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Report of the Asia Pacific regional DCF
Trends and progress in Triangular and South-South
Cooperation

Bangkok, 21-22 October 2008

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I. Background

As part of strengthening the United Nations Economic and Social Council (ECOSOC), Member States, at the 2005 World Summit, mandated the Council to convene a high-level biennial Development Cooperation Forum (DCF) to review trends and progress in international development cooperation, including strategies, policies and financing; promote greater coherence among the development activities of different development partners; and strengthen the normative and operational link in the work of the United Nations (A/RES/60/1). The first biennial Forum was held at UN Headquarters in New York from 30 June to 1 July 2008, and contributed to firmly position ECOSOC as a principal forum for global dialogue and policy review on the effectiveness and coherence of international development cooperation and informed the outcome of key intergovernmental processes such as the Accra High-level Forum on Aid Effectiveness, the High-level Event of the General Assembly on the Millennium Development Goals (MDGs), and the Doha Review Conference on the implementation of the Monterrey Consensus on Financing for Development.

Based on the comparative advantages of the DCF and its main areas of activity in (i) providing independent, cross-cutting and high-quality analysis on development cooperation; (ii) developing a more inclusive consultative framework for guiding effective development cooperation, based on high-quality substantive debate, taking into consideration the concerns of multi-stakeholders and supporting the capacities of developing countries for effective management of development assistance in a systematic way; and (iii) drawing together analysis of progress in national and global-level mutual accountability processes, the principal objective of the preparations for the 2010 DCF will be to further promote broad agreement among all relevant stakeholders on the forum as a main body for global policy dialogue and review on mutual accountability in development cooperation.

To ensure a comprehensive consultative process in preparing for the 2010 DCF, the United Nations Department of Economic and Social Affairs is supporting the organization of several regional preparatory consultations. As the first in this series, this Asia Pacific Regional Development Cooperation Forum (DCF) took place on 21-22 October 2008, at the United Nations Conference Center in Bangkok. The forum focused on triangular and South-South cooperation in the Asia-Pacific region.

II. Asia Pacific Regional DCF

Co-organized with the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP) and the UNDP Special Unit for South-South Cooperation, the Asia Pacific Forum focused on trends and progress in triangular and South-South Cooperation. Participants engaged in an inclusive, open and interactive dialogue on their roles in contributing to effective South-South and triangular development cooperation.

The Forum was organized around four sessions addressing the following themes: (i) Triangular development cooperation: sharing experiences within the region and between regions, (ii) Monitoring and evaluation of triangular and South-South development cooperation in the region, (iii) Data collection and analysis including data on South-South and triangular development cooperation, and (iv) South–South and triangular development cooperation in Asia-Pacific: How can the United Nations help?

The Forum was attended by some 40 regional experts including invited representatives from over 15 countries with various backgrounds, such as government officials including South-South cooperation focal points, donor agencies, and representatives of NGOs, non-UN intergovernmental agencies, and UN agencies.

III. Summary of the Opening of the Forum

In opening the Forum, on behalf of UN-ESCAP, Mr. Shigeru Mochida, Deputy Executive Secretary of ESCAP, underlined that the DCF serves as a key venue for a global dialogue and policy review towards effective and coherent international development cooperation, being a global platform for representative, participatory and multi-stakeholder dialogue on major development cooperation issues. He also emphasized the critical role of the UN as a catalyst for the exchange of experiences among member states through its engagement in various activities aiming at promoting South-South and triangular cooperation, both explicitly and implicitly through economic development, trade and investment, communication or social development and sustainable development. The promotion of public- private partnerships with the focus on capacity building, establishment of the Asia-Pacific Forum on trade as a means of promoting regional cooperation, the exchange of best practices among statistical and census offices and the use of ICT are a few examples, among others, of the key initiatives undertaken by UN-ESCAP. Mr. Mochida also underlined the rich diversity existing in the region, in terms of the size of the country, population, geography, and social, political, economic and environmental conditions. This diversity makes for many challenges as well as opportunities in further promoting South-South and Triangular cooperation in the ESCAP region. Mr. Mochida concluded his speech by re-iterating the Secretary General’s speech at the launch of the DCF.

On behalf of UNDESA, Ms. Marion Barthelemy, Chief, Development Cooperation Policy Branch, delivered the message by Mr. Nikhil Seth, Director, Office for ECOSOC Support and Coordination, UNDESA. In his speech, Mr. Seth expressed his profound appreciation for the excellent work carried out by the colleagues of ESCAP and the UNDP regional office for co-organizing this important regional Forum. He underlined that this Forum would be an important step in the preparations for the forthcoming development cooperation Forum to be held in 2010. This is timely, as the first DCF, which was held in July this year, positioned the ECOSOC as a key venue for global dialogue and policy review on key issues of development cooperation with a special focus on mutual accountability of aid. The issue of South-South cooperation received

particular attention at the Cairo High-level meeting as well as at the special roundtable session that was organized during the first DCF in July. Mr. Seth emphasized that important lessons should also be drawn from the Accra High level Forum on aid effectiveness held in early September and the Tokyo International Conference on African Development (TICAD) IV, held in Yokohama in May. It is apparent that South-South cooperation is becoming an increasingly important dimension of development cooperation. However, he stressed that such cooperation is a complement and not a substitute to North-South cooperation and that programme countries see it as more aligned to their national priorities. Mr. Seth also underlined that our knowledge of South-South cooperation has been limited, and that this Forum, through sharing of the region's experiences, would highlight the challenges and opportunities faced not only by the Asia Pacific region but also the entire international development community.

To conclude the opening session, a message from Mr. Yiping Zhou, Director of the Special Unit for South-South Cooperation, was delivered by Mr. Denis Nkala, Chief, South-South Unit (Asia & Pacific), UNDP Regional Centre in Bangkok. In his speech, Mr. Zhou stressed the growing importance of South-South cooperation. He stated that, with or without the United Nations, South-South cooperation had been expanding significantly, in its scope and depth, and the real potential for development would be far beyond the capacity of any single organization in the UN Family to handle. Not only have South-South trade and foreign direct investment (FDI) been growing at an impressive rate, but wealth creation has also been expanding in many Southern countries such as Brazil, China, India as well as some Middle East nations. Technical transfer and cooperation have also progressed significantly. For example the Indian pharmaceutical firm Panacea Biotec, which produces vaccines to combat diphtheria, tetanus, pertussis, hepatitis B and whooping cough to reduce the cost, was awarded a \$35 million drug supply order from UNICEF. Although technical cooperation among developing countries along with project aid forms the core of activities under this scheme, only 10% of South-South cooperation is actually given in the form of balance of payments toward budget support. Mr. Zhou stressed that what had emerged from many policy debates in the group of 77, at the General Assembly, at the DCF and in Accra, was the common recognition that South-South cooperation has become a dynamic force of shaping up a set of new geo-politics, wealth creation, innovation and social re-engineering in the region and the world. He further stressed the lack of innovative funding and transactional mechanisms that will move beyond mere knowledge-sharing, and to transfer Southern technologies and achieve sustainable development solutions to meet the countries' long-term demands. The main issue is to look at the way in which the international community responds to these new dynamics in a timely manner and turn them into a net gain towards reducing poverty and promoting inclusive growth and equitable socio-economic development.

IV. Joint Statement

What follows is a joint statement summarizing the main recommendations of the participants which was adopted at the end of the Forum. In adopting the Joint Statement, participants focused their discussions on the issues arising from the Paris Declaration

principles and their application to South-South and triangular cooperation, the percentage of development assistance to be routed through those modalities, their role and impact on poverty reduction, and the strengthening of the United Nations' role.

1. We, the participants at the Asia-Pacific regional forum on trends and progress in triangular and South-South development cooperation held in Bangkok, Thailand, from 21 to 22 October 2008, recognise that South-South and triangular cooperation is of growing importance in Asia-Pacific regional development cooperation. Some of the success in the ESCAP region is now replicated in other developing regions.

2. We recognise that South-South Cooperation and triangular development cooperation are integral to the efforts to assist developing countries in achieving sustainable and inclusive economic growth, poverty reduction, stable social development and progress, environmental sustainability, and transparent and accountable governance, in order to become less dependant on external aid in the future.

3. We reaffirm that South-South Cooperation is a valuable complement to North-South cooperation. It should observe the principle of non interference in internal affairs, equality among developing country partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. (Accra Agenda for Action, paragraph 19 (e))

4. We take note that the principles of the Paris Declaration on Aid Effectiveness are relevant to South-South and triangular cooperation and we appreciate the references to both in the Accra Agenda for Action.

5. We fully recognize the comparative advantages of triangular development cooperation in the regional context. Those include its cost effectiveness, its role in the transfer of skills and expertise within the region, its impact on capacity development, as well as on transfer of appropriate technology. We encourage traditional and multilateral donors to route a higher proportion of their development assistance through this modality in the future follow up process for the Paris Declaration on Aid Effectiveness.

6. We must build on the High-Level Committee for the Review of South-South Cooperation, the High-Level Event of the General Assembly on the Millennium Development Goals (MDGs) as well as on the Accra High-Level Forum on Aid Effectiveness, the China-Africa Cooperative Forum (2006), the Tokyo International Conference on African Development (TICAD) IV (2008), the India-Africa Forum Summit (2008) and other events. We must also make use of the forthcoming Review of the implementation of the Monterrey Consensus on Financing for Development (2008) and the UN Conference on South-South Cooperation (2009), to further energize the spirit of partnership and solidarity among developing countries in realizing the Internationally Agreed Development Goals (IADGs), including the MDGs.

A. Triangular development cooperation: sharing experiences within the ESCAP region and with other regions

7. An increasing number of initiatives of South-South Cooperation in the ESCAP region have begun to be supported by traditional donors and multilateral organizations in a triangular manner, making full use of developing countries' comparative advantages regarding cost-effectiveness, expertise, appropriate policies and technologies.

8. A growing number of triangular development cooperation projects executed by southern contributors in the ESCAP region involve recipient countries in other regions such as the “New Rice for Africa (NERICA)” and the “TICAD Asia-African Partnership”. We stress the importance of scaling-up and replicating these experiences for the benefit of other developing regions. The ESCAP region can also learn from good practices in other regions.

9. We believe that South-South cooperation and triangular development cooperation have an effective and important role in reducing and ultimately eliminating poverty by scaling up successful initiatives like the Grameen Bank, the Aga Khan Rural Support Programme (AKRSP), the Self Employed Women’s Association (SEWA), the Society for Eliminating Rural Poverty (SERP) and many others.

10. We underscore the importance of promoting a broad stakeholder approach to achieve synergy in triangular cooperation. Engaging key development actors such as the private sector and civil society is also important.

B. Monitoring and evaluation of triangular and South-South development cooperation in the region

11. We note that there is little monitoring and evaluation (M & E) of South-South and triangular development cooperation beyond scrutiny of timeliness and completion of projects. There is need for developing effective nationally owned and inclusive M & E systems for evaluating the impact of South-South and triangular development cooperation, while not hampering the flexibility of this type of cooperation.

12. Traditional donors and multilateral development agencies should provide assistance for building technical and administrative capacity of programme countries in M & E, at their request.

C. Data collection and analysis on South-South and triangular development cooperation

13. There is a need for strengthening data collection on South-South and triangular development cooperation in a comprehensive manner including mapping of capacities and needs of developing countries as well as funding sources. This is due to the absence of coordinating agencies at the national level in some cases and the lack of guidelines for reporting. As a result there is little analytical work on the scale, effectiveness and quality of South-South and triangular development cooperation at the national and regional levels.

14. Given the increasing complexity of development cooperation and the growing number of Southern contributors, new ways of keeping track of various forms of cooperation must be developed.

15. Southern cooperating countries may consider designating a national agency for coordinating with all departments concerned with South-South and triangular development cooperation. These agencies would be encouraged to collect data and share information on various initiatives of South-South Cooperation undertaken by the countries including total disbursement of loans and grants, technical cooperation, trade, investment, transfer of technology, thematic and sector focus, and geographical coverage.

16. We call for examining modalities for compiling information on triangular development cooperation. As a starting point, the OECD/DAC could request its member countries to report triangular development cooperation separately from their normal North-South assistance.

D. South–South and triangular development cooperation in Asia-Pacific: How can the United Nations help?

17. We recognize that the United Nations System is an important actor in actively supporting and promoting South-South and triangular development cooperation including at the national, regional and global levels. We strongly urge the United Nations system to do more work in terms of raising funds, planning, and coordination in promoting South-South and triangular cooperation. The Special Unit for South-South cooperation in UNDP should receive adequate financial and technical resources to facilitate this work.

18. In view of the uniqueness of South-South Cooperation, the DCF could provide a useful medium for Southern contributors to present their views and share their experiences. This could be done through regular meetings on South-South Cooperation at regional and international levels. In the Asian and Pacific region, ESCAP provides a broad platform for promoting South-South cooperation as an effective development instrument.

19. The work of the DCF could help in identifying and compiling best practices in South-South and triangular development cooperation. It could also help develop a definition of South-South Cooperation as well as ways of measuring it more accurately, including development of conversion factors for international comparability (considering the wide variation in the cost of goods and services).

20. The DCF could help to maintain the focus on the role of the UN system in mainstreaming South-South and triangular development cooperation in accordance with the mandate provided by General Assembly resolution 62/208 on the 2007 Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System. We encourage the DCF to continue its close cooperation with OECD/DAC in these areas.

21. The DCF, in collaboration with ESCAP and the Special Unit for South-South Cooperation in UNDP, could consider formulating a mechanism to sustain the momentum of this forum.

V. Summary of the Discussion in the substantive sessions

The forum was divided into four main agenda of discussion. The first session focused on the effectiveness and lessons learnt from triangular development cooperation and the possible replication of the Asia-Pacific experiences in other parts of the world. The second session addressed the critical issue of monitoring and evaluation (M & E) of triangular and South-South development Cooperation. The third session reviewed the issues related to data collection and analysis with particular focus on ways to improve voluntary and inclusive reporting on triangular and South-South development cooperation. The fourth agenda touched on the issue of the role of the United Nations in supporting the above processes as well as triangular and South-South development cooperation in general.

The following section (Sessions A-D) highlights the presentations and outcomes of the respective sessions.

Session A: Triangular development cooperation: sharing experiences within the region and between regions

Triangular cooperation, in which a developing country partners with either another developing country or an industrialized counterpart to lend technical assistance to a third country, is a growing model of technical cooperation in the developing world. A triangular cooperation activity can be the initiative of one or more Southern countries that wish to cooperate with one another. In order to maximize their financial, logistical and technical resources, such countries can ask for the support of a Northern donor as a third partner providing financial and/or technical support.

Triangular development cooperation is used as a means for channelling aid from OECD/DAC donors and/or multilateral institutions through a third (intermediate) country to be applied to development projects in poorer countries. Triangular development cooperation is gaining greater significance for some Southern contributors¹ as well as a large number of Northern donors², with Japan being one of the foremost in promoting such cooperation in Asia-Pacific and other regions as an effective aid modality. A recent background study conducted for the DCF on trends in South-South cooperation and triangular development cooperation estimated that Southern countries' economic assistance amounted to be between US\$ 9.5 billion to \$12.1 billion in 2006 representing 7.8 to 9.8 per cent of total development cooperation related flows in the year³.

Even though it would be generally agreed that the scale of triangular development cooperation has expanded in the past decade, it is very difficult to capture the exact magnitude of development cooperation that takes the form of triangular development cooperation as donor countries often do not report it separately from regular bilateral cooperation. The lack of reliable data and reporting mechanisms means that the true extent of such cooperation is not well known, and its potential for growth and overall effectiveness cannot be accurately assessed. However, it is assumed that the current triangular flows are not an insignificant portion of the global development cooperation architecture and in the light of the robust growth rates and the ambitious commitment made by several countries including Japan, China, India and the Republic of Korea, it is likely that the scale of South-South and Triangular development cooperation will rise significantly in the years to come.

Patterns and lessons learnt

¹ Such as Argentina, Brazil, Chile, Egypt, India, Malaysia, Republic of Korea (OECD member but not OECD/DAC member), South Africa, Singapore, Thailand, Tunisia and Turkey. China has also recently been involved in some trilateral agreements with DAC-donors, but this constitutes an insignificant part of its overall assistance programme.

² Canada, Finland, France, Germany, Japan, Norway, Spain and Sweden, as well as multilateral institutions, including AfDB, AsDB, BADEA, EU, IADB, IFAD, IsDB, OPEC Fund, UN agencies and the World Bank.

³ UN ECOSOC (2008)

Triangular cooperation currently presents a fragmented picture that includes a wide range of small programmes focusing on technical assistance in the form of dispatching experts, third-country training and capacity building in a wide spectrum of sectors. For instance, geographical coverage of triangular partnerships run by a German bilateral ODA agency, GTZ at the global level includes: China, Chile, Vietnam and India in the area of economic policy dialogue; Brazil and 10 countries in Latin America and Africa in the area of HIV/AIDS; Mexico (as the third country) with Guatemala, Ecuador and Dominican republic in environmental issues; South Africa, Ethiopia, Dominican Republic, Congo, Lesotho and India in governance and technology, Indonesia and Timor Leste in national parks development. This variety represents its richness but also makes it difficult to systematize the lessons and good practices. Numerous initiatives have also been put in place by multilateral agencies to promote South-South cooperation and facilitate exchange of experiences, such as the UNIDO center for South-South cooperation, the UNDP Special Unit for South-South Cooperation, and UNESCO's E-9 initiative etc.⁴

⁴ For more details on those initiatives, see Dr. Kumar's background paper p.14

Most triangular development cooperation projects revolve around idea generation and innovation such as joint missions, combined use and exchanges of experts and expertise, on the job training and education, fellowship and study visits. In the Asian region in particular, areas of cooperation include vocational education, agricultural and rural development, micro finance, Small and Medium Enterprises (SME) promotion and health. The TICAD process, for instance, serves as a bridge between Africa and Asia to effectively transfer skills and techniques, to share knowledge and experience, promote joint research, and facilitate trade and investment between the two regions. One good example of cooperation between two regions is Japan's sending Indonesian experts to Madagascar to help in enhancing rice productivity through introduction of inexpensive agricultural equipment, calculating appropriate amount of seeds needed and spreading effective use of compost. The Africa-Asia SMEs network programme, supported by the Governments of Japan and South Africa through UNDP, links an African network of SME-supporting organizations to a parallel network in Asia to learn from Asian experiences in developing policy and legal frameworks, agricultural extension services, entrepreneurship and production technology development through workshops, study tours and a global knowledge network. This type of inter-regional cooperation takes place in many different areas such as education and health (Thailand and Vietnam), gem cutting, capacity development in the fishery and agricultural sectors (through Thai International Cooperation Agency or TICA), and network building among African and Asian research institutions and universities (Japan)⁵. A project of the regional value chain is the hand-made paper industry supported by GTZ with Thailand and Laos as partners illustrates the added value of triangular cooperation. In this project, the raw material is produced in Laos, the production of paper-made items in Thailand and the final products are marketed and sold in Europe. The aim of the project is to benefit from the low cost, raw material processed in Laos as well as the technical expertise of Thailand, thus it requires involvement of the above three partners in the project cycle. The mechanism used to create an additional value is to involve the private sector to restructure the way work is done and invest more at the lower end of the value chain. This kind of triangular project demands a comprehensive cooperation from the all partners and is more cost effective and sustainable than sending an expert from Europe to Laos for a limited period.

The Association of Southeast Asian Nations (ASEAN) is another good example of inter-regional exchange of knowledge and practices among developing countries. In the 1970's and 1980's, the five original members (Indonesia, Malaysia, Philippines, Singapore and Thailand) started extending assistance to new members (Cambodia, Laos, Vietnam and Myanmar) mainly through capacity building, training programmes and workshops in various fields such as agriculture, forestry, tourism, trade and investment. Several other

⁵ Based on its own experience in the past, of having joined the developed country club while still receiving ODA, Japan considers itself to be a major player on Triangular development cooperation in the Asia-pacific region and beyond. Immediately after the devastation of the World War II defeat, Japan joined the Colombo plan in 1954 and started extending technical assistance through acceptance of trainees and dispatch of experts with the financial support of other donors. In terms of inter-regional cooperation, in particular, Japan has been supporting African growth by applying Asian development experiences to African countries.

initiatives were also undertaken in order to reduce trade barriers (ASEAN Free Trade Area or AFTA), promote investment (Asian Investment Area or AIA) and narrow development gaps (Initiative for Asian Integration or IAI). Sub-regional meetings also provide very useful forums for exchange of experiences and good practices thus supporting both regional integration and South-South cooperation.

Despite possible fragmentation and the lack of coordinated reporting mechanisms of triangular development cooperation projects, it is possible to identify key success factors. In the early stage of a project, it is critical to find common denominators and identify comparative advantages for all partners so as to remain strategic and relevant. In this regard, the unsuccessful case example of the expert sent by a Scandinavian country (a low temperature country) to train staff on milk preservation in a tropical developing country illustrates the importance of the relevance of knowledge to the recipient country. South-South or triangular cooperation solution could have been far more effective and relevant in this case. In many instances, appropriate and relevant skills may be available in another, often neighboring developing country which does not have the sufficient financial resources to extend technical assistance. Through triangular development cooperation, it is possible to combine the expertise of developing countries and the financial resources of developed countries for improved results.

Another important aspect for success is to evaluate properly the cost and share the burden between the partners. Many financial issues may arise, such as evaluation of the cost of labour in one country compared to another country. Throughout the implementation phase, agreement on a set of common project management principles regarding design, impact assessment, monitoring and evaluation may be paramount to ensure efficiency, effectiveness, sustainability and long-term impact. Furthermore, the involvement of the private sector is also a key in engaging relevant stakeholders in the most participatory manner as demonstrated by the World Bank's South-South experience sharing programme through which 12 public and private sector participants from Ethiopia, Tanzania and Uganda went on a 3-day study tour to the Gujarat Cooperative milk marketing foundation to learn about Indian experiences in cooperative dairy development to provide effective means of improving livelihood for poor farmers.

Participants agreed that the advantages to this type of cooperation are potentially many. They include cost effectiveness, and transfer of skills, appropriate technology and know-how that are more applicable and adaptable within a region that may share similar socio-economic-cultural conditions. Triangular development cooperation recognizes that developing countries are better placed in view of their more relevant expertise to respond to the needs of co-developing countries. If triangular development cooperation can be more cost effective compared to traditional North-South links, it also allows countries to implement development solutions in a more cost effective and sustainable way while forging cooperation links between developing countries, which may be ultimately a benefit to the donor country to achieve development and peace in the region.

At the end of the presentations, very concrete and practical questions regarding the modalities and setting-up of triangular development cooperation were raised by experts

from the countries that are not currently involved in such programmes. Concerns were also voiced regarding the applicability of South-South cooperation and triangular development cooperation to small developing countries as this type of cooperation seems more suitable and relevant to big developing countries with sufficient level of financial, human resources and skills. The participants agreed that although triangular development cooperation is indeed a much more complex aid modality, it presents a number of opportunities and advantages for all countries.

Firstly, the accumulation of knowledge and experiences could be shared in a forum of the countries starting to engage in development cooperation. Secondly, experiences capitalised in some developed countries should be shared through triangulation with an intermediate country to other developing partners. In this regard, replication of the lessons learnt in the excellent German vocational education system in an intermediate partner, namely, Thailand may have some spill over effects on neighbouring developing countries, such as Cambodia, Laos and Vietnam through the organisation of training workshops. Finally, triangular development cooperation is leverage for effective South-South cooperation as it does not necessarily aim at a triple-win scenario for all three partners but at a sustainable win/win situation.

However, small developing countries may face difficulty negotiating with donors and giving them incentives to allocate more funds through South-South and triangular development cooperation. In some cases, traditional donors may be reluctant to engage in triangular cooperation with the concern that money may not be channelled in a cost effective way and the objectives are not achieved effectively. This hesitation is mainly due to the lack of streamlined information and guidelines on South-South cooperation and triangular development cooperation, which the Forum has tried to address.

The appropriateness of developing country skills and technologies arises from a number of reasons. Firstly, developing country skills are evolved in an environment of similar factor endowments which makes their technical solution easier to implement in other developing countries. Secondly, developing country technological solutions are evolved in an environment of relatively poor infrastructure and hence may be more appropriate compared to those available in industrialized countries. Thirdly, technologies and expertise available in developing countries are likely to be scaled down to levels more appropriate to the size of markets in developing countries compared to mass production skills in industrialized countries. Fourthly, the technologies and expertise available from developing countries are likely to be cost effective having been adapted in view of low income consumers in developing countries. Another aspect of cost effectiveness is the fact that South-South cooperation is generally devoid of conditionality that often accompanies the development assistance provided by the DAC countries.

South-South cooperation can be and is more focused on specific projects compared to traditional N-S development assistance, and is quicker at raising the overall effectiveness. Furthermore, some participants argued that empirical studies find that project assistance (such as those extended by developing countries) had a significant positive effect on growth while the impact of financial programme aid (which is generally extended by

DAC donors) can be seen as not so positive. Finally, given the arguments regarding the lower costs and appropriateness of skills and expertise available in the South, triangular development cooperation can achieve much greater effectiveness per unit of resources invested and spent, in contrast with traditional N-S development assistance. However, the participants noted that triangular development cooperation does not apply in every case. Triangular development cooperation shall be demand- driven and there are no standard mechanisms, procedures or requirements to set up a triangular development cooperation projects. It therefore implies a lot of flexibility in determining the best approach to respond to a particular issue on a case by case basis. Triangular development cooperation and South-South cooperation can be orchestrated in many different ways. To give a couple of examples, they could be negotiated bilaterally between the donor and the recipient country or they could be implemented through private sector or international organization such as UNDP.

Upon discussion, the participants agreed that it is possible to move from case by case practices to a more institutionalized and formal modality through firm political commitments from donor countries and the establishment of institutional mechanisms at all levels such as the national coordination office or through the DCF and /or any other national, regional and international platforms for discussion.

What are the challenges faced by both the OECD/DAC countries and Southern contributors in developing appropriate institutional and legal arrangements to facilitate better management of triangular development cooperation ?

The Paris Declaration on Aid Effectiveness was adopted in 2005 as an unprecedented consensus on 56 action oriented commitments for both donors and partner countries focusing on harmonisation, alignment and ownership issues. The declaration recognises that establishing common arrangements, simplifying procedures, sharing information, aligning development strategies on national priorities and using partner countries systems are crucial requirements for aid effectiveness. The specific relevance of the Paris principles for triangular and South-South development cooperation in the Asia pacific region is demonstrated in the ASEAN Charter, which was developed along the lines of the Declaration in order to make assistance from new donors involved in ASEAN projects (Japan, India, Korea, JICA, TAICA, Usaid etc) more effective and relevant.

In September this year, donors and partner countries including Southern contributors gathered in Accra where a specific roundtable was devoted to the agenda of opportunities and challenges of South-South cooperation and triangular development cooperation, to take a mid-term stock of the commitments of the Paris Declaration. It was widely acknowledged throughout the forum that South-South cooperation is highly complementary to traditional North-South aid as it helps in filling up the gaps in productive economic and infrastructure sectors in which traditional donors' preferences

had led to underinvestment recently. ⁶ It was also recognized that new donors score very well on responsiveness and speed, however, progress remains to be achieved in terms of untying aid, transparency and predictability. Consequently, the outcome document, the Accra Agenda for Action (AAA) outlines very important and relevant points for South-South cooperation and triangular development. Paragraph 19 in particular states that all development actors should use the Paris Declaration as a point of reference in providing development cooperation (19a), recognises the importance and particularities of South-South cooperation and the fact that the broader international community can learn from their experience (19b), encourages further development of triangular cooperation (19b), and recognises that South-South cooperation observes the principle of non-interference, equality, national sovereignty, cultural diversity, identity and local content (19e). The particular contribution of South-South cooperation for demand driven capacity development is also clearly emphasised in paragraph 14 of the AAA.

The first challenge faced by both the OECD/DAC countries and Southern contributors in facilitating better management of triangular development cooperation is to agree on a working definition of South-South cooperation and triangular development cooperation and data. What is South-South cooperation and triangular cooperation? While some participants argued that a new set of data and definitions should be developed, others also advocated broadening existing DAC definitions if those are seen as too narrow and constraining.

Other challenges raised in the session include: ensuring continued engagement and inclusive dialogue with non-DAC donors at both international and country levels, encouraging sharing of experience of South-South cooperation and triangular development cooperation and deepening the understanding of how the Paris Declaration principles are applied in the context of South-South cooperation and triangular development cooperation with particular attention to the local context. Furthermore, the participants recognised and agreed that without progress on untying aid, sufficient progress on triangular development cooperation will be very challenging. There is an urgent need to sequence the commitments from donor countries too in order to take full advantage of the opportunities of South-South cooperation and triangular development cooperation.

The question concerning the relationship and convergence between the OECD-DAC processes on aid effectiveness and the DCF processes on development cooperation was also raised by a few participants. Indeed there is some risk that both processes might run parallel to each other; however, it is possible that the United Nations and the OECD-DAC can work in close collaboration to minimise such a risk. There are some concerns about the High Level Forum process, particularly regarding the engagement of the private sector and the civil society. Those issues have been addressed in Accra and through repeated consultations and coordination with the DCF processes in which many stakeholders (e.g. local governments, parliamentarians and civil society) are fully

⁶ Some participants mentioned that the priority of MDG is slightly biased towards social sector of development, which was observed by donor countries.

involved. Close collaboration between the two fora is also reflected in their outcome documents: the draft AAA was discussed at the first DCF and in turn the recommendations of the DCF are also reflected in the final AAA, as well as in the Doha outcome document draft. Some questions were also raised regarding the specific role third countries could have at the fourth High Level Forum on Aid Effectiveness to be held in Columbia in 2011 and at the second DCF to be held in New York in 2010. It was assured by the OECD/DAC representative that although the role of south-south cooperation and triangular development cooperation was not specifically recognised in the Paris Declaration, principles for good aid apply broadly to all donors, DAC and non – DAC alike. The Accra Agenda for Action however tried to correct this situation by specifically recognising the uniqueness of those types of development aid and the need for general principles to be tailored to individual countries.

Session B: Monitoring and evaluation of triangular and South-South development cooperation in the region

Due to the volume, type and channels of development assistance that characterize South-South development cooperation, systematic and consistent monitoring and evaluation of flows has been largely substituted only by conducting routine scrutiny of timeliness and completion of projects. This was the common understanding of the participants from all countries.

Although the suggested approach seems to be effective in terms of reducing costs for missions and studies, leading to lower programme country transaction costs, it nevertheless deters from gaining a longer-term and in-depth perspective on the sustainability and impact of South-South cooperation itself. Thus, lack of a more systematic approach to monitoring and evaluation (M&E) of policies, programmes and projects, makes it difficult to gather necessary information on lessons learned and build on the real momentum gained. This common concern has been acknowledged by the ASEAN for instance a couple of years ago, and as a result, a scorecard system was put in place in order to better coordinate with national agencies and donors and better evaluate the impact of all projects funded by donors. Beyond capitalising on good practices and successful experiences, there is also a need to provide the right forum and mechanisms for dissemination and access of ODA related information

As illustrated from the examples of South-South cooperation and triangular development cooperation projects in the session, human resources development was considered to be a vital catalyst for countries to achieve sustainable economic development. Implementing technical cooperation through ODA requires ensuring that the training/technical expertise offered is relevant to the programme country, that participants use the knowledge and skills they have learnt, and that the resources allocated are optimally used for the country. The first challenge may be agreeing on a common understanding of the concept of monitoring and evaluation itself, especially in the field of public training where quantifying and measuring knowledge and experiences is difficult. Another challenge is

the lack of sufficient financial, technical and institutional mechanisms posing a constraint on developing countries' capacity to implement a systematic monitoring and evaluation system. Other issues included the decision to undertake supply versus demand driven training courses, impact evaluation, post course follow-up activities, and commitment and accountability of all parties concerned.

In the framework of the Malaysian Technical Cooperation programme (MTCP), Malaysia has implemented several solutions tailored to monitoring various types of technical cooperation projects and ODA projects. Short-term capacity development courses are monitored through quarterly meetings with the implementing/executing agencies to allow not only exchange of experiences among training institutions but also discussions on the impact of the overall strategy and policies for the entire programme. To evaluate the impact of training programmes, various tools are used such as evaluation questionnaires, training agency' post course evaluation report, open and participatory discussions with the participants and end-beneficiaries. The annual budget is submitted to examination by MTCP at the end of every year before allocation of resources for the next year's activities, reflecting the nature of these evaluations reports. Special evaluation committees have also been institutionalised to monitor project type activities: the technical committee and the steering committee do monitor the timeliness of implementation and completion of projects too. The evaluation of the impact of the project is done by the implementing agency and MTCP together through site visits, and feedback focus group discussion with recipient beneficiaries.

Participants agreed that M&E had to be given an equal importance to the implementation mechanisms and it had to be organised at the very beginning of the project. Essential steps in monitoring include among others the creation of national or local institution(s) of development cooperation interventions, the progress on development of indicators as well as the final results of the project to be disseminated widely. In the particular case of the South Asia Poverty Alleviation Programme for instance, a special section was created in each beneficiary country to undertake ongoing and in house evaluation. Donors were also involved in the evaluation process as the participating country offices were supported by the UNDP country office and regional bureaus.

The World Bank also conducted an evaluation every 5 years and a final independent third party external evaluation was conducted by a team from an academic institution. Participants felt that this type of holistic approach to M&E is essential to ensure that lessons are learnt from each project and that successful experiences can be effectively replicated and to be scaled up in a sustainable way.

The Asia-Pacific Center on Disability: APCD project is another good example of an inclusive triangular cooperation through which a third country's experience (Thailand's) has been replicated in another Asian country, through inclusive and participatory approach of M&E of the project, involving all stakeholders and the end-users. APCD was first created as a bilateral cooperation project between JICA and the government of Thailand to provide a platform to facilitate the exchange of information and good practices for the empowerment of people with disabilities (PWD). It became a triangular

project gradually, and particularly so, after the 2005 Kashmir earthquake in Pakistan. Mainstreaming disability concerns into post-disaster interventions of Thailand, which was gained during the earlier Tsunami hit, was shared with their counterparts in Pakistan, under the framework of APCD. Thai disabled experts sent a mission team to the affected area in order to provide technical advice to mainstream disability concerns (e.g.; planning, evaluation and monitoring) such as accessibility in humanitarian and development interventions of Pakistan in 2005.

Later, this positive experience was replicated to other countries such as the Kyrgyz Republic and the project was scaled up later by the World Bank which is now adding additional funding to similar projects for mainstreaming disability in Pakistan. This is an illustration of a positive replication and expansion of inclusive and participatory triangular experience. The key for success of this project was considered to be “inclusiveness” and multi-stakeholders’ participation, including the bottom-up approach to monitoring and evaluation. There are many other factors that make up for this success. First, APCD was able to respond quickly and effectively to the situation in Kashmir due to the participatory human network that it had previously established in Pakistan. Second, mutual trust had been built among the partners through past collaboration since 2001. Third, the division of tasks was based on each partner’s comparative advantage: Thailand brought its expertise in Tsunami reconstruction, Japan (JICA) provided financial support and acted as a coordinator of the project and APCD (Thai project managers) acted as a bridge between Thailand and Pakistan. Another key success factor is the ability of APCD to shift traditional views of key actors and operate the necessary mind and paradigm shift: traditional views on people with disabilities were shifted to more positive and constructive views through their active participation in M & E. Disability is not a loss in human capital but it is an untapped social resource, the people suffering from disabilities are not vulnerable persons, a target for social welfare but they are to be empowered through the program as members of the society and citizens. In terms of lessons learnt in Monitoring and Evaluation, APCD identifies its strength as its ability to follow up through this inclusive and participatory monitoring process. They see the inclusive monitoring process itself as capacity development and means of a paradigm shift of the society. Several pragmatic tools were put in place to ensure effective follow-up of projects. Joint missions were set up in every country to allow sharing of experiences and lessons, an e-based mailing list was created to facilitate that exchange and reports are submitted to a Committee every 6 months. Also, the sharing of the evaluation is conducted in the most effective manner through an “accessible barrier⁷” free web-page.

In the session, it was also underlined that although South-South cooperation is often devoid of macro economic conditionality, southern assistance sometimes involves other types of ties which hinders the transparency and effectiveness of evaluation. For instance, there could be an explicit and/or implicit obligation to purchase all inputs for the project from the donor country including management, consultancy and labour or machinery and raw material. The absence of tender procedures and the lack of transparency when they do exist, and the existence of line of credit to which aid may also be tied often resulted in

⁷ Including accessible home page for Braille printing, speech synthesizer and paperless Braille outputs, etc.

expensive procedures. The lack of transparency in binding for contractors also leaves room for potential corruption and makes it difficult to properly evaluate the efficiency and effectiveness of the project. Political agenda and hidden interests may also jeopardise the transparency, efficiency and real impact of South-South cooperation

Sometimes aid may also be diluted when an international consortium is formed with southern partners. In the case of Sri Lanka, the release of aid was tied up to progress in the peace process so that assistance from Southern donors, that otherwise could have been flexible, was also subject to this requirement. The positive side of conditionality such as ensuring human rights and gender was another concern of the Group, as Southern donors often disregard the importance of cross-cutting issues, under the name of non intervention. The issue of integrating human rights and gender equality in evaluation was also raised.

Finally, participants all agreed that additional thinking is required with regard to the criteria used to evaluate South-South cooperation and triangular development cooperation projects. M&E is often guided by a traditional set of indicators such as timeliness, aid disbursement, aid capacity distribution or coordination, cross-cutting issues and not by the new issues such as alignment, national ownership and harmonisation. As pointed out by Sri Lanka, this is partly due to the fact that the authorities responsible for monitoring and evaluation do not have a thorough knowledge of the Paris Declaration principles. As illustrated by the APCD discussion concerning national ownership, the issue of “inclusiveness” was also touched upon, including the participation of multi-stakeholders in evaluation as a mechanism of its own for empowerment.

Efforts should focus on developing effective voluntary, nationally- owned and inclusive M&E systems for South-South cooperation by reinforcing transparency, delivery and management of programmes and projects. The international community could facilitate and support the establishment of an M&E system for South-South cooperation by organising platforms to exchange experiences and provide feedback on how effective M&E systems could be designed. This could create a critical knowledge-base by developing resourceful individuals, expertise and technical know-how to promote and share methods for monitoring and evaluation among Southern countries and development communities.

Session C: Data collection and analysis including data on South-South and triangular development cooperation

This session focused on issues of data collection and reporting as well as information gaps in financial flows of development assistance, which hinders effective evaluation of development assistance. Some of the key issues to be addressed are: what are the main obstacles to reporting on South-South cooperation and triangular development cooperation? What kind of criteria should be established to undertake a comprehensive coverage of those financial flows? Would a higher proportion of South-South cooperation channeled through a performance-based approach improve the monitoring of assistance?

The growing importance of South-South development cooperation in the last few years reflects not only an increase in the volume of financing flows, but also the decline in North-South development cooperation. By some estimates, Southern contributors disbursed between US\$9.5 billion and US\$12.1 billion in 2006, representing 7.8 to 9.8 per cent of total flows.⁸ China, India and Korea are devoting between 0.08 % and 0.11 % of their GNI to South-South cooperation related activities. Such estimates however, belie the fact that the range does not cover information and data from all contributors, and also fail to adequately capture the total amount of South-South cooperation. This information was reported by the facilitator.

Several problems that hinder the collection of reliable and consistent data and information on South-South and triangular flows were cited by the participants. The first difficulty is linked to the differences in definitions of what constitutes development cooperation. While OECD/DAC donors abide by the OECD definition of ODA, this term becomes more elusive when applied to Southern contributors since it fails to adequately measure the various types and channels of resource transfers in developing countries in a broader sense.

Another technical problem cited is that South-South cooperation and triangular development cooperation flows are not reported separately to the OECD-DAC, but rather they are reported under regular North-South cooperation. In addition, there is no commonly agreed set of indicators to measure them. To respond to this problem, the OECD-DAC suggested that broadening existing definitions would be more effective than developing a whole new set of data and definitions.

It was also underlined that the tools already in place are not always correctly understood. The OECD-DAC country survey was developed to measure aid flows and monitor progress on the Paris Declaration principles at the country level; however, no consensus was reached in 2005 on an adequate set of indicators to collect and monitor data on aid flows for progress. Many of the survey indicators used are therefore proxies such as the predictability indicator which is in fact a measure of in year predictability. Although this indicator was reviewed in Accra and will now encompass a three- year indication of the aid envelope, misunderstandings remain between donors and partners country on how their country is evaluated. For instance, the government of Bangladesh pointed out that its national strategy was given a C-rating while aid flows were aligned on national priorities at 92% and aid was estimated to be 100% predictable, which is contradictory. Further explanation on the rating methodology is needed, and in this particular case, the quality of the strategy also depends on how well it can be operationalised and how the resources are allocated.

Another problem is the lack of a coordinated effort at data collection across government ministries and agencies at the country level so that there is no single credible source for

⁸ Analysis conducted in preparation for the 2008 DCF. Total aid is based on final OECD/DAC data, 2006

data. A related issue is that much of South-South cooperation is 'in kind' rather than 'in cash' which makes it difficult to give a dollar figure estimate. Some participants argued that the main problem was not the availability of data but the lack of standards and definitions, and willingness to share information. Some attempts were made to get data from major donors through surveys but the results were not comprehensive and the rate of response very low. This problem of information sharing and standardization is also linked to the absence of an appropriate forum for coordinating the collection of such data. It was suggested that the DCF is well positioned as an inter-governmental body to issue guidelines on how to effectively report South-South and triangular development cooperation flows, improve indicators to measure the progress of Paris Declaration principles and ensure better coordination between different partners (e.g. OECD- DAC, OECD non-DAC but OECD donors, and non -OECD countries alike).

To respond to these issues, data management systems and tools can be put in place at various levels. Data management systems are important to allow partner countries to avoid overlapping and optimizing aid efforts, better compare different donors' aid activities and allow partner countries to participate more actively in the aid process. To improve effective cooperation based on data management, developing countries capacity has to be built to acknowledge the importance of data management, improve their systems, exchange their information, and identify priority needs based on proper data. Regular meetings and workshops can be organized to better match systems and procedures, develop co-evaluation and monitoring systems based on performance.

A good example in that regard is the data management system of the Korean bilateral ODA agency, Korea International Cooperation Agency, KOICA. The system is based on four pillars: data collection, data accumulation, data application and sharing, as well as data reporting. The collection of data is done primarily on site through overseas offices and Korean embassies, while a policy dialogue is set with partner countries through meetings, workshops and cooperation programs. Other sources of data include web-based information such as the OECD-DAC or World Bank data. Accumulating data requires a holistic approach. Lessons can be learnt from private companies' management mechanisms such as balance score card, knowledge management systems, customer relation management and strategic enterprise management. KOICA's Knowledge Management System for instance maps information in 4 categories: country, sector, organization, function and specific character. Data are applied and shared through the Country Assistance Strategy (CAS) which is composed of strategy itself and the development environment. The CAS is updated every three years and helps identifying new programs based on the country strategy. Data are disseminated through the website and other tools such as the E library, newsletters or through trainings. The website is a central tool to promote aid awareness, enhance transparency and serves as a reference point for the aid-making policy. Reporting is done mainly to the OECD-DAC since 1991 through questionnaires every March and July and participation to the working party on statistics as an observer since 1996. An executive organization and an authority are assigned to each type of cooperation for reporting purposes.

Aid management tools can also be an effective way to strengthen the leadership and national ownership of the partner country and change the balance of power in the aid relationship. Very often partner countries governments are held accountable for resources and results while those resources are provided by donors that are not necessarily in line with the national priorities and/or are not necessarily committed to strengthen national accountability mechanisms. One way to ensure that partner countries exercise effective leadership is to facture aid flows directly in the national planning and budgeting mechanisms. The progress to this end is however slow. Another way, and according to some, the only effective way, to increase national ownership is to increase a country's fiscal space through general Direct Budget support. However, some and often many donors are not willing to do so or when they do, it is often tied up to implicit conditionality. Aid management tools can be part of the solution by helping partner countries to design their development plans according to clear priorities aligned on their needs and to negotiate with donors to align the offerings on those priorities.

In this regard, the participants paid attention to the case of Afghanistan. Afghanistan for instance requested donors to focus on three key sectors and even requested the Government of Germany to shift its support from one sector to another. Another example is Tanzania who receives 600 donor missions per year and finally asked donor countries not to conduct any more missions when the ministry of finance is engaged in the preparation of the budget. Having a clear vision and strategy also helps in reducing the transaction cost of negotiating with donors as illustrated in the example of India who channels small contributions through the United Nations and NGOs. This point was further emphasized by the OECD, which suggested that partner countries instead of being overwhelmed with donor's requests should take some initiatives to change the balance of power between donors and recipients.

Session D: South–South and triangular development cooperation in Asia-Pacific: How can the United Nations help?

In the light of all the opportunities and challenges mentioned in the previous sessions, in the last session, the participants discussed the potential role of the UN in supporting the exchange and dissemination of best practices and experiences, and in matching demands and opportunities in the area of South-South and triangular cooperation

From the 2002 UN International Conference on Financing for Development to the 2005 World Summit, UNCTAD XII, and the recent Doha conference, the United Nations has called for strengthening South-South cooperation, including triangular cooperation, as a complement to North-South cooperation. To better position the UN system to effectively and coherently support South-South Cooperation, the Secretary-General has issued a Policy decision⁹ calling for a system-wide effort to mainstream South-South cooperation throughout the UN system, by mobilizing its strengths and capacities to support such

⁹ No. 2008/26 dated 25 August 2008

cooperation, especially in the areas of food security, climate change and HIV/AIDS. Additionally, the General Assembly supported by the High Level Committee on South-South Cooperation, regularly reviews the state of South-South cooperation and progress made by the UN system in mainstreaming South-South and triangular cooperation in its operational activities. The reports reveal that progress has been made in mainstreaming, but the absence of adequate strategic framework for South-South Cooperation, coupled with the unpredictability and insufficiency of regular resources and the lack of information sharing, remain serious obstacles.

In recent years, many UN organizations have formulated strategic measures and innovative initiatives to respond to these concerns. Specifically, the Special Unit for South-South Cooperation has been focusing on sharing technical competencies through the Web based information for development (WIDE) and publications since the 1980's, and playing a pivotal role in South-South cooperation and triangular development cooperation projects such as in the initiative Rice for Africa initially financed by Japan in several African countries, notably Guinea, Nigeria, Côte d'Ivoire, and Uganda, and later carried over by the World Bank, and expanded and replicated to other countries such as Ethiopia. Following an evaluation of its contribution to South-South cooperation, which showed that the focus of South-South cooperation was more driven by individuals than by the system itself, a strategic Plan was adopted for 2008-2011 to mainstream South-South cooperation activities in UNDP country offices. It has to be noted that although the special Unit is the focal point, every UNDP office should be able to document experiences and support national institutions in South-South cooperation initiatives.

A good example of mainstreaming is Thailand, where the UNDP offices helped in developing a vision and a strategy while engaging in civil society. One of the issues UNDP offices and UN agencies are facing is to define exactly what constitutes South-South cooperation and what should be included in this collaborative framework.

ESCAP pointed out for instance that many of their technical cooperation projects in the region and its sub-regions for the past 30 years have had South-South cooperation components in spirit and mainstreamed it, even though it was not branded and specifically spelled out as such. Their role in South-South cooperation includes transfer of technologies, capacity development, facilitation of trade, and other TC activities at sub-regional, regional and inter-regional levels.

More recently, the special unit of UNDP has been concentrating on building a UN system-wide and global South-South Support Architecture, with three functional and transactional platforms. The first Platform is designed to enable partner organizations to map, document and disseminate Southern-grown Development Solutions (SDS), based on a rigorous methodology and broad-based peer review/validation process. This Platform also offers a common Experts Roster Domain that enables partner organizations to create and manage their own expert rosters. The second Platform is designed to enable partner organizations to showcase well documented, successful, scalable Southern-grown Development Solutions, with a view to marketing the same and forging partnerships to

scale up development impact. An annual Global South-South Development Expo will be launched this year, in which more than 40 successful South-South, triangular and public-private partnership solutions will be exhibited at the UN headquarters in NY from 16-19 December 2008. The third Platform is the South-South Global Assets and Technology Exchange (known as SS-GATE) – an internet-based, transparent and market-operated transactional system. The SS-GATE lists Southern, appropriate, technology development solutions as “socially investable” propositions.

Other initiatives have been taken to address the problem of innovative funding and transactional mechanisms that move beyond knowledge-sharing to transferring Southern-grown technologies and sustainable development solutions to countries in need of them.

The World Bank has moved ahead in including experiences from South-South cooperation and triangular development cooperation in the design of projects, undertaking analytical and diagnosis work and providing training courses through the World Bank institute. A South-South Disaster Risk Management Facility and a South-South Experience Exchange (SSEE) Facility were also recently launched. To respond to the issue of stable funding, a United Nations fund was also specifically created for South-South cooperation by the administrator of the UNDP and covers different types of funds: general, subsidiary, special initiative, under management service agreement and co-financing or cost sharing, which is the most important component of the fund as it includes Japan’s contribution. Although some funds can be specifically earmarked for particular projects, the funds allocated by donor countries are most of the time aligned on the 5 practice areas of the UNDP strategic plan.

Pacific islands’ representative provided an interesting example of how development cooperation relations are built between various partners. South-South cooperation and triangular development cooperation have always appeared particularly appropriate for regional cooperation and integration in the Pacific Region. All 22 Pacific islands share the same geographical and economic features and challenges and they receive the highest amount of aid per capita in the world from the smallest number of donors (e.g. Australia and NZ). They are almost all engaged in South-South cooperation through capacity building and triangulation even though the projects might not be labelled specifically as such. In this context, southern donors have come to play a key role and some Pacific islands such as Samoa are themselves shifting to a provider role. Samoa as Southern donor is providing technical assistance in aid coordination and coordinated planning through triangular financial arrangements with New Zealand to neighbouring Pacific island countries coming out of crisis such as Nauru. Other projects include the provision of an electronic system developed by an NGO in Samoa to the government of Fiji and Samoa is making effort to move towards sector wide approach, pool funding and Direct Budget Support.

Good practices from those initial arrangements helped Samoa convince UNDP of the benefits of South-South cooperation and helped the country negotiate that 15% of total country program be allocated to South-South cooperation. Under the multi program development arrangement between the 3 UNDP country offices in the Pacific, a joint

South-South cooperation facility was established under the management of Samoa on the basis of its experience in South-South cooperation and the existence of a more mature aid coordination agency within its government. The development of an M&E framework and the possibility to document all best practices are also considered under this arrangement. One of the main difficulties Samoa is facing in its new role is to shift the mindset that quality cooperation only comes from the North and convince development actors that equally capable capacities are available in the South and among developing countries. The second main difficulty is to get data and information from contributors.

Looking forward, further progress needs to be made in facilitating lessons learnt and the exchange of experiences. As suggested by Indonesia, mapping capacities and strengths of Southern countries and their needs for development would be an interesting first step in that direction. Other challenges include strengthening monitoring and evaluation, support coordinating agencies, providing guidelines on reporting and refining linkages with Paris 21 principles and OECD-DAC.

The participants also suggested that a specific platform be created for dialogue among southern donors and partner countries which could be held under the DCF. This forum would serve as an effective platform for dialogue among southern specifically on South-South cooperation and triangular development cooperation and would facilitate a more robust inclusive participation of non governmental actors in the design, implementation and voluntary M&E of projects.

The work of the DCF was regarded as a potential tool in identifying and compiling best practices in South-South and triangular development cooperation. The participants strongly suggested that the DCF could help develop a definition of South-South Cooperation and ways of measuring it more accurately, as well as further exploring the role of the UN system in mainstreaming South-South and triangular development cooperation. The Group encouraged the DCF to continue its close cooperation with OECD/DAC, UNDP, UNESCAP and other relevant regional and international organizations in these areas.

As an immediate follow-up to this Forum, the Group recommended that the DCF, in collaboration with ESCAP and the Special Unit for South-South Cooperation in UNDP, consider formulating a mechanism to sustain the momentum of this forum.

VI. Closing session

The Forum was officially closed by UN ESCAP thanking all participants, speakers and moderators for their active contribution and hoping that the discussions and joint statement would be followed by concrete actions.