (particularly in the Mekong Subregion) and 2) promote economic and social development in developing partners (especially in neighbouring countries).
- In October 2004, Thailand established the Thailand International Development Cooperation Agency (TICA) under the Ministry of Foreign Affairs (MFA). TICA is responsible for coordinating the technical cooperation received from foreign donors and coordinating the technical assistance Thailand extends to other developing countries.
- In 2005, the Neighbouring Countries Economic Development Cooperation Agency (NEDA) was restructured and modernized to take on responsibility for aid delivery to neighbouring countries regarding financial support. NEDA is a public organization under the supervision of the Ministry of Finance.

Facts³⁹

Total

Table 2 shows the total value of Thailand's international cooperation (on technical assistance only) (2001–2010):

Table 2: Total value of Thailand's international cooperation (on technical assistance only) (2001–2010)

FY	Value ('000 Bht.)	FY	Value ('000 Bht.)
2001	113,036	2006	320,242
2002	117,540	2007	325,307
2003	192,105	2008	374,758
2004	170,474	2009	468,624
2005	209,008	2010	374,533

Source : TICA Statistics

Note: At the current exchange rate, 1 USD is equivalent to 31.17

Channels

- Thailand carries out regional and subregional cooperation through mechanisms such as: ACMECS (Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy), Association of South-East Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), Greater Mekong Sub-region (GMS) and the Mekong-Ganga Cooperation (MGC),

³⁸ For the full report of Global Partnership for Development: Thailand's Contribution to Millennium Development Goal 8, see: http://www.undg.org/archive_docs/6597-Thailand_MDG_Goal_8_Report.pdf.

³⁹ Main source (as for other sections as well): Korean Development Institute (KDI) and The Asia Foundation (TAF), 'Thailand: An emerging donor?', *Emerging Asian Approaches to Development Cooperation*, KDI, Seoul, and TAF, San Francisco: Chapter 7 on page 79: <http://asiafoundation.org/resources/pdfs/EmergingAsianApproachestoDevelopmentCooperationConferencePapers.pdf>.

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Colombo Plan, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and Indonesia, Malaysia and Thailand Growth Triangle (IMTGT).

Geographical focus

- Over the last decade, 60 percent of TICA's assistance has gone to Cambodia, Lao PDR, Myanmar, and Vietnam. Thailand has contributed to other tsunami-affected countries in the region and ongoing assistance to neighbouring countries.
- The regional focus is now extending more to Central Asia and Africa. There is increasing engagement in programmes for development assistance to African countries, notably in the field of HIV/AIDs prevention and the agricultural sector.

Sectoral concentration

- Thailand's development cooperation programmes give priority to agricultural development, public health and education.
- Bilateral framework (SSC): TICA focuses on human resources and capacity-building. Activities include training courses, dispatching Thai experts and providing equipment. NEDA's approach in providing soft loans is quite different. Its assistance is characterized by 'tied aid', which requires neighbouring countries to use no less than 50 percent of the total value on goods and services from Thailand in each project.
- Trilateral framework: Under TICA, Thailand serves as a hub for transferring technical know-how, skills, appropriate technology and best practices to third-party countries from within the region and beyond.

Aid modalities

Thailand has adopted the demand-driven approach and the concept of mutual benefits in development cooperation, and development cooperation is based on the principles of 'self-help'. TICA and NEDA have encouraged their developing partners to participate in all levels of project management including planning, formulation, implementation and evaluation. Various mechanisms have also been utilized, such as needs assessment, brainstorming seminars, preparatory workshops etc.

Government systems — who manages what?

TICA and NEDA have different objectives:

- TICA⁴⁰

TICA aims to be a leading agency with high expertise in managing international development cooperation to enhance socio-economic development and promote cultural and technical ties with other developing partners. It implements the following activities: dispatch of Thai experts, provision of fellowships, allocation of technical equipment and implementation of development projects.

- NEDA

NEDA serves as a partner in providing economic development cooperation with neighbouring countries to ensure prosperity and betterment in the Mekong subregion. It functions both as a funding source for development projects

⁴⁰ TICA official website: <http://tica.thaigov.net/main/en/home>.

ANNEX II

(especially for infrastructure construction) and a promoter of the Thai private sector in neighbouring countries. Apart from TICA and NEDA, several ministries⁴³ are also actively involved in aid provision, such as the Ministry of Agriculture and Cooperatives, Ministry of Commerce, Ministry of Education etc.

⁴³ For more information on projects ministries have administered, see Korean Development Institute (KDI) and The Asia Foundation (TAF), 'Emerging Asian Approaches to Development Cooperation', KDI, Seoul, and TAF, San Francisco: 85.

10. TURKEY

Key points

- Turkey is a founding member of OECD. The Turkish International Cooperation and Coordination Agency (TIKA) collects and reports Turkish ODA data to OECD.

Facts

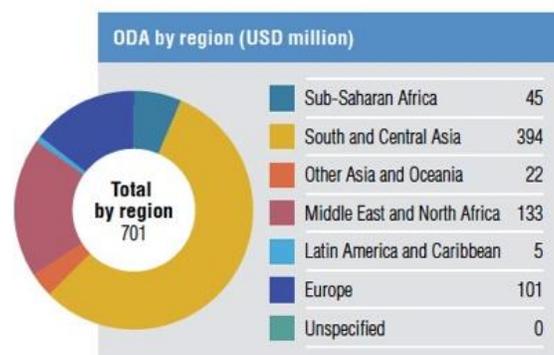
Total

Turkey plays an increasingly important role in the international aid community as an emerging donor. It increased its ODA from \$64.1 million in 2001 to \$967 million in 2010.⁴² In 2010, Turkey provided development assistance to 131 countries that appear on the OECD/DAC list of aid recipients.

Geographical focus

TIKA's activities concentrate on regions in which Turkey shares linguistic and cultural aspects. In 2006, Turkey was the number one donor among emerging donors. The regional distribution of Turkey's 2009 ODA shows that with a share of almost 45%, countries in South and Central Asia are still the main partners, followed by Balkan and Eastern European countries with a share of nearly 27%. In 2011 Turkey focused more on Africa and Middle East Countries. The top 10 countries supported in 2011 were: Somalia, Pakistan, Afghanistan, Kyrgyz Republic, Kazakhstan, Syria, Libya, Iraq, Azerbaijan and Palestine. Figure 11 shows the regional distribution of Turkish ODA.⁴³

Figure 11: Turkish ODA by region

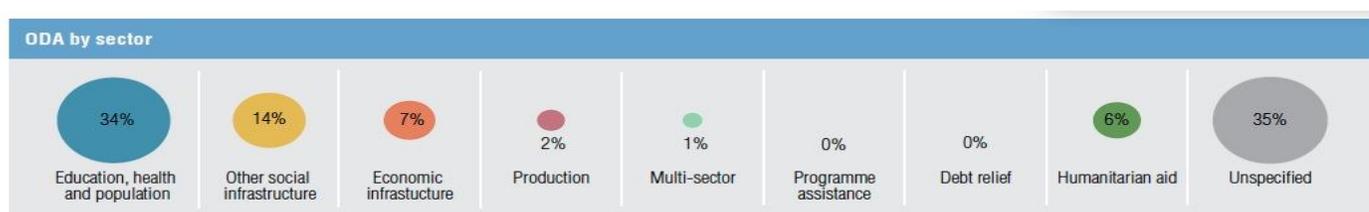


Source: 'Development Cooperation Report 2011'

Sectoral concentration

Turkey concentrates its aid efforts on education, health and economic and social infrastructure. Figure 12 shows Turkish ODA by sector.

Figure 12: Turkish ODA by sector⁴⁴



⁴² Data from the Global Humanitarian Assistance website: <http://www.globalhumanitarianassistance.org/countryprofile/turkey>.

⁴³ Source: Republic of Turkey, Ministry of Foreign Affairs, 'Turkey's development cooperation: General Characteristics and The Least Developed Countries Aspect', Ministry of Foreign Affairs, Ankara, 2011: http://www.mfa.gov.tr/turkey_s-development-cooperation.en.mfa.

⁴⁴ Ibid.

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Aid modalities

Development assistance is provided through the following means:

- Humanitarian assistance
- Technical assistance: with a focus on education, global health, economic infrastructure and services provided by Turkish public-sector institutions and enterprises to developing countries
- Building capacity
- Dispatching experts
- Providing equipment
- Financing infrastructure and construction projects.

Government systems — who manages what?

- The MoFA oversees Turkey's development institutions and policy priorities.
- TİKA, affiliated to the Prime Ministry, is the main coordinating agency of Turkish ODA, with 35 Coordination Offices in 32 countries. TİKA operates in the area of technical development and implements projects in health, education, agriculture, capacity-building and vocational training in developing countries.
- Humanitarian aid is administered through the Turkish Red Crescent (Kızılay) and Turkey's Disaster and Emergency Management Office.
- Turk Eximbank is involved in the financial and investment dimensions of Turkey's aid programmes and provides low-interest and long-term loans to developing countries.

Figure 13: Inter-organizational structure of Turkish development cooperation⁴⁵



⁴⁵ Source: http://www.ecocci.com/DC/PDF/19.04.201017_34Presentation%20of%20TİKA.pdf.

11. UNITED ARAB EMIRATES (UAE)

Key points

- The UAE has translated development and humanitarian aid into a foreign policy instrument.
- In 2008 the government of the UAE established the Office for the Coordination of Foreign Aid (OCFA) to pursue a more coordinated and sustainable approach to foreign aid, raise the profile of the UAE as a major donor and support the foreign aid decision-making process. In 2010 the UAE became the first non-DAC donor to report its ODA to the OECD/DAC using the DAC's Creditor Reporting System (CRS). The UAE also reports humanitarian aid to the UN's Financial Tracking Service (FTS).
- A major focus of the UAE's foreign assistance in 2013 has been to support Arab countries in need of assistance. In addition, the UAE has also been active in assisting refugees fleeing from crises in the region and setting up camps in neighbouring countries.

Facts

Total

According to OCFA, from 2009 to 2011 the UAE contributed more than \$4.14 billion in grants and loans for development, humanitarian and charity projects to more than 140 countries around the world. In 2011 the figure was \$2.10 billion, of which 88.6 percent was for development projects.

Channels

While much of the assistance is provided on a government-to government basis, a substantial part is delivered by the Abu Dhabi Fund for Development (ADFD) in the form of project aid, mainly for major infrastructure. The country also contributes to multilateral agencies. From 2009 to 2011, 5.4 percent of the UAE's total aid was delivered through multilateral agencies.

Geographical focus

The majority of the UAE's assistance goes to Asia (see Figure 14). Top recipients were Palestinian Territories, Pakistan and Yemen in 2010, and Oman, Jordan and Pakistan in 2011.

Figure 14: UAE funds disbursed by continent, 2010–2011 (in AED millions)



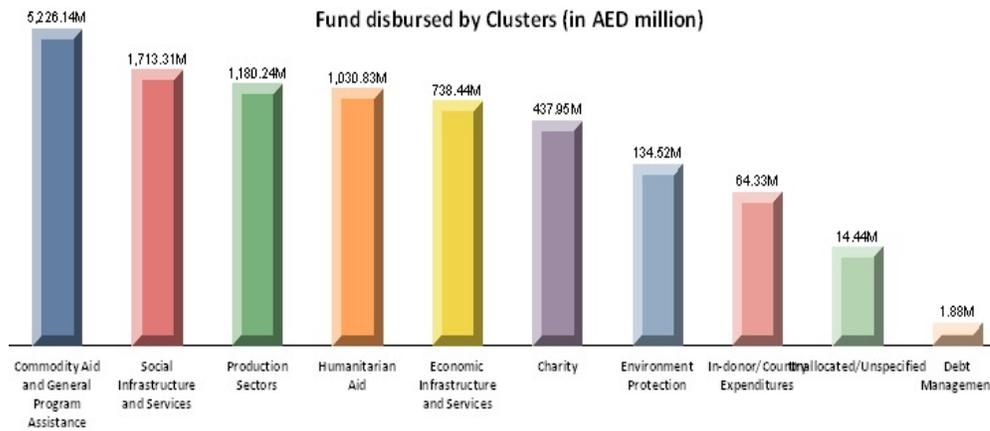
Source: OCFA facts

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Sectoral concentration

Funds are disbursed across various sectors; spending on commodity aid and general programme assistance is the heaviest (see Figure 15 for funds disbursed by sector 2010–2011).

Figure 15: UAE funds disbursed by sector, 2010–2011 (in AED millions)



Source: OCFA Facts website.

Aid modalities

Aid is provided through the following means:

- Development programmes and projects: 86.8 percent of aid went to development from 2009 to 2011.
- Humanitarian aid: UAE responded generously to humanitarian crises such as the earthquake in Haiti and the catastrophic flooding in Pakistan. Overall, \$423.9 million (10.2 percent of total aid) was provided between 2009 and 2011. UAE donors respond to major emergencies, such as the Libya crisis in 2011, in a unified manner as the UAE Relief Team.
- Charitable projects accounted for 3.4 percent of funds between 2009 and 2011.

Government systems — who manages what?

- The UAE uses various government entities and foundations to deliver aid, including ADFD, the Red Crescent Authority, the Zayed Bin Sultan Al Nahyan Charitable and Humanitarian Foundation, the Khalifa Bin Zayed Al Nahyan Foundation, the Mohammad bin Rashid Al Maktoum Charity and Humanitarian Establishment, Dubai Cares, International Humanitarian City etc. The UAE government was the largest donor from 2009 to 2011, followed by ADFD, which disbursed \$600 million.
- In 2008, the government of the UAE established OCFA to improve coordination of the country's foreign aid efforts.
- OCFA's key objectives include: documenting foreign aid provided by UAE-based donor organizations and reporting it to relevant international organizations; building individual and organizational capacities of UAE donor organizations; helping UAE donors improve delivery of humanitarian and development programmes worldwide and advising them on best practices; and raising the UAE's foreign aid profile, including by building and strengthening ties between the UAE foreign aid sector and the international aid community.

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