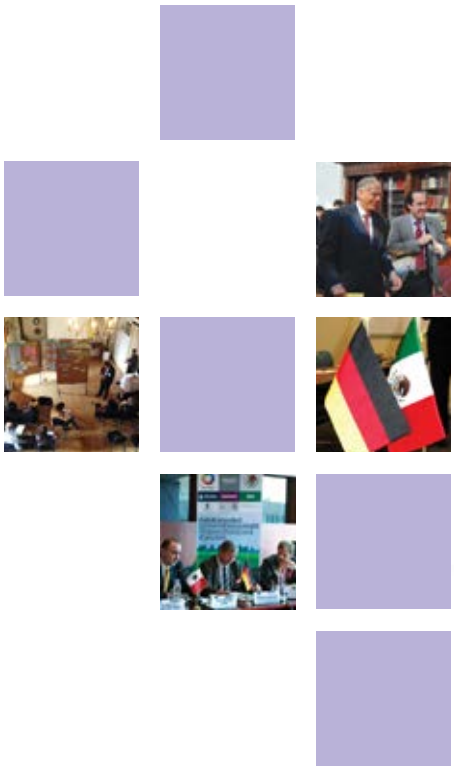

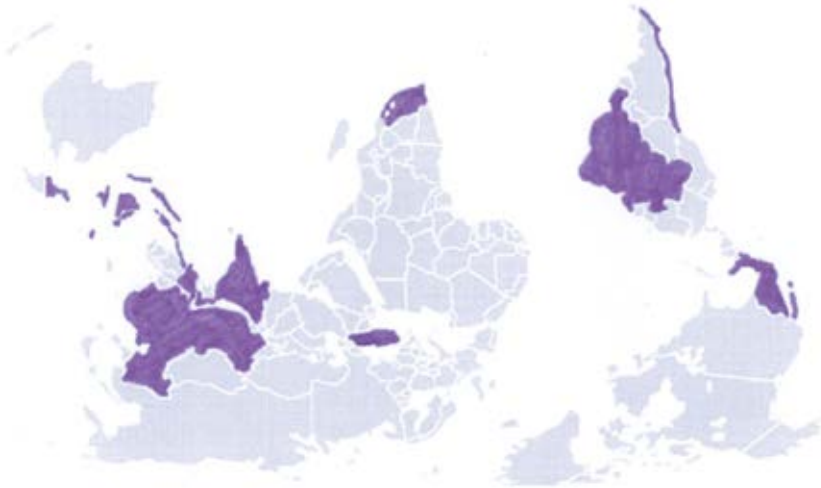

Experiences of Middle-Income Countries in International Development Cooperation

Study prepared for Agencia Mexicana de Cooperación Internacional para el Desarrollo (AMEXCID) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

cooperación alemana
DEUTSCHE ZUSAMMENARBEIT

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FOREWORD

As we approach the target year of 2015 and move forward in the discussions regarding the post-2015 development agenda, we have become aware of the dimension of the challenges ahead and the potential of international cooperation for development. The current global architecture for development reflects a dynamic world characterized by diversity of actors that engage in multi-stakeholder partnerships, where the value of the exchange between partners goes beyond the financial flow.

The Global Partnership on Cooperation Development Effectiveness provides the space to continue the dialogue on how to enhance the quality and effectiveness of development cooperation and brings together a wide diversity of actors that break with the traditional dichotomy of donors and recipients. In April 2014, Mexico City will host the first High Level Meeting of the GPEDC, which is expected to provide a valuable contribution to an inclusive Post-2015 development agenda highlighting the instrumental value of development cooperation exchanges. In this context, the role of Middle Income Countries is fundamental in that their involvement is wider in degree, type of engagement and range of contributions.

On the one hand, these countries host within their borders considerable challenges that reflect the complexity of the development agenda. MICs are heterogeneous among and within them, they house the largest amount of people living under the poverty line and their social environment is marked by high inequality in different dimensions. Such contexts demand focalized action so as to make sure that internationally agreed development goals can be actually met.

On the other hand, in the development cooperation architecture, MICs are actors that have shown global responsibility and increasing willingness to share their experiences, particularly for capacity development and institutional strengthening. Challenges are shared regionally and even globally, and one contribution of South-South Cooperation lies in the fact that MICs can share their practices and solutions and help to adapt this knowledge. However, South-South Cooperation is moving beyond peer-to-peer exchange and capacity development. The potentialities are widening and, in order to embrace the opportunities to engage further, it is necessary to learn from these experiences, question the ways of operating and improve in every cooperation action so as to have a more effective and sustainable impact in development.

Institutional set-up, policymaking and strategies may differ between countries. However, even in a context of differentiated commitments, global goals and responsibilities are shared. Institutional capacity of MICs to respond effectively to the current development challenges will be only strengthened by analyzing critically: how MICs provide development cooperation and to what extent cooperation instruments, mechanisms and management can be improved.

In the consolidation process of the recently created Mexican Agency for International Development cooperation (AMEXCID), the German cooperation has become a key partner in this effort. In 2011, Germany and Mexico agreed on the implementation of an Institutional Strengthening Project for AMEXCID. The Project considers four action lines: deepening of the Mexican cooperation policy, intra-institutional coordination, inter-institutional coordination and training programs for specialists and managers. In this context, the publication on "Experiences of MICs in International Development Co-operation" gathers in its pages valuable knowledge about Brazil, South Africa, Chile, India, Turkey, Mexico and some Asian development partners, such as China, Thailand, Malaysia, Singapore and Indonesia. The study focuses on how MICs contribute to shaping the global development architecture.

For Mexico and Germany, as strategic partners for development, this study represents a major contribution to inform our daily work in the operation as development agents, to ignite reflexive processes for institutional improvement and to foster effective partnership creation within the diversity of actors.

Mexico City
July 2014

Daniela Borbolla
General Director
AMEXCID

Luiz Ramalho
Project Director
GIZ Mexico

1. BACKGROUND OF STUDY

"In terms of distinguishing NSC and SSC, it doesn't matter where you live on the globe (North or South), but that the cooperation is horizontal".

This quote by a DFID representative in Brazil seems intuitive, yet, it still pinpoints to the perception that South-South cooperation is per se horizontal, whilst North-South cooperation is hierarchical. Moving from Busan to the Global Partnership for Effective Development Cooperation, North and South are currently striving towards a more equal partnership for international development focusing on mutual learning and exchange processes.

In this regard, the establishment of development cooperation agencies in middle income countries is crucial in shaping a new international development architecture. In April 2011, Mexico has approved the Ley de Cooperación Internacional para el Desarrollo (LCID) that is the legal basis for the creation of the Agencia Mexicana de Cooperación Internacional para el Desarrollo (AMEXCID) as a decentralized body within the Ministry of External Relations. Within the scope of the Mexican-German cooperation, a project on institutional strengthening of AMEXCID (Proyecto para el Fortalecimiento Institucional de la AMEXCID) was initiated in 2012.

AMEXCID has voiced the interest in learning about mechanisms and administrative processes in other cooperation agencies in middle income countries (MIC) in order to draw conclusions from others' best practices, innovative models or pitfalls. The author of this study was tasked with a consultancy to draft a study evaluating experiences of MICs with the overall aim of optimizing AMEXCID's project management structures and to come up with new strategies for Mexican international cooperation. The results will be presented in the following, including the valuable feedback of discussions on this topic with AMEXCID representatives in Mexico City in December 2013. After the presentation in Mexico in 2013, the study was revised again by the author and a chapter on Mexico was included, written by Bernadette Vega.

1.1 Introduction into Study

Much has been discussed and speculated about middle-income countries as new providers of development cooperation in the last ten years. Which role will they take up in a multipolar world and the international aid governance architecture? What does this imply for OECD DAC donors? Whilst most studies and literature on the topic has focused on **WHAT** MICs are doing and **HOW** this is perceived by others, little is known about exactly how they are providing development cooperation in terms of the internal institutional set-up, agency development as well as strategy- and policy making.

Generally, four types of emerging donors are distinguished in most of the literature (cf. Manning 2006: 3-4):

1. **OECD Countries, which are not part of DAC (but with observer role):** Turkey, Iceland, Korea, Mexico, Czech Republic, Hungary, Poland, Slovakia, Chile

2. **EU-countries, which are not members of OECD:** Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Malta, Romania, Slovenia

3. **Middle-Eastern OPEC countries:** e.g. Saudi Arabia, United Arab Emirates, Libya

4. **"Others"/ Providers of South-South Cooperation:** e.g. China, India, Russia, Brazil, Thailand, South Africa, Malaysia, Indonesia, Venezuela

Their roles differ and for this study, it is interesting to have a mix of countries from the first and the fourth category in order to shed light on their specific contributions and policy-options. Thus, five cases have been selected jointly by AMEXCID, GIZ and the author of this study for in-depth analysis following an interesting mix of the two categories: **Brazil, South Africa, India, Chile, and Turkey.** After the presentation of first results in Mexico, it was decided to include a chapter on Mexico as sixth case, which was informed by a former consultancy of Bernadette Vega on intra-institutional coordination of the Mexican international cooperation. Furthermore, discussions towards a new **"Asian aid paradigm"** and the emergence of development partners, also from various smaller Asian countries, have sparked ideas for a special focus on Asian new development partners in international development cooperation. The case of China is clearly an exception in this regard. The other cases of Thailand, Malaysia, Singapore, and Indonesia share similar approaches, strategies, patterns and institutional set-ups of international development cooperation. Thus, a total of eleven countries will be analyzed in this study with the main aim of comparing different approaches, agency development, contributions and strategies of international development cooperation.

All six country studies follow the same structure and these aspects are also taken up in the part on Asian donors. Yet, in this part some variations in the structure according to availability of information could not be avoided. Furthermore, a stronger focus on cooperation between Asia and Latin America has been carved out. The country analysis follows six steps:

- First, a general **overview of the country's role, approach and strategy for development cooperation** is given. In this part the country's motivations as well as internal and external factors influencing the engagement in international cooperation (e.g. justification to own constituencies, values and ideologies of cooperation) are explored.

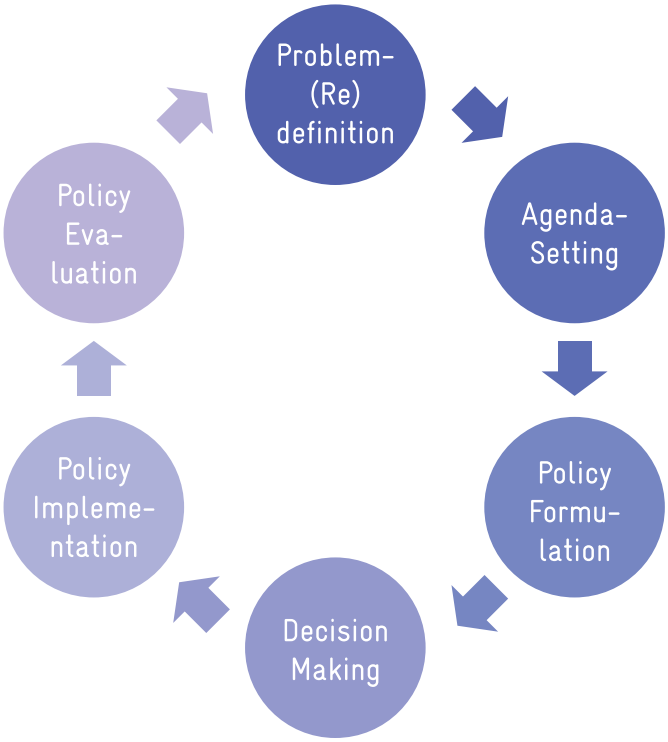
- The second part sheds light on **cooperation patterns** of the country, including: budget/ disbursements for development cooperation, principles of delivering assistance, regional and sectoral focus of projects.

- The third section then analyzes the **institutional set-up and organizational structures** of development cooperation by mapping the most important actors involved and their interaction. Here, the role of **development cooperation/ partnership agencies** is also explored with reference to their institutional linkages, internal organization and coordination as well as implementation functions.

- Fourth, **project types** ranging from bi-, tri-, multilateral as well as regional and multi-party partnerships are mentioned. Furthermore, interesting **project cycle management** models are illustrated. The policy cycle will serve as an analytical tool from academia in order to assess approaches (see figure 1). No existing project cycle management from donor agencies was chosen in order not to privilege one model over the other. The steps from policy-making will be adapted to development cooperation projects and in section 4 the overall results will be interpreted along the steps of the policy cycle.

- A final section sheds light on country specific t**rends, new modes of deliver and multilateral initiatives**, which is then followed by some **concluding remarks**.

• Figure 1: Policy Cycle



Source: own visualization based on: Jann/Wegrich 2003: 82

1.2 Methodology

Due to a lack of research and in-depth empirical studies, the methodology used for this study is a combination of desk research, literature review, analysis of policy documents, annual reports, homepage information, conference participations, interviews with experts, collaboration with other researchers as well as research stays (in South Africa, Brazil, India and Thailand). For all cases, a mix of internal and external perspectives was used in order to contrast different views and perceptions and to come up with an encompassing, balanced analysis. Generally, sources can be divided into three categories:

1. **Country (internal) perspective** through primary sources, such as: legal texts/ laws, government/ agency strategies, homepages, newspaper articles, personal and phone/ skype interviews etc.

2. **Development cooperation practitioner's (external) perspective** through secondary sources: Compilation of facts in essays, internal GIZ documents (e.g. project progress reviews, study on agencies by Nils-Sjard Schulz etc.), papers of other agencies, personal and phone/ skype interviews etc.

3. **Academic (internal and external) perspective** through academic publications in journals, books, conference papers, personal and phone/ skype interviews etc. Emphasis was laid on a mixture of literature from local and international academics assessing the topic from different angles.

For the analysis of the different country cases, a **mix of all three sources** was always used. The desk study impressions were discussed in interviews with representatives from the three above mentioned categories. Interviews were conducted in all cases with GIZ representatives working in and on the countries. Where possible, these were enriched with

interviews with agency representatives and a broad spectrum of discussions with other researchers and academics working in India, Brazil, Turkey, South Africa, Chile, Mexico, Japan and Thailand. A total of 25 interviews was conducted from June 2013 – November 2013. After the presentation of results, further 7 interviews were scheduled in Brazil and South Africa from December 2013 - January 2014. Respondents were promised anonymity of their inputs, so that there will be no list of interview partners and no reference to specific opinions by interview partners in this study.

Furthermore, the proceedings and outcomes of **two conferences** that the author attended were used to underline argumentations on Asian donors and India's role in development cooperation. The third monthly Forum on Indian Development Cooperation discussed the topic of "Busan to Global Partnership for Effective Development Cooperation (GPEDC) and Mexico Ministerial: Emerging Perspectives" on September 10th 2013 in Delhi. The joint conference by GIZ and TICA on "Triangular Cooperation in Southeast Asia" from September 19th – 20th 2013 provided the space to conduct interviews with representatives of donor agencies from Thailand, Malaysia and Indonesia and further enhanced the understanding of their approaches to South-South and Triangular Cooperation.

The author of this study was also part of the **project progress review (PPR)** team of the South African – German Trilateral Cooperation Fund from July 29th – August 8th 2013 in Pretoria. Whilst the results of the PPR are confidential, information and impressions gathered in this time are used to provide an exclusive in-depth view of the South African case. Parts of the analysis were written jointly with Jitendra Hargovan[1], the South African consultant of the PPR.

A similar approach was followed for the chapter on Turkey, which was written jointly, with Tamer Söyler[2], a Turkish expert on foreign and development policies and Ph.D. researcher from Humboldt-Universität zu Berlin. Due to most internal literature only being available in Turkish, it was vital to work in a bi-national team. This also allowed a deeper discussion of recent developments, e.g. within the scope of the Gezi Park uprisings.

The country study of Mexico was written by Bernadette Vega[3], MA in International Development from the University of Pittsburgh as Fulbright scholar. She is former Deputy Director of Policy Planning in the Mexican Ministry of Foreign Affairs. Bernadette Vega has worked as consultant for the German Cooperation Agency and collaborated with the Public Sector Capacity Building Secretariat of Rwanda. She has recently joined AMEXCID as Director of Registry, Monitoring and Evaluation. The Mexico country study (section 2.6) was informed by a consultancy on inter-institutional coordination of Mexican international cooperation conducted from July – September 2013 (including 31 interviews with Mexican stakeholders) within the scope of the GIZ-AMEXCID project on institutional strengthening of AMEXCID. As this was before Bernadette Vega joined AMEXCID in December 2013, the views presented are personal and do not represent the official position of AMEXCID.

Thus, a complex and multi-dimensional methodological and analytical framework was used for this study. The author would like to thank all respondents and those who supported the research through continuous feedback and comments. Without the openness and interest in the topic of many people in the respective agencies, GIZ and academia, this study could not have developed into such a detailed and in-depth analysis of development cooperation agencies in middle-income countries.

[1] For comments or further information, Jitendra Hargovan can be reached at: hargovan@iafrica.com
[2] For comments or further information, Tamer Söyler can be reached at: tamersoyler@daad-alumni.de
[3] For comments or further information, Bernadette Vega can be reached at: vega.bernadette@gmail.com

2.
COUNTRY STUDIES BRAZIL, SOUTH AFRICA, CHILE, INDIA, TURKEY AND MEXICO

In this section, a detailed analysis of the six cases mentioned above will be conducted in order to draw conclusions on their patterns of development cooperation, interests and motivations, organizational structures, project management and further interesting aspects.

2.1 Country Study BRAZIL

Brazil has a long history of very diverse South-South cooperation based on its own development experiences and technological expertise. Brazilian success stories, such as the "Bolsa Familia" or "Programa Fome Zero" as well as its policies and actions fighting HIV/ AIDS or its expertise in the agricultural and energy sector sparked many countries worldwide to ask for Brazilian support in their own development. Brazil is emerging to be a significant partner in development cooperation with a budget similar to that of Poland. Brazilian aid activities are characterized by a strong institutional decentralization and a plurality of actors, which is due to the fact that there is **neither a legal basis for development cooperation, nor a budget allocated to aid activities** (Cabral/ Weinstock 2010). The Brazilian Constitution could be an explanation for this characteristic, as it only foresees the Brazilian budget to be spent for the development of Brazil. It excludes the transfer of material, financial or other means to third countries. Thus, Brazilian aid is largely ad hoc and legally usually based on bilateral cooperation agreements, which have been ratified by the Parliament or on initiatives based on decrees by the President. Due to the lack of a legal basis, there is also no real foreign aid strategy that Brazil follows; rather development cooperation is embedded in other foreign policy activities (de la Fontaine 2013). The Brazilian Agency for Cooperation (ABC) defines Brazilian **aid activities in four sectors:**

- Technical cooperation
- Financial cooperation
- Scientific and technological cooperation
- Academic cooperation.

Brazil's motivations to engage in international development cooperation are mainly along domestic, regional and international political goals. Domestically, Brazil shows its own constituents that the implementation of successful development models in Brazil can be replicated and have a meaningful impact in other countries (Abdenur 2007). Certainly, there are still major domestic development problems within Brazil and it needs to justify spending taxpayers' money not for development within the country, but abroad, yet, there is no strong national discourse on international development cooperation thus far. It is more framed within wider foreign policy goals and a rhetoric of solidarity (see below). Moreover, there are **strong cultural ties**, e.g. with Africa due to the large African population in Brazil and its cultural proximity to Portuguese speaking African countries is greatly valued by the partners. Regionally, the role of Brazil as regional

power in Latin America and the Caribbean (LAC) is strengthened by engaging in development cooperation with neighbouring countries and other countries in LAC. Furthermore, regional integration and social as well as economic development of neighbouring countries also serves Brazil's own interests. Globally, Brazil is already playing a major role besides the Asian emerging powers (China and India) and aims at asserting a stronger political role by maintaining good relations with all world regions and by using development cooperation as a means of "soft power" to enhance its own interests on the global level. Yet, in comparison to China and India, Brazilian economic and business interests are not as evident. Certainly, Brazil also follows the principle of mutual benefit and its companies are strongly engaged in technical (e.g. Odebrecht in the construction sector) and financial (see 2.1.3) cooperation.

2.1.1 Cooperation Patterns

According to former ABC Director Farani (2010), the following six principles are followed in development cooperation:

1) **"Diplomacia solidária":** Especially under President Lula, the rhetoric of solidarity gained relevance and also entered the training of new diplomats accepted at the Rio Branco.

2) **Demand driven approach:** Brazil does not follow its own strategy of cooperation with other countries in certain sectors, but reacts to their demands for support.

3) **Recognition of local expertise** and adoption of Brazilian experiences

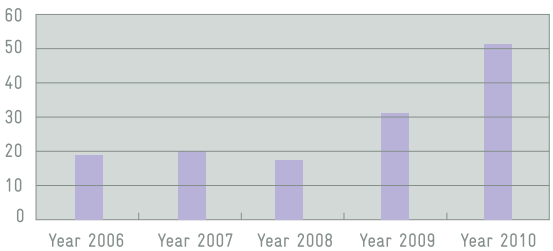
4) **No imposition of conditionalities**

5) **No attachment of commercial or profit interests**

6) **Non-interference in internal affairs of partner countries:** Yet, under former President Lula, Brazil has adapted this principle of the Non-Aligned Movement to a Brazilian context. Whilst, non-interference is still followed in general, Brazil now talks of the principle of "não-indiferença"/ non-indifference, which is a quite elegant maneuver around highly controversial and normative debates around non-interference vs. conditionality.

Since Brazilian development cooperation was systematically analyzed and evaluated by the Institute for Applied Economic Research (IPEA) for the first time in December 2010, most data on the volume of Brazilian development cooperation, evolution over time, distribution according to sectors, numbers of projects etc. is of 2009. The IPEA (2010) study estimates Brazilian aid in the timespan 2005-2009 to be approximately USD 1.42 billion (2.9 billion Reais). This includes 76% of contributions to multilateral organizations and regional development banks and 24% for humanitarian assistance, scholarships and technical, scientific and technological cooperation. For technical cooperation it estimates numbers to be **around USD 125 million from 2005-2009**. A strong increase in ABC's technical cooperation budget can be seen (see figure 2).

• Figure 2: Evolution of ABC's technical cooperation budget, 2006-2010 (million Brazilian reais)



Source: Cabral/Weinstock 2010: 4, based on ABC data.

Yet, all of these numbers tend to **underestimate the real scale of resources deployed in technical cooperation**, as they account for resources invested by ABC only and **do not include the contributions of expertise (hora técnica) provided in-kind by many Brazilian cooperating institutions and other government ministries and agencies.** Costa Vaz/ Inoue (2007) estimate the total technical cooperation expenditures to be ten times higher. The number of projects initiated per year rose significantly from 23 projects in 2002 to 413 projects in 2009 (Cabral/ Weinstock 2010: 4), which is another reference for calculating the real value of Brazilian contributions. According to an article in The Economist (2010) the total of Brazilian technical cooperation could be around USD 1 billion and is comprised of the following elements mentioned in figure 3. Yet, under President Dilma Rousseff development cooperation budgets have declined significantly.

In terms of **regional distribution** of projects, the **majority is implemented in Africa, followed by Latin America and the Caribbean and Asia**. Foreign policy objectives largely influence the allocation of technical cooperation and there is no formal strategy guiding geographic priorities in a medium or long-term perspective. An expansion of the formerly regional Latin American focus has evolved around historical ties with the Portuguese Speaking African countries (PALOP), but new partner countries are also found in the English and French speaking parts of Africa, that all together make up a total of **250 projects in 34 African countries**. Brazil attempts at diversifying its cooperation, which is also why the Middle East as a new territory for Brazilian development cooperation is gaining importance (Cabral/ Weinstock 2010).

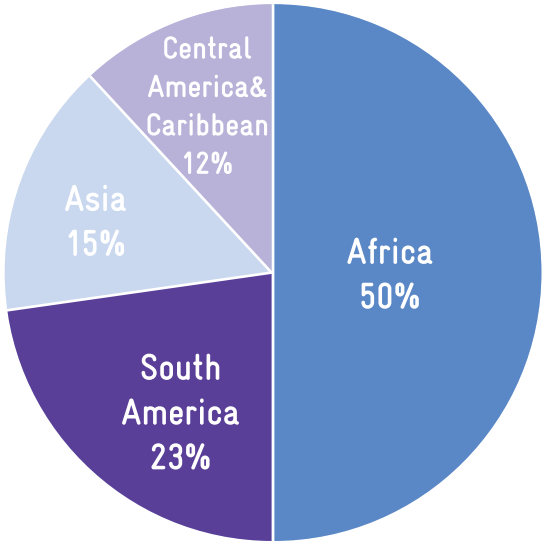
• Figure 3: Brazil's Foreign Aid Commitments (2010), in million USD

NEW KID ON THE BLOCK
Brazil´s foreign-aid commitments, 2010, $m

Brazilian Co-operation Agency	30
Other technical co-operation	440
Humanitarian aid	30
To UNDP	25
To World Food Programme	300
To Gaza	10
To Haiti	350
Total direct aid	**1 200**
BNDES loans in developing countries 2008-Q1 2010	3 300
of which new loans, Q1 2010	1 500

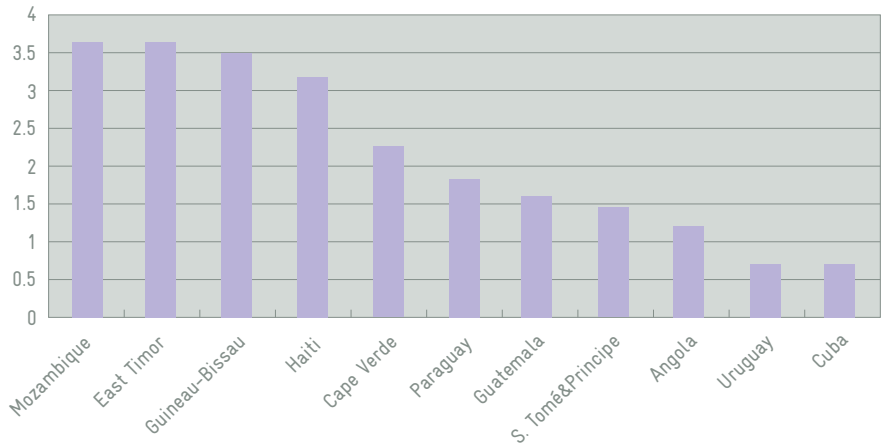
Source: The Economist 2010: 1

• Figure 4: Execution of technical cooperation projects per world region in 2009



Source: Cabral/Weinstock 2010: 5, based on ABC data.

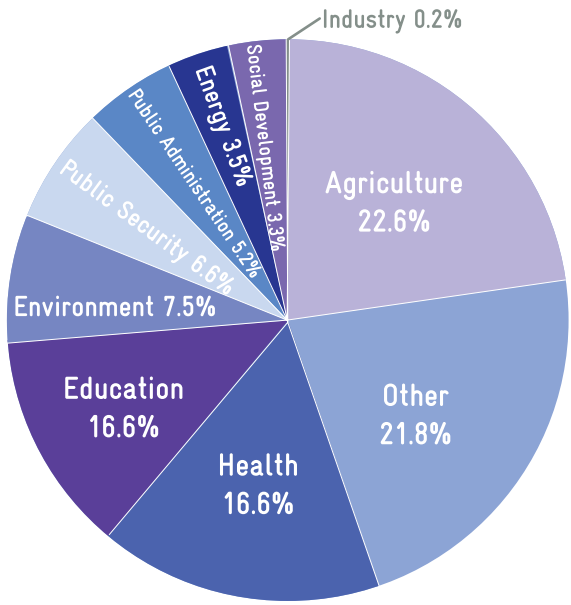
• Figure 5: Top recipients of Brazilian technical cooperation, accumulated portfolios in 2005-2010 (million US$)



Source: Cabral/Weinstock 2010: 5, based on ABC data

Regarding thematic focus, Brazilian technical cooperation is mainly in the agriculture, health and education sector, which corresponds to the domestic expertise in having drafted and implemented successful development programmes, such as bolsa familia (education and nutrition) or HIV/AIDS prevention. Other developing countries are aware of these success stories and have now asked for support in these sectors for their own development. With the expertise of international renowned agencies, such as EMBRAPA in the agriculture sector, FIOCRUZ (health) or SENAI (professional training) Brazilian technical cooperation delivers innovative and technological advanced solutions adapted to the domestic context of other developing countries. A current trend could go towards increasing projects related to energy and biofuels (Costa Vaz/ Inoue 2007).

• Figure 6: Distribution of Brazilian technical cooperation by thematic areas (percentage)



Source: Cabral/Weinstock 2010: 5, based on ABC data

2.1.2 Institutional Set-Up and Organizational Structure

The Brazilian development cooperation architecture is **highly fragmented**, which is partly due to the lack of a legal basis for development cooperation and thus, the allocation of clear budgets. Within the last years, most ministries have internationalized their activities and created special departments for international cooperation. This might have been a reaction to managing incoming aid flows to Brazil on the national, regional and communal level, but these departments are now also active in outgoing aid delivery. Figure 7 visualizes the most important Brazilian bureaucratic actors.

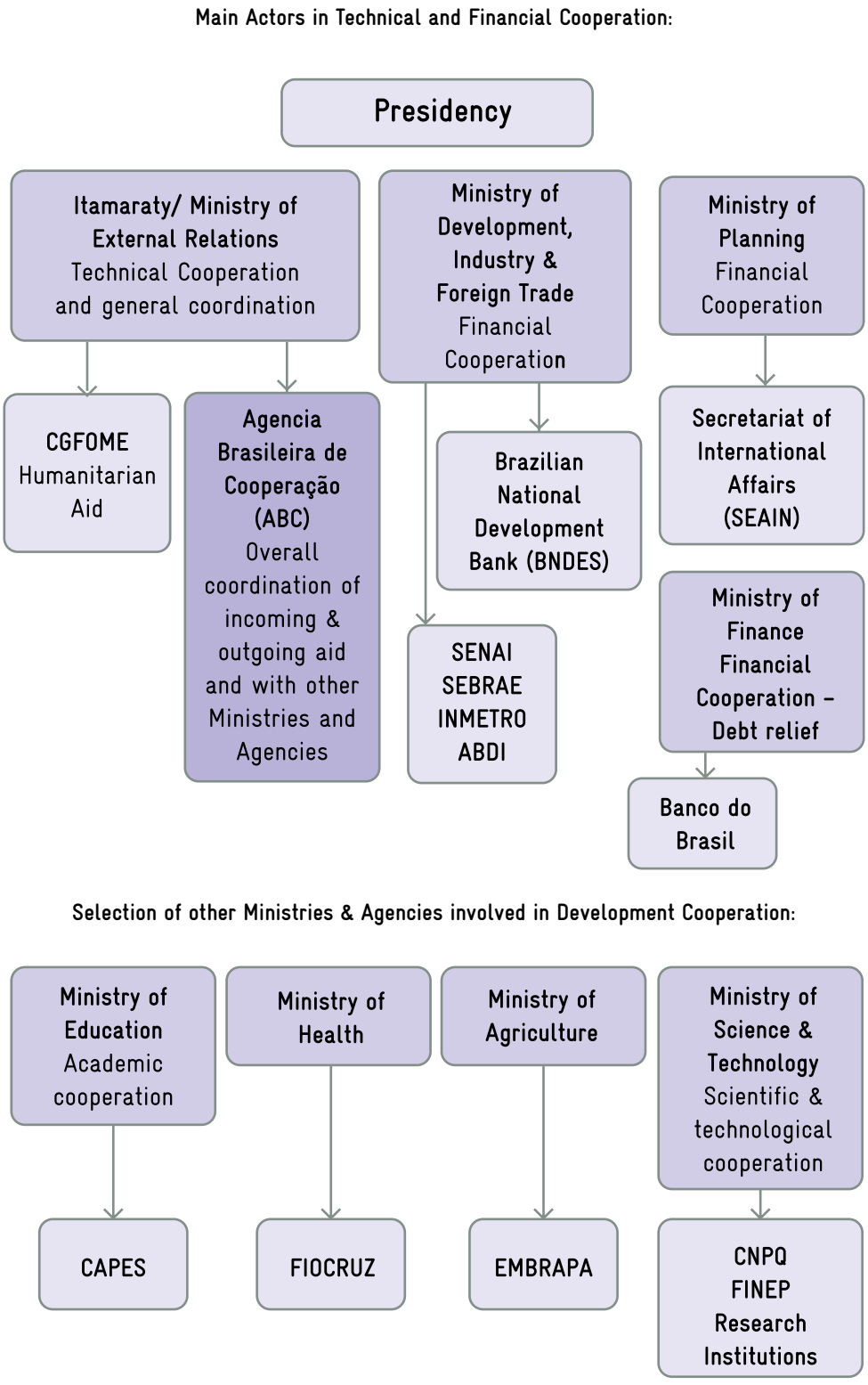
Generally, the **Presidency** plays the most important role and different Presidents from Fernando Henrique Cardoso, over Luiz Inácio Lula da Silva to current President Dilma Rousseff have formed development cooperation according to their political aims and governance styles. Besides the Presidency, the **Ministry of External Relations (MRE)/ Itamaraty** is a key player for Brazil's foreign and aid policies. Cason/ Power (2009: 119-120, quoted in de la Fontaine 2013: 169-170) state that

"Scholars are virtually unanimous in their assessment of Itamaraty's unique historical role. Three characteristics of the MRE are usually cited: First, the ministry is admired both inside and outside of Brazil for the high level of professionalization of its diplomats. Second, although embedded within a fragmented and penetrable state apparatus, Itamaraty has maintained an impressive degree of bureaucratic autonomy and isolation. It benefits from the formal and informal boundaries separating it from other ministries and agencies and possesses a distinct organizational culture. Third, until recently its policy responsibilities were monopolistic. Although there were minor variations across time, it is fair to say that in post-war Brazil Itamaraty had virtually complete control over the design and execution of foreign policy, including trade policy."

Especially since Lula's Presidency and Foreign Minister Celso Amorim an increase in South-South Cooperation under the rhetoric of **"diplomacia solidaria"** combined with the own interest of asserting Brazil's role as major power and exporting successful model to other countries in Latin America and Africa. Dana de la Fontaine (2013) also observes that the promotion of South-South Cooperation in Brazil could be seen as a de-ideologization of prior "Third-World Ideology", especially under Cardoso, who is one of the key scholars of the dependency theory. Brazil is actively promoting its own economic and trade interests and follows the idea of benefiting from increased development in its partner countries, especially in Latin America and the Caribbean. However, current President Dilma Rousseff attributes less importance to foreign policy and cooperation with other world regions than her predecessor Lula (Interviews in Brazil, December 2013).

Institutionally, **financial assistance** is coordinated by the **Secretariat for International Affairs (Secretaria de Assuntos Internaciais, SEAIN) of the Ministry of Planning**. The financial means mainly come from the **National Development Bank (BNDES)**, which is linked to the Ministry of Development, Industry and External Trade, or other financial institutions, such as **Banco do Brasil** (de la Fontaine 2013: 151-152).

• Figure 7: Mapping of Brazilian Development Cooperation Architecture



Source: Own visualization, based on de la Fontaine 2013

2.1.3 Agencia Brasileira de Cooperação (ABC)

The Brazilian Cooperation Agency is **organized directly under Itamaraty** and has a special **coordinating function both for incoming as well as for outgoing aid**. It considers itself to be both the planning institution and implementing agency of Brazilian aid. Its **staff of about 160** is characterized by a **mixture of career diplomats and experts for technical development cooperation**. Approximately 100 of these are managing the more than 400 technical cooperation projects across 58 countries (Cabral/Weinstock 2010: 9). Some essential differences in approach and opinions result from this: Whilst, the diplomats tend to downplay the importance of Brazilian development cooperation in comparison to ODA of OECD DAC countries, ABC technical staff views the Brazilian development path as a successful model which they endeavor to share with other countries (de la Fontaine 2013: 175). Yet, unlike in development agencies of OECD DAC donors, ABC does not have genuine development cooperation staff with a sole aid political mission. **Technical experts** are usually "borrowed" from other line ministries and thus, also paid by other ministries and only granted leave from their "normal" positions for the duration of certain project missions. Furthermore, a characteristic of ABC is that it has a **special implementation agreement with UNDP** (see also figure 8 for more information). Brazil pays 90% of the funds and UNDP calculates its contribution and overheads with 10%. Thus, the implementation capacities of UNDP, as a major international aid provider, are being used in order to deliver Brazilian aid and ABC staff sometimes has short term consultant contracts with UNDP and changes frequently. Cabral and Weinstock (2010: 9) estimate the UNDP hired staff to make up appr. 50%, the diplomatic Itamaraty staff 40% and appointees of the Director to be around 8%. Also, they estimate the permanence of an ABC employee to be 2 – 2.5 years in average, which means an extremely high turnover rate.

• Figure 8: UNDP's role in executing ABC projects

Box 1 – The evolution of Brazil's technical cooperation system

The creation of National Commission for Technical Assistance (CNAT), in 1959, marks the first attempt to establish a national technical cooperation system. Comprised of representatives of the MRE, sectoral ministries and the Secretariat of Planning (SEPLAN), and linked to the office of the President, its mandate was to determine priorities to guide requests for technical cooperation. In the 1960s, as a growing number of multilateral and bilateral assistance projects was made available to developing countries, the necessity of re-structuring the country's cooperation system was highlighted. A decree was passed in 1969, giving SEPLAN and MRE joint responsibility over the national technical cooperation system. Among their core responsibilities was to ensure alignment between technical cooperation programmes and priorities set in National Development Plans. At the level of SEPLAN, the Sub-secretariat for International Technical and Economic Cooperation (SUBIN) was created to perform operational functions, such as project analysis, execution and evaluation. At the level of MRE, the Technical Cooperation Division (DCT) was established to manage the political aspects of technical cooperation. By the early 1980s, this shared arrangement showed signs of fatigue, due to managerial inefficiencies. In 1987, ABC was created with support from UNDP, as part of *Fundação Alexandre Gusmão* (FUNAG), an organ of the MRE, merging the functions of SEPLAN's SUBIN and MRE's DCT, which are extinguished. In 1996, ABC was integrated to MRE's General Secretariat, becoming an organ directly administered by *Itamaraty*.

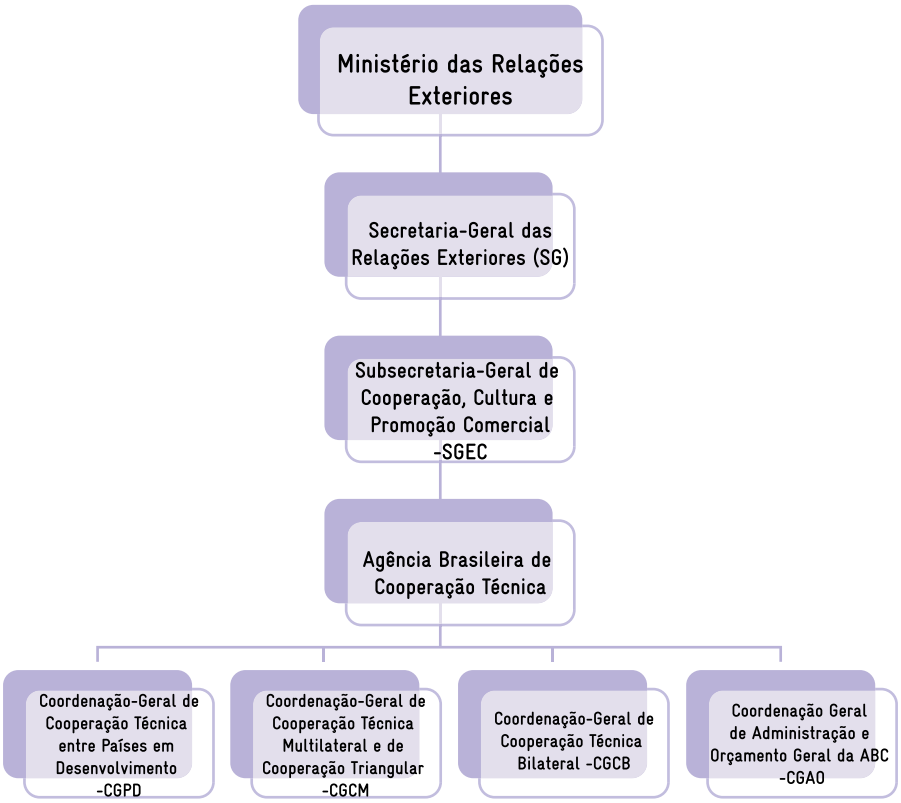
Sources: ABC website and and Costa Vaz & Inoue (2007).

Source: Cabral/ Weinstock 2010: 11

Brazil has identified **ten technical cooperation hubs** (núcleos de coordenação técnica) **within Brazilian Embassies**[4] abroad. Additionally to staff in headquarters, ABC has about ten focal points abroad, but these are all on short term contracts as well (ibid.) Thus, there is a lack of long-term experts for technical issues as well as implementation of projects, management, monitoring and evaluation under a developmental heading are lacking in the Brazilian aid system. It can be observed that the new ABC Director is aiming its focus more towards optimizing processes and results, which could be to the detriment of other factors and could lead to ABC being in a period of re-orientation.

Cabral and Weinstock (2010) note that ABC's internal structure "on the paper" does not correspond to de facto practice (see figures 9 and 10). The units mentioned in the organizational structure are further complimented by a Coordination Unit for Agriculture, Energy, Ethanol & Environment (CGMA) as well as a Coordination Unit for Social Development, Health and Professional Training (CGDS) and a Coordination Unit for IT, Electronic Governance, Urbanisation & Transportation (CGTI). Thus, ABC follows an **organizational logic of sectoral differentiation, rather than regional coordination units**. The demands of beneficiary countries are usually received through bilateral cooperation agreements, thus following a regional logic, which is not mirrored in this official organizational structure. A re-structuring Decree was issued in 2006 and approved the existing formal structure.

• Figure 9: Organizational Structure of ABC

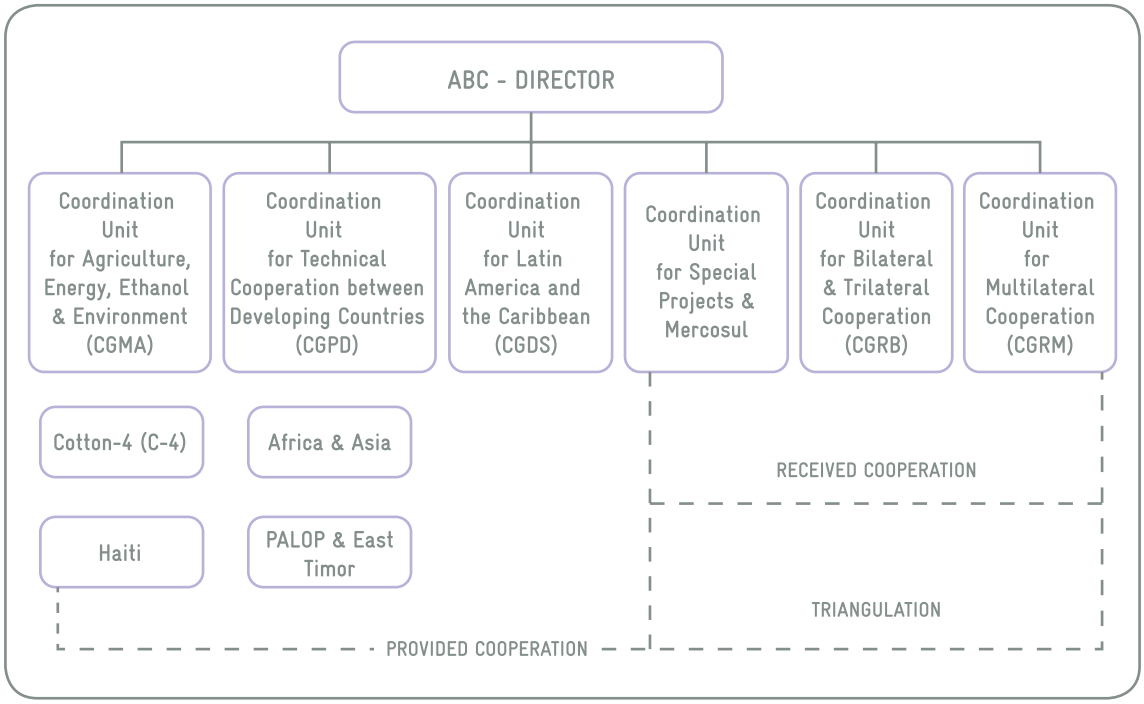


Source: ABC Homepage 2013

[4] In Cape Verde, Angola, Mali, Kenya, East Timor, Mozambique, S. Tomé & Principe and Guineau-Bissau.

Yet, in practice these two logics are mixed, as Cabral and Weinstock (2010: 9) exemplify: "For instance, CGDS should be, in theory, responsible for projects relating to social development, education, professional training and health. In practice it oversees cooperation projects in Latin America and the Caribbean. The same inconsistency is true to CRMA, which, in addition to managing the Cotton-4 and other groundwork projects, should have overall centrality in projects relating to agriculture, energy and environment. Nonetheless, small-scale projects in these areas are scattered among different Coordination Units, according to a geographic logic." Thus, Cabral/ Weinstock suggest the following organizational structure based on how cooperation is de facto practiced:

• Figure 10: ABC de facto organizational structure

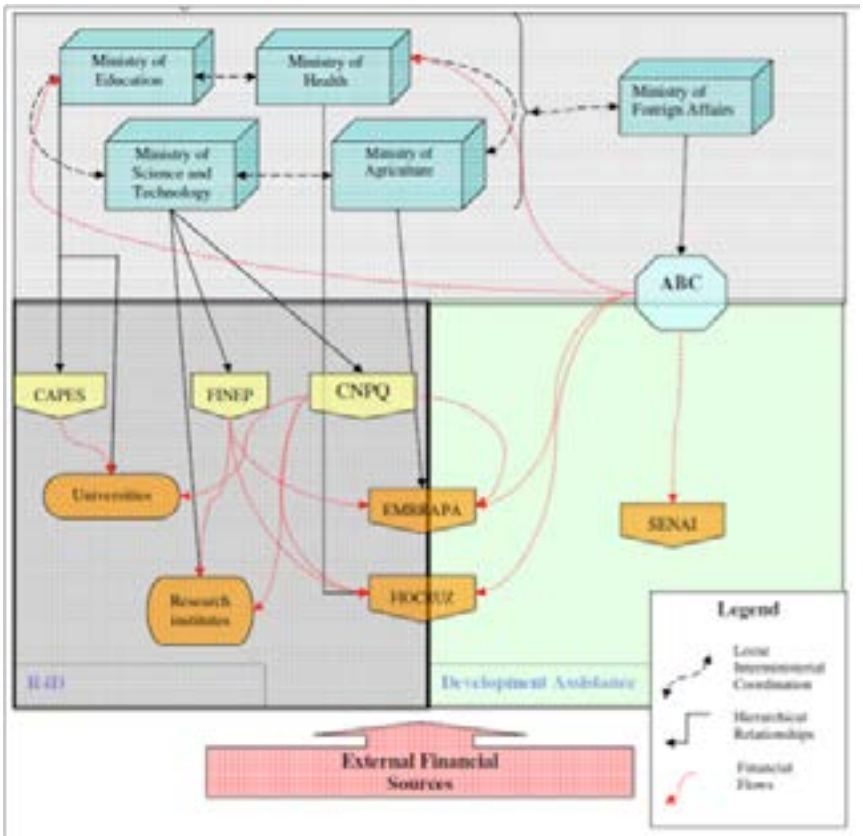


Source: Cabral/ Weinstock 2010: 8

In summer 2013 President Dilma Rousseff announced the reform of ABC in a speech given at the African Unit Summit in Ethiopia. Since then only rumors exist about how exactly this process should take shape. Some speak of the evolvement of ABCD (Desenvolvimento – Development), which would be taken out of Itamaraty and included under the Ministry of Development, Industry & Foreign Trade (MDIC). In this scenario trade and investment would also be included in Brazil's development cooperation. Dilma Rousseff has at times already followed an approach similar to the Chinese or Indian package deals in promising loans, investments and technical cooperation projects as a "package". Furthermore, it is envisioned to put ABC on a stronger legal basis. In interviews with experts in Brasilia (December 2013) and Rio de Janeiro (February 2014), it was noted that no concrete proposals are officially being discussed yet, and it remains to be seen, which kind of reform for ABC will be finally envisioned. Hope is expressed that with a stronger legal basis ABC could operate more flexible and that budgets will increase again for the new agency, after a sharp decline during Dilma Rousseff's presidency and the new ABC director Ambassador Fernando Abreu.

Although ABC is the main coordinating agency for Brazilian development cooperation, it is by far not the only actor in this field and has no far reaching competencies of coordinating approximately 120 other ministries, agencies and other government institutions (de la Fontaine 2013). Their budget is allocated by the State household and thus, they can act independently from ABC. There is no formal coordination or information mechanism in place, where all institutions have to transparently lay out their development cooperation activities. In 2007, 19 ministries received a budget for international cooperation, of which 80% went to the ministries in the areas of health, foreign affairs, education, agriculture, science and technology (ibid.). Since these ministries finance their development cooperation activities - incl. the involved personnel - themselves, it is difficult to tell the exact amount of Brazilian development cooperation. Furthermore, specialized agencies are attached or organized under most ministries. These are at times very powerful development cooperation players in both technical and financial cooperation. Among the most important are **SENAI (industry training), SEBRAE (SME and economic development), INMETRO (metrology), EMBRAPA (agriculture), FIOCRUZ (health), CAPES (education) and CNPq (scientific and technological cooperation)**. Whilst SENAI, SEBRAE and INMETRO are organized under the Ministry of Development, Industry and Foreign Trade, which also has the oversight over the National Development Bank (BNDES) and is a major player in financial cooperation, these agencies are large providers of technical cooperation as well. Thus, the specialized agencies are very important players in development cooperation, additionally to their respective ministries. Costa Vaz/ Inoue (2007) visualize the interplay of key actors in technical cooperation as follows:

• Figure 11: Key Players, financial and administrative flows of scientific and technical cooperation



Source: Costa Vaz/ Inoue 2007: 8

Besides ABC, another **coordination unit for actions to fight hunger (CGFOME)** was established within Itamaraty through former President Lula's initiative in 2004 (ibid.). CGFOME is kind of the internationalization of the successful national "Programa Fome Zero", which is regarded as a model in fighting hunger and improving development of the poor. It focuses on four thematic areas: food security, human right to food, rural development and small-scale fishery. On the one hand, it aims at implementing projects to prevent hunger and on the other hand, it delivers food aid to countries in humanitarian crisis[5]. Interestingly, the central principle for CGFOME seems to be the question of social justice in its participatory as well as distributive dimension (de la Fontaine 2013: 180). Civil society actors in Brazil are largely involved in the production of food and it aims at including those actors, which are otherwise mainly excluded from Brazilian foreign policy. In this regard, the interests of small-scale farmers and the landless movement (MST) are central actors in providing goods and know-how for humanitarian aid of CGFOME and by being included in these processes in representing their interests on the international level (ibid.). This approach is quite unique.

2.1.4 Project Types and Project Management

The **four pillars of Brazil's** development cooperation concept comprise **technical cooperation, financial cooperation, scientific technological cooperation and academic cooperation**. After China and Kuwait, Brazil was rated as **third largest emerging creditor** giving grants and loans to other developing countries by IMF and World Bank. This role was consolidated during the economic crisis starting in 2008 and has since intensified within the G-20 finance. The Economist (2010) estimates Brazil's loans and grants to have a volume of approximately USD 3 billion in 2010. Brazil's financial assistance is mainly delivered bilaterally and often coupled with the **promotion of Brazilian exports** and the internationalization of large Brazilian companies, such as Petrobras, Vale do Rio Doce, Camargo Correia or Odebrecht (IPEA/World Bank 2012). Furthermore, Brazil is active in financial cooperation through regional organizations, such as the Inter-American Development Bank or the Banco del Sur of the Southern American Union (UNASUR) or the structural funds of Mercosur. Also, debt relief for highly indebted countries, such as Mozambique, Tanzania, Mauretania or Bolivia, Nicaragua, Honduras and Haiti, is part of Brazil's financial cooperation (de la Fontaine 2013: 153).

Brazilian **technical cooperation** is mostly provided through **standalone ad-hoc projects** as response to the demand voiced by the beneficiary country. Yet, some more ambitious, long-term, large-scale and complex projects, such as the Cotton 4 project have been launched under the approach of **"projetos estruturantes"**. However, these are more the exception than the rule and have decreased with the current budget cuts.

It is interesting to note that about one fifth of Brazilian technical cooperation projects are delivered in the mode of **triangular cooperation**. In 2010, ABC managed 88 such initiatives across 27 countries (Cabral/ Weinstock 2010). Among the beneficiaries are Latin America and the Caribbean as well as the PALOP countries in Africa and Timor Leste. A wide range of bilateral and multilateral donor agencies cooperate trilaterally with Brazil. These are usually governed through Memoranda of Understanding (MoUs). In the German case this MoU was further extended by agreeing on a planning document, which laid out more specific procedures on the operational level. Through trilateral cooperation, Brazil also aims at uplifting

[5] Largest recipients: Haiti, Honduras, Cuba, Jamaica, Sri Lanka, Palestine and East Timor

the partnership with traditional donors to a more equal level. As partners, emphasis is also laid on jointly implementing projects and sharing all costs and responsibilities. In some cases the Brazilian financial contribution is 70% of the project costs. Having started with smaller isolated TriCo activities, in the long run these are gradually giving way to larger and better structured projects with long-term timeframes ('projetos estruturantes') in order to enhance scope and impact of Brazilian technical and triangular cooperation (Cabral/ Weinstock 2010).

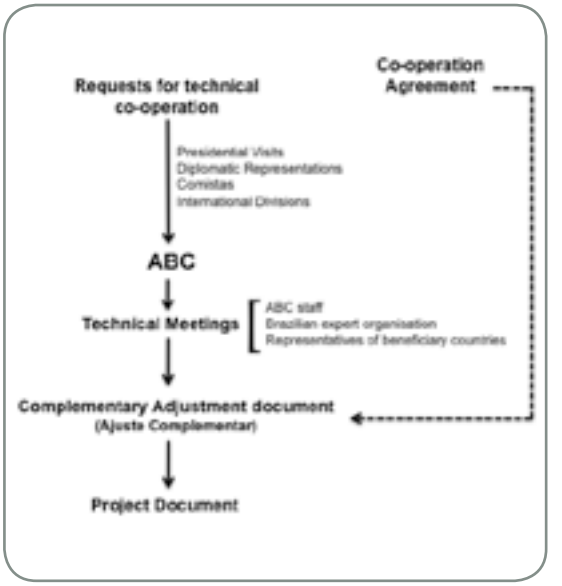
Having started with smaller isolated TriCo activities, in the long run these are gradually giving way to larger and better structure projects with long-term timeframes ('projetos estruturantes') in order to enhance scope and impact of Brazilian technical and triangular cooperation (Cabral/ Weinstock 2010: 12). In negotiations on the Strategic Partnership with the European Union, the Brazilian side has insisted on including triangular cooperation as one of the priorities, although the EU is hesitant to cooperate in this modality. After initial plans to cooperate with Mozambique and Kenya in the bioenergy sector, a trilateral cooperation with Indonesia is currently about to begin.

Requests for technical cooperation often come from **high-level foreign policy events** (Summits, international fora, presidential visits, diplomatic representations etc.). The standard mechanism is visualized by Cabral/ Weinstock (2010: 7) below and described as follows:

"Technical cooperation requests are forwarded to ABC, which then mobilized the governmental institutions with expertise on the relevant field of cooperation. Subsequently, ABC staff and representatives of the beneficiary countries and staff and representatives of beneficiary countries and Brazilian organisations gather at technical meetings (Reuniões Técnicas) to discuss project feasibility. A Complementary Adjustment document (Ajuste Complementar) is then produced, in which the guidelines laid in the Basic Cooperation Agreement (Acordo Básico) maintained between Brazil and the partner country are adapted to the requirements of the project. As a high-level instrument regulating partners and project execution, the Basic Agreement is signed by foreign affairs authorities in both countries. The Complementary Adjustment serves as basis for the development of a project document, where parties jointly establish activities, timeframes and funding responsibilities."

Although, monitoring and evaluation systems are still being built up (in some cases, such as EMBRAPA and SENAI they are already elaborated), awareness within ABC and other institutions involved in providing development cooperation, which could also result in termination of unsuccessful projects. De la Fontaine (2013) observes a move towards more strategic and efficiency inspired project planning, rather than development cooperation as "donations" from the President.

• Figure 12: Technical cooperation policy process: from diplomacy to operational design



Source: Cabral/ Weinstock 2010: 7

2.1.5 Trends, new modes of delivery, multilateral initiatives

Brazil is active in various regional and other multilateral fora, such as Mercosur or IBSA (India-Brazil-South Africa). South-South cooperation within the **IBSA Dialogue Forum** is interesting, considering that the three countries represent three different continents and thus varying approaches to development. All three are democratic countries and regional powers; they share the broad aim of influencing the global agenda, yet without very concrete goals of changing it. Thus, analysts have regarded the common denominator of this group to be a "community of values" (John de Sousa 2008). Furthermore, she states that: "Nevertheless, it is true that India, Brazil and South Africa should be distinguished from Mexico and China, given the important positions held by the latter two in international fora – Mexico is part of the OECD and China is a permanent member of the UN Security Council. The IBSA countries are not included in these crucial multilateral institutions, and thus remain obliged to define themselves simply as representatives of the south and in particular their respective regions -as peace-brokers and promoters of multilateralism" (ibid. 4).

In 2004, the IBSA countries established the IBSA Fund (it became operational in 2006), where each country contributes USD 1 million for development cooperation projects. The fund is managed by UNDP and the projects are jointly selected through IBSA country representatives in the Permanent Missions in New York along a list of criteria. It is a strategic cooperation instrument for all three partners, so that visibility and strategic importance of projects is at the core. Projects have so far been implemented in 10 countries with USD 25 million in IBSA contributions (for more information, see UNDP 2013).

2.1.6 Concluding Remarks

Brazil aims at positioning itself as **leader of the South** and follows other emerging donors' approaches of c**arving out an own development cooperation mode**l, rather than adapting Western approaches. Yet, although the BRICS evolved to be an important cooperation forum, Brazil distances itself from e.g. Chinese modes of cooperation and rather follows a way between the Western and the Asian model, drawing from both and combining it with specific Brazilian experiences. The following observations give food for further thought:

- An **internationalization of successful Brazilian national development programs** is one cornerstone for Brazil's development cooperation activities (as can e.g. be seen in the majority of its engagement being in the agricultural sector, where Brazil is known for its expertise of tropical agriculture)

- A **"branding" of a "Brazil Inc." or label by promoting Brazilian expertise** in various sectors - also going beyond the above mentioned national programs, such as e.g. in biofuels - can be observed. Brazilian expertise has gained high international reputation and Brazil has carved out certain sectors as specific for the Brazilian model.

- **ABC needs thorough reform in order to take up its role as a strong coordinating agency.** The lack of a legal basis often results in over bureaucratization and institutional fragmentation. Besides coordination and implementation power, an agency should also have knowledge of and an overview over other actors' international cooperation in order to have clear structures, processes and communication channels.

- The discussion along ABC's formal and de facto organizational structure has shown the need to reflect processes. It remains open to decide for each specific case, if a sectoral or regional organizational structure or a mixture of both (e.g. JICA) suits the demands of the respective agency best.

- Establishing **focal points for technical cooperation in Brazilian Embassies** abroad seems like a very good way to enhance continuity. In the Brazilian case, it is only in the most important partner countries, but the scope could surely be enhanced further.

- Continuity could also be created by **employing technical cooperation staff**. The case of ABC has shown that the mix of career diplomats and UNDP short term consultants leads to the loss of specific development cooperation expertise, e.g. in project management.

- Within the Brazilian debates, the importance of establishing **monitoring and evaluation** systems has risen.

- The strong position of Brazil's **specialized agencies** with their own international cooperation programs is specific for Brazil. Making use of **synergies between ABC as coordinating agency and specialized agencies** with specific technical or other expertise proves to be very fruitful.

- **Triangular cooperation** is a major part of Brazilian aid activities as it is regarded to be beneficial for all three partners. About one fifth of Brazil's development cooperation is through this mode of delivery.

- Brazil's activities in **regional organizations**, such as Mercosur, as well as in **South-South fora**, such as IBSA seem to be an interesting approach to promote foreign policy goals and establish itself as a major global power.

2.2 Country Study SOUTH AFRICA[6]

Since the peaceful transition from apartheid to one of the world's most progressive constitutional democracies, the Republic of South Africa is addressing issues of poverty, inequality and economic development internally and increasingly externally. Its own development path of a rise in income per capita by over 30 per cent since 1994, employment increasing by 4 million, access to housing, electricity, water and sanitation having doubled and the creation of a new and vibrant set of democratic institutions, offers valuable experiences for other countries on the continent.

South Africa's role conception is that of a development partner for the rest of Africa, being sensitive to the African continent's perception that "South Africa may be replicating the role of a dominant economy in colonial relations […] South African officials argue that their country's thinking about the role it wishes to play in the developing world is still evolving" (Braude et al. 2008: 6). Thus, the country wishes to avoid the term donor and describes its approach as based on **partnership and solidarity** between "African brothers" with a greater understanding for the African development context than traditional donors. Historical legacies from times of Apartheid are another important factor for the South African engagement in the region: On the one hand, many neighbouring countries granted asylum to exile dissidents and freedom fighters, while on the other hand, the country's foreign policy was very aggressive and spurred several internal conflicts and civil wars within the region, especially in Angola and Mozambique (Grimm 2010: 3). In the spirit of African Renaissance[7], South Africa has traditionally been focusing its development assistance on the African continent and has made special commitments to supporting states that are coping with transition from a conflict to a post-conflict period. As such, the Democratic Republic of the Congo (DRC) has received considerable attention and funding. Furthermore, due to its resource richness and high potential to provide further energy sources, South African business has been active in DRC even before it reached the development assistance agenda. This has encouraged the perception in DRC that South Africa might only be following its own economic interests, increasing its regional power position and forgetting about African solidarity (Kabemba 2007). Also, by professionalising its own development cooperation structures, South Africa now tends to ask more about the effectiveness of its aid to other countries and is slowly being perceived as another cooperation provider (Grimm 2010).[8]

As of now, South African development cooperation is largely fragmented, primarily reactive, uncoordinated and following *ad hoc* approach to providing assistance to the African continent (Hargovan 2012: 5). As Besharati (2013: 24) claims "for the average South African on the street, providing aid to Africa is not always the most intuitive thing for the government to do". In fact, South Africa faces manifold internal problems, such as unemployment, high crime rates, HIV/AIDS, poverty and corruption. Yet, as any other country, South Africa follows not only altruistic motivations in its engagement on the African continent – although these have played a major role as the elaborations

[6] The author is very grateful to Jitendra Hargovan of Strategic Alternatives – Management Consultants CC (hargovan@iafrica.com) for the extremely valuable input to this chapter and the strong support combined with numerous discussions drawing on his extensive experience in working with SADPA. Parts of this chapter have been jointly written by Jitendra Hargovan and the author, who have been a team for the internal project progress review of the South African – German Trilateral Cooperation Fund, which was commissioned by the Gesellschaft für Internationale Zusammenarbeit (GIZ) and carried out from July – August 2013.

[7] The concept of the African Renaissance, first articulated by Cheikh Anta Diop in a series of essays beginning in 1946, has been popularized by the South African President Thabo Mbeki, during his tenure. It is a concept, that African people and nations overcome the current challenges confronting the continent and achieve cultural, scientific and economic renewal. It continues to be a key part of the post-apartheid intellectual agenda.

[8] See for this paragraph: Piefer/ Knodt (2012: 174-175)

above on African Renaissance and solidarity have shown. It is also a tool of soft diplomacy to promote foreign and economic policy objectives as well as pragmatic reasons, such as countering instability in the region, which results in high migration to South Africa. This is mirrored in Nelson Mandela's words of "we cannot be an island of prosperity surrounded by a sea of poverty", which was echoed again in President Zuma's State of the Nation Address in 2013 (ibid.: 25).

This thought is also taken up in most South African policy strategies, which have a strong focus on African regional development. The **South African Medium Term Strategic Framework** (2009-2014 Planning Document, The Presidency[9]) provides a guideline for planning and resource allocation across all spheres of government.

It outlines South Africa's present and future developmental partnerships, within the framework of pursuing foreign policy objectives, and includes the following areas of strategic focus:

- Continued prioritisation of the African Continent;
- Improving political and economic integration of the South African Development Community (SADC)
- Strengthening South-South Relations;
- Strengthening relations with Strategic formations of the North;
- Strengthening Political and Economic Relations; and
- Participate in the Global System of Governance.

In 2009, the **National Planning Commission (NPC)** was established and by the adoption in the South African Cabinet, its work has culminated in the publication of a **National Development Plan**[10] **2030 – entitled "Our future-make it work".**

This was largely supported by all political parties represented in Parliament and it is important to note that the African National Congress (ANC), also adopted the NDP as a 'platform for united action by all South Africans to eradicate poverty, create full employment and reduce inequality as critical building blocks towards a truly united, non-racial, non-sexist, democratic and prosperous society'[11]. This broad support for the NDP is critical going forward as general elections (national and provincial) are scheduled to take place in May of 2014. Furthermore, the NDP recommended that a high-level, high-impact task team investigate South Africa's foreign relations in order to address the above mentioned perception of South Africa as a regional hegemon or "big brother". The task team should produce definitive studies on:

- South Africa's national interest
- South Africa in the context of African geopolitics
- South Africa's role in the world, especially in BRICS and in multilateral relations.

In terms of concrete development cooperation strategies and policies, it has already been observed in 2002 in the South African Yearbook (DGC&IS 2002: 276) that: "Although South Africa is not a donor country, development cooperation with countries in Africa is an integral part of South Africa's foreign policy. Assistance is wide-ranging and includes educational visits by agriculturalists, the establishment of viable training centres, conservation of the environment, the rendering of medical assistance, and technology exchange programmes. Technical and financial assistance, with a view to the capacity-building, especially to SADC countries, is a major instrument for promoting economic development, peace and stability, democracy and African renaissance on a regional basis." In the spirit of African Renaissance, South Africa has traditionally been focusing its development assistance on the

[9] Available at www.gov.za.
[10] The NDP is available on the South African Government website: www.gov.za or the NPC website www.npconline.co.za
[11] NPC website – http://www.npconline.co.za/pebble.asp?id=7. accessed Aug 2013.

African continent and seems to especially support states that are coping with transition from a conflict to a post-conflict period.

The Department of International Relations and Cooperation **defines development partnerships** as "cooperation between developing countries in the field of aid, trade, security, and politics to promote economic and social well-being". South Africa promotes the notion of solidarity, equality, horizontal cooperation, reciprocity, mutual benefit, exchange and learning (Besharati 2013: 37). South-South cooperation and alignment with the African Consensus for Development Effectiveness are guiding South African engagement. A very strong emphasis is given on the partnership notion as basis for any kind of relationship with Northern and Southern partners. This is also mirrored in the change of name of the new South African development agency. Initially, it was going to be called **"South African International Development Agency (SAIDA)"** and later modified to **"South African Development Partnership Agency (SADPA)"**, emphasizing that its overall aim is creating partnerships.

2.2.1 Cooperation Patterns

As in most cases, no accurate numbers for the total amount of South African development cooperation are available. Also, it depends if transfers within the Southern African Customs Union (SACU) are included in the calculation, which would make numbers much higher than figure 13 below shows. Furthermore, much cooperation is provided in kind as contributions of staff from line Departments, which is not accounted for in monetary terms. More recent studies estimated South African development co-operation to be 0.7% to 1% of the country's GNI, making South Africa a top-performing country in ODA compared with most traditional cooperation partners. With the creation of SADPA greater clarity and transparency of development funding is expected. Figure 13 gives an overview of OECD DAC estimates of South African development cooperation budgets.

• Figure 13: South African Foreign Assistance Programmes (in USD millions)

	AUDITED OUTCOMES			ADJUSTED APPRO-PRIATION	MEDIUM-TERM EXPENDITURE ESTIMATES		
	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
African Renaissance and International Co-operation Fund	14.8	21.3	36.4	83.1	75.1	51.2	73.2
African Union	15.5	12.1	13.4	14.6	18.2	18.9	18.1
New Partnership for Africa's Development	4.4	4.3	3.6	3.8	3.9	4.1	4.1
Other International Orgs.	0.1	0.6	0.0	0.1	0.1	0.1	0.1
Southern African Development Community	2.9	3.6	3.6	3.7	3.8	4.0	4.0
UN (12%)	1.0	1.1	1.3	1.1	1.3	1.3	1.2
Humanitarian Aid	2.7	2.5	4.1	2.9	3.0	3.1	3.1
UNDP in Southern Africa	0.1	0.9	0.2	0.1	0.1	0.1	0.1
UN Voluntary Fund for Disability	-	-	-	0.0	0.0	0.0	0.0
UNICEF	0.5	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	42.0	46.3	62.6	109.4	105.5	82.9	103.9

Source: Smith/ Fordelone/ Zimmermann (2010: 5)

Although, the South African development cooperation is quite significant – also in comparison to other new development partners – certain shortcomings can be detected in terms of the absence of an overarching development cooperation framework, strategy and operational guidelines. In the past, there has been no central agency coordinating the efforts of the various actors involved (ibid.). This is due to change with the official promulgation of the Southern African Development Partnership Agency (SADPA), which is also in the process of drafting SADPA Policy Guidelines (Strategic and Operational Framework), Programme/ Project Management Guidelines and Life Cycle etc.

2.2.2 Institutional Set-Up and Organizational Structure

The structure of development cooperation partners in South Africa is quite complex: National Treasury (NT) has a coordinating function in terms of managing ODA inflows and funds disbursement, the Department of International Relations and Cooperation (DIRCO) is responsible for strategy and foreign policy formulation, and other line ministries are involved in the implementation of development cooperation projects. Both NT and DIRCO are on the advisory committee for the African Renaissance Fund (ARF), which makes up the largest – yet not only – part of South African development cooperation. The committee makes recommendations, in concurrence, for the funding of specific projects and is responsible for releasing funds from the ARF (Besharati 2013). All South African Departments are eligible to tap into the ARF for international cooperation projects in Africa. Furthermore, the Presidency and the Department of Trade and Industry (DTI) play a significant role in development cooperation.

Having a closer look at the most important actors it can be noted that DIRCO will play the leading role as it represents South African interests on the international level. It is by constitution the only department that can sign international agreements between South Africa and other international partners. SADPA is organized under DIRCO (see figure 14) and through its vast network of Embassies around the world, it provides space for potential SADPA project managers to monitor projects in different countries (ibid.: 47). Thus, the institutional set-up will be similar to that of other countries with donor agencies being hosted by the Ministry of External Affairs. Yet, the technical expertise to implement development cooperation projects does not lie in DIRCO, but rather in Treasury, the line ministries and other sectoral institutions. Due to the nature of diplomatic staff, the turnover in terms of responsibilities for development cooperation is very high, which is an obstacle to continuity and effectiveness of development cooperation. SADPA will need to take this into account in its personnel set-up (ibid.: 47-48).

For the latter reason, it has been suggested by some, that SADPA be housed in National Treasury, which currently manages all incoming and outgoing development cooperation. The International Development Cooperation (IDC) unit in Treasury as well as the Technical Assistance Unit (TAU) are currently coordinating development cooperation inflows from other donors as well as outgoing assistance to Africa. They are also involved in numerous trilateral cooperation projects with e.g. Germany, the UK, Canada and USAID. In this regard Sidiropoulos (2008:6) claims that "the country seems to be increasingly involved in trilateral assistance. Partly because South Africa has insufficient resources to meet all the requests it receives. But also because 'old donors' want to use South Africa as a vehicle for providing assistance in countries where their presence would be politically unwelcome. However, South Africa has to balance its involvement in trilateral assistance with the desire to remain, in the eyes of other African countries, politically independent". Through the instruments of bilateral, trilateral and multilateral cooperation – with yet another unit being responsible for

multilateral initiatives – Treasury is currently the department with most involvement in development cooperation. Also, being in control of the South African government's budgetary process gives it an especially central position. Whilst there have been discussions between DIRCO and NT on SADPA's institutional arrangements, it has now been widely acknowledged that there will be a division of labor between NT coordinating incoming aid and SADPA having the mandate for outgoing development assistance.

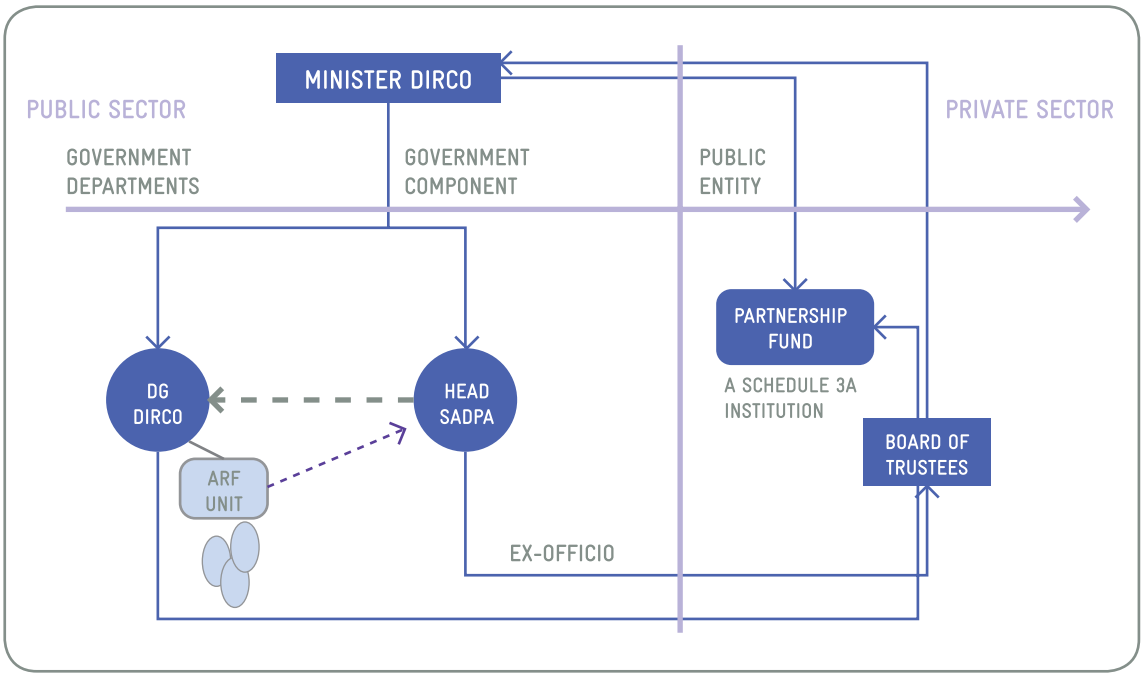
Currently, an open issue is the re-configuration of the African Renaissance Fund into the envisaged Partnership Fund. The bill to establish the Partnership Fund, which will repeal the ARF, is due to be agreed on by mid-2014. All assets and liabilities of the ARF will be ceded to the Partnership Fund and the allocation of funds will be appropriated by Parliament. The Partnership will made up of: unexpended money from the ARF, repayments from loans, interest received, money vested in Fund from foreign governments, money earmarked for trilateral co-operation, from private sector or charitable organizations and money accruing from any other source (Hargovan 2012: 17). There are currently only rumors on the prospective amount of money vested in the Fund, ranging around ZAR 500 million. In contrast to the ARF, funds can be directed directly to the Partnership Fund by international partners, not having to go through National Treasury as was formerly the case with the ARF. The Fund will be governed by a Board of Trustees appointed by the Minister (7-15 members), which will take up an advisory role and have oversight and review of projects, work plan, progress and all matters relating to the use of the Fund. The Minister of External Relations will have the main authority, with the Minister of Finance determining the investment policy of the Fund.

Although not one of the most prominent development cooperation actors in South Africa, some have called for the Department of Trade and Industry (DTI) to play a larger role, also for SADPA. This would imply a largely different focus on private sector engagement and development understood as economic growth. Besharati (2013: 49) thus concludes that it might be a better place to conduct economic diplomacy.

The South African Presidency has always played a decisive role in formulating the country's foreign and development policies and still remains the main driver in this regard. On an operational level, it is more the above mentioned departments who are directly involved in coordinating and implementing development cooperation projects. There were discussions about organizing SADPA under the Presidency, as e.g. the Department of Monitoring and Evaluation (DPME). DPME already evaluates a large amount of South African projects and policies, so expanding it to development cooperation with SADPA under the same "umbrella" institution would have been a possibility. However, development cooperation is a small issue in comparison to the other larger policies that the Presidency and DPME undertake, so that it was decided for SADPA to be organized under DIRCO (ibid.). Yet, lessons learned after the establishment of DPME as a new entity under the Presidency might be useful for SADPA and its future role in the South African institutional set-up.

Regarding implementation, mainly two models can be observed currently: First, line ministries, such as the Department of Public Service and Administration (DPSA) are implementing development cooperation projects, e.g. in DRC, by sending their staff as advisors and offering South African expertise. Second, sectoral institutions, universities, research institutions and civil society organizations are implementing partners for development cooperation projects. If such a specialized institution is offering e.g. trainings in other African countries, it is the usually backed by a South African Department in order to have the link to government.

• Figure 14: Organizational Arrangements



Source: Hargovan 2012: 12

2.2.3 The South African Development Partnership Agency (SADPA)

South Africa has played a transformative role on the continent since 1994; the establishment of SADPA is in line with this role as leader of regional integration. The formal establishment of SADPA, was promulgated through a Proclamation in the South African Government Gazette (Number 36543) dated 14 June 2013. This single line in the Gazette created the legal entity regarding the establishment of an agency that would manage all of South Africa's out-going development cooperation initiative. In anticipation of the proclamation, DIRCO established a project team to develop the following key documents:

- SADPA Policy Guideline.
  - Strategic Framework
  - Operational Framework
- Programme / Project Management Guideline
- Programme Life Cycle Process Maps
- Programme / Project management Tools and Templates.

When drafting these documents and planning the institutional set-up of SADPA, the South African government followed a very pragmatic approach of exchanging experiences on organizational structures, principles, instruments and project management with various traditional and emerging donors, such as Norway, UK, Germany, Brazil, Mexico and others. The intention was not to invent the wheel anew, but to rather draw on existing best practices while still creating a new type of development institution and taking into account the criticisms on existing approaches by traditional donors. This is also in line with SADPA's broader vision to establish an agency suitable to the post-Busan process of partnership between multiple actors.

SADPA follows the **overall aim**: "To develop partnerships that drive innovation around development cooperation in Africa and developing countries to create self-sufficient societies. [This is to be based] on a strategy of (Casoo 2012: 6):

- **Co-crafting the policy focus:** The strategic focus is on demand driven approaches from partner countries. Thus, national and regional African policy priorities will guide SADPA's engagement, always keeping in mind the South African comparative advantage in the concrete cooperation project;

- **Sharpening the delivery mechanisms:** This focusses on enhancing the SADC development agenda, coherence in SA government development cooperation approaches with clear operating principles, innovation in a project life cycle (see figure 3);

- and **broadening the instruments for development cooperation**

It is thus envisaged that SADPA initiatives will be underpinned by:

a) A strategic focus (as opposed to focal areas) based on bilateral relations.

b) Partnership Driven Cooperation – based on shared values, mutual benefit, common interests, shared responsibility mutual learning and partner driven cooperation.

c) People Centred Development

d) A commitment to Development Effectiveness

e) Supporting Catalytic Initiatives and Learning and

f) Focused on Results Based Management

It is envisaged that SADPA will be operational in 2014 onwards with staff numbers increasing up to 50-70 within the first year. A critical function for SADPA is to harness the collective expertise available (locally, internationally and that of an intended developing partner) to develop strategies and programmes that serve as a **catalyst for development**. Catalytic initiatives could be defined as: "helping to unlock the potential of a country or region, multiply impact of projects, [they] should be replicable and up scalable[12]". Such programmes will be developed in collaboration with the development partners; not done for them and without them.

The broad **strategic focus** will direct SADPA to the kinds of initiatives it will seek and promote, but SADPA will not predetermine its areas of focus (sector focus as with traditional donor approaches) and will use its bilateral and regional relations, established priorities and the partner driven initiatives to develop new strategies and programmes for cooperation based on the above principles. These policy principles imply that SADPA will require a careful evaluation of the most viable policy mix, financing options and tools, and partnership arrangements for development cooperation programmes and projects. The draft SADPA policy framework seeks to work in close partnership with countries of the South and North to implement joint programmes, develop best practices, and to engage in a policy discourse on modalities for development cooperation.[13]

Although open for other **areas of cooperation** based on the demand voiced by the partner country,

[12] Definition given by a SAPDA official in a meeting with German partners
[13] Where not stated otherwise, the above section is based on the great expertise of Jitendra Hargovan, who kindly gave his permission to use the information for the purposes of this study.

South Africa has consistently been involved in projects geared towards (Besharati 2013: 29):

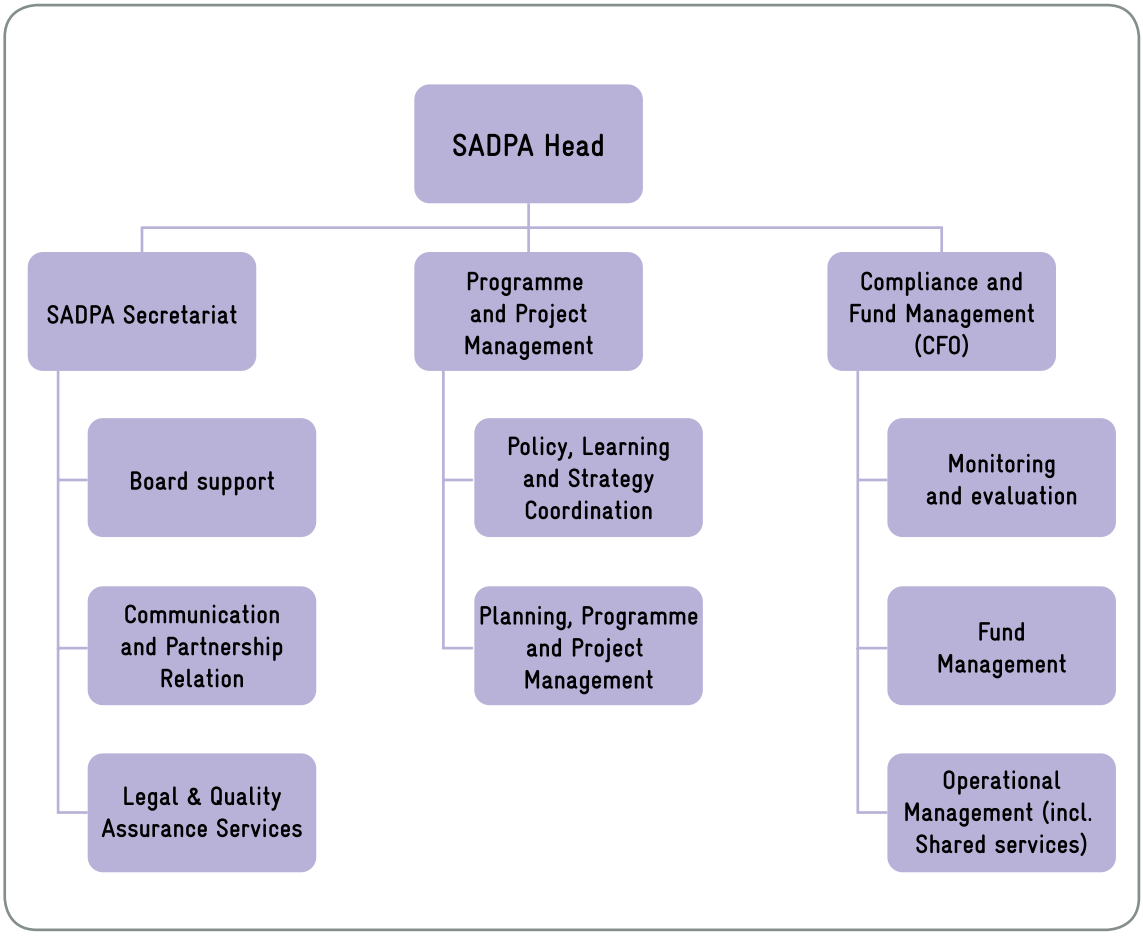
- Regional integration
- Peace, security and stability
- Post-conflict reconstruction
- Strengthening relations with Africa and the global South
- Promoting good governance; and
- Humanitarian assistance.

These are most likely to remain with SADPA and are mirrored in SADPA's nine programmes proposed in the current strategic framework:

- Programme 1: Humanitarian Assistance
- Programme 2: Peacekeeping
- Programme 3: Elections Support
- Programme 4: IBSA Poverty Alleviation Fund
- Programme 5: Bilateral Partnerships
- Programme 6: Trilateral Partnerships
- Programme 7: Regional Partnerships
- Programme 8: Decentralised Partnerships
- Programme 9: Multilateral Partnerships

The organizational set-up of SADPA is foreseen as follows:

• Figure 15: SADPA Organizational Chart



Source: Hargovan 2012: 13

The **geographic priority** of South Africa's development cooperation has always been the African continent with **70% going to the SADC** region (96% if SACU transfers are included). The rest goes to African post-conflict regions (e.g. DRC, Sudan, Burundi, Rwanda and Somalia), where it can draw on its own experiences with mediation and reconciliation. Countries outside the African continent are those that share ideological links and liberation struggles, e.g. Palestine and Cuba. DIRCO has indicated that some small assistance could be extended to Asia and the Caribbean, despite the overall focus being on Africa (ibid.: 29-39).

In terms of **principles** applied in current (pre-SADPA) development cooperation and the discourse on **South-South Cooperation vs. Paris Declaration**, a high-ranking Treasury official mentioned in an interview with Dana de la Fontaine (2013: 255): *„At the moment we speak about Official Development Assistance […] This term of South-South Cooperation, I think there is still a lot of defining that still needs to happen: what exactly does it mean? If it means developing countries providing support to each other, or middle-income countries providing support to low-income countries, that is fine, you can call that South-South. But have principles been established? Have there been declarations that define the engagement? Or is everything acceptable just because it is South-South? I don't think so. So from our point what we have is the Paris Declaration with clearly defined objectives and defined indicators that the world is engaging each other on – and engaging in a way that shows progress towards meeting those indicators […]".*

This shows a reflective South African approach of incorporating OECD DAC and South-South principles for its own development cooperation. Lucey and O'Riordan (2014: 3) also emphasize that "South Africa should guard against dismissing northern approaches as being fundamentally different, and should rather use them for insights and lessons that could be drawn from them".

2.2.4 Project Types and Project Management

Dependent on the circumstances, SADPA aims at considering **different forms of partnerships**, which opens up cooperation opportunities for various kinds of partners. The instruments used are adapted to the specific context and include bilateral, trilateral, multilateral, decentralized and multi-party approaches in financial and technical assistance. In terms of financial instruments, the following are envisioned: micro-grants, grants, loans, JV's and PPPs. The types of support include: budgetary, programme, project, sector, SWAPs, basket or pooled funding (Casoo 2012: 8).

As mentioned above, **trilateral cooperation (TriCo)** is one of the nine programmes currently proposed within SADPA's strategic framework. It is already an important component of South African development cooperation and TriCo projects are currently implemented with GIZ, DFID, Canada and USAID in several African countries (e.g. Tanzania, Kenya, DRC, Rwanda, South Sudan) and African regional bodies (e.g. the African Ombudsman Research Centre). After having made experiences with the first TriCo projects in the last five years, South Africa is currently aiming at moving from this "experimenting" phase – as it was called by one interview partner – towards a more strategic mode of cooperation. Until the first half of 2014 SADPA envisions a TriCo policy framework, which could serve as template for engagement with different traditional donors in third countries. According to the respective agencies'/countries' requirements this template could be adapted. But by following this approach South Africa shows strategic vision and ownership in pursuing triangular cooperation projects.

SADPA's strong emphasis on partnership is also evident in its project cycle. After programming of new initiatives, the second step of the project cycle is aimed at partnership development – even before

reaching the stage of implementation – and finally close-out. During the whole process innovation is central and quality will be ensured through rigorous monitoring and evaluation (M&E) measures.

• Figure 16: SADPA Project Cycle

Source: Casoo 2012: 10

The above has been elaborated for SADPA, which in its first months of official existence has not carried out any projects, yet. Currently, with Treasury coordinating South African development cooperation, programmes and projects are largely based on ad hoc approaches, rather than following a coherent strategy (see introduction of section 3).

2.2.5 Trends, new modes of delivery, multilateral initiatives

SADPA's overall aim is moving away from "traditional" modes of delivery and cooperation forms towards "mulit-party partnerships", without clear donors and recipients, which always imply an unequal relationship. This should be indicative of a new phase of international development cooperation within the post-Busan process. These multi-party partnerships may result out of trilateral cooperation between two partners in development from the North and South with a beneficiary country and include further partners on each side of the triangle. Also, possibilities could be carved out for cooperation with regional organizations, the private sector, foundations, think tanks and others.

Furthermore, South Africa is very active in IBSA (India-Brazil-South Africa). The importance of this regional grouping among emerging powers is also implied by one envisaged SADPA programme on the IBSA Poverty Alleviation Fund (for further elaborations on IBSA, see Brazil chapter).

2.2.6 Concluding Remarks

The South African case is especially interesting due to its overall vision of creating a new type of development agency by incorporating past experiences and best practices of donor agencies from the North and the South, and its vision to enter the post-Busan process with multi-party partnerships, where all partners benefit. The terms used describing South Africa as development partner and the creation of the South African Development Partnership Agency emphasize this focus on creating fruitful partnerships between various stakeholders from the public and private sector. South Africa is involved in an interesting process of initiating a new development agency with an ambitious vision, a robust policy framework, encompassing development cooperation strategies for the African continent and an overall pragmatic approach. Furthermore, the inclusion of the private sector, civil society and academia are envisaged from the beginning of SADPA's operations.

SADPA's approach can be summed up in the following table:

• Table 1: SADPA Framework - Draft

DC POLICY AREAS	SADPA APPROACH
PRINCIPLES	Solidarity; cooperation over competition, mutual benefit, equality, national ownership, creation of viable states based on self-reliance, sustainability – Philosophy of Ubuntu
AREAS OF SUPPORT	Includes both regional priorities and individual country priorities; both DAC and Non-DAC sectors
STRATEGIC APPROACH	•Demand driven priorities – co-crafted; mainstream issues; capacity focus •People Centred Development – development of societies; benefit people •Partnerships – Co-ownership, mutual benefit ; North and South; S-S; and Non-Gov •Catalytic initiatives – quality of prog rather than quality of aid; unlock potential •Development effectives – national ownership, sustainability, capacity generating, Paris Declaration •Results Based Management – results orientated
IMPLEMENTATION APPROACH	A flexible framework with many different development cooperation modalities and partnerships, but with good governance elements embedded in the methodology
INSTRUMENT	•Mainly grants & technical coop. Loans, JVs & PPP's – with commercial sectors •budget, sector, programme, project, basket
ROLE OF PARTNERS	All partners must make a contribution & take responsibility for programme, and results
CONDITIONALITY	Development prog must support the partner/ region, procurement within the region; other conditionalities – to be determined on a case-by-case basis.
QUALITY ASSURANCE & M&E	Strong focus on rules for accountability, good governance, reporting and monitoring, knowledge management and evaluation (within limits); reporting to SA Parliament & public

Source: Casoo 2012: 9

2.3 Country Study INDIA[14]

India has been involved in development cooperation ever since its independence 1947, with first support given to its South Asian neighbors, war torn Europe in the 1950s and supporting African states in their struggle against colonialism. India has traditionally been one of the main advocates and speakers of South-South Cooperation in the Non-Aligned Movement (NAM) and today still endorses the Bandung Principles of 1955. Throughout its history, Indian development assistance has been characterized by **both economic and foreign policy interests as well as a strong ideological notion of solidarity**. Based on its own experience, India has supported post-colonial states and those with a more socialist-oriented ideological orientation. Due to its geo-political position in a very volatile region with internal as well as inter-state conflicts, India's development assistance has further focused on regional stability and good relations with its direct neighbors. These are also the largest recipients of aid from India (see table 2). Furthermore, countries with a large Indian diaspora have always been priorities for India's engagement.

In 2005 the Indian government has decided to work only with donors providing above US$ 25 million in ODA to the country and has therefore significantly reduced the list of donors still active in the country. During this time India was "shining[15]" and the fact that 25% of the world's poor still live in India was neglected in the public discourse (Chaturvedi 2013). This has led to many smaller OECD DAC donors leaving the country on the one hand. On the other hand, those remaining in India have significantly increased their engagement (e.g. Germany has recently agreed on the record sum of almost EUR 1 billion assistance for India - mostly in the form of loans). India thereby claimed its evolvement from recipient to donor of development cooperation, which is not dependent on Western assistance. Moreover, this shows to its own constituents that India is on a good developmental path and conditions would enhance further by relying on its own policies and resources. Other justifications for spending money not for domestic, but for international development include economic - India mostly gives tied aid - and geo-political considerations, e.g. stabilizing Afghanistan as counter terrorism measure for internal security

"We do not like to call ourselves a donor," says Syed Akbaruddin, Joint Secretary with the Ministry of External Affairs. Furthermore talking about India's new aid agency he claims: "We call it development partnership because it is in the framework of sharing development experiences. It follows a model different from that followed in the conventional North-South economic cooperation patterns, hence the designation of Development Partnership Administration, it is administering our development partnership projects "(quoted in Taneja 2012:1). Thus, **three fundamental principles** of India's cooperation – namely, **not attaching conditionalities, not prescribing policies and not questioning sovereignty** – are unlikely to change in the near future (Sharan/Campbell/Rubin 2013). From an Indian perspective, a comparison between Western states and India concludes that traditional donors are increasingly addressing 'governance gaps' through their development interventions, and India, which has traditionally focused on filling 'capacity gaps'. India's own strong knowledge culture is fundamental for its emphasis on offering training courses, e-learning platforms etc. for other developing countries, especially in Africa. This is notable also when comparing different regions in Indian development cooperation (see below).

[14] Where not marked otherwise, data for this chapter was collected in interviews with Indian experts in New Delhi from September 9th - 17th 2013.

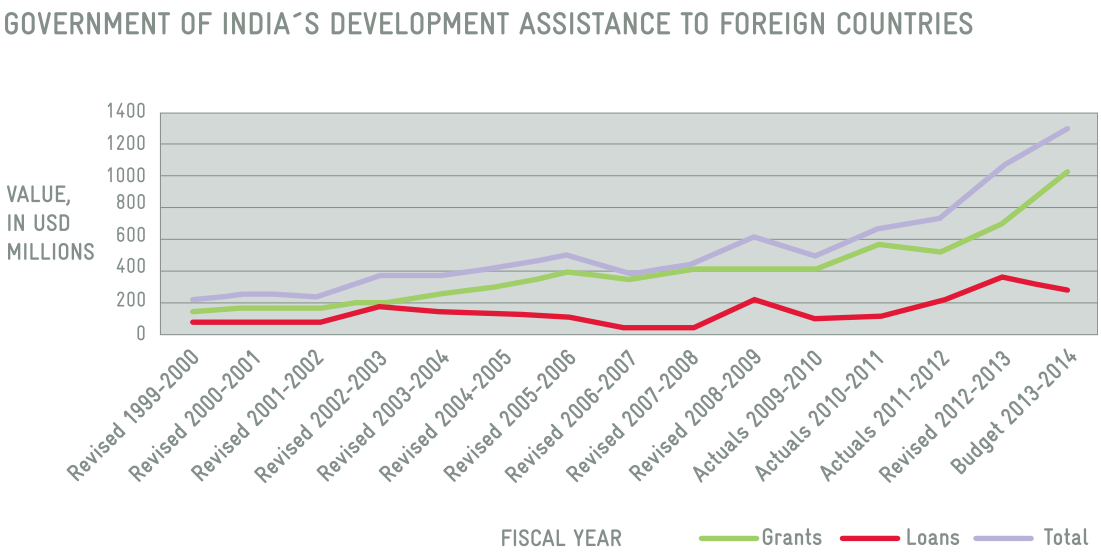
[15] The government of the BJP led its election campaign with the slogan of „India shining", referring to its great developmental and economic achievements. The BJP government was in power from 2000-2004.

2.3.1 Cooperation Patterns

Indian development cooperation activities have evolved considerably since its independence, totaling **approximately USD 1.3 billion in the budgetary year 2013-2014**. The first instrument in this regard was within the scope of the Commonwealth nations. The **Colombo Plan for Cooperation and Economic Development in South and South-East Asia** (short: Colombo Plan) was the first cornerstone of Indian development cooperation.

In 1950, together with the other Commonwealth countries, India founded the Colombo Plan in order to transfer knowledge and financial flows from the economic stronger to the weaker states of South and South-East Asia. India took up a special role as recipient and provider of (technical) trainings for poorer countries. The second historic pillar of Indian engagement was within the scope of the **Special Commonwealth Assistance to Africa Plan (SCAAP)**, which also lays the foundation for Indian cooperation with Africa (de la Fontaine 2013).

• Figure 17: India's Development Assistance to Foreign Countries



Source: Data calculations by the Indian Development Cooperation Research at the Centre for Policy Research, New Delhi based on Expenditure Budgets 1999/00-2013/14, Government of India

Source: Mullen 2013: 2

A dependency situation has traditionally been with India's direct neighbors Nepal, Bhutan and Sri Lanka. India is legally the predecessor of British colonial rule in Nepal, Bhutan and Sikkim (now part of India) and has granted considerable support in bilateral agreements with these countries. Therefore, it has significant scope to influence internal matters (ibid.). Traditionally, Bhutan has been the largest recipient of Indian development assistance; India finances most of Bhutan's state household. India has invested heavily in energy infrastructure projects in Bhutan (mainly hydropower) at the borders, which then directly benefit and deliver energy to India. This special relationship has changed over time with Bhutan growing more independent, and Afghanistan has now overtaken Bhutan as largest

recipient of Indian assistance. India is currently the fifth largest donor in Afghanistan (MEA 2013). Further traditional partners for Indian development cooperation are Nepal, Myanmar, Bangladesh, Sri Lanka and the Maldives (see table below):

• Table 2: Major Recipients of Indian Aid (in Indian Rupee millions[16])

Country / Region	2004-2005	2005-2006	2006-2007
Bhutan	10.486	14.095	5.770
Africa[17]	1.068	610	200
Nepal	661	610	2.100
Myanmar	62	220	400
Bangladesh	242	530	200
Maldives	32	132	60
Sri Lanka	153	250	280
Afghanistan & Others	3.567	5.038	4.452

Source: Agrawal 2007: 7

By founding the **Indian Technical and Economic Cooperation Programme (ITEC)** in 1964, India has institutionalized its development assistance activities in bilateral technical cooperation and knowledge exchange. ITEC activities fall into five main categories (Chaturvedi 2012a: 180-181):

- **Training** in India for students nominated by ITEC partner countries (with growing focus on new issues in trade, investment and technology)
- **Projects** and related activities, including feasibility studies and consultancy services
- **Deputations of Indian experts abroad**
- **Study tours**
- **Aid for disaster relief.**

In 2003, the India Development and Economic Assistance Scheme (IDEA) was launched with the objective of promoting India's political and strategic interest through provision of concessional lines of credit (LoCs) to selected developing countries. These went in line with the idea of promoting India's export of projects, goods and services for infrastructure development and capacity building in the partner countries. The LoCs are administered through the Export-Import Bank of India (Chaturvedi 2011). Over the last decade, 164 LoCs for an amount of USD 9.2 billion have been allocated, of which USD 5.3 billion was allocated for African countries and USD 3.9 billion for non-African countries. During the current financial year, LoCs amounting to USD 188.32 million have been allocated to Africa (MEA 2013: 121). LoCs to Latin America were mainly to Cuba (USD 2.71) and smaller projects establishing Information and Communication Technology Centres (ICTs) have been completed in El Salvador and Nicaragua.

[16] Currently exchange rates fluctuate largely, but USD 1 equals approximately INR 60.
[17] African countries currently receiving Indian aid include: the three historically most important African states: Ethiopia, Tanzania, Kenya; as well as Mozambique, Zimbabwe, Sudan, Democratic Republic of Congo, Senegal, Djibouti, Gabon, Central African Republic, South Sudan, Cote d'Ivoire, Republic of Congo; under grant assistance: Malawi, Botswana and Namibia (MEA 2013)

• Figure 18: Top 15 countries receiving Indian Lines of Credit, 2005-2013

COUNTRY	AMOUNT OF CREDIT, IN USD MILLION	REGION
Sri Lanka	1216.16	South Asia
Ethiopia	1004.54	Eastern Africa
Bangladesh	1000.00	South Asia
Sudan	641.90	Western Africa
Mozambique	639.44	Southern Africa
Nepal	350.00	South Asia
Myanmar	307.42	South East Asia
D.R. Congo	268.50	Western Africa
Tanzania	254.68	Southern Africa
Mali	253.00	Western Africa
Ghana	168.72	Eastern Africa
Malawi	156.50	Eastern Africa
Senegal	142.37	Western Africa
Syria	125.00	West Asia
Lao PDR	122.89	South East Asia

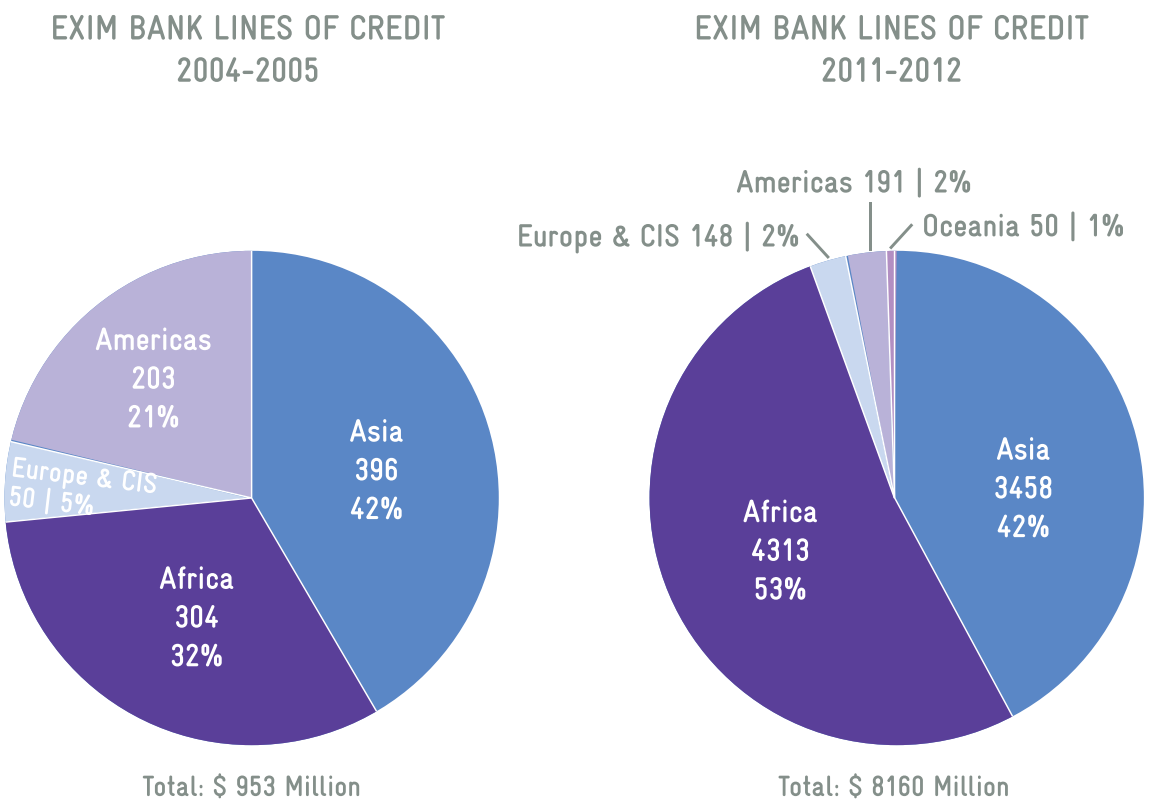
Source: Data calculations by the Indian Development Cooperation Research at the Centre for Policy Research, New Delhi based on EXIM Bank´s Operative Lines of Credit, Government of India

Source: Mullen 2013: 3

Similar to the Chinese case, Indian attention for Africa has risen. Mahatma Gandhi already stated that "the Commerce between India and Africa will be of ideas and services, not manufactured goods against raw materials after the fashion of western exploiters" (quoted in Naidu 2007:1). In comparison to China, India lacks behind in investments, influence, symbolic diplomacy etc. in Africa (e.g. it only has five Embassies on the African continent). Yet, India's role in Africa should not be under estimated. Similar to the FOCAC meetings, it has created an **Africa-India Forum Summit**, which held its first meeting in Delhi in 2008 and the second meeting in Addis Ababa in 2011 under the auspices of the African Union. Although India also works in the form of so-called "package deals" of investments in the resource sector coupled with delivering development projects, India has one great advantage

in comparison to China: being the world's largest democracy its engagement is not overshadowed as much by Western criticism and negative reporting. India's engagement is perceived less confrontational compared to China, which allows it to move on credible ground when advocating good governance and a democratic agenda in Africa. Naidu (2007: 9) concludes *"While, much of the discussion so far has been about how China's deepening presence in Africa and the threat this poses to Western interests in Africa, the debates have failed to recognize that India is also becoming an important partner to African countries. Trying to contain the 'China Challenge' ignores that the new competition in Africa is actually going to be between China and India. And India is going to be a harder partner to contain considering that Delhi represents what the West would like China to be."*

• Figure 19: Regional Distribution of Indian Lines of Credit



Source: EXIM Bank, Government of India

Source: Mullen 2013: 3

According to an interview partner in Delhi (September 2013), India's relative strengths lie in the following **sectors of infrastructure (mainly in Asia), agriculture and seed (Asia & Africa), social sector, telemedicine (mainly in Africa), automation, customs, and trade facilitation**. Whilst in its direct neighborhood India mainly concentrates on issues, such as infrastructure, education and health, in Africa it is focusing on training and e-learning. A very prominent example is the Pan-African e-Network with an Indian contribution of USD 117 million for five years.

Combining the two developmental challenges of providing adequate educational facilities and affordable healthcare to citizens, the **Pan-African e-Network** brings together medical and IT knowledge of Indian with African demands in an innovative network of 47 African states and the Indian Government (see homepage and figure 20). Direct connections between Indian Universities and hospitals are possible and in terms of e-learning approximately 10.000 African students will acquire a University degree without having to travel to India. The project is technically executed by the Indian state owned company Telecommunications Consultants India Limited, which has already connected most African countries to the network (de la Fontaine 2013).

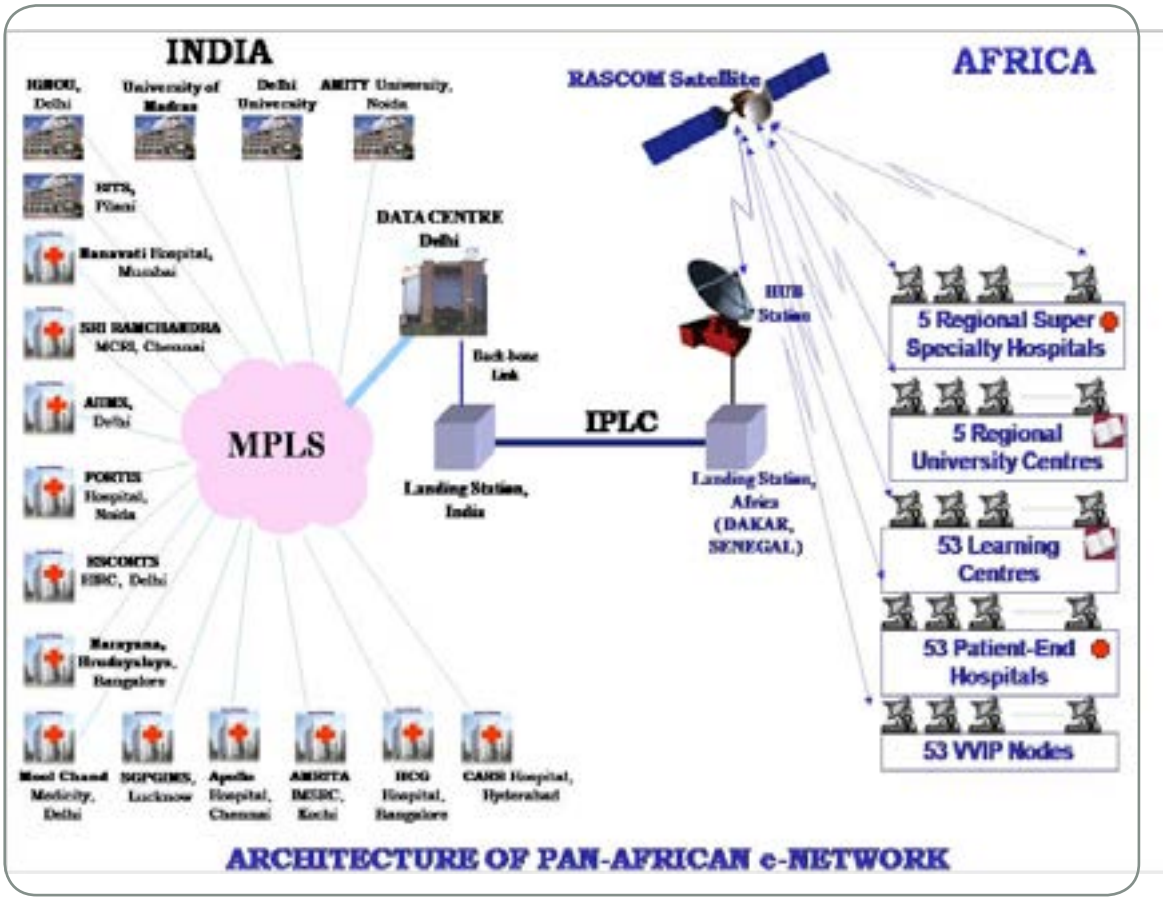
Thus, summing up, India mainly uses three tools in development cooperation, which are managed by different bureaucratic actors (Mullen 2013: 3; see also section 2.3.2):

- **Grants:** now managed by the Development Partnership Agency within MEA.
  DPA also coordinates all other assistance.

- **Training:** technical assistance managed through ITEC, now also within DPA/ MEA

- **Lines of Credit:** managed by Exim Bank with the Ministry of Finance as coordinating institution

• Figure 20: Pan-African e-Network



Source: Homepage of Pan-African e-Network 2013

2.3.2 Institutional Set-Up and Organizational Structure

Unlike in most of the other cases, India's development cooperation governance is less fragmented. Besides the strong role of the Prime Minister in all foreign affairs issues, the **Ministry of External Affairs (MEA)** is the key agency for extending bilateral and technical assistance, also through its various Missions abroad. The **Department of Economic Affairs of the Ministry of Finance (MoF)** is the most important actor in terms of financial assistance and is approached by the MEA with country specific requests for disbursements (Chaturvedi 2012: 177). Yet, this alleged central coordination is misleading, as many researchers and practitioners criticize a lack of coherent development cooperation framework. For example, "now that an agency is in place, India needs to articulate its development cooperation agenda in a cogent manner. With enhanced quantums, particularly since 2003, India has strong grounds to release, if not a white paper, at least an official policy statement, to bring to the table the unique Indian model of "development compact" (Chaturvedi 2013:1).

Depending on the area, other line ministries and their implementing agencies are important partners. According to their coordination with the MEA or MoF, Dana de la Fontaine (2013: 117) names the most important actors:

• Table 3: Bureaucratic actors involved in technical cooperation

COORDINATION OF TECHNICAL COOPERATION WITH MEA						
Policy Field	Education	Health	Social Issues	Agriculture	Energy	Culture
Government Ministry	Ministry of Human Resource Development	Ministry of Health and Family Welfare	Ministry of Social Justice and Empowerment, Ministry of Women and Child Development	Ministry of Agriculture, Ministry of Rural Development	Ministry of Power, Ministry of Petroleum and Natural Gas, Ministry of Water Resources, Ministry of New and Renewable Energies	Ministry of Culture, Ministry of External Affairs
Implementing Agency	Research Institutes, Universities, Indira Gandhi National Open Universities			Indian Council of Agricultural Research (ICAR)	Oil and Natural Gas Cooperation (ONGC)	Indian Council for Cultural Relations (in MEA)

Source: de la Fontaine (2013: 117), author's own translation

• Table 4: Bureaucratic actors involved in financial cooperation

COORDINATION OF TECHNICAL COOPERATION WITH MOF						
Policy Field	Transport	Industrial Developm.	Research & Development	Telecomm.	Finance & Administration	Humanitarian Aid
Government Ministry	Ministry of Road, Transport and Highways	Ministry of Science and Technology, Ministry of Commerce and Industry	Ministry of Science and Technology, Ministry of Commerce and Industry	Ministry of Communications and Information Technology	Ministry of Finance, Ministry of Commerce and Industry, Ministry of Micro, Small and Medium Enterprises	Ministry of External Affairs, Ministry of Defense
Implementing Agency		National Small Industries Corporation	National Research & Development Corporation, Indian Instit. of Technology, Research Institutions, Think Tanks		EXIM Bank, Bank of Baroda, State Bank of India, Indian Overseas Bank	Indian Armed Forces

Source: de la Fontaine (2013: 117), author's own translation

2.3.3 Development Partnership Administration (DPA)

The decision of the Indian government to set up an Indian development cooperation agency was as early as 2003, when then Finance Minister Jaswant Singh announced new features of India's development cooperation policy during his presentation of the annual budget for the country. With re-structuring of development cooperation (IDEA and LoCs, see above) came further ideas for the establishment of the India International Development Cooperation Agency (IIDCA) in 2007. The IIDCA did not take off, and it took until January 2012 for India to set up the **Development Partnership Administration (DPA)** under the Economic Relations Division of the Ministry of External Affairs (MEA), headed by an Additional Secretary of the MEA. The DPA is tasked with handling "India's aid projects through the stages of concept, launch, execution and completion" (Mullen 2013: 3). Furthermore, "DPA is an agency meant to streamline implementation, not to lay down policy, not to contribute to policy," explains Syed Akbaruddin, joint secretary with the Ministry of External Affairs in an interview with the Sunday Guardian (Taneja 2012: 1). "We will only implement the policies given by the political wing of the MEA, the Minister, the Foreign Secretary, the Secretaries and the territorial divisions," he adds. As such DPA will streamline development cooperation efforts of different programmes and agencies within the MEA. For the first five years, DPA has a budget of USD 15 billion (ibid.). Currently, line ministries are still implementing projects which started before the creation of the DPA. Once these run out, all competencies will be handed over to the DPA.

The MEA annual report (2012-2013) describes the progress of setting-up the DPA as follows: *"DPA functions in close coordination with the concerned Territorial Divisions of the MEA, which continue to be*

the principal interlocutors with partner countries on the selection of projects to be undertaken. The responsibility for implementation and execution of the projects rests with DPA. In 2012-13 the transfer of projects to DPA from the various Territorial Divisions in the Ministry progressed in tandem with DPA developing the technical expertise required to handle multiple projects in diverse sectors and regions through various stages of project appraisal, implementation monitoring and evaluation." (MEA 2013: 121).

The Development Partnership Administration has three Divisions (DPA – I, DPA – II and DPA – III), which are headed by Joint Secretary-level officers (see organizational chart in figure 21 and MEA Homepage 2013). Looking at the different divisions' responsibilities, a **mixture between sectoral and regional organization** can be observed within the three divisions.

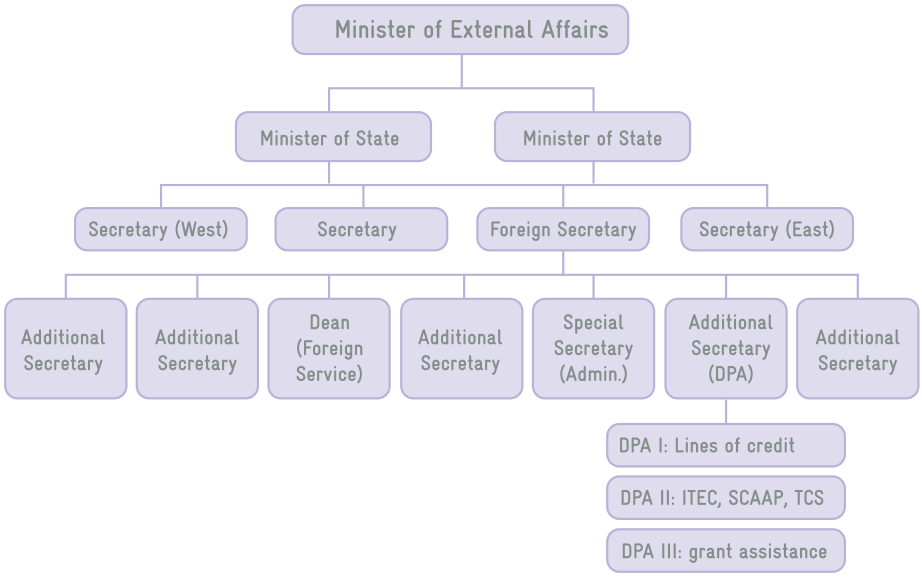
- DPA-I handles all Lines of Credit (LoC), grant projects in the East, South and West African regions, grant assistance projects in Bangladesh and the Sri Lanka Housing project.

- DPA-II handles over 8500 civilian and 1500 defence training slots allocated under ITEC (Indian Technical and Economic Cooperation Programme)/ SCAAP (Special Commonwealth Assistance for Africa Programme)/TCS of Colombo Plan during 2012-13 to 161 partner countries. Forty seven empanelled institutions conduct around 280 courses annually. DPA-II also handles grant assistance projects in Southeast Asia, Central Asia, West Asia and in Latin American countries. Humanitarian and disaster relief is also handled by this division.

- DPA-III deals with the implementation of grant assistance projects in Afghanistan, Maldives, Myanmar, Nepal and Sri Lanka.

The DPA is currently also developing an interesting mechanism for civil society inclusion. Paying tribute to civil society in India largely forming the development discourse, DPA involves NGOs in the implementation of its projects in beneficiary countries. In order to have an overview of different NGOs' expertise, it has developed a template where NGOs interested in working with the DPA can voluntarily register according to their expertise and fields of action. Thus, DPA will have a directory of NGOs as partners of DPA in different areas. The national platform of NGOs can lead the dialogue with DPA to learn from each other.

• Figure 21: Organizational Structure of MEA & DPA



Source: Own visualization, based on Organogram of Ministry of External Affairs 2013

2.3.4 Project Types and Project Management

India's approach to development cooperation is predicated on a **demand-driven, consultative model of engagement with recipient countries** (Sharan/Campbell/Rubin 2013). Thus, projects are always designed according to the demand voiced by the beneficiary country. Three types of project can be observed in India's technical cooperation:

- **larger types of technical cooperation and capacity-building projects**,
- **smaller and medium sized projects within a "quick implementation facility"** (e.g. Viet Nam),
- **small development projects** in Nepal and Afghanistan (with plans to be extended further to neighboring countries).

For the first type of technical cooperation and capacity-building projects, there are mainly two options of how projects can be initiated (e.g. in Africa, Afghanistan, Sri Lanka, Bhutan). First, proposals can be handed in with the **Indian Embassy** in the beneficiary country. Or second, the **beneficiary country's Embassy** in Delhi can put forwards proposals to the MEA. The ideas are usually based on prior contact between the two countries. In most cases substantive work in improving the quality of the proposal is needed in order to draft coherent project designs. In average this takes up to six months of the project's preparation time. In this case DPA acts as a kind of back office, working on projects until they get going, overseeing implementation and monitoring results. As of now (September 2013), there are only plans of establishing a monitoring and evaluation system for all Indian development cooperation projects. It is not in place, yet, but high on DPA's agenda.

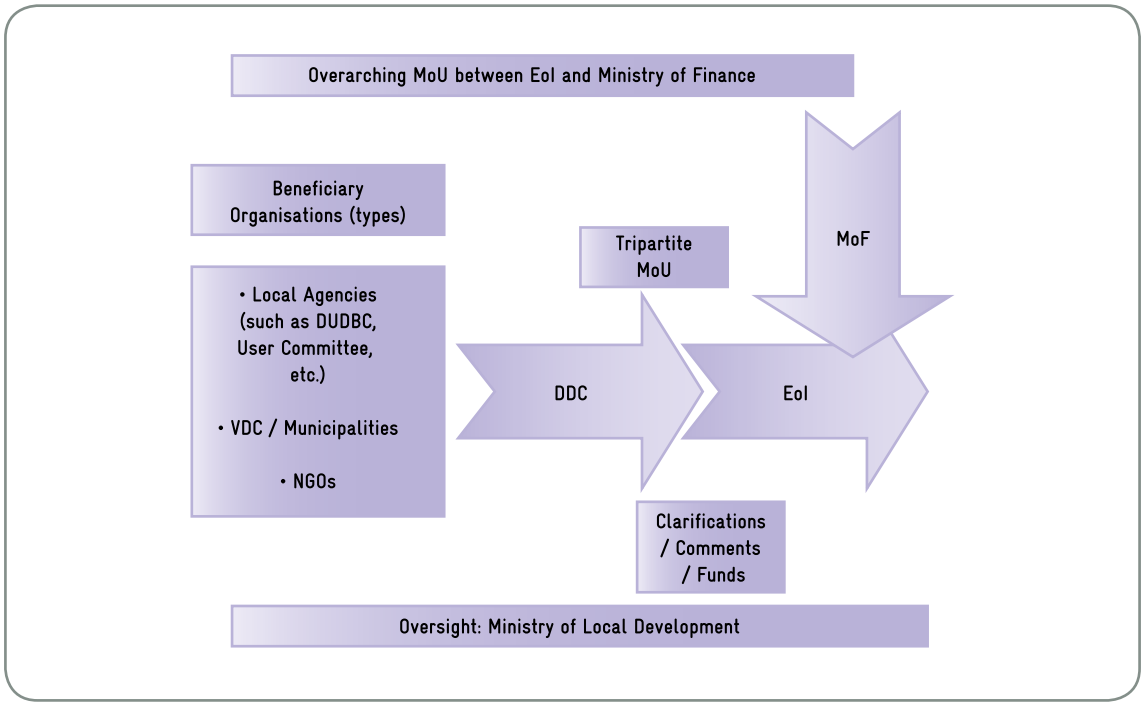
The second type of projects can be exemplified by the Vietnamese example. A long development partnership exists between India and Viet Nam with grants and funds from 2007-2013 totaling to approximately USD 7 million. Viet Nam is a historically important partner sharing a commitment to anti-colonialism and pan-Asian nationalism, similar concerns on China's role as neighbor and mutual benefits in terms of trade, investments and geo-political issues. It is also in line with India's "Look East" policy to strengthen engagement beyond the South Asian region (Mullen 2013). Due to the strong ties, India has created a special **"quick implementation facility"** for Viet Nam. If projects are within a budget of 2-3 crore Indian rupees (appr. USD 330.000 – 500.000) their implementation can be decided directly by the Indian Embassy in Hanoi without consultations with headquarters in Delhi. Project proposals above this budget need to be decided by the MEA in Delhi. This **decentralized mode of project approval and implementation** makes Indian development cooperation more rapid and adapted to the immediate needs of the Vietnamese people. Most engagement (73%) is currently in the Information Technologies and Computing sector.

The third type of so called **"small development projects (SDP)"** is an initiative initially launched in Nepal and currently also being extended to other neighboring countries, such as Afghanistan, Bhutan and Sri Lanka. From 2003-2013 these SDPs have expanded in Nepal from 16 to almost 400 projects. They follow the aim of linking development projects with community and local development efforts, ensuring a strong role for local agents. DPA assigned 5 crore Indian rupees (appr. USD 830.000) to SDPs in Nepal which are meant for defined purposes in sectors like education, infrastructure or health. The idea is that the projects should meet local needs and managed by local communities and institutions, saving project implementation costs. The most important feature is the local ownership of the programme (Chaturvedi 2012b: 1).

A project proposal for a SDP has to come through government or local administration. Figure 22 illustrates the process in Nepal's two tier administrative system (lower level: Village Development Committess and municipalities in urban areas; and the second tier of District Development Committees (DDCs)): The local community/ agency – as part of the **Village Development Committee (VDC)** – voice their development concerns to the **District Development Committee (DDC)**. The responsible local development officer then (LDO) proves if this proposal could be forwarded to the **Embassy of India (EoI)**. The authority to decide on the project and on releasing the funds rapidly then lies with the Indian Embassy. It visits the site and if approved, signs the **tripartite MoU**. The DDC acts as "pivotal agency" between Embassy and local beneficiary and the money is transferred from the EoI to DDC (Chaturvedi/ Kumar/ Mendiratta 2013: 13).

The SDPs are generally governed through MoUs, which are signed at two different levels: one at the level of the Ministry of Local Development (Nepal) and the Embassy of India (in Nepal), which is for three years; and the other on the operational level between the concerned community actor and the Embassy of India- mentioned above. The overarching MoU between India and Nepal was first signed in 2003 and renewed currently until August 2014. It provides for a steering committee for the coordination of activities carried out in the projects between Nepal and India (Chaturvedi/ Kumar/ Mendiratta 2013: 11). The implementation of projects is mostly done through NGOs or the local body. Funds are disbursed in four tranches : the first upon signing the MoU, the second on the basis of inspecting the site, the third after 50% of the work is done and the fourth after 75% of the work is completed (ibid.: 15). Thematic areas have largely been concentrated in the three sectors of education (54%), infrastructure (33%) and health (13%) (ibid.: 17).

• Figure 22: Flow of Proposals for Small Development Projects



Source: Chaturvedi/ Kumar/ Mendiratta 2013: 12

From 2010 onwards, the first two phases of a SDP scheme funded community-based projects in Afghanistan along vulnerable border areas have been launched. Sectors for SDPs comprise agriculture, rural development, education, health and vocational training, which had direct and visible impact on community life. The third phase of Small Development Projects to cover additional projects worth US$ 100 million has been launched (MEA 2013).

The latter two project schemes have been developed in order to meet immediate needs of the populations in the beneficiary countries. The initiation of projects and deployment of funds is faster in this decentralized manner than through Delhi. In the Indian discourse this is also underlined by referring to the academic discourse on "social capital" of drawing on local knowledge in communities in order to enhance overall development.

India is already involved in several **triangular cooperation** projects, but this does not follow a coherent policy framework or TriCo strategy. As Chaturvedi (2012b:2) states: *"Simultaneously [to bilateral and multilateral cooperation], India should explore possibilities for trilateral cooperation with DAC and other partners from the South. It is also likely unavoidable that the emerging donors will coordinate more closely with DAC donors under a trilateral rubric in the future. The key challenges and gains to be made here will be in sharing complementary professional skills in the design and delivery of aid programming, as well as in the management of aid projects in areas of project finance and technology transfer. This could bring significant expenditure gains in "returns on development.""* As of now, there are no reliable statistics on the number and budget of Indian trilateral cooperation projects. Thus, one example will serve to illustrate a special approach to TriCo.

Among other sectors, India implements TriCo projects in the energy field. One of these projects is implemented by The Energy and Resources Institute (TERI) - an independent research institution, which provides consultancy for the government and implements projects on their behalf. A network of partners was initially created with support from Norway and several institutions in Kenya. This "Solar Transitions" project was very successful and when DFID approached India wanting to work on energy issues in Africa, the same network of partners was taken and enhanced to the UK, further African as well as European partners. Private companies are involved in providing technological expertise and equipment. Thus, instead of creating a new triangular cooperation project with DFID, the existing one with Norway was extended to a **multi-party partnership project**. The Indian approach to these TriCos was very pragmatic, building up stronger networks of multiple partners, rather than proliferating projects and partners in a scattered manner[18].

2.3.5 Trends, new modes of delivery, multilateral initiatives

India strongly positions itself in the South-South Cooperation discourse and in shaping a new development cooperation architecture. As major actor of the Non-Aligned Movement, India still strongly engages in these networks. By hosting the Conference of Southern Providers "South-South Cooperation: Issues and Emerging Challenges" in April 2013 with participants from all major new development partners, UNDESA and other regional and international aid actors, India emphasized and underlined the principles of SSC and led discussions for the post-Busan process.

Similar to Brazil and South Africa, the IBSA and BRICS groupings are increasingly relevant development cooperation forums for India, also due to its strong emphasis on South-South Cooperation.

[18] Information based on interview data in New Delhi, September 2013

2.3.6 Concluding Remarks

"Indian development assistance is already in the process of gathering strength through volume. It now has to work on gathering legitimacy through coordination, evaluation, and dissemination of its development assistance" (Mullen 2013: 4). Thus, in terms of strategy and institutional set-up India is still in a process of defining its aims, despite its long history of solidarity and cooperation with other developing countries.

On the operational level, India has come up with some **innovative ideas of building on its own experience and transferring knowledge** to other countries (e.g. the Pan-African e-Network). India has looked for its **specific niche in development cooperation** according to its comparative advantage and has focused on these areas, besides geo-strategic and resource considerations for delivering aid. In this regard, it came in as helpful that India's image in the world is different to China's – despite all comparisons of the two Asian giants – as India is the largest democracy in the world.

Project models, such as **the Small Development Projects (SDPs) allow for a more rapid and less bureaucratic mode of delivery**, giving room for demands from local communities to be voiced and project proposals to be jointly developed.

Commercial interests are strongly embedded in India's assistance programmes, and development cooperation is often coupled with economic motivations. Yet, parastatals are often also entrusted with implementing development cooperation projects in certain sectors, as the table above has shown. This emphasis on mutual benefit and win-win situations is characteristic of both Indian and Chinese development cooperation. In the case of India, regional stability and security concerns also play a major role in shaping its approach.

Besides close incorporation of the private sector, India's vibrant civil society ensures a strong role for NGOs and other civil society actors in influencing and carrying out development cooperation. New regulations are currently being formulated, so that Indian based NGOs will also be allowed to spend part of their own funds abroad.

2.4 Country Study CHILE

Chile's development cooperation activities have increased significantly over the last ten years. This can be analyzed from two different angles: First, the introduction of **successful reforms and development programs within the country**. In the last decades Chile has introduced several reforms and social programs, which have led to a significant reduction in poverty: from 38.6% in 1990 to 15.1% in 2009 with a high in the period 2006-2009 (AECID Homepage 2013); yet, of course, certain challenges and problems persist despite these optimistic tones. This has led to Chilean experiences, especially in public policies and administration, to be regarded by some other Latin American countries to be good examples, which could be solutions for challenges in their own countries. Colombian President Santos underlined this by stating: *"el modelo chileno ha sido el más exitoso de toda América Latina. Los indicadores así lo muestran. Un modelo que combina un alto crecimiento con un gran desempeño en el área social y eso para América Latina es un gran ejemplo. Nosotros hemos querido copiar el modelo, el mundo entero señala a Chile como un caso exitoso"* (Chile Hoy 2011).

Second, from the angle of **Chile's role in regional and international politics it is the typical case of a middle power**. Whilst most discussions are currently around major "(re-)emerging" or "rising" powers, the "second round" of smaller powers and their policy actions as well as options are often overlooked. It is hard to clearly classify countries into this group and this is not within the scope of this study. Some characteristics of these countries will be elaborated along the Chilean case in the following:

- Many middle powers have established a **certain profile or facet issues that shape their agendas and role in international politics**. Rosas (2002) calls this "diplomacia de nicho"/ nice diplomacy. For Chile she claims that *"Chile, desde su ubicación internacional, ha sido un destacado actor en la formulación de las instancias de cooperación, concertación e integración subregional, regional y hemisféricas"* (quoted in Yopo: 2). Another example would be that of Indonesia or even much smaller Costa Rica establishing a reputation of being knowledge hubs and "green powers".

- These countries look for **cooperation, rather than confrontation** and are known as **reliable and strong partners**. Chile is viewed as such in many contexts and has actively been shaping and building regional and international institutions to promote its policy aims. In this sense Chile is regarded as a credible and prudential actor because of its own history of transition, democratic stability, economic and social development as well as its foreign policy (ibid.). Chile is promoting networks and new regional groupings, such as the Pacific Alliance in order to diversify its relations and strengthen cooperation with regional partners.

- Chile's foreign policy is largely motivated and oriented along **regional integration in Latin America and the Caribbean**. This is also the instrument chosen to counter historical conflicts with neighboring countries, such as the conflict with Bolivia around access to the ocean. Yet, it is not the leading regional power South America, but could be seen in the ABC group (Argentina-Brazil-Chile). Yopo quotes Samuel Huntington when claiming that middle powers are important for regional powers to be accepted. In South America the Brazilian leadership is contested – not only by Argentina and Chile, but also Venezuela (not incl. North- and Central America, where Mexico would be another rival) – so that good relations among the countries are essential to promote regional integration and further Latin American goals in international politics.

- **Intra- and interregional coalitions with like-minded countries** are important to balance the regional power and to further international goals (Yopo 2013: 2). The example of the Mexico-Chile Strategic Partnership and the Cooperation Fund underline this argument.

Whilst **no clear development cooperation strategy document** is available for Chile, the above mentioned characteristics of a middle power can be observed as motivations for Chile's development cooperation approach. Chile was an "early-mover" in establishing the Chilean International Cooperation Agency (AGCI) after the end of the military dictatorship in 1990. It was first established to coordinate incoming aid to Chile and throughout that decade, Chile's role has changed considerably (see section 2.4.3). Apart from highly specialized technical assistance or participation in joint triangular cooperation projects, development cooperation of OECD DAC donors with Chile is being phased out due to Chile being classified as a high-income country since July 2013. Chile is now asserting a stronger role as a partner in development for other countries and the director of the Chilean International Cooperation Agency (AGCI), Jorge Daccarett, stated in this regard: "comenzamos a recibir solicitudes de apoyo de otros países de la región; Chile fue visto como un país que hizo las cosas bien y querían aprender de nosotros" (quoted in SOFOFA 2013).

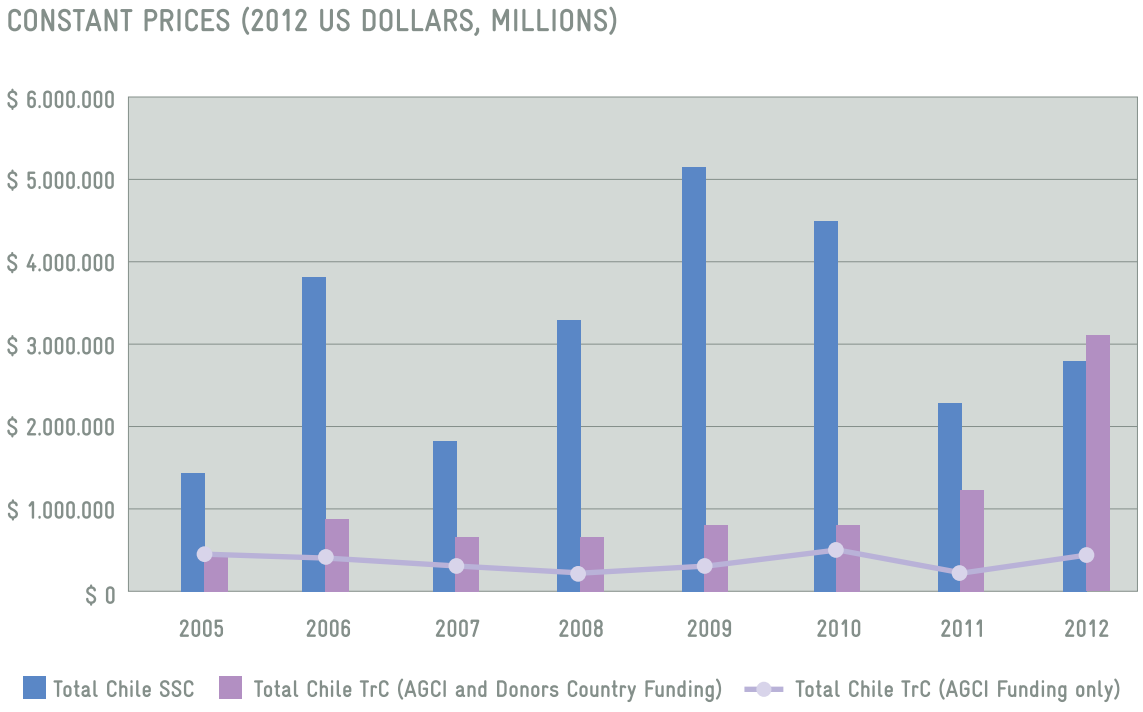
2.4.1 Cooperation Patterns

Same as Mexico and Turkey, Chile is a **member of the OECD** (since 2010), but has not joined the DAC. Referring to the different donor models (OECD, EU-non DAC, Arab and Southern), Chile is mostly classified in the category of Southern providers. Gutierrez and Jaimovich (2012) argue that this is not adequate, since Chile is firstly a full OECD member and an observer of the DAC; and secondly, Chilean bilateral development cooperation is rarely tied to economic preferences in the recipient country, but rather, mostly considered as a tool for regional integration and the implementation of foreign policies. Furthermore, approximately 80% of Chilean ODA is in the form of multilateral cooperation. Chile does not report its ODA to the OECD DAC (yet), but publishes the expenditures of the AGCI in annual reports, laying emphasis on transparency. As will be elaborated below (see 2.4.1), these, however, do not include the funds made available by line ministries or specialized agencies.

Chile follows the **principles of South-South cooperation**, driven by the **demand of partner countries**, but also emphasizes the knowledge exchange involved in the special Chilean approach. As such AGCI director Daccarett claims *"tratamos a nuestros socios como pares, entre iguales y atendemos las necesidades que los países nos solicitan y que a juicio de ellos es exitoso. Además hacemos una asistencia técnica, a través de talleres en los países o vienen para hacer pasantías o hacer uso de becas de estudio"* (quoted in SOFOFA 2013).

As with most other countries in this study, it is hard to quantify the total volume of Chilean aid. AGCI publishes statistics on its budgets per instrument of cooperation, partner country and sector. Data on line ministries' activities is not available, so that AGCI's information will be used to shed light on Chile's activities, budget and focus areas. Yet, some inconsistencies in the data can be observed. Generally, AGCI differentiates between the **three different instruments** of bilateral "horizontal" cooperation, triangular cooperation and scholarships (see also section 2.4.4 for further elaborations). The evolution of budgets for SSC and triangular cooperation is visualized in figure 23.

• Figure 23: Funding for Chile's South-South and Triangular Cooperation (2005-2012)



Source: Vazquez 2013: 38

The peaks in 2008-2010 are also related to the implementation of the **Chile-Mexico Fund** (Gutierrez/ Jaimovich 2012: 16) and comparing the AGCI statistics available for 2010 and 2011, it can be seen that the fund made up a large proportion of funds for 2010. Deducing the USD 1 million spent in 2010, the development cooperation budget is only USD 1.59 million. This is still twice as much as in 2011. Looking at the statistics and referring to some literature, it seems that payments for the fund were suspended from the Chilean side in 2011. The figures below give evidence of the changes in horizontal cooperation between 2010 and 2011.

• Figure 24: AGCI contribution to horizontal cooperation per country in 2010

APORTES DE AGCI EN COOPERACIÓN HORIZONTAL DURANTE EL AÑO 2010			
PAÍS	CLP	TOTAL USD 2010	TOTAL %
ARGENTINA	604 758	1 185	0.05
BOLIVIA	182 927 590	358 513	13.86
BRASIL	9 012 023	17 662	0.68
COLOMBIA	7 667 135	15 027	0.58
COSTA RICA	1 931 055	3 785	0.15
CUBA	7 864 248	15 413	0.6
ECUADOR	25 511 803	50 000	1.93
EL SALVADOR	27 247 387	53 401	2.06
FONDO DE COOPERACIÓN CHILE-MÉXICO	527 678 683	1 034 177	39.99
HAÍTI	255 649 483	501 038	19.37
PARAGUAY	11 783 381	23 094	0.89
PERU	9 700 000	19 011	0.74
REPÚBLICA DOMINICANA	1 770 355	3 470	0.13
REGIONAL	246 213 937	482 545	18.66
URUGUAY	4 065 693	7 968	0.31
TOTAL	1 319 627 531	2 586 288	100.00

Source: AGCI 2011

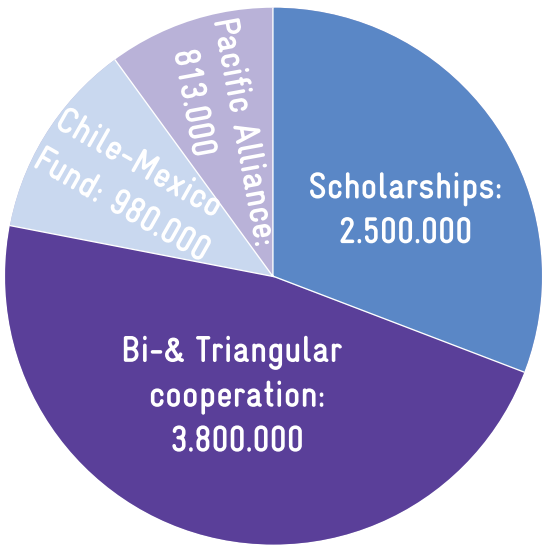
• Figure 25: AGCI contribution to horizontal cooperation per country in 2011

APORTES DE AGCI (CLP Y USD EN 2011) EN COOPERACIÓN HORIZONTAL, SEGÚN PAÍSES, AÑO 2011			
PAÍS	CLP	USD 2011	TOTAL %
ARGENTINA	558 098	1 154	0.15
BOLIVIA	31 526 272	65 181	8.47
BRASIL	8 441 344	17 453	2.27
COSTA RICA	5 519 098	11 411	1.48
CUBA	1 355 497	2 803	0.36
ECUADOR	43 644 870	90 237	11.73
EL SALVADOR	22 409 031	46 331	6.02
GUATEMALA	10 885 707	22 506	2.93
HAÍTI	31 486 930	65 100	8.46
HONDURAS	11 938 455	24 683	3.21
JAMAICA	8 286 598	17 133	2.23
NICARAGUA	5 519 098	11 411	1.48
PANAMA	35 535 513	73 471	9.55
PARAGUAY	1 706 558	3 528	0.46
REGIONAL	137 708 234	284 715	37.01
TRINIDAD Y TOBAGO	8 286 598	17 133	2.23
URUGUAY	7 246 639	14 983	1.95
TOTAL	372 054 542	769 232	100.00

Source: AGCI 2012

AGCI's own statistics are only available until 2011, but in documents of the Chilean government's budgetary planning for 2013[19], a significant rise for 2013 is documented. For the "Proyecto de Cooperación Técnica entre Países en Desarrollo" a budget of CLP 3.378.995 (appr. USD 6.7 million) is foreseen. From this amount USD 2.5 million are allocated to scholarships, USD 980.000 for the Chile-Mexico Cooperation Fund, and USD 813.000 for cooperation activities within the Pacific Alliance[20]. The remaining USD 3.8 will be used to finance bilateral "horizontal" as well as triangular cooperation projects. Thus, after having reached an all-time low in 2011, budgets have risen again significantly in 2012 and 2013, which leads to the interpretation that the major crisis of Chilean development cooperation is overcome. It is interesting to note that the rise in 2012 was also due to triangular cooperation initiatives (including traditional donor funding) surpassing funding for South-South cooperation initiatives (Vazquez 2013, see figure 23).

• Figure 26: AGCI Funds foreseen in 2013 Budget



Source: Own visualization based on information of the Government of Chile 2013

Taking a closer look at the **rapid decline in funds** after the all-time high of 2009, which is a contrary development to all other countries analyzed in this study where significant increases in budgets can be observed throughout the last years, three explanations have been given in the literature and interviews: First, the **change of government in 2010** from Michelle Bachelet to Sebastián Piñera combined with a change of (foreign) policy focus; second, the aftermath of the **earthquake in Chile in 2010** which required funds available to be spent nationally and delayed or meant the suspension of some AGCI projects (Martinez 2010); and third, **a change of AGCI leadership**.

In terms of the first explanation, **foreign policy priority shifts** can be observed towards strengthening the profile of Chile as **"global trader"** on the international level with increased emphasis on economic relations, e.g. with China. An intensification of relations with the neighboring countries is in line with Chile's policies of the past. Under Piñera attention is laid on good relations with Brazil, which is also in line with the more economic view on partnerships. Besides strengthening regional institutions and enhancing a strategic partnership with the United States, Chile is increasingly looking East (Yopo Herrera 2013). The intensification of relations with China and the Asia-Pacific region is economically motivated, but it will be interesting to observe, if and how this impacts development cooperation.

Furthermore, Piñera proposed to reform and orient its Ministry of External Affairs and the Foreign Service along the **"Itamaraty model"** of Brazil. This would lead to further professionalization and a strong emphasis on career diplomat in Embassies and all important posts (ibid.). Reforms in this regard and other foreign policy changes might also impact and weaken the position of AGCI in the Chilean cooperation system (Martinez 2010: 110).

[19] Ley de presupuesto del Sector Público año 2013.
[20] This is a new budgetary item, which was agreed on at the last Pacific Summit in Chile in 2012.

With change of personnel in all ministries AGCI's role needed to be re-defined.

The second explanation refers to the funds and (human) resources needed for re-construction after the **devastating earthquake in 2010**. In this context it is hard for the government to justify in front of its own constituencies, that urgently needed funds are spent on development cooperation with third countries. This might lead to great unpopularity among Chileans and efforts are required to explain the importance of development cooperation, even in times of great domestic crisis (ibid. 111). Greater attention could be paid to public relations, media, and educational issues of promoting development cooperation in the Chilean public discourse. Furthermore, Chile became a recipient of ODA again in the aftermath of the earthquake. International resources were needed for rapid relief and reconstruction. Martinez (2010) also points to the change of role perceptions this might have for Chile: from partner in South-South and triangular cooperation to recipient of ODA. This might further weaken the Chilean cooperation system at a time, where development cooperation is not a high priority issue of the new government.

Third, information on the AGCI homepage reveals that the position of executive director of the agency was vacant from March 2011 to September 2011. Only then did Jorge Daccarett take up the position of director. It seems that this evident **leadership crisis** coincides with changes in foreign and development policy as well as the strong decline of AGCI budgets. With Daccarett AGCI seems to have managed to maneuver out of the crisis and budgets have risen again. Also, the Piñera government has focused further attention on development cooperation, so that the tendency and prospects for Chilean cooperation seem quite positive in the year 2013.

In terms of **regional priorities**, Chile clearly only focusses on the Latin America and Caribbean region. There are two motivations for this regional focus: First, it is in line with the overall foreign policy objectives. Second, it allows for the smart use of limited human and financial resources on fewer projects with high visibility, sustainability and impact over time (Vazquez 2013: 40). The only exception has been a triangular cooperation project with Mozambique as beneficiary, which was very successful and regarded as valuable experience by both Chilean and Mozambican actors involved in the cooperation. The government of President Michelle Bachelet (2006-2010) has identified priority recipient countries according to the goals of her foreign policy. These were: Bolivia, Ecuador, Paraguay, Uruguay, El Salvador, Guatemala, Haiti, Mexico and the Dominican Republic. With neighboring countries, like Bolivia and also Ecuador, historical (and recent) territorial conflicts might have been a motivation to engage. For instance, cooperation with Ecuador might have been motivated by support for the Chilean demands in the maritime dispute with Peru (Gutierrez/ Jaimovich 2012: 14). Figures 27 and 28 have also shown the distribution of funds acccording to countries.

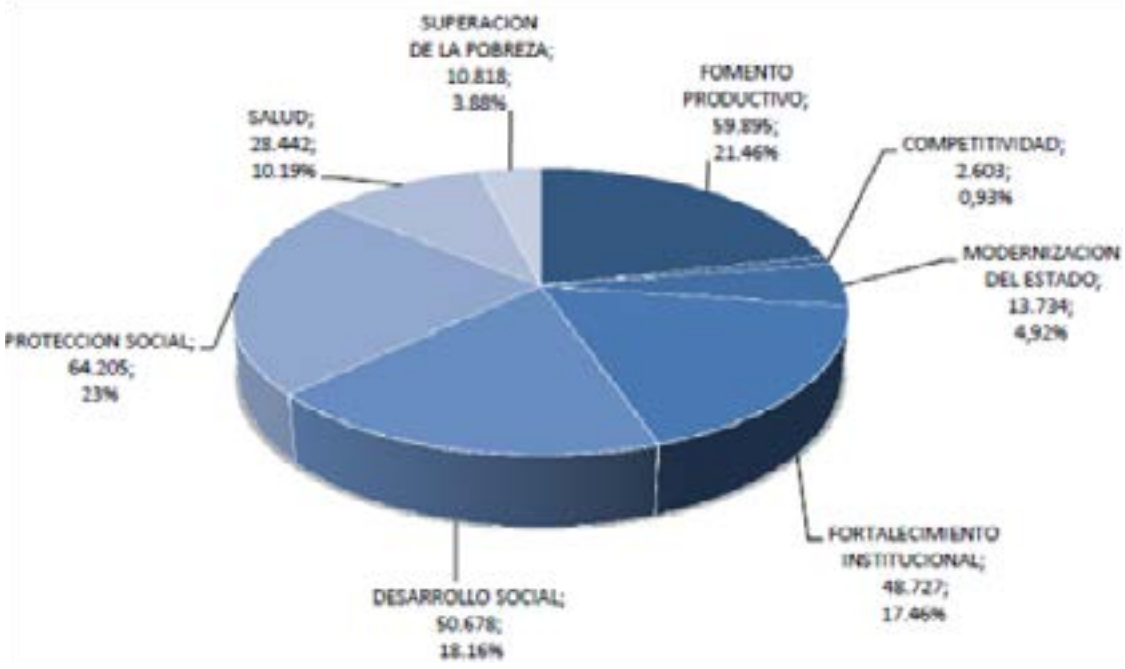
Chile's **thematic focus** is motivated by transferring development experiences and successful models to partner countries. It is interesting to compare the different emphasis in bilateral projects – where poverty reduction is most important – and trilateral cooperation projects - where social protection, social development and institutional strengthening are most important aspects.

• Figure 27: AGCI budget for horizontal cooperation according to sub-topic (2011)

APORTES DE AGCI (CLP Y USD EN 2011) EN COOPERACIÓN HORIZONTAL, SEGÚN SUB-ÁREAS TEMÁTICAS, AÑO 2011				
ÁREA TEMÁTICA	SUB-ÁREA TEMÁTICA	CLP	USD 2011	TOTAL %
FOMENTO PRODUCTIVO	FOMENTO PRODUCTIVO	8 995 625	18 599	2.42
	INNOVACIÓN	35 442 545	73 278	9.53
	COMPETITIVIDAD			
	MEDIO AMBIENTE	3 096 087	6 401	0.83
	CIENCIA Y TECNOLOGÍA			
	TURISMO			
FORTALECIMIENTO INSTITUCIONAL	MODERNIZACIÓN DEL ESTADO	1 706 558	3 528	0.46
	FORTALECIMIENTO INSTITUCIONAL	22 535 898	46 594	6.06
	GOBIERNO Y DEMOCRACIA	39 428 333	81 519	10.60
	SEGURIDAD CIUDADANA Y PREVENCIÓN DE LA DELINCUENCIA	14 706 493	30 406	3.95
SUPERACIÓN DE LA POBREZA, PROTECCIÓN Y DESARROLLO SOCIAL	CULTURA Y GESTIÓN CULTURAL			
	DESARROLLO SOCIAL	13 099 574	27 084	3.52
	EDUCACIÓN	72 100 390	149 069	19.38
	PROTECCIÓN SOCIAL	23 265 533	48 102	6.25
	SALUD	41 113 940	85 004	11.05
	SUPERACIÓN DE LA POBREZA	96 563 568	199 648	25.95
	TOTAL	372 054 542	769 232	100.00

Source: AGCI 2012

• Figure 28: AGCI Thematic Focus in Triangular Cooperation (2011)



Source: AGCI 2012

2.4.2 Institutional Set-Up and Organizational Structure

The Chilean development cooperation system can be described as **highly fragmented**, being made up of a multitude of actors involved in implementing projects and AGCI with the overall function of coordinating this system. The main ministries executing Chilean development cooperation projects are: **Ministry of Health, Ministry of Planning (MIDEPLAN), Ministry of Housing and Urban Planning, Ministry of Justice, Ministry of Social Development, and the Ministry of Agriculture**. Furthermore, other public actors are developing cooperation actions, among which are the **Junta Nacional de Jardines Infantiles (JUNJI), Fundación Integra, Dirección de Relaciones Económicas (DIRECON) of the Chancellery, Pro-Chile and the Coorperación de Fomento de la Producción**.

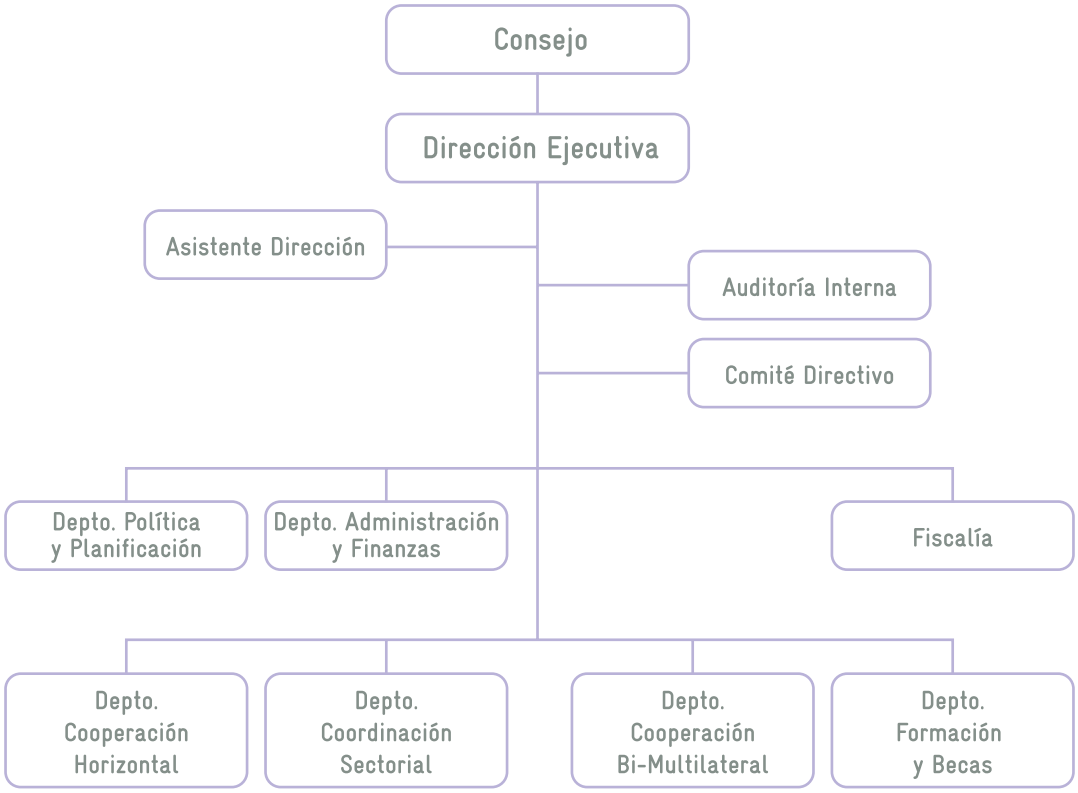
2.4.3 Agencia de Cooperación Internacional (AGCI)

The **Chilean International Cooperation Agency was founded in 1990**, directly after the end of the military regime (1973-1990) by **Law No. 18.989**. Initially, it was created with the **aim to coordinate incoming aid to Chile** during its transition to democracy and was institutionally linked to the **Ministry of Planning and Cooperation (MIDEPLAN)**, through which it reported to the President (Vazquez 2013). The legal basis sets out the aims, organization and personnel structure of AGCI. Whereas, article 17 of the Law describes the aims of AGCI as *"apoyar los planes, programas, proyectos y actividades de desarrollo que impulse el gobierno, mediante la captación, prestación y administración de recursos de cooperación internacional"* and *"la agencia tiene la finalidad de implementar, realizer y ejecutar la cooperación internacional para y entre países en desarrollo"* (Biblioteca del Congreso Nacional de Chile 1990).

Law No. 18.989 also defines the o**rganizational structure of AGCI and the responsibilities** of the different divisions. In 1995, a presidential directive reviewed AGCI's mandate, which now allowed for AGCI to implement development cooperation projects in other countries. This was mirrored by the creation of the South-South and Trilateral Cooperation unit in AGCI's internal arrangements in 1996. With this re-structuration, the Coordination Department, which is responsible for maintaining links with other Chilean institutions and line ministries, was also created (ibid.).

The Law was amended again in 2005 through Law 19.999, adding a new role to AGCI: to promote, manage and coordinate, study agreements and scholarships for graduate and undergraduate foreign students. Furthermore, the l**inks between AGCI and Chilean Embassies** was strengthened, since these would be crucial for coordination with other countries in the region (Gutierrez/ Jaimovich 2012: 15). Since 2013, a cooperation attaché is appointed for Central America and is based in El Salvador (AGCI 2013). Despite reporting to MIDEPLAN, AGCI's cooperation policy was based more on foreign policy priorities than the social policies designed by MIDEPLAN. Thus, in the revisions following Law 19.999 AGCI was incorporated into the structure of the **Ministry of Foreign Affairs** (Vazquez 2013). Furthermore, there have been internal re-structurations in 2007, as AGCI's original mandate and role of coordinating incoming aid was declining and its role as provider of South-South cooperation rising. For instance, there used to also be a unit for triangular cooperation, which was organized directly under the executive director (as of March 2007). Currently, AGCI is the only government institution authorized to manage foreign funds in Chile and abroad (AGCI 2013: 17). The new structure agreed on in 2007, was changed again and figure 29 shows the actual organization of AGCI.

• Figure 29: Organizational Chart of AGCI



Source: Homepage of Gobierno de Chile 2013

The **Council is the highest authority** of the agency and consists of representatives of the Ministry of External Relations (presides over the Council), the Ministry of Planning, the Ministry of Finance and four consultants assigned by the President of the Republic, of which at least one has to be designated from a well reputated Chilean University. Members of the Council will not receive any remuneration for their work. Their main tasks are: oversight of accordance with AGCI's activities as laid out in article 19 of the Law, approval for the annual program, projects and modifications proposed by the agency, delegate part of their functions to the executive director and other specified committees, approve the internal organization of AGCI, approve of personnel etc.

The **executive director** is the administrative head of AGCI and takes up the legal, juridical and extra-juridical representation of the agency. He/she is responsible for the development of the annual program of actions, financial matters, all other administrative and management issues as well as communication with the Council. Besides the executive director, a prosecutor is foreseen to take up all legal matters. A precondition for this post is a lawyer's title. The executive director is advised by a management committee comprising of AGCI heads of department. The Finance and Administration department sits directly under the executive director and reports to the Ministry of Finance. AGCI's budget is approved each year by the National Congress (Vazquez 2013).

Besides AGCI's administrative body, figure 29 illustrates its operational units. These are divided into **four main units**: horizontal cooperation, sectoral coordination, bi- and multilateral cooperation

and training and scholarships. The department for bi- and multilateral cooperation is also responsible for coordinating incoming aid to Chile by other partners. All others are now oriented towards outgoing aid for other countries and its organization is a mix of sectoral and regional focus.

Throughout AGCI's history the body of human resources has steadily increased and professionalized. Currently, AGCI counts **a staff of approximately 61 persons** (Martinez 2011: 99). Additionally, **experts from line ministries and other public institutions** are involved in implementing projects, without being especially dedicated to development cooperation. Martinez describes the advantages and disadvantages of this model. Among the advantages is the high specialization and technical expertise of personnel involved in projects. Of course, this also has disadvantages, especially in terms of long-term planning and coherent and integral approaches to development projects. Technical experts from the ministries are bound to the schedules of their institutions and not as flexible in their presence in partner countries. Also, expertise in international cooperation and project management procedures with partner countries might be missing in this model. As described above, this approach also gives evidence of a lack of a coherent strategy for development cooperation. It is more incorporated in the ministries' approaches and overall foreign policy objectives.

2.4.4 Project Types and Project Management

Chile generally provides development assistance in the form of three instruments: horizontal (bilateral/ technical) cooperation, triangular cooperation, and scholarships. **Horizontal cooperation** makes up the majority of funds (see above, section 2.4.1). According to Claudio Storm, national director of the Fondo de Solidaridad e Inversión Social (FOSIS), *"el punto de partida es siempre un programa que ya existe, que se está ejecutando acá y que tiene una buena evaluación"* (quoted in Penaforte 2013). He explains the example of the successful programme "Yo Emprendo", which resulted in 30.000 micro-entrepreneurs benefitting from self-employment schemes. Upon demand from the Dominican Republic, it was transferred to the Caribbean country with a target group of 2.000 unemployed youths mainly in the rural areas of the island. Thus, recipient countries facing similar challenges as Chile did in the past, demand support in establishing similar programs and are offered a set of instruments within their bilateral projects (AGCI Homepage 2013, see figure 30):

- **Technical assistance:** technical experts mostly from line ministries are sent to the recipient country for a certain time to assist in building up projects. In the above mentioned case, an expert from FOSIS supported. These are paid per diems for being "released" from their jobs in Chile for a certain time and seconded to other projects.

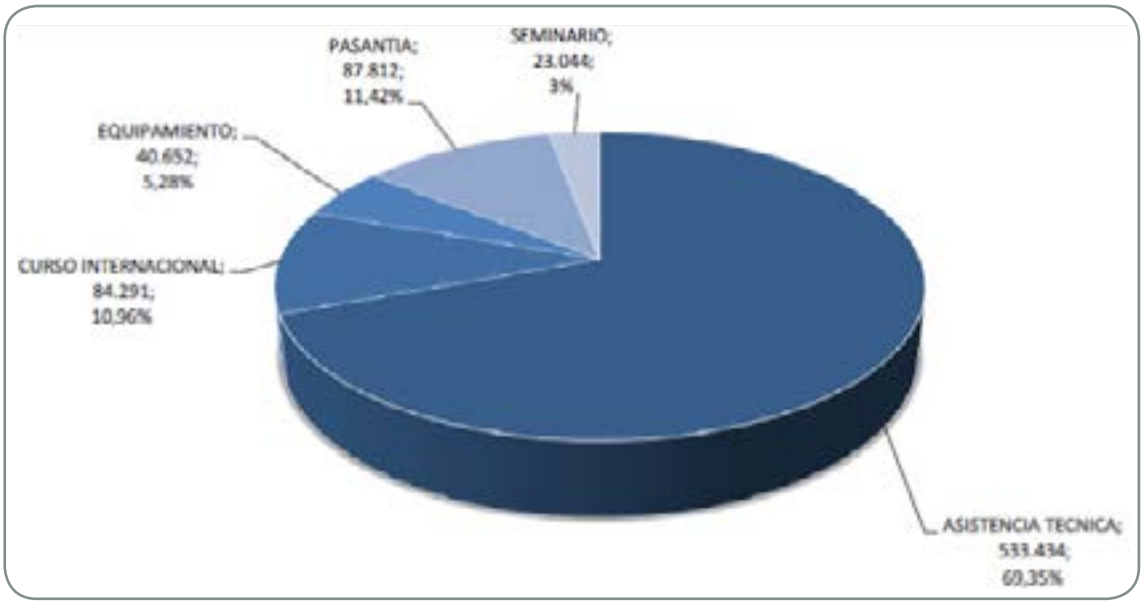
- **International courses:** taking the example of an international course on diplomacy that Chile offered for Central American and Caribbean countries, this instrument is used as trainings for experts from beneficiary countries.

- **Equipment:** at times certain equipment is needed for the successful implementation of projects. This makes up the least portion of budget for horizontal cooperation.

- **Exchanges/ Study Tours:** delegations from interested beneficiary countries can spend some time during a study tour or an exchange program on the respective topic in Chile. For instance, Mongolia learned from Chilean experiences in Copper management in times of crisis by engaging in study tours and exchanges facilitated by the World Bank and the International Monetary Fund (van den Brink et al. 2012).

- **Seminars:** for instance, Chile organizes regional seminars to topics of relevance for more countries in the region.

• Figure 30: Chilean horizontal cooperation per instrument (2011)



Source: AGCI 2012b

Chile has been one of the first countries to engage in and to enhance the modality of **triangular cooperation**. It mostly started with small-scale projects with Japan, Germany and Spain as main cooperation partners. Vazquez (2013) claims that AGCI follows the strategy of **leveraging own funds by engaging with OECD DAC donors** in triangular cooperation. This trend was further enhanced when Chile became OECD member in 2010. For instance, in 2011 AGCI contributed 17% of resources to all TriCo projects and OECD DAC donors the remaining 83%. Interestingly, budgets for triangular cooperation have declined until 2008 and risen again with an all-time high in the crisis year 2010. Contrary to the other sectors, the budget for triangular cooperation increased during this time, and as mentioned above, was even higher than funds for horizontal cooperation in 2012. Thus, contributions by other donors seem to have paved the way for Chile to use this instrument strategically in order to have a larger outreach and higher visibility through more and bigger projects. This was even maintained during the crisis year 2011.

TriCo Partners of AGCI have described a process of **mutual learning through jointly planning, implementing and monitoring projects** in third countries. AGCI personnel and Chilean technical experts seemed open to adapt their experiences in a culturally sensitive way and in terms of institutional development, AGCI showed interest in learning from other organizations' experiences in project management, monitoring and evaluation, etc. After a first round of smaller projects, thoughts about scaling-up and including more partners on different corners of the triangle, as e.g. in a triangular cooperation in Paraguay with Germany and Australia. Figure 31 lists all triangular cooperation projects, which are implemented in 2011 – unfortunately no data for 2012 or 2013 is available. Chile's main partners in 2011 were JICA, GIZ, USAID, AECID, AusAid and the World Food Programme. The projects are all carried out in the Latin American region, but until 2010 a TriCo project with Mozambique existed. Topics are in Chile's areas of expertise and mostly around public administration and social protection.

• Figure 31: Triangular Cooperation projects in implementation in 2011

APORTES DE AGCI (CLP Y USD EN 2011) EN PROYECTOS DE COOPERACIÓN TRIANGULAR, AÑO 2011					
PROYECTO	FUENTE	BENEFICIARIO	CLP	USD 2010	TOTAL %
APOYO AL DISEÑO DE POLÍTICAS PÚBLICAS DE AGRICULTURA FAMILIAR	USAID	PARAGUAY	10 325 963	21 349	7.65
AUDITORÍA INTERNA ADUANERA	USAID	PARAGUAY	925 602	1 914	0.69
DESARROLLO DE CAPACIDADES TÉCNICAS PARA REHABILITACIÓN INCLUSIVA	JICA	BOLIVIA	13 080 042	27 043	9.69
DESARROLLO DEL CULTIVO DE PECTINIDOS EN EL DPTO. DE MAGDALENA	JICA	COLOMBIA	16 814 069	34 764	12.46
DESARROLLO SOCIAL ARTICULADO EN EL TERRITORIO	GIZ / AUSAID	PARAGUAY	11 431 419	23 635	8.47
FORTALECIMIENTO DE LA GESTIÓN Y EL DESARROLLO DEL PERSONAL DEL SECTOR PÚBLICO AL SERVICIO DE LA CIUDADANÍA DE PARAGUAY	AECID	PARAGUAY	21 720 000	44 907	16.09
FORTALECIMIENTO DEL SISTEMA DE INFORMACIÓN COMERCIAL	USAID	PARAGUAY	922 110	1 906	0.68
FORTALECIMIENTO SERVICIOS DE ATENCIÓN TEMPRANA	JICA	PARAGUAY	13 756 611	28 442	10.19
MANEJO INTEGRAL DE CUENCA HIDROGRÁFICA DE LA PROVINCIA DE CHIMBORAZO	JICA	ECUADOR	1 829 167	3 782	1.36
APOYO AL PROGRAMA DE DESNUTRICIÓN CERO	PMA	BOLIVIA	1 338 145	2 767	0.99
PROGRAMA DE NUTRICIÓN	PMA	PARAGUAY	6 459 681	13 356	4.79
PROGRAMA FITO ZOOSANITARIO	USAID	EL SALVADOR	1 258 969	2 603	0.93
PROMOCIÓN DE LA EMPLEABILIDAD JUVENIL EN ZONAS DESFAVORECIDAS DE REP. DOMINICANA	GIZ	R. DOMINICANA	5 232 269	10 818	3.88
PROTECCIÓN AL CONSUMIDOR	GIZ	COLOMBIA	6 642 552	13 734	4.92
PROTECCIÓN SOCIAL	IAF	PARAGUAY	3 615 322	7 475	2.68
SEGURIDAD ALIMENTARIA Y NUTRICIONAL	PMA	GUATEMALA	19 640 729	40 608	14.55
TOTAL			134 992 670	279 101	100.00

Source: AGCI 2012b

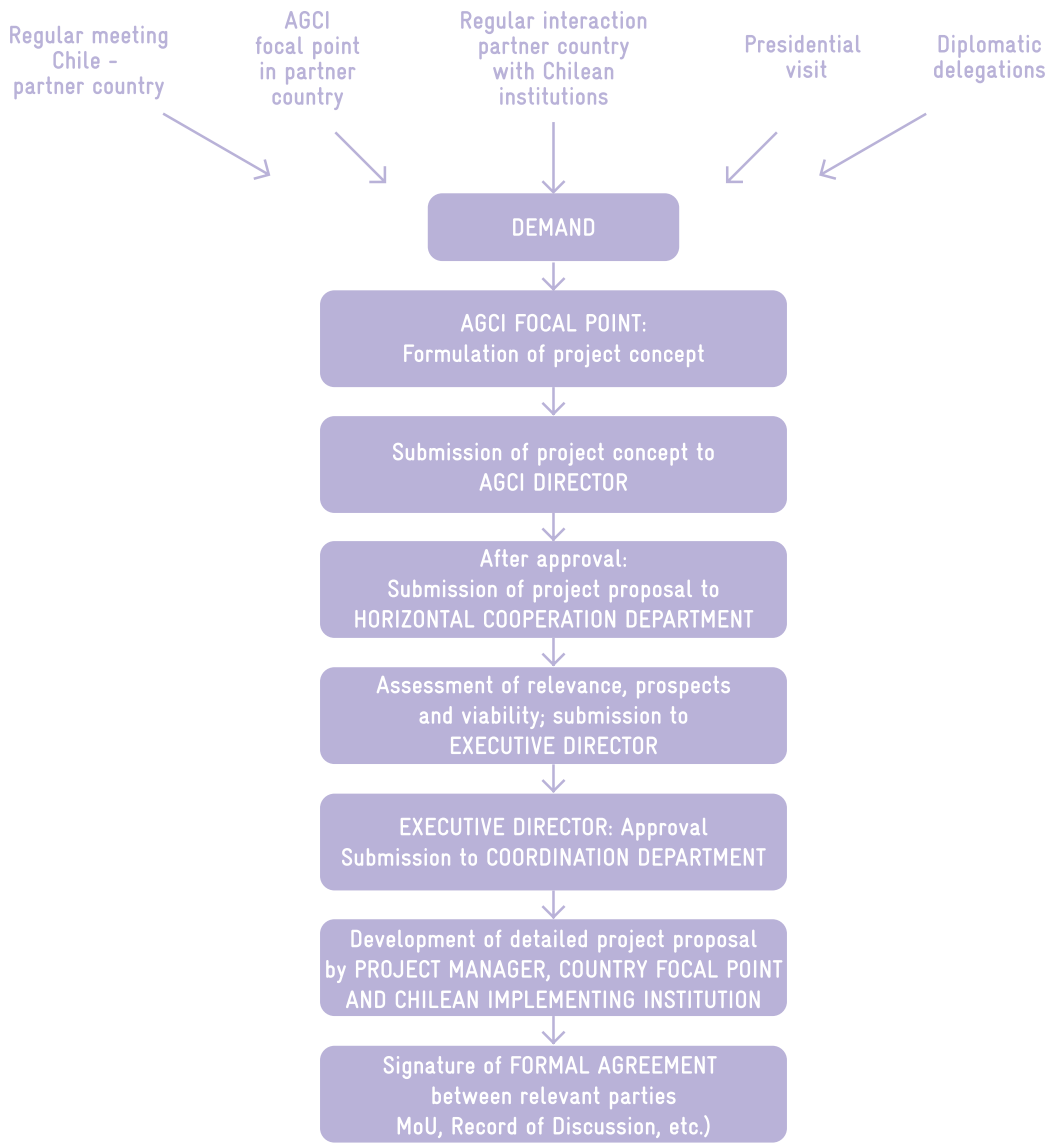
The **Scholarships program** is oriented towards professionals of LAC and is a public program of scholarships for foreigners in Chile. It has two main modalities: postgraduate studies at Chilean universities (master's degree) and scholarships for diplomas in Health and Nutrition, and in Methodologies for teaching Spanish as a second language (Gutierrez/ Jaimovich 2012: 15). Furthermore, the scholarship program also coordinates scholarships for Chilean citizens abroad. For instance, 40 scholarships have just been offered in June 2013 for Chileans within the scope of ITEC, the Indian Technical and Economic Cooperation Programme.

Vazquez (2013: 42) describes *"AGCI's demand-driven approach is promoted through the participation of different areas and hierarchies of the agency's organizational structure in the process of identifying demand (with partner countries) and matching the demand for Chilean cooperation with Chile's relative capabilities"*. She describes the **process of how demands can be voiced in five different scenarios:**

1. During regular meetings between Chile's line ministries, sectoral institutions and their counterparts in partner countries;
2. Through AGCI focal points in partner countries;
3. Through regular interactions between the partner country and Chilean institutions
4. During Presidential visits;
5. Through direct requests from diplomatic delegations

AGCI's role is then to coordinate the demands and Chile's response for cooperation, based on expertise and availability of experts in Chilean private and public institutions. The different steps in the **project initiation and management process** are visualized in the following figure 9 and also sheds light on roles and responsibilities within AGCI's different departments. Technical assistance programmes are established by AGCI through country pogrammes, which comprise of four areas of technical support and specific projects defined by AGCI and the country during the process illustrated below. After receiving a request for cooperation, AGCI closely consults with Chilean institutions and line ministries working in the respective sector in order to assess its feasibility and the availability of institutional capacity. Project proposals are then jointly worked out and when agreed with the partner country, a formal agreement – e.g. a memorandum of understanding (MoU) – is signed by all parties involved (AGCI, line ministry or sectoral institution, partner country).

• Figure 32: AGCI Project Management



Source: Own visualization, based on Vazquez (2013: 42-43)

2.4.5 Trends, new modes of delivery, multilateral initiatives

Chile is a member of the Pacific Alliance and as part of this group it is currently aiming at orienting its foreign and development cooperation policies also towards the Asian region. As such one of the three main objectives reads: *"convertirse en una plataforma de articulación política, de integración económica y comercial y de proyección al mundo, con especial énfasis en Asia-Pacífico"* (Pacific Alliance Homepage 2013). It is interesting to note that in the budget foreseen for 2013 almost USD 1 million is allocated to activities carried out with the other three partner countries Mexico, Peru and Colombia. This is almost the same amount allocated to the Chile-Mexico Cooperation Fund and the total amount allocated to bilateral cooperation in 2011. Thus, this alliance seems to be of great strategic importance, especially with the aim of looking further East across the Pacific. This is for instance underlined by Chile and Thailand having just signed a memorandum of understanding for a free trade and a cooperation agreement between both countries in October 2013. Yet, there are no cooperation projects with Asian partner countries, yet. The only country, which has received Chilean assistance outside the LAC region, is Mozambique within the scope of a trilateral cooperation with Germany.

2.4.6 Concluding Remarks

The Chilean case shows a solid start into international development cooperation by being an "early mover" and founding an agency in the early 1990s. The 90s and early 2000s were characterized by changing roles from recipient to an increasingly stronger donor of development cooperation. Furthermore, major structural, political and strategic changes throughout the 2000s and the first experience of a major crisis in 2010 and 2011 could be witnessed. The rough summary of all these experiences allows making the following observations:

- Chile has gained a very good reputation in the region for implementing successful domestic reform programs and for having special expertise in strengthening public institutions, social development and promotion of economic productivity. By transferring these experiences to neighboring countries, its profile as an "emerging donor" was sharpened and valuable lessons were learned.

- As a **middle power** Chile uses development cooperation strategically to achieve foreign policy goals and form alliances around issues and along regional cooperation activities. Yet, it remains an important task to define a clear development cooperation policy and strategy. This should happen in dialogue with partners from civil society and the private sector.

- The downside of aligning foreign and international development cooperation policies so closely has been witnessed during the **"crisis" of 2010/ 2011**. The impact of a change of government on institutional, human resources and project related issues was strong. Development cooperation was not among the foreign policy priorities of Piñera and the coincidence with the change of government and a devastating natural disaster such as the earthquake 2010 has led to institutional insecurity for AGCI's future. Another concurrence was with apparent leadership problems within AGCI, which have further weakened its position in the Chilean development cooperation institutional set-up. Measures have been taken to find ways out of the crisis and with a new AGCI director, positive developments can be observed recently.

- The crisis has shown that **AGCI as an institution needs to be strengthened and positioned more independently** in order to be more robust in times of political changes. In the

Chilean context of a decentralized international cooperation setting, AGCI would need to have the mandate and institutional position to coordinate development cooperation activities of other actors, such as line ministries. Martinez (2010: 111) claims that for this to be effective, it is necessary that AGCI can exert real leadership and that its experiences and recommendations are reflected in an overall cooperation approach of the government.

- The Chilean Government is currently discussion a **public policy on South-South Cooperation** that translated the work of all institutions involved. It is supposed to embed results based management in the overall performance framework and project cycle management of the different cooperation instruments used by AGCI and other institutions/ line ministries involved in development cooperation (Vazquez 2013).

- **Triangular cooperation** plays a large role in Chile's development cooperation and this modality has evolved quite naturally during the time of traditional donors phasing out cooperation in Chile, and with Chile asserting a stronger role in development cooperation with third countries. It has been among the first modalities to transfer Chilean development experiences to countries with similar problems and the learning experience for all has been great.

- Chile is currently diversifying its cooperation partners, also along economic goals. **China and the Asia-Pacific** region are gaining increased attention, as can be seen e.g.in a MoU with Thailand. Generally, Chile is strengthening cooperation in the Pacific, also within the LAC region and the Pacific Alliance is an important arena to enhance cooperation.

- The question of how to deal with the **OECD DAC** is the same for Chile as for Mexico and Turkey. Being an OECD member, but not part of the DAC offers various policy options. Chile and Mexico both share many characteristics with the group of providers of South-South cooperation (as identified in the introduction to this study), but as OECD members they are comfortable engaging with the DAC (Smith/ Fordelone/ Zimmermann 2010: 1).

2.5 Country Study TURKEY[21]

Turkey has only been involved in development cooperation for the last two decades. After a moderate start, it has now evolved to being one of the largest non-DAC donors. In order to shed some light on the changes in Turkish development cooperation in the last decade, two phases can be identified. As with any classification, these cannot be strictly divided from each other; rather, various strands come together during these phases. We have launched them for the purpose of illustrating changes and explaining Turkey's increased involvement in all parts of the world. The two phases are:

- **Phase 1:** Turkic stretch (1991-2000)
- **Phase 2:** Ottoman stretch (2000-present)

It can be argued that the first phase of the **Turkic stretch** started right after the Union of Soviet Socialist Republics (USSR) dissolved in the year 1991. The Turkish government at that time had interpreted the collapse of the Soviet Union as a historical opportunity to establish closer ties with the former Soviet countries which are known as "Turkic states" (e.g. Kazakhstan, Tajikistan, Uzbekistan, Azerbaijan and Kyrgyzstan)[22].

It can be observed that when Turkey first entered the Turkic zone, it was careful not to be perceived as the Big Brother of the Turkic nations (e.g. a considerably more developed country in terms of classical development categories and significantly Western oriented). In the long run though, Turkey could not avoid promoting itself as a leading country that sets a model for the newly independent Turkic states. An ethno-linguistic category, Turkishness, was utilized for political purposes and the idea of **Turkic brotherhood** was emphasized. This could be best expressed with the motto of the Turkish International Cooperation and Coordination Agency (TIKA) at that time: one nation with many countries (TIKA Homepage 2013).

Turkey quickly **developed social, economic and cultural ties with the Turkic Republics.** Within a couple of years Turkey has become an important development actor in the region. Even though there have been incidents where the governments of the Turkic Republics showed signs of hesitation to work with the Turkish government (e.g. Uzbekistan, see Gürcanli 2013) TIKA was able to promote itself as a standalone organization that is working for the people without any political motivation. All in all, one can safely argue that despite minor problems in operations, Turkey's strategy worked and TIKA has been successful. Today one can feel the Turkish presence in the region either with TIKA or the Turkish missions, or civil society initiatives (such as often debated and somewhat controversial Gülen and his Hizmet Movement). Turkey's approach in this phase may be essentially politically charged (e.g. getting in closer touch with the Turkic brothers and sisters); nevertheless, it would be misleading to overlook the pragmatic aspects (e.g. economic ties).

By the year 2000, a new political party, the **Justice and Development Party (AKP)** came into being in Turkey and the political configuration in this country was altered significantly. This marked the beginning of the second phase—the **Ottoman stretch**. While TIKA activities in the Turkic influence zone have remained as strong as before, the AKP government has altered Turkey's geographical conceptualization.

[21] Research and analysis for the Turkey country study have been done jointly by Tamer Söyler and Nadine Piefer. Tamer Söyler (tamersoyler@daad-alumni.de) is a Turkish expert on foreign and development policies and a Ph.D. researcher from Humboldt-Universität zu Berlin. He studied International Relations for his B.A., Global Studies for his M.A. at Istanbul University, University of Virginia, Albert-Ludwigs-Universität Freiburg, University of KwaZulu-Natal, Jawaharlal Nehru University.

[22] It must be noted that the word Turkic signifies ethno-linguistic groups of people that are often categorized together in reference to the family resemblances they share. Yet, this is essentially a political category.

The change of mindset was informed by **Minister of Foreign Affairs Ahmet Davutoğlu's new strategy** that was global and ambitious and it had impact on all spheres of life in Turkey (e.g. political, social and economic life, foreign policy etc.). The new government declared that despite what bureaucrats at the Foreign Ministry kept arguing, the problems with the neighbors could easily improve. The magic formula was claiming the former Ottoman zone of influence: the Middle East. Inevitably, and with good reasons, the new Turkish direction was linked by the foreign observers and Turkish seculars alike to the legacy of the Ottoman Empire. For this reason, the Davutoğlu doctrine is often dubbed as "neo-Ottomanism". This categorization is not value-free and certainly is misleading and disliked by the government officials. Nevertheless, the concept has been circulating for a reason: it does highlight the increased Turkish interest in the Middle East. Simply put, as Davutoğlu elaborated, Turkey seeks to take a new stance as a "pivotal country". According to this conceptualization, Turkey can no more be conceptualized in the periphery of the international political arena. It is now a central actor thanks to its unique position at the intersection of multiple regions.

The revival of the Middle Eastern connection has boosted the Turkish economy. Migration from rural areas to Istanbul and other major cities has created a new kind of bourgeoisie of "Anatolian Tigers" (Jepson/ Söyler 2013), which benefited greatly from the revival of Middle Eastern ties. The Anatolian Tigers have proven to be an important stakeholder in the new configuration. If the coastal secular metropolitan businesses were interested in expanding into the European markets (and politically in favor of EU membership) the conservative Anatolian Tigers wanted more and more penetration into the Middle Eastern markets (and culturally seem to be less in favor of EU membership).

The present discussion on the recent social and political uprisings has brought up a couple of important questions about the future of Turkish politics. There are mainly two ways of interpreting the **Gezi upheaval** in Turkey: It is either an operation against the Turkish government conducted by foreign governments (e.g. the US, the UK and Germany) (Tahir 2013) or it is an authentic and spontaneous amalgam of protests against what is perceived as blunt authoritarianism (Jepson & Söyler 2013). Perhaps there is some truth to both interpretations. Nevertheless, while the former is more likely to be fueled by an all-encompassing irrationality of nationalism, the latter can be supported by global socio-structural trends. The Gezi Parkı movement has proved the presence of different kinds of protestors and a way of protesting against the shortcomings of the Turkish government that cannot be easily clustered under traditional categories. They, for example, go "far beyond the traditional oppositional triad—'usual suspects' of leftist, secularists and Kurds" (ibid.). With a rushed judgment, the crowds on Taksim square and elsewhere can be imagined to be representing a wide range of Turkey's middle class. A closer look, however, would tell us that the new precarious working class is not truly a middle class (Souza 2013). Therefore, while similar movements are being witnessed in other parts of the world (e.g. India and Brazil) interpretations need to adapt a Southern framework of interpretation (Rehbein 2010). This is why, it remains to be seen, how social movements all around the globe will be impacting foreign policies and development practices of the respective countries.

One must see that the never-ending negotiation process about EU membership has promoted an understanding in the ordinary Turkish psyche that Turkey needed a new vision. The expectation of the people of Turkey for a self-confident Turkey that is not dependent upon the West—who does not really seem to be interested in letting Turkey into their exclusive club—has brought Erdoğan to power and kept him there for the last decade. According to the government discourse, Turkey was now a country that reached a **position to "help" instead of asking for help** (TIKA Homepage 2013). This

feeling is evident in TIKA's approach: It was in these days that an important part of the Turkish geography had become rich, gained power and by today has reached a position where it helps instead of asking for help" (ibid.)

By being proactive the AKP government promotes itself more and more boldly as a country with a special role—connecting the modern Western world and the resurgent Muslim democracies. Turkey may have started playing its cards as a soft power which prioritizes dialogue and cooperation over coercion and confrontation, but soon it was dragged into the never-ending conflicts in the region (Kırışçı, Tocci & Walker 2010). Davutoğlu argues that Turkey possesses what he calls as **"strategic depth"** due to its history and geographic position. It must claim a position of a central power instead of a regional power. In Davutoğlu's view, Turkey is a Middle Eastern, Balkan, Caucasian, Central Asian, Caspian, Mediterranean, Gulf and Black Sea country (Ulgen 2012). It can claim a global strategic role. To achieve that aim, Turkey should capitalize on its soft power potential, and development cooperation is regarded as such an instrument (Altınay 2008).

Turkey's main motivation to engage in development cooperation is its overall foreign policy line and the use of soft power to assert a role as regional and international power. Turkey's geo-political positions as a democratic Islamic country in a quite troubled neighborhood gives it the possibility to play a special role as bridge, moderator and mediator between East and West as well as in major conflicts.

2.5.1 Cooperation Patterns

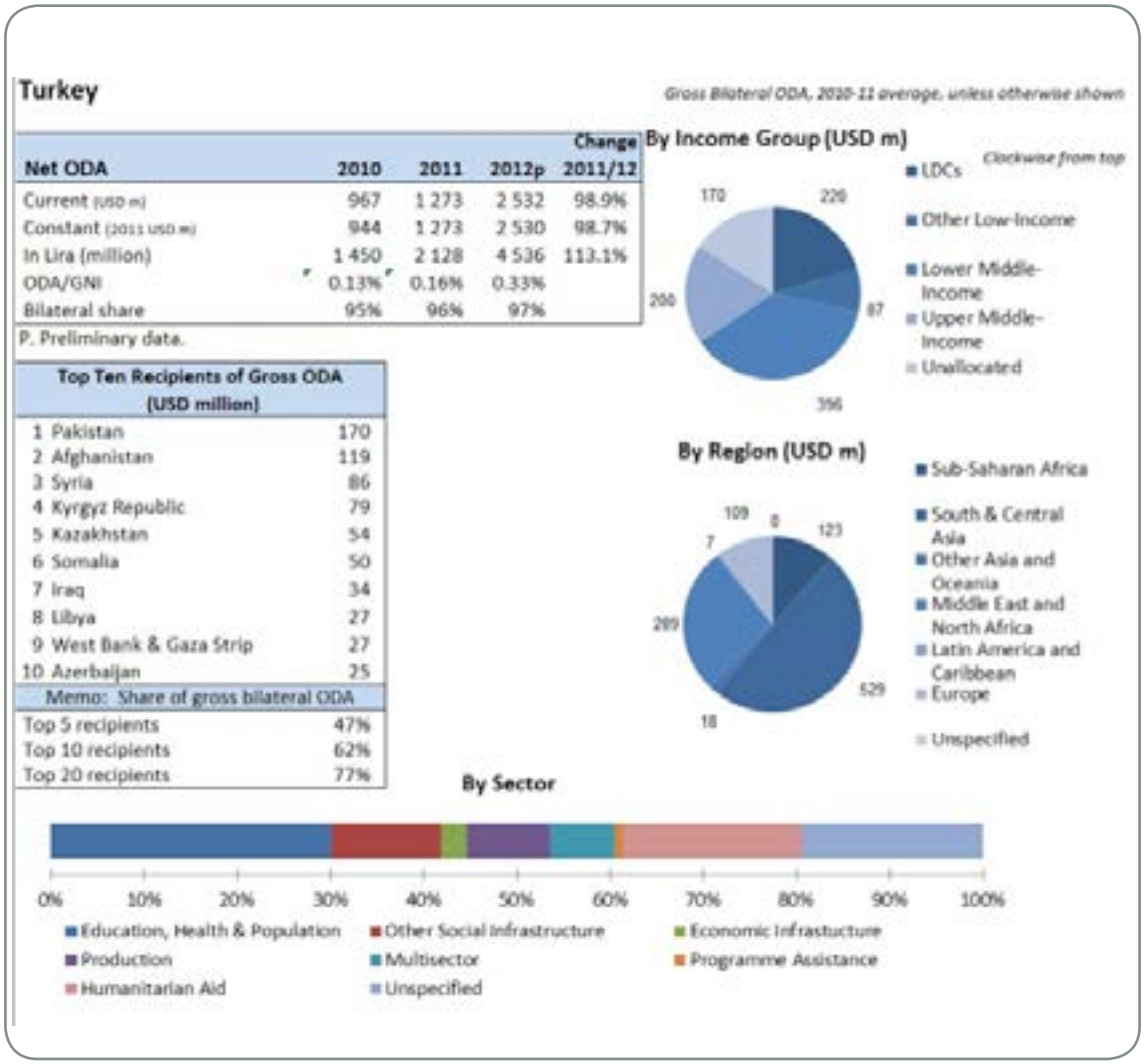
Turkey's position in the international development cooperation system is interesting because it is an **OECD member, but not part of the DAC**. Yet, it defines its implementation of development assistance in line with the DAC standards and regularly reports to the Committee (Yenel 2013). Thus, the country study on Turkey is the only one, where OECD DAC statistics on aid volume and distribution are available. Whilst OECD DAC data on Turkish aid volumes is already available for 2012, detailed statistics and reports of Turkish activities by TIKA are only available for 2011. Data for both years will be used in order to illustrate different facets of Turkish development cooperation.

Turkey follows a **mix of South-South cooperation and DAC principles** in providing development cooperation. It lays strong emphasis on non-conditionality and ownership of recipient countries in shaping their own development strategy. Furthermore, TIKA highlights the principles of partner oriented cooperation, participatory approaches, long-term cooperation commitments, sustainability, adaptation to the economic, social and political changes in the partner country as well as coordination with the international donor community (Hausmann 2014: 14). In this regard Turkey aims at supporting national efforts on an equal partnership basis. Its development policy is claimed to be speedy and flexible and not limited to traditional instruments only (ibid.). Turkish ODA has risen significantly in the last years and is predicted to reach a record high of USD 2.5 billion in 2012.

Reading the elaborations of the statistics in the TIKA Annual Reports, it is interesting to note that Turkey also counts **humanitarian aid** and support for refugees in Turkey as part of ODA. Apart from being a large "emerging donor", Turkey's role in international development and humanitarian assistance is growing. According to the Global Humanitarian Assistance report 2013, Turkey ranked fourth in a list of the world's top donors of humanitarian assistance with over USD 1 billion in aid dispensed in 2012. This means that it only fell behind rich Western donors like the United States (USD 3.8 billion), the European Union (USD 1.9 billion) and the United Kingdom (USD 1.2 billion)

in contributions, and ahead of Japan (Morden 2013). Furthermore, Turkey provided assistance to Egypt, Tunisia, Libya and other countries in the region following the Arab uprisings and over USD 500 million in public and private aid to famine-hit Somalis in 2011. In the year 2011, emergency aid and budgets allocated to refugees made up 38% of overall ODA, in 2012 the amount has more than doubled.

• Figure 33: Overview of Turkish ODA



Source: OECD – DAC; www.oecd.org/dac/stats

As has been mentioned above, the **regional focus** is firstly on Turkey's direct neighborhood, now with Pakistan and Afghanistan emerging as largest recipients of cooperation. It is notable that most partner countries in Africa are within the influence sphere of the former Ottoman Empire or Islamic countries (e.g. Somalia). In East Asia recipients include Burma[23], Mongolia, and Bangladesh. In Latin America and the Caribbean, assistance is mainly given to Haiti and smaller amounts for trainings are very small development measures to other parts of the LAC region.

In terms of **sectors of cooperation**, Turkey mainly focusses on social infrastructure with 62% (education, health, water), development of manufacturing/ producing infrastructure (12%) and the development of economic infrastructure (5%). Cross-cutting or other issues make up the last 21% (TIKA Annual Report 2011: 30)[24].

In its annual report for 2011 TIKA distinguishes between ODA as "donations" and **other official funds**, which mostly come from the Turkish Eximbank and Treasury. In comparison to "donations", these include interest rates and could thus be regarded as financial aid. Yet, in comparison to ODA, the credits (loans) offered were minimal, as the number for new credits offered in 2011 was USD 11,72 million (compared to USD 1.3 billion of ODA). Financial assistance seems to play a less important role than in most other countries analyzed in this study.

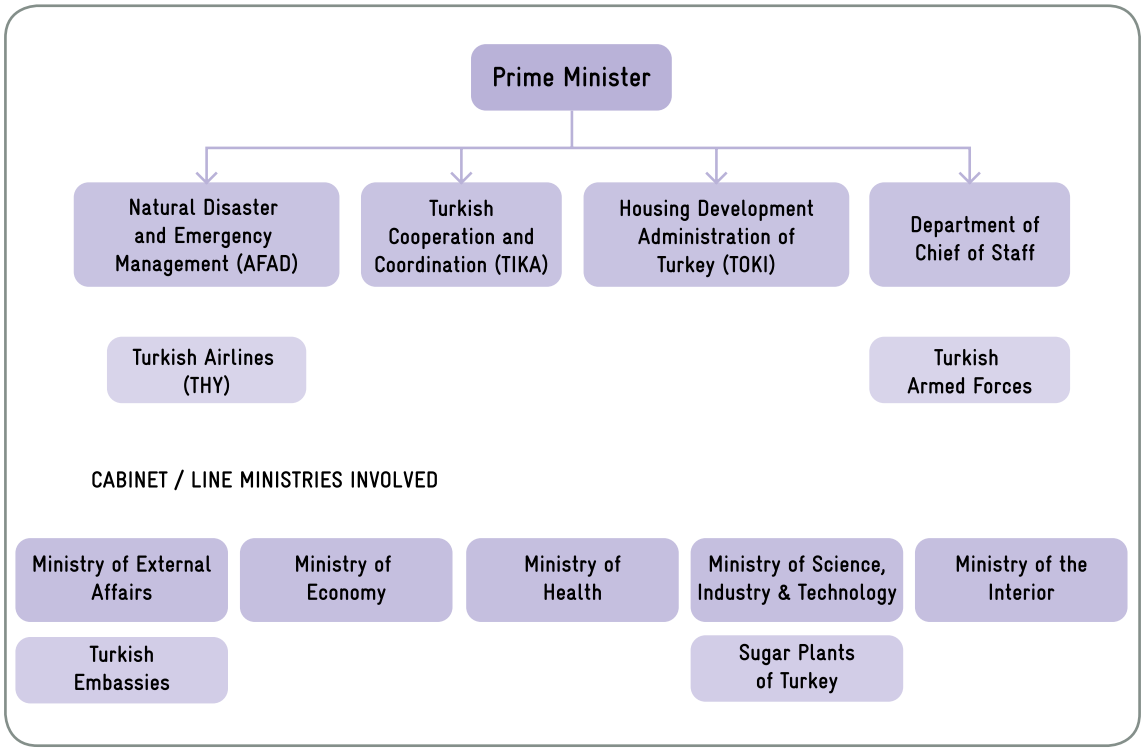
2.5.2 Institutional Set-Up and Organizational Structure

The Prime Minister's Office plays the central role in Turkish development cooperation. The **Turkish International Cooperation and Coordination Agency (TIKA)** is directly organized as a department under the Prime Minister, same as the other two key players: the **Housing Development Administration of Turkey (TOKI)** and the **Natural Disaster and Emergency Management Administration (AFAD)**. Furthermore, the **Department of Chief of Staff**, which heads the Turkish Armed Forces is central in emergency relief policies. Besides the **Ministry of External Affairs** and other line ministries' involvement, it is interesting to note that – as mentioned above (section 2.5.1) - Turkey also includes other instruments in its development cooperation, such as e.g. **Turkish Airlines** and the **Yunus Emre Institutes** (and perhaps the network of the Hizmet movement of Fethullah Gülen). A brief overview of the most important actors will be given in the following and is visualized in figure 34.

[23] Due to anti-Muslim riots and killings in Myanmar, Turkey hosts a large number of Burmese refugees. These are mainly the reason for high numbers of aid the Asian country.

[24] The fields of activity are listed by TIKA as: Social Infrastructure and Services , Education, Health, Improvement of Public and Civil Infrastructures, Water and Water Hygiene, Administrative and Civil Infrastructures, Other Social Infrastructure and Services, Economic Infrastructure and Services, Transportation and Storage, Communication, Energy, Banking-Finance, Work and Other Services, Production Sector, Agriculture, Forestry and Fishing, Industry, Mining and Construction, Commerce and Tourism, Multi-Sector/ Cross-Cutting

• Figure 34: Institutional Set-up of Turkey's Development Cooperation

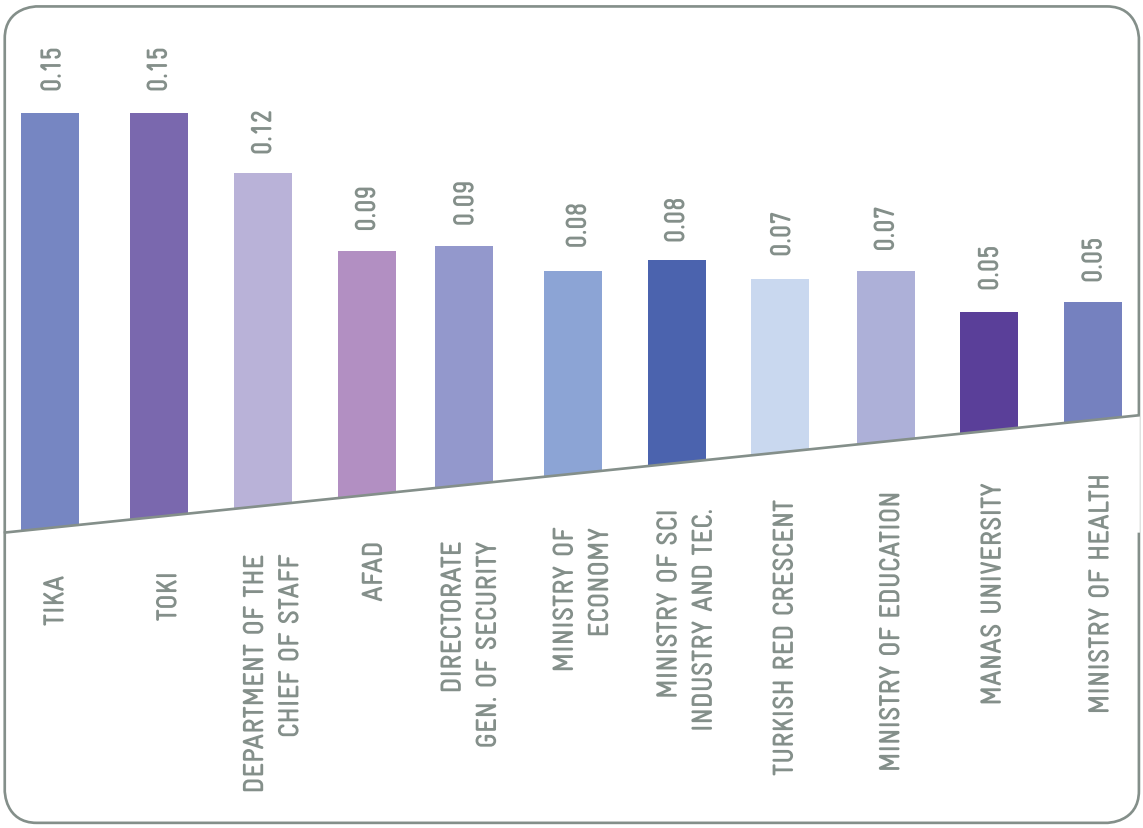


Source: Own Visualization

Besides TIKA (see section 2.5.3 for further elaborations), the **Housing Development Administration of Turkey (TOKI)** is the largest institutional contributor in terms of ODA volumes (see figure 35). TOKI is involved in building houses, schools and other infrastructure in partner countries. For the construction phase TOKI personnel is temporarily assigned to control the implementation of projects on site. It claims that especially its disaster relief projects are financed by donations after natural disasters, such as the Tsunami 2004 or the Pakistan earthquake 2010. The constructions are realized under Turkish National Tender Law (TOKI Homepage 2013).

The **Natural Disaster and Emergency Management Administration (AFAD)** is headed by the Deputy Prime Minister and is the institution responsible for coordinating emergency aid to third countries. One of its self-proclaimed goals in its Strategic Plan 2013-2017 is being a leading organization in the international arena (goal 5, AFAD Homepage 2013). Its original focus was on rapid reaction and prevention of disasters within Turkey, but it has been involved in emergency relief "from Haiti to Japan, from Chile to Myanmar; and it has carried out evacuation and humanitarian aid operations during the social upheavals taking place in Libya, Tunisia, Egypt and Syria" (ibid.). Its cooperation partners, e.g. during the Arab Spring, are interesting. Turkish Airlines flights have been involved in flying out people in danger or wounded civilians. Furthermore, e.g. in the case of Sudan it coordinates activities with Turkish Airlines and the independent non-governmental organization Turkish Red Crescent (affiliated to the International Red Cross and Red Crescent Societies). The latter is a further key actor in development, i.e. humanitarian assistance provided by Turkey.

• Figure 35: Public institutions and organizations that provided most assistance in 2011 (in million USD)



Source: TIKA Annual Report 2011: 88

Within the Cabinet of the Prime Minister, the **Ministry of External Affairs** plays the most important role due to the close inter-linkage between foreign policy goals and development cooperation (see above). Foreign Minister Ahmet Davutoğlu has been decisive in extending Turkey's special attention beyond relations with the Western World (the USA and EU) and its immediate neighbors (e.g. Iran, Iraq, Syria and so on) and zones (e.g. Middle East, Balkans, the Caucasus and Central Asia). This has opened up to formerly less relevant parts of the world such as the Africa, Latin America, East and South East Asia.

For instance, a series of Turkey-Africa summits were organized in Turkey with the participation of numerous African leaders. In 2008, Turkey hosted the **"Turkey - Africa Cooperation Summit"** in Istanbul and in the same year, the African Union declared Turkey a "Strategic Partner". In 2006, while only USD 28 million was allocated to Sub-Saharan Africa countries, in 2012 USD 770 million was spent for the whole continent (Yenel 2013). In a speech Davutoğlu delivered in December 2009, he stated that seven new embassies were opened in 2009, while twenty-six would open in 2010 most of which in sub-Saharan Africa and Latin America (Grigoriadis 2010). Furthermore, Turkey makes use of existing cultural and political contacts (e.g. network of Gülen Schools and Yunus Emre Centres) and thus has become increasingly visible in the continent. He also announced his intention to ask for a sharp rise of the budget and the personnel of the Turkish Foreign Ministry, so it could stand up to the new role he envisioned for Turkey. He encapsulated this as follows:

"By 2023 when the country will commemorate the 100th anniversary of the foundation of the republic, I envision a Turkey which is a full member of the EU after having completed all the necessary requirements, living in full peace with its neighbours, integrated with neighbouring basins in economic terms and for a common security vision, an effective player in setting orders in regions where our national interests lie, and active in all global affairs and among the top ten economies in the world." (Quoted in: Grigoriadis 2010: 9).

The **Directorate General of Security of the Ministry of Internal Affairs** is conducting development assistance under two main headings: first, assistance given to refugees; and second, implementing training programs for experts in third countries. These cover sectors, such as security and policing as well as in the war on drugs, especially in Central Asia and Afghanistan.

Interestingly, the **Ministry of Economy** is not involved in financial assistance – as in most other countries of this study. The **Undersecretariat of the Treasury** is responsible for the payments to international organizations. A very close inter-connectedness between economic interests and development cooperation can be seen in the role played by the **Ministry of Science, Industry and Technology**. The **Sugar Plants of Turkey (TURKSEKERI)** are currently the largest cooperation in the sugar field. It is state owned and affiliated to the Ministry, which is then responsible for disbursing sugar within the scope of emergency and development assistance. An example from Somalia again also shows the close involvement of the **Turkish Red Crescent**, which then distributed the sugar provided by TURKSEKERI via the Ministry of Science, Industry and Technology to survivors of the famine in Somalia.

Similar to some of the ministries mentioned above, the role of the **Ministry of Health** is also in between humanitarian and development assistance. Whilst most OECD DAC donors clearly differentiate between the two, Turkish ministries are mostly involved in both. As such, the Ministry of Health trains medical staff and builds hospitals in partner countries, whilst at the same time; it provides medical supplies during natural disasters, such as the Pakistan flood crisis in 2010.

The **Ministry of Education** plays an interesting role. Turkey aims at asserting more power on a regional and international level and also makes use of soft power means, such as cultural and educational diplomacy. This can be observed by the professional trainings provided for staff in all levels of schooling as well as its outreach through scholarships especially for students from the "Turkic Republics and Turkic cousin countries" (TIKA Annual Report 2011: 100) and the establishment of Turkish Universities. The Manas University in Kyrgystan and the Ahmet Yesevi University in Kazakhstan are examples of the aim of strengthening educational and cultural relations between Turkey and the Turkish Republics.

The **Gülen schools** have recently evolved to be an important private actor in Turkey's educational diplomacy and development assistance. Fethullah Gülen, a Turkish writer, former imam and preacher is founder of the Gülen movement, which is establishing schools throughout the world. These are for students of the Turkish diaspora, but also serve to promote a more conservative-religious Turkish world view through education. Apart from countries like Iran, Saudi Arabia and Syria—which are reluctant to give Gülen schools the access that they have been desiring—there are Gülen schools all around the world and they are instrumentalized for foreign and development politics.

In terms of cultural diplomacy, Turkey has started promoting its language, arts and culture through the **Yunus Emre Cultural Centers** since 2007. These could be compared e.g. to the German Goethe Institutes, British Cultural Centers or the Cervantes Institutes. The location of the newly founded centers is chosen according to strategic foreign policy priorities and underpins the changes during the Ottoman stretch.

Finally, the example of **Turkish Airlines** again illustrates that foreign, development, cultural and economic interests are closely interlinked. Although Turkish Airlines has been privatized, the Turkish government still holds 49% of the shares. A quote from a speech of Foreign Minister Davutoğlu wraps up the relation:

"You are a private company now, you will look to the commerce, but as a strategic objective, we ask you for three things: First, we want you to have access to all regional destinations around us. Second, we want you to open new lines when we start African or Latin American Strategy or any other strategy. Because without having access, no strategy can be functional. Third, we want to have more than one destination in certain countries which are important to us". (Davutoğlu 2011)

2.5.3 Turkish International Cooperation and Coordination Agency (TIKA)

The Turkish International Cooperation and Coordination Agency was founded in 1992 in the aftermath of the collapse of the Soviet Union with the vision to cooperate more closely with the newly independent former Soviet Republics (see introductory remarks for political assessment). In our understanding, the activities of TIKA can be divided into three periods: the preliminary stage (1991-1995), the mature stage (1995-2000), and the globalized stage (2000-present). The first two stages are examples of policies and visions of the Turkic stretch, whilst the latter is exemplary of the Ottoman stretch and processes of globalization.

In the **preliminary stage (1991-1995)**, TIKA was organized under the Ministry of External Affairs and the first of the TIKA Programme Coordination Offices was inaugurated in Turkmenistan. Later on, the number of the offices located in the Eurasian area increased rapidly. From its inception, TIKA did not approach beneficiary countries with a set of conditionalities. For example, deficiencies of technical infrastructures of the newly independent states were tackled without delving into political issues. In addition to infrastructural input, TIKA also initiated several projects and activities in the fields of education, health, restoration, agricultural development, finance, tourism, and industry. Turkey persistently promoted itself as a friendly country which will always remain loyal to the historical fraternity and provide its cooperative hand to those who are in need.

Behind the brotherhood discourse, TIKA had the intention to guide the new independent states during the nation-building process. TIKA assumed that during the socialist era the Turkic Republics were somewhat distanced with their own culture. Therefore, it was strategically sensible if TIKA guided the republics in adapting approaches similar to the Turkish ones, in terms of social, cultural and economic development. This kind of **soft, cultural and educational power** paved the way for Turkey as a leading state in constructing national identities in the region.

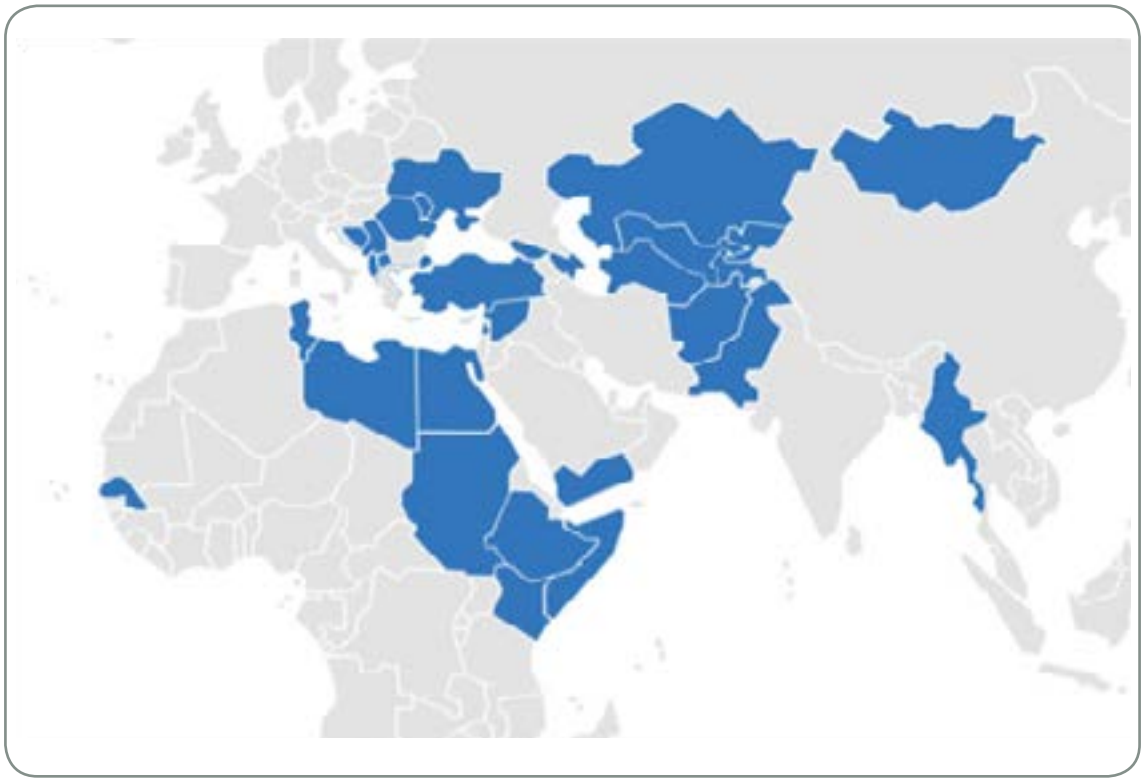
Even though the idea to flourish and improve the relations with the people who live in the "ancestral lands" was evident in the embryonic form in the preliminary stage of TIKA activities, they have come to surface in the **mature stage (1995-2000)**.

While TIKA carried out economic, social and cultural activities up until 1995, it now began to concentrate on cooperation in the field of education to pursue its agenda. TIKA promoted the idea that having a qualified, well-educated population was a top priority for sustainable development. Thousands of students from Turkic Republics were invited to Turkey to pursue education in Turkish higher institutions and they were supported with substantial scholarships.

Today, in accordance with the aforementioned waves of change, TIKA enlarged its activity area to Africa, East and Southeast Asia, Latin America

and the Caribbean and the Pacific Islands, which is another feature of the implementation of Davutoğlu's doctrine (see introductory section) and could be regarded as the **global stage**. The number of Programme Coordination Offices has increased from 12 in the year 2002 to 25 in the year 2011, and to 33 in 30 partner countries in the year 2012[25]. These play an important role in TIKA's direct communication with local stakeholders, in the implementation of cooperation activities and the collection of country specific firsthand information (Yenel 2013). Related to the active foreign policy the Turkish government is pursuing, the number of countries wherein TIKA carries out projects also increases every day. Furthermore, with passing the Organizational Law of 2011, TIKA is now organized directly under the Prime Minister. Currently, an inter-ministerial working group is tasked with coming up ideas for re-structuring Turkish development cooperation (Hausmann 2014).

• Figure 36: TIKA Coordination Offices



Source: TIKA Homepage 2013

[25] Coordination offices in: Afghanistan (3 offices), Albania, Azerbaijan, Bosnia-Herzegovina, Ethiopia, Palestine, Georgia, Montenegro, Kazakhstan, Kenya, Kyrgyzstan, Kosovo, Macedonia, Egypt, Mongolia, Moldova, Niger, Uzbekistan, Pakistan, Senegal, Serbia, Somalia, Sudan, Syria, Tajikistan, Turkmenistan, Ukraine, Yemen. The map provided on the TIKA homepage (figure 36) illustrates Turkey's focus within the Turkic and Ottoman stretch. Interestingly, the countries on the map do not all correlate with those listed on the homepage.

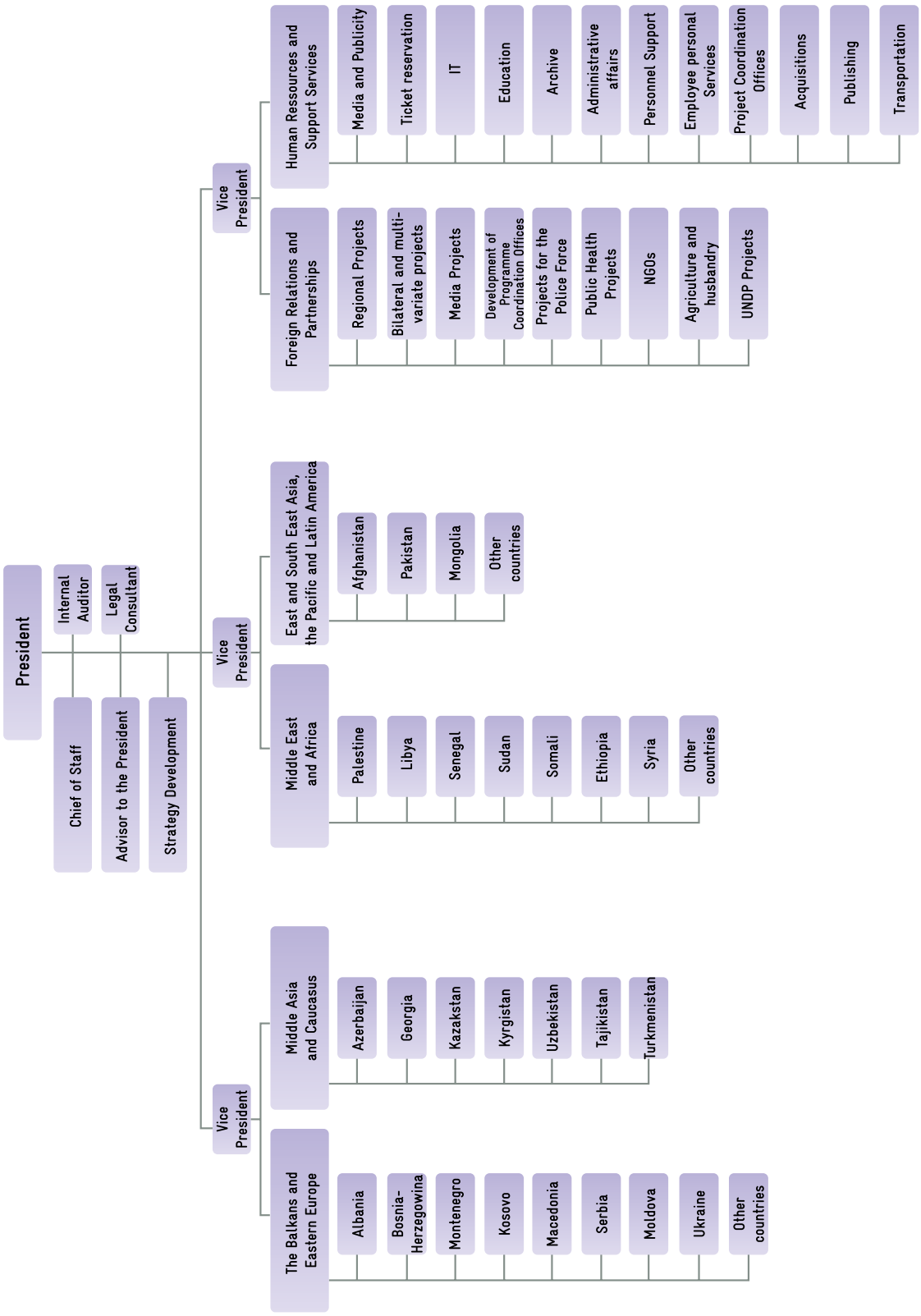
TIKA's mission is to contribute to **poverty eradication and sustainable development** in its partner countries. TIKA carries out the task of being a cooperating mechanism for the state institutions and organizations, universities, non-profit organizations and the private sector. It also functions as a platform for these actors to come together and keeps track of the development cooperation carried out by Turkey. Focusing on development collaboration, TIKA currently has a staff about 310 (Schulz 2013: 55), works in 100 countries, including the ones where their offices are located. While the development cooperation of TIKA comprised about USD 85 million in 2002, this amount reached USD 1.3 billion in 2011 and approximately USD 2.5 billion in 2012. The Turkish Parliament decides on TIKA's budget on a yearly basis. The current budget serves to maintain admistrative costs, whilst the invest budget partially funds projects, such as the construction of buildings. A project based special budget of the Prime Minister is administered by TIKA (Hausmann 2014).

TIKA comprises of a President[26] and three Vice Presidents at the top of the **organizational structure**. Three departments are organized directly under the Vice Presidents, of which two are regional – the Balkans and Eastern Europe as well as the Middle East and Caucasus in one; and the Middle East and Africa and East, Southeast Asia, the Pacific and Latin America in another department. These are then organized into different county divisions. The third department is follows a sectoral organization and comprises of Foreign Relations and Partnerships as well as Human Resources and Support Services. Under Foreign Relations and Partnerships a quite diverse group of divisions is responsible for bilateral, regional and multilateral projects as well as the sectors education, health, police forces and agriculture.

Interestingly, this structure changed between 2007 and 2010. Formerly, TIKA was organized under two Vice Presidents, one being responsible for personnel, financial and administrative affairs as well as economic, trade and technical cooperation; and the other one for educational, cultural and social cooperation. Regional departments were formerly organized below these sectoral units (TIKA 2006).

[26] It is interesting to note that former head of TIKA, a much debated Hakan Fidan, is currently heading the Turkish intelligence Agency (MIT) highlighting the importance the government is putting on TIKA operations.

• Figure 37: TIKA Organizational Chart



Source: TIKA Activity Report 2011:18; authors' own translation and visualization

The **general principles and priorities** related to the activities of TIKA are regulated by the **Coordination Board** whose actions are determined by the **organization law**. The Coordination Board gathers at least once per year. Participants are either deputy secretaries or vice presidents of the respective government agencies (e.g. Ministries of Foreign Affairs, Finance, Education, Industry and Trade, Energy and Natural Resources and Culture; deputies of Treasury, Foreign Trade and State Planning Organization, Directorate of Religious Affairs, TÜBİTAK; and representatives from the Turkish Union of Chambers and Commodity Exchanges).

In accordance with the provisions of the relevant laws, the Coordination Committee is strategically responsible for the determination of the following:

- The general principles and priorities of the activities of TIKA that needs to be in line with the government policies in general and foreign policy goals in particular.
- Developing the programs for the cooperation and assistance projects by taking the development needs of the respective countries and communities into account.

The committee provides an environment for the actors who are involved in the processes of development cooperation to come together and discuss issues around the theme of possible approaches to various countries and areas and exchange ideas.

2.5.4 Project Types and Project Management

Besides humanitarian assistance, TIKA mainly delivers aid in the form of **technical cooperation**, scholarships and institutional as well as capacity building in partner countries. This is accomplished by providing training and advisory services in fields where Turkey has a comparative advantage in terms of know-how and experience. The table below sheds light on the different cooperation modalities that TIKA is involved in and how funds are distributed.

• Table 5: Distribution of Turkey's Development Assistance by Category

	Dollars expressed in Millions
1. Official Development Assistance (ODA)	1 273.01
1.1 Bilateral Official Development Assistance	1 226.21
Budget Support	0
Support for NGOs and Private Sector	1.38
Project-Program-Assistance	486.92
Technical Cooperation	111.91
Emergency Aid	264.35
Domestic Student Assistance	73.56
Acquitted Debt	0
Administrative Spending	70.73
Development Assistance Promotion Efforts	0.94
Refugees	213.60
1.2 Multi-lateral Official Development Assistance	46.80

Source: TIKA Annual Report 2011:23

As stated on the TIKA homepage (2013), **Project/ Program Assistance** refers to the construction/renovation of buildings for the improvement of basic infrastructures in the relevant countries, also including the donation of equipment. Thus, funds are spent on physical infrastructure and projects are carried out by construction companies and other private actors involved in the respective sector. Technical experts in TIKA coordination offices might be deployed for a short time, but their role is more in coordinating activities of the private sector and TIKA. The strong emphasis on constructing infrastructure and providing equipment also explains the large portion of funds allocated for project/ program assistance.

Technical Cooperation is regarded as "organizing expert trainings towards increasing capacity on any subject in the relevant country, where a comparative advantage of experience and superiority exists in our country and to assign consultants within this scope" (TIKA Homepage 2013). Furthermore, it is claimed that trainings are based on the experiences made in different organizations in Turkey, which are compiled by TIKA according to the beneficiary organization's needs. Thus, technical cooperation is mainly interpreted in the form of trainings in third countries – a similar approach to Southeast Asian donors.

In both cases TIKA takes up a coordinating role between experts of line ministries, private companies and the beneficiary countries. As mentioned above a large portion of TIKA's activities are **humanitarian aid** in terms of emergency relief and support for **refugees** in the country. Due to its location close to major conflict zones of the Middle East and Afghanistan, Turkey hosts a one of the largest refugee populations worldwide with approximately 600.000 Syrian refugees alone. This makes up the third category of bilateral ODA.

Development cooperation projects are managed through TIKA's coordination offices in the partner countries. These are led by a Turkish programme coordinator and an assitent, usally, the rest is local staff as well as Turkish short or medium-term experts. In countries without coordination office, the closest regional office will be responsible for project management and implementation. Projects are also often initiated based on proposals by the programme coordinators in the respective countries. They are then sent to the responsible line ministry or the office of the Prime Minister. TIKA's overall role is that mediating different ideas and interests. Projects are based on different legal agreements: In some cases projects are agreed in bilateral cooperation agreements on the highest political level, in others memoranda of understanding (MoUs) govern the projects, and especially in countries with a coordination office overall and more general cooperation agreements exist (Hausmann 2014: 22).

Triangular Cooperation is receiving increased attention as a modality of cooperation between two donors in a beneficiary country. For instance, Germany and Turkey have developed a triangular cooperation program with beneficiary countries in Turkey's direct neighborhood. There are no separate budget lines for triangular cooperation and although attention for this cooperation modality is rising, it is not a main priority for Turkey[27].

[27] For an analysis of opportunities and challenges of triangular cooperation between Turkey and Germany, see Hausmann 2014.

2.5.5 Trends, new modes of delivery, multilateral initiatives

Turkey has become more and more involved in solving conflicts in the region and has positioned itself as a **bridge and mediator at the crossroads between East and West**. As such it receives great popularity in hosting conferences, bringing together different stakeholders and engaging in regional and multilateral issues. For instance, in 2015, Turkey will be hosting the Mid-Term Review Conference of the Istanbul Programme of Action which is a follow-up of the Fourth UN Conference on the Least Developed Countries (LDCs).

What remains one of the most crucial unresolved issues and thus, complicates any predictions on trends, future developments etc., is **Turkey's accession to the European Union**. Turkish governments' response to the Gezi upheaval has brought additional tension to the relations between Turkey and the EU. Yet, there are other contentious and unresolved issues, which have already been hindering the accession process since the 1960s. As elaborated above, Turkey's global orientation and diversification of partners worldwide can partly be explained by the disappointment with its traditional European partners. A Turkish EU accession would most likely also influence its development cooperation and allow for approximation with the OECD DAC.

2.5.6 Concluding Remarks

The Turkish case has provided very interesting insights into **geo-strategic orientation of development cooperation**. Although an organizational law on the establishment of TIKA exists, the lack of a clear development cooperation strategy can be observed, also in the inter-mingled institutional set-up. TIKA takes up a coordination function, but the line ministries involved seem to have different roles according to each specific project or setting. Most of them are involved in emergency assistance in one way or another. But besides this common thread, development cooperation seems to be instrumentalized as promoting other foreign, economic and cultural policy goals. The following observations can be made.

Turkey is a **major player in humanitarian assistance**. This is in accordance with the impression of the lack of a clear development cooperation strategy and a long-term vision for provision of rising ODA budgets. During the first two stages of its existence, TIKA has been an instrument within changing overall foreign policy goals and scenarios and has performed well in enhancing cultural, political and economic proximity with its direct neighborhood and the Turkic Republics. From the analysis of TIKA reports and statements, it seems to be time to enter a more strategic phase in terms of development cooperation goals. Investments in infrastructure, health and education programs have been at the heart of development cooperation for the last 60 years. But the discourse has evolved beyond that towards closer international cooperation on global public goods. Turkey already has an excellent reputation in safe guarding the global public good of security and by engaging as a mediator in conflicts in the region or between the "East" and "West", as the case of the Iranian nuclear dispute has shown. This is clearly a strength of the Turkish approach. Yet, joining the global debate on international cooperation could further enhance Turkey's role as a development partner.

Overall, Turkey uses **different kinds of instruments of cooperation**, e.g. also through private sector cooperation, non-governmental organizations, cultural institutes and private schools. Summing Turkey's approach up, Özerdem (2013) claims: *"The Somalia experience shows that Turkey's main strength in response to peace-building challenges is the way it uses its different capacities and resources in a coordinated way; providing assistance for relief aid and reconstruction, but also working*

with Somalia as a business partner and investing in the youth education."

The **role of the Prime Minister** is stronger in Turkey than in most other cases and development cooperation is more centralized, despite the variety of actors being involved in implementation. The major departments involved in development cooperation are organized directly under the Prime Minister, which gives evidence of the importance attached to development cooperation and its centralization. The Ministry of Foreign Affairs is responsible for the general foreign policy outline and other line ministries send experts for the implementation of projects or trainings. Yet, it can be observed that there is no clear "division of labor" or mandate to take up planning and implementation in certain sectors. TIKA's mandate is to coordinate approaches, but it seems that other actors follow their own policy agendas and also strive for visibility abroad (e.g. through pictures in crisis zones or in front of newly constructed schools). TIKA's approach of working in the countries/ regions through 33 **coordination offices** in its main partner countries is very interesting. AMEXCID could think about opening regional offices or country offices in its most important partner countries as well.

As an **OECD** country Turkey is the only country in this study that reports directly to the OECD DAC. This might be due to its historically strong orientation on the West and close relations with Western partners in Europe and the US. Yet, it seems that it would jeopardize its cultural proximity to some of its partners by joining the DAC as a member, which might be an explanation for the hesitation to engage further in the DAC.

The political and social consequences of the Gezi Park movement are many, and they bear the potential to have a **multi-directional impact on Turkish (foreign) policies** in general and development operations in particular. Nevertheless, identifying multi-faced dimensions and possible consequences of the Gezi Park movement at this stage cannot qualify more than educated guesswork. As far as TIKA's Ottoman stretch and the Middle Eastern region is concerned, there is indeed some data available from Egypt and Syria and Arab Spring countries suggesting that Turkey's self-appointed role as a pivotal country which could promote liberal democracy and a free market model in the region is more and more perceived as an ambitious Turkish strategy that is lacking substantial basis by the respective countries. However, the configuration in the region is known to be altered in a rapid pace and therefore, Turkey surely will have its chances to reposition itself in the region. Besides, even though Prime Minister Tayyip Erdoğan is still a powerful leader, President Abdullah Gül who is known to have disagreements with the Prime Minister on many issues such as the Gezi Parkı movement is likely to go back into active politics. One must note that President Gül has successfully made an impression on the people of Turkey and foreign officials rendering himself a more credible candidate for fulfilling the role of spearheading the effort to promote liberal democracy in the region. Thus, it remains to be seen, how the situation develops in Turkey. Also in Brazil, the current protests might have a longer term impact on (foreign) policies and development cooperation.

2.6 Country Study MEXICO[28]

Mexico has been a committed development partner for decades and its role has always been multifaceted. Mexico has shown a growing role as provider of cooperation with a particular emphasis on the regional development; also, it is a strategic partner for many traditional cooperation providers, especially in the field in triangular cooperation. Several features define the character of the Mexican cooperation, among them: the condition of Upper Middle Income Country, the regional interconnectedness, its membership at the Organization for Economic Cooperation and Development (OECD) and the G-20 and its observer status in the Development Assistance Committee (DAC) of the OECD.

The diplomatic tradition of the Mexican foreign policy and the attachment to the principles and values of international law have also characterized the Mexican participation in international cooperation mechanisms. As expressed in Art. 89 of the Mexican constitution, international development cooperation (IDC) is one of the seven normative principles of foreign policy. It is considered as expression of solidarity and global responsibility as captured in the National Development Plan (PND in Spanish) (Presidencia de la República 2013a), but also as an instrument to consolidate the soft presence abroad and reinforce the national development efforts.

Mexico has been key advocate and participant of South-South and Triangular Cooperation and horizontal partnerships for development. As mentioned by the Executive Director, Mexico's "competitive edge lies in technical cooperation and in our full, open willingness to share knowledge and experiences" (IDB-INTAL 2013). In every forum, Mexico has expressed its role of advocate of these modalities as relevant for development with a particular value added. In the latest report of Ibero-American Cooperation (SEGIB, 2012), Mexico appears as one of the top three providers of SSC in the region and a leader partner in Central America. On the other hand, Mexico has developed a role of bridge or facilitator between traditions of cooperation owing to its multiple identities and wide participation in multilateral and regional forums.

Institutionally, even though there is an important history of cooperation and institutional development, the Mexican Agency of International Cooperation for Development (AMEXCID) is a very young institution with a challenging path ahead considering the number of actors engaged in the Mexican cooperation system, the engineering mandated by the 2011 Law of International Development Cooperation and the national and international expectations generated around the creation of AMEXCID.

2.6.1 Cooperation patterns

The history of contribution and the capacity developed is very rich and has produced important partnerships and development results. The Law of International Development Cooperation (LCID) of 2011 provided the legal basis and a comprehensive framework to strengthen a system of cooperation, formalize practices and leverage the role of Mexico as development partner. LCID establishes principles, instruments, responsibilities

[28] This chapter was exclusively written by Bernadette Vega, MA in International Development from the University of Pittsburgh as Fulbright scholar. Former Deputy Director of Policy Planning in the Mexican Ministry of Foreign Affairs. She has worked as consultant for the German Cooperation Agency and collaborated with the Public Sector Capacity Building Secretariat of Rwanda. She has recently joined AMEXCID as Director of Registry, Monitoring and Evaluation.
The views presented in this chapter are personal and do not represent the official position of AMEXCID. This chapter is informed by a previous study of intra-institutional coordination conducted in the framework of the Institutional Strengthening Project between the German Cooperation Agency and AMEXCID.

and policy directions for the Mexican development cooperation, the main one being the creation of the Mexican Agency of International Development Cooperation (AMEXCID).

The principles that constitute the basis for cooperation actions are: international solidarity and promotion of human rights, strengthening of the rule of Law, gender equity, sustainable development promotion, transparency, and the principles of ownership, alignment, harmonization, management for results and mutual accountability. In addition to these principles, Mexican international cooperation has been historically conducted following three basic guidelines (AMEXCID, 2013a):

1) actions and projects support national development efforts in a **complementary** fashion and do not suppose a substitute of the latter,

2) cooperation interventions should contribute to establish independent and **sustainable** development processes, and

3) parties involved in cooperation initiatives should contribute – according to their possibilities – with financial, human and technical resources for the implementation of projects, avoiding assistance-like schemes and fostering ownership **(co-financing)**. In fact, most cooperation programs with Central and South America share the costs of cooperation with Mexico.

As mandated by LCID, Mexico has to produce a Programme of International Cooperation for Development (PROCID) where geographical and sectorial priorities and mechanisms will be clearly defined. The PROCID will be part of the National Planning System and therefore, should be aligned to the National Development Plan (PND), the main strategic framework for public policy, and the Sectorial Program of Foreign Policy. Then, the basis for the elaboration of PROCID will be given by, on the one hand, the priorities established in both PND and Sectorial Program and, on the other hand, by the LCID, which establishes in Art. 1 and 24 focus areas and main guidelines for the IDC policy. Specific areas of collaboration with each partner are defined jointly, taking into account the needs of the partner or coincident needs in case of horizontal cooperation, and the areas where Mexico has specific developed capacity.

AMEXCID has the responsibility of proposing the PROCID; however, another characteristic of the Mexican Cooperation System is that PROCID is built with the participation of implementing institutions, particularly in the definition of lines of action for the strategies regarding priority sectors. Annually, implementation of PROCID will be evaluated and every two years the program could be revised. As of March 2014, PROCID is being analyzed by the Ministry of the Treasury (SHCP in Spanish) and is expected to be published later in 2014.

As a provider of South-South Cooperation, the Law (Art. 24) establishes main guidelines for the IDC policy. It clearly states Central America as the regional priority, followed by the rest of Latin America and the Caribbean, and developing countries in Asia Pacific and Africa. The current portfolio of cooperation projects, flows and academic exchange confirms the regional vocation of the Mexican policy. In addition, humanitarian assistance is a trademark and strength of the Mexican cooperation policy: in the last two years, Mexico contributed financially, in kind and with experts in response to emergencies and disasters in Honduras, Haiti, Cuba, Guatemala and the Philippines.

Funds to finance development cooperation provided by Mexico come from different sources. Some are managed by AMEXCID, others are provided directly by line ministries. Since 2011, AMEXCID has worked on building the instruments to gather information on development cooperation actions provided by the Federal Government. This work implied the construction of technological applications, calls for data entry, training and thorough analysis and validation of data entries

from more than 20 entities of the Federal Public Administration. According to this first exercise, it is estimated that in 2011, USD 268.672.379 were disbursed in development cooperation actions by the Mexican Federal Government (AMEXCID, 2014a). For 2012, the estimate amounts to USD 277.073.094 (AMEXCID, 2014b). These calculations include technical and scientific cooperation, financial cooperation, cultural and educative cooperation, contributions to multilateral organizations and humanitarian assistance. This quantification exercise has informed the diagnosis conducted by AMEXCID during 2013-2014 about the Mexican cooperation flows, the needs in terms of information systems vis-à-vis the National Registry of International Development Cooperation (RENCID) and the consolidation of a methodology for the quantification of the Mexican cooperation provided (see 2.6.2), all of which is still in a development process.

2.6.2 Institutional Set-up and Organizational Structure

The Mexican development cooperation has been conducted through different institutional arrangements and is intimately linked to the institutional development of regional cooperation. Imperative references are the creation of specific Directions within the Ministry of Foreign Affairs (SRE) devoted to cultural affairs (60s) and technical cooperation ('71), the Contadora Process (80s) and the establishment of the Mexican Commission for Cooperation with Central America (Pérez-Bravo & Sierra, 1998; Rodriguez, 2008). The immediate antecessor of AMEXCID was the Mexican Institute of International Cooperation (IMEXCI in Spanish) created by presidential decree in 1998, as an institution with technical autonomy. This was an initiative promoted by Rosario Green, Minister of Foreign Affairs at the time; during an interview she explained one of the motivations behind it:

"Una de mis grandes preocupaciones en el ámbito de la cooperación era no tener la capacidad de [ofrecer] una cifra contundente de la Cooperación de México en Centroamérica; porque la cooperación no sólo la hacía o la organizaba la Secretaría, sino la daban otras dependencias gubernamentales y no se le ponían ni pesos ni centavos…. En IMEXCI tratamos de empezar a hacerlo, pero era muy difícil porque en el organigrama de la Cancillería no tenía un peso para poder exigir a otras dependencias que nos auxiliaran" (AMEXCID, 2013c)

Nevertheless, the lack of a legal framework to support its operation prevented its endurance. In 2000, in a context of political transition, the IMEXCI disappeared and instead, the Instituto Mexico for Cultural Affairs was created (Tello, in Garzón, 2011).

The latest effort of institutionalization started in 2007. Senator Rosario Green, former Minister of Foreign Affairs, introduced the initiative of the Law of International Cooperation for Development (LCID in Spanish). Throughout the process, several debates highlighted the differences among stakeholders regarding content, subjects and binding character of the Law. In fact, the Executive observed the LCID, particularly regarding the subjects of the Law based on the fact that foreign policy is an exclusive attribution of the Federal Executive.[29] The legislative process concluded in April 2011, when the Law was finally published and came into force (Garzón, 2011).

The approval of the LCID represented a turning point in the history of the Mexican international cooperation. It upgraded international cooperation for development to the level of public policy and protects the institutional gearing. Nevertheless, civil society and subnational actors had concerns

[29] Even though it is a prerogative of the President to observe law projects (Art. 72, Mexican Constitution), the observations by the Executive were considered as a pocket veto. See Garzon, 2011.

regarding their participation in cooperation activities owing to the fact that the only subjects of the LCID were institutions of the Federal Public Administration.[30]

The LCID has the objective to equip the Federal government with the "necessary instruments for the planning, promotion, agreement, coordination, execution, evaluation and oversight of the actions and programs of International Cooperation for Development between Mexico and foreign governments, as well as international organizations, for the transfer, reception and exchange of resources, goods, knowledge and experiences in the educative, cultural, technical, scientific, economic and financial". (LCID, Art. 1)

The instruments foreseen by the Law constitute the pillars of the Mexican System of International Cooperation for Development. These instruments are:

1. The Mexican Agency for International Cooperation for Development (AMEXCID in Spanish).
2. The Programme of International Development Cooperation
3. The Registry and Information System of International Development Cooperation
4. The National Fund for International Development Cooperation

• Figure 38: Institutional framework of the Mexican development cooperation

Source: AMEXCID internal documents

[30] This position was expressed in interviews, articles and during the "Jornadas de Diálogo" for the implementation of the Law, conducted by the Ministry of Foreign Affairs in partnership with the Instituto Mora (SRE-Instituto Mora, 2011).

The Mexican System of International Development Cooperation

Similar to other Southern providers in Latin America, the cooperation system in Mexico is characterized by a wide diversity of actors participating in different stages and with different roles. However, as of 2011, AMEXCID is formally the coordinating actor and the channels of communications and mechanisms of coordination are clearly established in the Law.

Ministries, specialized institutes, national commissions and councils, academic institutions, states, municipalities, civil society organizations (CSOS), foundations and corporations, all these actors have partnered with SRE/AMEXCID for cooperation actions. Their roles are multiple: some institutions share their expertise to other countries through SSC; others, whether public or CSOs have benefited from the cooperation received from traditional donors or from horizontal knowledge sharing processes; the private sector has contributed with resources to implement cooperation projects and is becoming a more frequent partner in development.

The essence of the Mexican cooperation is the exchange among peers. As in Brazil, Mexican experts "borrowed" from specialized public institutions constitute the main asset of such exchange. As mentioned by Juan Manuel Pereña, Executive Director of AMEXCID: *"a comparative advantage of the cooperation offered by Mexico, which it certainly shares with other emerging economies, is clear: the capacity to export experiences in several public policy fields that we have tested before at home, and are susceptible of replication in developing countries, since we share with these countries very similar problems and realities in different areas"* (IDB-INTAL, 2013).

Strong partners of AMEXCID in the implementation of projects are the Secretariat of Environment and Natural Resources (SEMARNAT); Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA); Secretariat of Health; Federal Electoral Institute, National Council of Science and Technology (CONACYT); National Council on Evaluation of Social Development Policy (CONEVAL), National Institute of Statistics and Geography (INEGI) and the Mexican Institute of Water Technology (IMTA).

Given the fact that the Mexican system relies in the gearing explained above, the Law foresaw the creation of a Consultative Council (CC) whose main goal is to contribute to the policy making process. It is integrated by 17 Ministries, and CONACYT, the National Council for Culture and Arts (CONACULTA), the National Commission for the Development of Indigenous Peoples (CDI) and is chaired by the Minister of Foreign Affairs. The sessions of the CC will be also aimed at showcasing experiences and sharing practices between the Mexican institutions represented therein, even though the purpose of the first sessions has been its institutionalization.

Adequate identification of Mexican institutional strengths and experts becomes a precondition for this model to function. As a result, AMEXCID released a Catalogue of Mexican Capacities in 2012. This catalogue was produced with the cooperation of the Japan International Cooperation Agency (JICA) and contains: the strengths of key institutions by sector, their installed capacity, technical experts and experience in international cooperation projects (AMEXCID-JICA, 2012). The 2012 Catalogue is the first produced by AMEXCID and will be updated regularly with information collected through the National Registry of International Development Cooperation (RENCID).

The National Registry of International Development Cooperation (RENCID in Spanish), managed by AMEXCID, will contain detailed information about projects and amounts of

international development cooperation both as provider and recipient. It will also include information on participant institutions, agreements, experts, reports and evaluations of development cooperation actions (Art. 28). RENCID will feed the Information System that AMEXCID is also mandated to organize, manage and keep updated. The goal of the information management instruments is to have a better cooperation planning and use of resources and implement a policy of dissemination of the results and benefits of the cooperation actions (Art. 31).

Currently, AMEXCID is consolidating the design of the new platform that will host the Registry and Information System, as well as the methodology for the quantification of the cooperation provided by the entirety of the cooperation system, not only the budget of AMEXCID. The process mentioned is informed by former experiences of information management within SRE, the most recent being the Mexican System of International Development Cooperation (SIMEXCID) and the aforementioned exercise of quantification of the cooperation provided by the Federal Government. The methodology for quantification of the development cooperation provided by Mexico includes a first proposal of the value of technical cooperation and defined methodology for calculating the concessionality of the Mexican loans.

So far, RENCID is expected to contain information from the entities of Federal Public Administration because those are the subjects of the Law which are obliged to collaborate with AMEXCID in order to keep the information systems updated. However, it does not imply that there is no collaboration with non-state or subnational actors. For Mexico, collaboration with non-state actors is not new; there are interesting examples of successful engagement with CSOs and private sector to advance development projects abroad. A groundbreaking example is *"Alianza México por Haití"* brought together seven major foundations from Mexican companies, the Mexican Government and CSOs for the reconstruction of Haiti (AMEXCID, 2012b; AMEXCID 2013b). It is true that private and subnational actors are not formally subjects of the law. Nevertheless, the Executive Director of AMEXCID has proposed the installation of five ad hoc Technical Councils: Social, Private Sector, Local Government, Scientific and Academic and High Level in order to improve the channels of communication and exchange with those key groups (SRE, 2012b; SRE, 2014b).

2.6.3 Mexican Agency of International Development Cooperation (AMEXCID)

Since its inception, the Mexican Agency for International Development Cooperation (AMEXCID) was designed as an agency to serve the dual character of Mexico as cooperation partner. It has technical and managerial autonomy and depends directly from the Minister of Foreign Affairs. It is integrated by about 300 members of the staff, a mix of Mexican Foreign Service and public officials and consultants with expertise in technical cooperation management. The Executive Director of the Agency is proposed by the Minister of Foreign Affairs and appointed by the President.

AMEXCID started operations on September 28th, 2011, and has the explicit mandate to coordinate and bolster cooperation actions along with the Federal Public Administration. The responsibilities of AMEXCID are clearly established in the law and include the coordination of the strategic planning process; monitoring and evaluation of the policies and actions, and design of a methodology to quantify the total amount of human, technical and financial resources devoted to cooperation actions. It is also in charge of managing the National Registry and the Information System of international cooperation for development, and coordinates the capacity development program for its personnel with the best practices in the field (LCID, Art. 10).

The organizational logic of AMEXCID is mixed and reflects the intimate linkage that has existed between international cooperation for development, academic exchange and cultural diplomacy. A particular feature of AMEXCID is that, since its creation, it was integrated by those directorates within the Ministry of Foreign Affairs that were in charge of both international development cooperation and economic and cultural promotion (SRE, 2011). As a result, the logic of organization of the newly created AMEXCID was decided according to the following criteria: whether the main capacity was developed on economic and cultural promotion or management of international development cooperation; the regional priority and the type of cooperation.

Currently, South-South Cooperation is distributed throughout the Agency and triangular cooperation initiatives are coordinated by the area in charge of managing the bilateral relation with the partner provider. The main challenge since the creation of the Agency has been to integrate the departments that previously were functioning independently. In this regard, even though some processes are not completely new or derived from the creation of the AMEXCID, the full implementation of the Law implies a transformation of practices and mechanisms of collaboration between Mexican cooperation actors. In this line, the institutional strengthening of AMEXCID is supported by three cooperation projects with the German cooperation, the Japanese agency and the UNDP.

As of the latest restructuring of 2013[31], the following directorates will integrate AMEXCID:

- **Development Cooperation Policy and Planning:** Its main responsibilities are to coordinate the strategic planning of the Agency; develop methodological tools for its operation and monitor its performance; carry out the institutional consolidation strategy; streamline mechanisms for inter-institutional communication, and design and implement the capacity development program.

- **International Cooperation for Development:** This area coordinates bilateral and triangular cooperation programs and projects, both as recipient and as provider with partners from North America, Europe, Asia-Pacific, Africa and the Middle East and multilateral organizations. DGCID is also in charge of the main horizontal cooperation programs in South America and the coordination of academic exchange programs.

- **Cooperation for Mesoamerica and the Caribbean:** This area coordinates the cooperation whether regional, bilateral, technical or economic with the regional priority: Central America and the Caribbean. The landmark regional initiative Mesoamerican Integration and Development Project resides in this department, as well as the recently launched Fund for Infrastructure for Mesoamerica and the Caribbean.

- **Economic Cooperation and Promotion:** This area works closely with ProMéxico[32], the Ministry of Economy and the Mexican Business Council for Foreign Trade, Investment and Technology to support the internationalization of the Mexican private sector through; follow up the work in economic dialogue mechanisms (binational meetings, consultation mechanisms, strategic partnerships councils, joint economic commissions); support negotiation of economic instruments (i.e. free trade agreements, agreements of economic complementarity) and conduce expressions of interest to engage in investment or commercial projects from private sector through the Mexican Representations abroad.

31 The restructuring started in 2013 and will be reflected in the internal regulations of the Ministry of Foreign Affairs, currently under review. This information was collected through several interviews within AMEXCID.

32 ProMéxico is the institution of the Mexican Government in charge of strengthening Mexico's participation in the international economy.

- **Cultural and Touristic Cooperation and Promotion:** This area is focused on coordinating Mexican cultural presence abroad through the promotion of scenic arts, visual arts, music, cinematography, literature and gastronomy.

It integrates the Catalogue of Cultural Offer abroad and the Program of Cultural Promotion which is implemented by Representations of Mexico abroad and eight cultural institutes (in Belize, Costa Rica, Spain, France and four in the US).

• Figure 39: Organizational Structure of AMEXCID

Source: AMEXCID internal documents

The eclectic organizational structure of AMEXCID involves challenges as well as opportunities. On the one hand, the scope of functions complicates planning and performance monitoring processes and widens the fields where institutional strengthening and expertise is required (from cooperation management to, i.e., treatment of works of art). On the other hand, it is encouraging the integration of diverse instruments for development, beyond technical and financial cooperation. According to officials, AMEXCID is currently designing a framework for development cooperation in collaboration with the private sector. Modalities considered are public private partnerships, knowledge sharing between chambers of commerce and entrepreneurs; dialogues to foster corporate social responsibility and inclusive businesses. Through this strategy, the goal of AMEXCID is to capitalize the experience accumulated in the dialogue and collaboration with the private sector and bring together human, technical and financial resources from different sources, with the ultimate goal of amplifying the scope and impact of development initiatives.

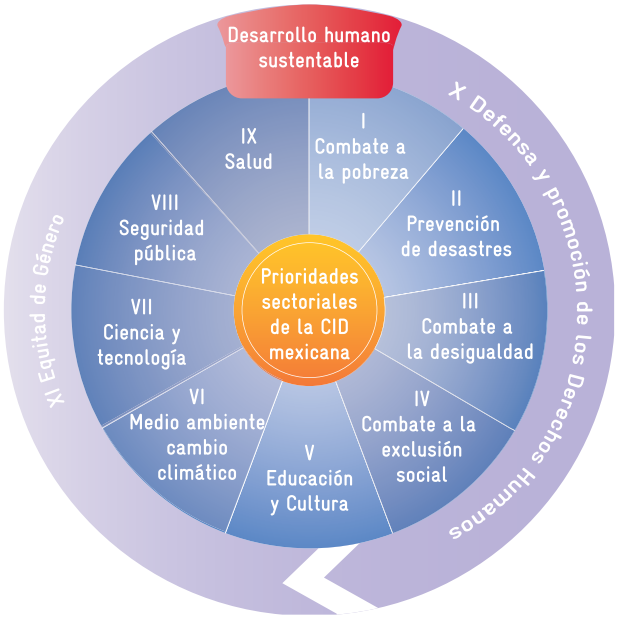
The Mexican cooperation has been financed through different mechanisms that varied in terms of flexibility and management and as mentioned above, AMEXCID is not the only source of funding for South-South Cooperation projects (DGCTC, 2009). The mechanisms used by AMEXCID, and even before its creation by the cooperation departments in the

Ministry of Foreign Affairs, include funds managed by multilateral organizations, such as the Mexican Fund for International Development Cooperation with Ibero-America (FOMEXCIDI in Spanish); Funds managed by the Organization of American States, sectorial funds, for example the SRE-CONACYT Sectorial Fund for Research; joint funds with the government of Spain, Chile and Uruguay and, shortly, the National Fund for International Cooperation for Development, as established by the Law.

The **Mexico Chile Joint Cooperation Fund** has been showcased as an innovative practice of SSC (SEGIB, 2010; TTSSC-OECD, 2011). It was set up as a result of the Strategic Partnership Agreement signed in 2006 with an annual budget of two million dollars (one million per country). This type of fund contributes to predictability and enhances the scope of horizontal cooperation projects. This partnership includes the possibility of triangular cooperation where Mexico and Chile become providers in benefit of a third country. In this case, the funds are managed in Chile and the coordination between both agencies and the Chilean Embassy in Mexico is crucial. The success of this fund generated interest in partners in the region, and in 2011, Mexico and Uruguay created a Joint Fund with an annual budget of USD 500,000, also within the framework of a Strategic Partnership Agreement (SRE, 2012a). Unlike the Mexico- Chile fund, this fund is managed by UNDP.

The National Fund (FONCID) was created as an instrument to support implementation of the cooperation policy. The trust fund that will manage the FONCID was formally constituted in 2012 and during 2013 the rules of operation were drafted. Its implementation will be gradual and AMEXCID is working to evaluate the impact of its introduction in the regular policy and project cycles. According to the Law (Art. 34-42), FONCID will be integrated with the federal budgetary allocations to cooperation programs and will be able to receive funds from cooperation partners and transfer them to the entities of the Federal Public Administration responsible of the execution of the projects. It is important to mention that, according to its rules of operation, it was structured so as to be able to receive funds from abroad and from the private sector, one of the benefits of FONCID.

• Figure 40: Thematic priorities as contained in LCID



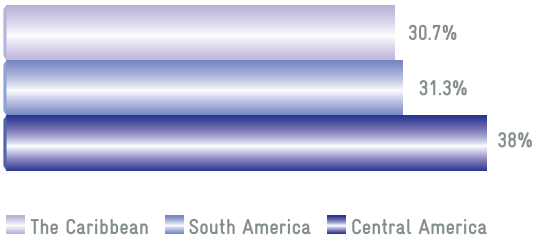
Source: AMEXCID internal documents

2.6.4 Project Types and Project Management

Mexican cooperation comprises mainly projects of technical and scientific cooperation (bilateral, regional and triangular), academic exchange programs, humanitarian assistance and financial cooperation. The majority of the projects are implemented bilaterally in Latin America, particularly in Central America.

Bilateral cooperation is mostly provided through standalone projects as a response to demands from beneficiary countries. These demands are expressed and formalized in Joint Commissions where the portfolios of projects are approved. In order to avoid extreme fragmentation of projects, bilateral biannual programs are concentrated in three main areas/sectors, predefined jointly by the beneficiary country and Mexico.

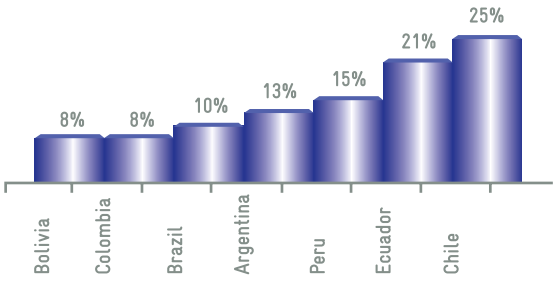
• Figure 41: Mexican cooperation by region (% of projects)



Source: AMEXCID Internal report 2012

In general, AMEXCID provides facilitation and is the convener for the agreement of cooperation programs. It is expected to provide guidelines and orientation to engage in cooperation actions and match the demands with those institutions that have the capacity and availability to deliver such cooperation. During the implementation, its role is different, focused on providing assistance by arranging mobility and per diem and supervising that activities of standalone projects are developing as expected. In the case of South-South cooperation, implementation of projects becomes a shared responsibility of the technical institutions involved, both recipient and provider.

• Figure 42: Bilateral Projects with South America



Source: AMEXCID Internal report 2012

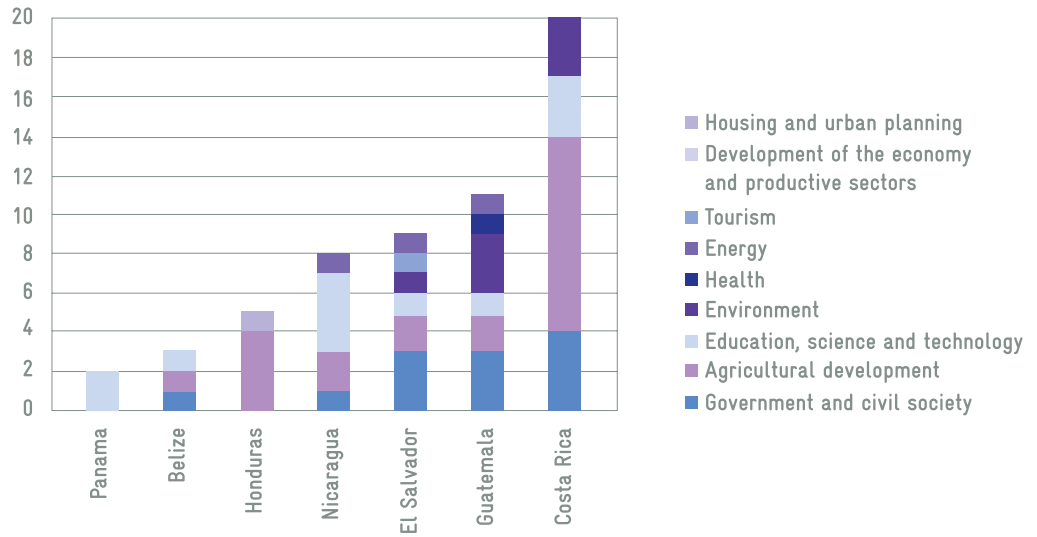
In a regular cycle of a bilateral project agreed in Joint Commission, coordinating institutions and technical entities work together in keeping the rhythm of the project. According to the Outcome Acts of Joint Commissions and the guidelines for the follow up of the projects, after every activity, experts are expected to send a report to the coordinating institutions (AMEXCID and its counterpart) that informs whether the project needs adjustment or not. Upon completion, a final report is also expected. Annually, bilateral programs hold evaluation sessions where AMEXCID and its counterpart analyze the progress in the execution of the entirety of the program. After two years, the portfolio is also analyzed and decisions are made regarding pending projects, whether they are terminated or integrated in the new bilateral program portfolio.

With the support of institutional strengthening projects, AMEXCID is developing a System of Monitoring and Evaluation aimed at consolidating a cooperation management for results. The system will be implemented throughout the Agency and is expected to have standard formats of reporting and generate evaluations of emblematic projects.

Programs in Central America are wide both bilaterally and regionally. According to internal document, bilaterally, the main area of cooperation is agriculture, followed by social development, environment and public security. The countries with the most numerous portfolios in 2012 were Costa Rica, Guatemala and El Salvador. With Costa Rica, the cooperation is moving towards a more horizontal scheme, it is the only Central American country with which Mexico has a Strategic Association Agreement (signed in 2009) and a cooperation agreement that expressly includes triangular cooperation as a possible modality of engagement.

With the Caribbean, the collaboration is more contingent and fragmented, which is directly related to the institutional capacity of the beneficiary countries. Cooperation with the Caribbean is mainly conducted through specific actions, except for Cuba, Jamaica and Dominican Republic with which Mexico has biannual programs. The areas of collaboration are: agriculture, energy, mining, social development and environment, according to internal AMEXCID records.

• Figure 43: Projects in Central America, by sector (2012)



Source: AMEXCID Internal Report 2012

Regionally, there are two types of interventions, regional courses and projects where Mexico is the provider of cooperation (for example, Program *Escuelas Mexico* and the Mesoamerican Program) or integral projects for mutual development. The most ambitious endeavor regionally is the Mesoamerican Integration and Development Project, which aims at promoting complementarities and cooperation among the countries of the region (Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Dominican Republic). This project covers actions in eight domains: transportation, energy, telecommunications, trade facilitation and competitiveness, health, environment, risk management and housing. The governance of this project has guaranteed the sustainability and scope of the initiatives. Among the main results is the construction in 97% of SIEPAC (Central American Electrical Interconnection System); an agreed action plan for the Mesoamerican Strategy on Environmental Sustainability (Proyecto Mesoamérica. 2014) and the 2015 Mesoamerican Health Initiative, with the Government of Spain, The Bill & Melinda Gates Foundation and the Instituto Carlos Slim de la Salud (IDB-INTAL, 2013).

As mentioned repeatedly when referring to cooperation partnerships, political buy in is crucial. In this case, the governance structure guarantees the political support through the Executive Commission composed by Presidential Commissioners in charge of planning, coordination and monitoring of the projects and actions adopted within the framework of the Mesoamerican Project. The Co-Presidency of the Commission is held by Mexico --and hosted by AMEXCID-- and a rotating pro tempore Presidency. A Commission of Promotion and Financing is in charge of supporting countries in the identification of innovative financing mechanisms, as well as the search of funds for the design and execution of the projects. This is integrated by the Inter-American Development Bank (IADB), the Central American Bank of Economic Integration (BCIE in Spanish), the Latin American Development Bank (CAF), and high level representatives of the Treasury Ministries of the member states.

The Inter-institutional Technical Group (GTI in Spanish) supports the Executive Commission in the definition process of the projects and actions promoted by the Mesoamerican Project and it is integrated by the IADB, BCIE, CAF, the Economic Commission for Latin America and the Caribbean (ECLAC), the Secretary General of the Central American Integration system (SICA in Spanish), the Secretary for the Central American Economic Integration (SIECA in Spanish) and the Pan American Health Organization (PAHO). In addition to this structure, Technical Commissions have been created by the heads of the ministries and institutions for the execution of the projects. Their responsibility is to propose, design, approve and execute the projects agreed in the PM framework (Proyecto Mesoamérica, 2014).

In South America cooperation relations are increasingly horizontal, mainly with Argentina, Brazil, Chile and Uruguay. As mentioned above, the Joint Fund between Chile and Mexico represented a major innovation in South-South Cooperation. Initially it allowed for the widening of the portfolio between both countries, later, as the fund consolidated, Mexico and Chile jointly decided to focalize the cooperation so as to have greater impact and have more rigorous monitoring and evaluation. In the case of the Mexico Chile Joint Fund, the governance structure is different from bilateral programs derived from Joint Commissions. In this case, the implementation of the fund is managed by the Cooperation Commission (AGCI)[33]. And the management of the projects is supported by a Technical Committee, which sessions every six months.

[33] http://www.agci.gob.cl/fondo_chile_mexico/que_es.html

With Africa and the Middle East, bilateral cooperation is still incipient. However, AMEXCID is moving towards sub-regional schemes of collaboration. Examples of this approach are training programs in electoral management conducted by the Federal Electoral Institute (SRE, 2014) and sub-regional workshops in water technologies, corn treatment and public policy evaluation, among others (IDB-INTAL, 2013). A new brand of projects has started in a multi-actor association arrangement. In 2013, a project aimed at sharing experiences on monitoring and evaluation of social policy started activities in benefit of countries from Sub-Saharan Africa. This project is product of an association between AMEXCID, CONEVAL, Bill & Melinda Gates Foundation, the CLEAR Initiative (Regional Centers for Learning on Evaluation and Results) and CIDE (Centro de Investigación y Docencia Económica).

Triangular cooperation is a modality in growth. The main partners in this modality have been Japan, Germany, Spain, Korea, Norway, Inter-American Institute for Cooperation on Agriculture, UNDP and the Organization of American States and the beneficiaries of these associations are mainly countries in Latin America. The latest Memorandum of Understanding to engage in Triangular Cooperation was signed in 2013 with USAID (Presidencia de la República, 2013b)

The area of academic exchange in AMEXCID manages the Mexican Government Scholarship Program for Foreigners. It is in charge of its dissemination and financial management. This program has two main modalities: 1) academic programs for higher education including Bachelor degrees, Master degrees and PhD; 2) special programs for visiting professors, researchers, stays for artistic development, among others. In 2013, 935 scholarships were provided to support foreign students in Mexico (SRE, 2013). One distinctive mechanism is the Pacific Alliance created in 2011 that set-up an Student and Academic Mobility Platform where each country (Chile, Colombia, Peru and Mexico) are compromised to offer 100 scholarships for bachelor degrees, postgraduate studies and research fellowships.

Mexico's financial cooperation (both grants and loans) is clearly targeted to benefit countries in the regional priority: Central America and the Caribbean. A reference is the San José Agreement that, since 1980's, secured supply of oil while facilitated a cooperation mechanism to promote economic and social development. Currently, the Infrastructure Fund for Central America and the Caribbean, also known as Acuerdo de Yucatán, represents the main financial cooperation instrument. It is aimed at providing financial support to countries in Central America and the Caribbean for infrastructure projects that facilitate connectivity and commercial flows. AMEXCID shares responsibility of its management with the Minister of the Treasury (SHCP). For the implementation of *Acuerdo de Yucatán* projects, the Mexican Government relies on financial intermediaries such as the Central American Bank for Economic Integration (BCIE in Spanish), National Bank of Foreign Trade (Bancomext) and for the projects financed through donation, the UN Office for Project Services (UNOPS). It is noteworthy that simple donations are granted for a total amount of 5 mdd. In case of credits, 100% of the principal is granted as donation to Heavily Indebted Poor Countries.

2.6.5 Trends, new modes of delivery and multilateral initiatives

Mexico is moving towards more focalized and less numerous portfolios, with the aim of reducing the fragmentation of the actions and improving the monitoring, evaluation and institutional learning. This transition is reflected also in the integration of initiatives to regional platforms such as the Mesoamerican Integration and Development Project.

With regard to the regions where the Mexican presence is modest, the trend is moving to sub-regional schemes where cooperation reaches wider audiences and networks are created for enhanced knowledge sharing.

The experience of the Mexico –Chile Joint Cooperation Fund was considered an innovation in SSC, it represented a mechanism to ensure availability of resources in a constant and programmable way, which tackles one of the main limitations of SSC. It is an example of horizontal partnerships that generate as a result, stronger political relations and ignites institutional development for more effective SSC.

In the DAC, Mexico encouraged greater engagement with dual cooperation partners, non-DAC donors, for enhanced dialogue and mutual understanding (Bracho & García Lopez, 2011). Mexico has participated loyal to its condition of dual partner and the principle of shared but differentiated responsibility. The position of Mexico has been oriented towards promoting the acknowledgement of South-South and Triangular Cooperation as relevant modalities for development and highlighting the situation of Middle Income Countries, as partners with a growing role in international development but with considerable needs in terms of poverty reduction and inequality. In April 2014, Mexico will host the 1st High Level Meeting of the Global Partnership of Effective Development Cooperation.

2.6.6 Concluding Remarks

The Mexican cooperation is entering a new stage in terms of institutional configuration, policy profile and mechanisms of engagement. There are some features that will remain prevalent

- The consolidation of AMEXCID entails a long term process of institutional development and adjustment. The complexities of such processes reflect that before AMEXCID, the Mexican cooperation had solid mechanisms of engagement, some of them among the internationally recognized SSC innovations, a strong presence internationally and acquired experience in cooperation management.

- At the same time, it also reflects the capacity development needs to manage a system as sophisticated as the one foreseen by the law. The full operation of FONCID will eventually symbolize the consolidation of this process.

- As every process of institutional development, the strengthening of the new Mexican cooperation system will certainly impact processes of engagement with national actors, public and private, and cooperation partners.

- The Law of International Development Cooperation and the Mexican Agency of International Development Cooperation

(AMEXCID) appeared at an interesting moment of the global architecture for international cooperation where the dual character of the cooperation is globally acknowledged and where South-South and Triangular Cooperation are also recognized.

- In fact, the design of the Law and its instruments has set high standards of performance and coordination. The LCID already includes as principles of the Mexican cooperation those emerged from the aid/cooperation effectiveness processes. It defines clear moments and mechanisms for the integral planning, monitoring and evaluation of cooperation actions and sets the tone for a transition from quantity of project to quality of impact.

- The governance of the system is also complex; it envisions a policy both as recipient and provider that should be owned by the entirety of the system. However, for this end, a solid policy of visibility and dissemination will have to answer questions of the public opinion regarding the decision of having a growing role as provider of cooperation being a Middle income country with demanding development challenges to overcome.

- The FONCID and RENCID represent innovative instruments to support the implementation of the Mexican cooperation; however, for them to be manageable, patterns of cooperation will have to move away from fragmentation towards more integral initiatives.

- The historical regional vocation is confirmed by the new structure; the challenge in the medium term will be to balance bilateral and regional cooperation so as to maintain a solid and constant presence abroad.

3.
THE ASIAN CENTURY: TOWARDS A NEW ASIAN DEVELOPMENT COOPERATION PARADIGM? – Special focus on Asian Development Partners in International Development Cooperation: China, Thailand, Malaysia, Singapore, Indonesia

Much has been discussed and speculated within the last 15 years about **emerging Asian development partners** and their role in international development cooperation. The spectrum of discussion ranges from "emerging-donor bashing" as ruining all efforts of OECD-DAC donors' cooperation, over competitors for hearts, minds and markets in developing countries, towards more optimistic and pragmatic voices stressing the role of choice of recipient countries and complementarities of approaches. As with OECD DAC cooperation providers as well, the group of Asian development partners is extremely diverse and ranges from the wide-scope Chinese model to first smaller attempts of establishing development cooperation policies in Southeast Asian countries, such as Indonesia or Malaysia. The aim of this section is to shed some light on their policy decisions and strategies and their cooperation patterns. The Japanese International Cooperation Agency (JICA) Research Institute has started a debate on an **"Asian aid paradigm"** (Kondoh et al. 2010), thus these thoughts will be taken up in identifying major characteristics of Asian donors, their strategic and normative orientations, motivations and institutional structures, in order to see if there is an emerging "Asian aid paradigm".

Traditionally, discussions on development cooperation often evolve around **quantitative elements (such as volume, geographic distribution etc.)**. Kondoh et al. (2010) argue that focusing only on these elements seems ill-suited when analyzing new development partners, because it limits the consideration of diversity in aid purpose and donor characteristics. "Furthermore, if quantitative volume is the focus, then emerging donor aid should be unreservedly welcomed by the traditional donor community because it adds to the quantity of available aid resources (ibid. 52)". They argue for the **inclusion of qualitative elements (aid purposes, policies and strategies; aid activities; aid institutions)** which have been used for the analysis of traditional donors and to apply them to the case of Asian development partners. The compilation of their conclusions is very insightful for this study and they are included in the tables below (Kondoh et al. 2010: 54-55), as it gives a precise introduction into important issues for China, Thailand and India (studied in section 2.3):

• Table 6: Factors that form and transform aid patterns

	DAC Standard (Idealtype)	China		South Korea		Thailand	India	
		1950s – 1990s	2000–	1960s – 1990s	1990s–		1950s – 1990s	2000–
Identity								
*Identity in International Community	Responsible Actors for Global Issues	Regional Superpower	Regional Superpower	Middle Power	Middle Power	Middle Power	Regional Superpower	Regional Superpower
Ideologies and Values								
Ideological Orientation	Solidaristic	Ideological	Pragmatic	Pragmatic	Pragmatic	Pragmatic	Ideological	Pragmatic
Other Orientation	Normative, Humanitarian	-	-	Developmental	Humanitarian	-	-	-
Influential Actors								
Coalition	Elites and Civil Society	Political Elites	Political Elites	Political and Business Elites	Political Elites and NGOs	Political Elites	Political Elites	Political Elites
Orientation	Progressive	Conservative	Conservative	Conservative	Progressive	Conservative	Conservative	Conservative
Domestic Economy								
Fiscal Constraint	-	○	○	○	○	○	○	○
International Political Context and Diplomatic Strategies								
Cold War		○	-	○	-	-	○	-
*Non-Alignment Movement	-	Non-Aligned Movement	-	-	-	-	Non-Aligned Movement	-
Geopolitical Consideration	-	-	○		○	○	-	○
*Neighbours	-	Taiwan Issue	Taiwan Issue	North-South Competition	Assistance to the North	Gap with the Neighbours	Gap with the Neighbours	Gap with the Neighbours
Bilateral Economic Relations	-	-	○	○	○	○	-	○
Other Diplomatic Consideration	-	-	-	-	DAC Membership	Regional Leadership/ DAC Membership	-	-
International Pressure								
Competition and Criticism	-	-	○	-	○	-	○	○
Degree of Economic Interdependence								
Trade-Dependence	-	low	high	high	high	high	low	high
Experiences of Aid Acceptance and Development								
*Path-Dependence	-	-	○	○	○	○	-	○
*Recipient Experiences	-	○	○	○	○	○	○	○

Note: * Refers to emerging donor-specific or newly focused factors.

Source: Kondoh et al. 2010: 54

• Table 7: Elements that compose aid patterns

	DAC Standard (Idealtype)	China		South Korea		Thailand	India	
		1950s – 1990s	2000–	1960s – 1990s	1990s–		1950s – 1990s	2000–
Aid Patterns								
Regional Superpower	-	○	-	-	-	-	○	-
Commercialism	-	-	○	○	○	-	-	○
Humanitarianism / Universalism	○	-	-	-	○	○	-	-
South-South Co-operation	-	-	-	-	-	○	○	○
Aid Purposes, Strategies, and Policies								
Economic	-	-	○	○	○	○	-	○
Political	-	○ (Non-Aligned / One China)	○ (One China)	○ -	○ (DAC)	○ (Stabilisation of the neighbour/ DAC)	○ (Non-Aligned)	○ (Stabilisation of the neighbour)
Aid Activities and Performances								
Major Scheme	Grant	Grant	Loan	Grant / Loan	Grant / Loan	Grant / Loan	Grant	Loan
Sectors	Social	Economic	Economic	Economic	Economic / Social	Economic	Economic	Economic
Targets	Poorer Countries	Non-Aligned countries	Asia / Africa	Asia	Asia / Africa	Neighbour	Non-Aligned countries	Neighbour / Africa
Political Orientation	Apolitical	Political	Apolitical	Apolitical	Apolitical	Apolitical	Political	Apolitical
Tied	x	○	○	○	○	○	○	○
*Speed	Slow	Speedy	Speedy	Speedy	Speedy	Speedy	?	Slow
*Flexibility	Low	High	High	High	High	High	?	High
*Project Cost	High	Low	Low	Low	Low	Low	Low	Low
*Harmonisation	High	Low	Low	Low	High	Medium	Low	Low
Aid Institutions								
Organisation	Consolidated	Plural	Plural	Plural	Plural	Plural	Plural	Plural

Note: * Refers to emerging donor-specific or newly focused elements.

Source: Kondoh et al. 2010: 55

3.1 CHINA

"Adhering to equality and mutual benefit, stressing substantial results, and keeping pace with the times without imposing any political conditions on recipient countries, China's foreign aid has emerged as a model with its own characteristics" (White Paper on China's Foreign Aid 2011: 1).

But what exactly characterizes this "Chinese model"? How does China deliver aid? And who are the recipients? Many myths about the Chinese engagement in Africa[34] and other developing countries have arisen in recent years and "China-bashing" seems en vogue with Western OECD-DAC donors. Whilst scholars, such as Deborah Bräutigam (2011) or Erica Downs (2007) have tried to "de-mystify" Chinese aid for the last ten years, the discussion always revolves around China as a major competitor for traditional donors, giving aid in so called "package deals" made up of an economic agreement, which is usually based on resource extraction concessions, loans, and certain development projects (mostly infrastructure). The government of China has a broad and at times vast definition of what constitutes development cooperation, which is hard to measure according to OECD-DAC standards. Researchers and practitioners alike refer to the difference of definition and interpretation of data, which is not transparently released by the Chinese government and is thus, subject to much speculation.

3.1.1 Interests and motivations for Chinese cooperation

Li Xiaoyun (2013) points to the interesting observation that everyone in the West tries to explain, China's engagement in Africa and other developing countries. This leads to some astonishment on the African continent as well, because "no-one is afraid of China's investments in Germany or the UK…" (Li 2013). Furthermore, Chinese investments in Latin America, Australia and New Zealand are much higher than in Africa. Generally, it can be said that China creates a big economic surplus that cannot be invested inside China and that it needs to spend. Chinese financial capital is looking for investment opportunities abroad, e.g largest Chinese investments are in Brazil in the agriculture and mining sector. China is mainly active in capital intensive sectors, like mining. Africa and Latin America are regarded as future markets for Chinese manufactured products. Interest in Africa is of course also of a geopolitical nature, making strong friends on a continent. This has at times led to accusations of "rogue aid" (Naím 2007) for cooperating with countries, such as Zimbabwe and Sudan, yet, South Africa is the major partner on the African continent. Furthermore, slight changes in China's relations with dictatorships can be observed, especially in its Sudan policy, when Chinese nationals are attacked and economic investments are in danger, it is hard to uphold the principle of non-interference. Africa gives full political support to China, whereas the Asian region and especially China's direct neighborhood is quite troublesome. China's aid strategy in its own region is influenced by contested boarders (e.g. India, Japan, Korea), regional and inter-state conflicts. Thus, relations within the Asian region are quite conflictive and Chinese aid aims at stabilization of the direct neighborhood and

[34] Most literature and research are available for China's engagement in Africa. Thus, these insights will at time be used synonymously for China's foreign aid activities, which are similar for all world regions.

making more "friends" here as well. China woes Latin America also for political reasons, because in the Latin American and Caribbean region are half of the 24 countries which have diplomatic relations with Taiwan, thus, recognizing Taiwan diplomatically (Chin/Frolic 2007: 12), and not the People's Republic of China (in comparison there are only two countries on the African continent). Thus, there are generally **three kinds of partnerships and interests in development cooperation** (Li 2013):

- **Economic** (FDI)
- **Resources** (e.g. oil, gas, copper, coltan etc.)
- **Political** (one-China policy, making allies in international organizations, special political ties to countries due to history of socialist cooperation, e.g. Tanzania and Ethiopia)

3.1.2 National strategies for development cooperation

It is hard to link China's development cooperation to a coherent strategy. Proceeding the 1960s Cold War period, the cornerstone for China's emphasis on **South-South cooperation**, opposed to North-South dependency relations, was laid in the Conference of Bandung, Indonesia (1955). China often refers to this "spirit of Bandung" when claiming, that its engagement is of mutual benefit for both partners. The **five principles of peaceful co-existence were co-formulated by Zhou Enlai** (Womack 2008: 271), and still shape much of the PRC's foreign policy rhetoric:

- Mutual respect for each other's territorial integrity and sovereignty
- Mutual non-aggression
- Mutual non-interference in each other's internal affairs
- Equality and mutual benefit
- Peaceful co-existence

Furthermore China has drafted the **"Eight Principles for China's Aid to Third World Countries"** in 1964, which are emphasized in the White Paper on China's Foreign Aid (2011: 16):

1. Emphasize equality and mutual benefit
2. Respect sovereignty and never attach conditions
3. Provide interest-free or low-interest loans
4. Help recipient countries develop independence and self-reliance
5. Build projects that require little investment and can be accomplished quickly
6. Provide quality equipment and material at market prices
7. Ensure effective technical assistance
8. Pay experts according to local standards

These principles imply partnerships for development aiming at mutual benefit, opposed to the often mentioned altruistic or at the other extreme neo-colonial motivations of OECD-DAC donors. China has signed the Paris Declaration on Aid Effectiveness (2005) and has participated in the following Accra (2008) and Busan (2011) conferences, endorsing the OECD-DAC principles mainly from a recipient and not from a donor perspective (although some movement was visible at the Busan conference). Li Xiaoyun, an expert on Chinese development cooperation, would not suggest China to join DAC. China does not

have the capacity to join and also has a different budgeting system. China does not plan in budgets per project (over the whole duration), but per year, as is the case with most Asian donors.

The **White Paper on China's Foreign Aid (2011)** is not so much in the tone of a strategy paper, but rather of an overview over current Chinese activities, focus areas and regions and modes of delivery. It shows that Chinese development experiences can be useful for other countries, but also clearly emphasizes China's dual identity as both a developing country (and recipient) as well as donor of aid (or partner in development). The very first sentence reads "China is a developing country", clearly stating that it is on the path to development itself. The white paper ends with an appendix summing up China's main commitments in multilateral (UN) and regional (Forum on China-Africa Cooperation, FOCAC) fora. Yet, China plans to issue a second White Paper on Foreign Aid in 2013.

As it is difficult to detect an overall strategy, a brief glimpse will be given of Chinese strategy papers on Africa and Latin America. Interestingly, the White Paper on China's EU Policy (2003) was the first to be issued, followed by the paper on Africa (2006), which was presented shortly after the EU laid out its Africa strategy and thus, revealing the great importance to the African region, and lastly followed by the paper on Latin America (2012). These **regional strategy papers** might reveal more specific information on aims of cooperation with these regions. Besides declaring the intent to cooperate closer in various political, economic, cultural, developmental and multilateral issues[35], in "China's Policy Paper on Latin America and the Caribbean" (2012), it states the following principles and strategy for cooperation with Latin America and the Caribbean (p. 3):

"To enhance solidarity and cooperation with other developing countries is the cornerstone of China's independent foreign policy of peace. The Chinese Government views its relations with Latin America and the Caribbean from a strategic plane and seeks to build and develop a comprehensive and cooperative partnership featuring equality, mutual benefit and common development with Latin American and Caribbean countries. The goals of China's policy on Latin America & the Caribbean are:

-- Promote mutual respect and mutual trust and expand common ground. Based on the Five Principles of Peaceful Coexistence, China and Latin America and the Caribbean will treat each other as equals and respect each other. They will strengthen dialogue and communication, enhance political mutual trust, expand strategic common ground, and continue to show understanding and support on issues involving each other's core interests and major concerns.

-- Deepen cooperation and achieve win-win results. The two sides will leverage their respective strengths, tap the potential of cooperation, and seek to become each other's partner in economic cooperation and trade for mutual benefit and common development.

35 The issues mentioned are: in the political field - (1) High-Level Exchanges, (2) Exchanges Between Legislatures, (3) Exchanges Between Political Parties, (4) Consultation Mechanisms, (5) Cooperation in International Affairs, (6) Local Government Exchanges; in the economic field - (1) Trade, (2) Investment Cooperation, (3) Financial Cooperation, (4) Agricultural Cooperation, (5) Industrial Cooperation, (6) Infrastructure Construction, (7) Resources and Energy Cooperation, (8) Customs Cooperation, (9) Cooperation on Quality Inspection, (10) Tourism Cooperation, (11) Debt Reduction and Cancellation, (12) Economic and Technical Assistance, (13) Multilateral Cooperation, (14) Chamber-of-Commerce Cooperation; in cultural and social aspects - (1) Cultural and Sports Exchanges, (2) Cooperation in Science, Technology and Education, (3) Cooperation in Medical and Health Care, (4) Consular Cooperation and Personnel Exchanges, (5) Media Cooperation, (6) People-to-People Exchanges, (7) Cooperation in Environmental Protection, (8) Cooperation in Combating Climate Change, (9) Cooperation in Human Resources and Social Security, (10) Disaster Reduction, Disaster Relief and Humanitarian Assistance, (11) Cooperation in Poverty Alleviation; On Peace, Security and Judicial Affairs - (1) Military Exchanges and Cooperation, (2) Cooperation in Judicial and Police Affairs, (3) Non-traditional Security Issues; and lastly, cooperation with regional organizations in LAC.

-- Draw on each other's strengths to boost common progress and intensify exchanges. The two sides will carry out more cultural and people-to-people exchanges, learn from each other and jointly promote development and progress of human civilization.

-- The one China principle is the political basis for the establishment and development of relations between China and Latin American and Caribbean countries and regional organizations. […]China is ready to establish and develop state-to-state relations with all Latin American and Caribbean countries based on the one China principle."

Interestingly "China's African Policy" (2006) reads almost the same. In its strategy for Africa, China stresses several points more than in the policy on Latin America. First, there is stronger emphasis on mutual learning *"Learning from each other and seeking common development. China and Africa will learn from and draw upon each other's experience in governance and development, strengthen exchanges and cooperation in education, science, culture and health. Supporting African countries' efforts to enhance capacity building, China will work together with Africa in the exploration of the road of sustainable development"*. Second, more technically specific issues, such as customs cooperation and cooperation on quality inspection are included in the Latin America strategy. Third, the establishment of a strategic partnership and the Forum on China-Africa Cooperation are explicitly mentioned and specified in the African strategy. Generally, it seems that cooperation with Latin America is on a more technologically and economically advanced level, whilst cooperation with Africa largely focusses on developmental issues. This also explains why most scholarly research is conducted on China in Africa and not so much on Latin America, although investment volumes are much higher in LAC than in Africa. Development cooperation in LAC largely concentrates on the infrastructure, energy and natural resource development sectors. Thus, much of the literature used for this section is drawn from the China in Africa debate.

3.1.3 Internal and external factors that influence development cooperation

To start this analysis in a somewhat chronological manner, one could argue that the "puzzles remaining in our understanding of China's actions in Africa [are] from the point of view of domestic politics" (Li 2008: 125). Internal socio-economic problems have evolved after the end of socialist planned economy, such as high unemployment, rising housing prices, high costs for education and a lacking social security system (ibid.: 127). Through opening up economically and pursuing the track of capitalist growth since 1978 with an annual growth rate of more than 9,5%, many problems arose that were unknown in their dimension before. The continuous growth of the Chinese economy is essential to maintain domestic stability and to uphold the argument that in terms of human rights, economic rights are the basis of everything, and political and social rights come gradually after securing the mere survival of its citizens. Over the years, China has become a success story in eradicating poverty. Between 1990 and 2001 the number of people living below 1 US$ a day fell by 165 million[36]; by contrast, in the same period, the people living in absolute poverty in Africa increased by 77 million (Kaplinsky 2006: 12). This remarkable development, without the advice of international organizations imposing structural adjustment programs (China overtly rejects the recommendations of the Washington Consensus), means that China has taken a different path by sticking to the primacy of the state in economic development (Holslag et al. 2007: 18). China has

[36] Different sources speak of differing numbers, but the actual number should lie somewhere between 160 and 180 million.

a success story to sell to its own people in order to maintain 'social stability' (Sautman/Yan 2006: 54), as well as to the rest of the world. Furthermore, traces of societal opening up can be seen in China's growing civil society. An educated, well-traveled middle class that is becoming more aware of its rights through the effects of globalization is significant. However, it is rare that the Chinese criticize the whole system and the Communist Party as such. Mostly, protest is aimed at certain functionaries at a local or regional level and the spirit for a complete change is not high yet.

Thus, it is **internally important to keep the own constituents satisfied** in order to maintain stability in the country (or at least control over uprising social movements or conflicts). Chinese unwillingness to publish official numbers on foreign aid expenditure might also be motivated internally. As there are still large developmental challenges within China, it is hard to justify the spending of billions of US$ of aid to other world regions. This can mainly be justified by economic, resource and political arguments.

Internationally, there are two sets of factors influencing Chinese foreign aid strategies. First, China is the major emerging power of the 21st century and aims at proving its **responsibility as super-power** in the international community. Thus, its engagement in development cooperation with poorer world regions underlines its responsibility, but also that the **own experience is an example for successful development** with useful experiences for other world regions. Second, China's aid rhetoric aims at stressing the fact that it is still a **developing country itself and committed to South-South cooperation among equals**. As such, discussions in the OECD-DAC (apart from the China-DAC Study Group) can be avoided and its role in global issues, such as combatting climate change, aims at stressing this **dual identity** (Piefer/Knodt 2012).

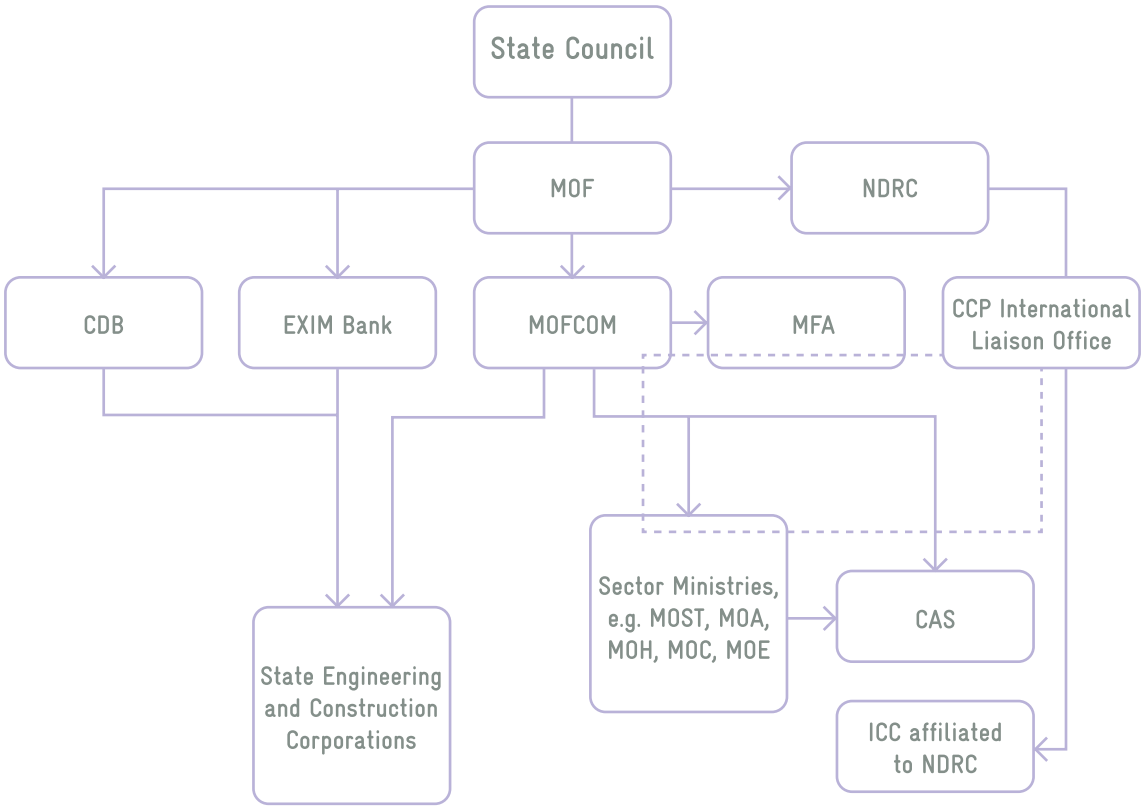
3.1.4 Cooperation patterns and structures

In order to satisfy its energy hunger provoked by rapid economic growth, it is often claimed that China pursues a well-coordinated government approach towards resource rich developing countries in form of so-called **"package-deals"** containing investment, grant and aid components. Different perceptions stem from the authoritarian nature of the Chinese government, the state ownership of China's oil companies, and the country's growing demand for oil (Downs 2007: 48).

Chinese government officials usually pave the way for investments through high-level visits and talks with African heads of state, which has been termed the **"charm offensive"** by Kurlantzick (2007). China is unique in its approach to Africa as policies rely heavily on the active involvement and cooperation of Chinese corporations. The Chinese government promotes business ties with Africa by providing information, coordination mechanisms, and financial assistance for Chinese companies and investors in Africa (Gill / Reilly 2007: 39). Its go-out strategy is designed to develop corporations' technological skills, exploit China's comparative advantages, open new markets abroad, and others. The FOCAC summits have facilitated trade and investment between the two regions (ibid.: 40). Most companies going to Africa operate in the oil and mineral extraction sector, construction, manufacturing, communication, agriculture or trading (Rocha 2006: 32). Hence, the planning is in the hands of Chinese companies, but strongly supported by different government agencies which is seen by most corporations as the second most-important factor in their choice of investment, after the pursuit for new markets (Broadman 2007: 305).

China does **not have a single agency coordinating its aid efforts, but rather a quite fragmented aid governance structure** with the China Development Bank, the EXIM Bank and the Ministry of Finance as main actors (apart from the strong role of the State Council).

• Figure 44: Central Government Management Structure for China's Foreign Aid



Source: Chin/Frolic 2007 : 7

The role of the Chinese government is to coordinate and ensure that Chinese companies follow strategies which are in line with the overall foreign policy goals in Africa. Within the Chinese government, the **Politburo of the Communist Party (CP)** and the **State Council** have most strings in their hands. The State Council is the highest executive organ of the state administration and it is essentially the oversight body, also for aid programs and decides on the budget (Davies et al. 2008: 13). On demand of the State Council every budgetary year a basket is set aside to be allocated to foreign aid. These funds are disbursed as grants (in kind), interest subsidies for interest-free and concessional loans[37], or are spent to provide technical assistance, as required (ibid.: 1), which are then provided by **China Exim Bank** and **China Development Bank**. **The Ministry of Commerce (MOFCOM)**

[37] For definition & project cycle see China EXIM Bank: http://english.eximbank.gov.cn/business/government.jsp

handles most overseas grants and loans and has some aid policy and planning responsibility. The **Department of Foreign Aid** within MOFCOM is at the center of its aid work with estimates of its staff ranging around 100 (Schulz 2013). The Ministry of Finance is responsible for debt relief and the **Ministry of Foreign Affairs (MOFA)** reviews project proposals from recipient countries and has a coordination function with the other actors (Strange et al. 2013). Lastly, **local provincial and city governments** have some authority over the companies registered in their districts. These firms make up approximately 88% of all Chinese corporations investing abroad, thus, provincial governments are a key player (Gill / Reilly 2007: 44). Tensions arise out of the attempt to coordinate different levels of state bureaucracy and the large amount of independent corporations. The latter tend to compete with each other, sometimes to the disadvantage of Chinese goals. Hence, Gill and Reilly (2007: 45) conclude that "the **'China Inc.'** model may be far less monolithic than outside observers often assume".

3.1.5 Principles and procedures of project implementation

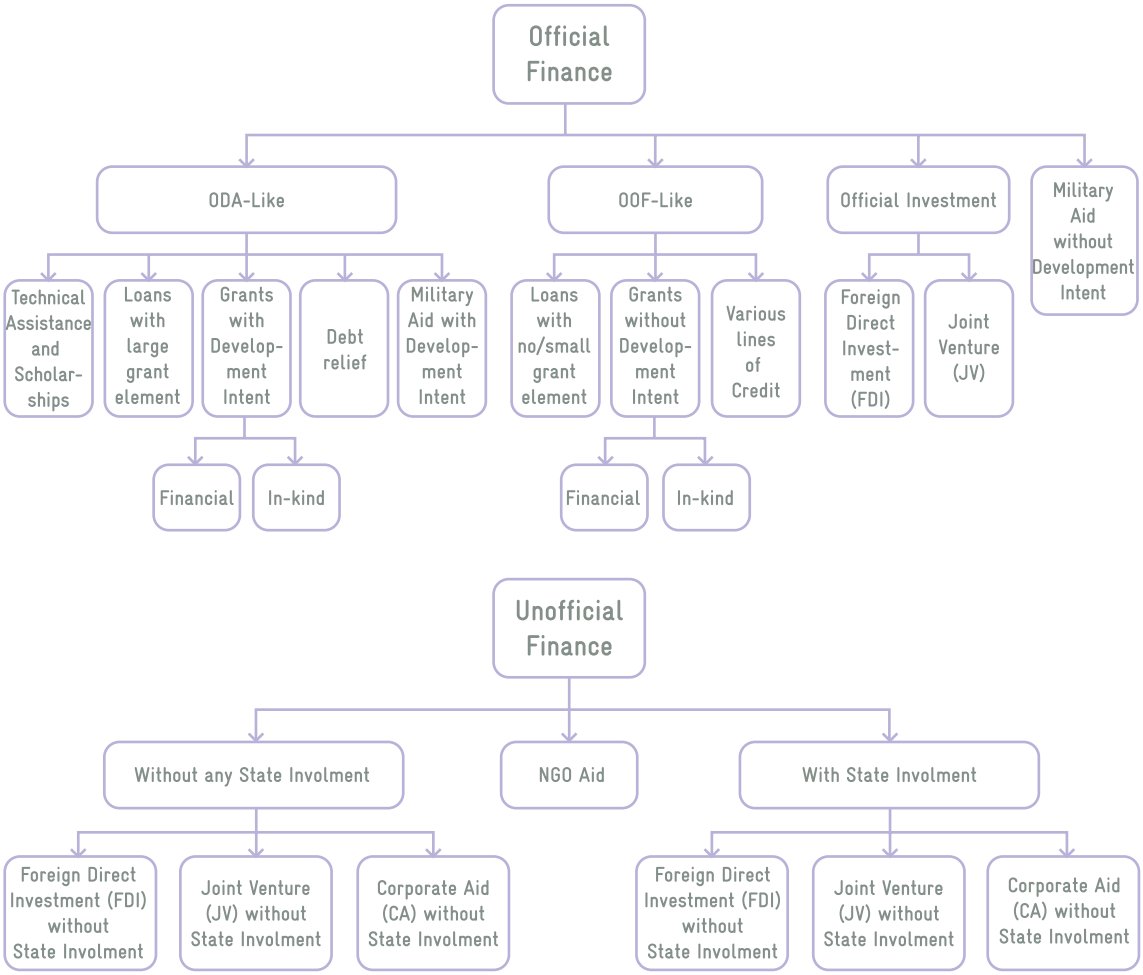
The Chinese model of delivering development cooperation in form of package-deals makes it difficult to analyze principles and concrete procedures of project implementation, as these vary from case to case. Thus, some note-worthy observations will be picked up in this section, without going into details of project management. China's very own interpretation of the ownership norm lies in having partner countries tell China, what is needed most. The focus areas of engagement might lie in the infrastructure sector or in building stadiums, depending on the **recipient country's demands**. China follows a demand-driven approach and fulfills the requests of developing countries. There is no prior impact evaluation because Chinese aid is based on the requests of the partner countries, not on Chinese assessments of needs within the country. Thus, it is then the responsibility of the recipients to be able to maintain it, or else to formulate the demand to cooperate in trainings etc. In terms of monitoring and evaluation and other project management processes, Li suggests for China to draw on its experiences as largest recipient of Western aid. The know-how to establish M&E systems could be taken from development cooperation with Western donors.

China delivers its **development cooperation fast and without conditionality**. The positive side of this medal also comes with the negative side of **lacking sustainability**. China also regards the sustainability of its projects to lie within the recipient countries. Yet, it would be good to encourage China to use local staff in its projects and to come up with concrete ideas of capacity development. Unlike most Western donors, China does not work with experts in concrete projects, but with companies building specific infrastructure, buildings etc. and then leaving the country. In this regard Li (2013) points out that China follows a **"governance for development"** approach with strong concurrence to the **developmental state**. China was without functioning infrastructure, health system, food supply etc., and without these **"ingredient"** development cannot take place, let alone be sustainable. Development, democracy and human rights cannot "be eaten". Thus, in his view, it is firstly essential to find out, which ingredients worked best to achieve the overall goal. China looked East (Korea and Japan) for orientation and is currently slowly moving towards the next step of the welfare state. He also claims that China has no experience to manage governance for human rights, but great experience in managing governance for development. Therefore Li Xiaoyun pledges for a **developmental state with focus on: agricultural development, economic reform and market development, special economic zones, social development and public administration.**

3.1.6 Key Facts about Chinese development cooperation

Although China does not follow the OECD-DAC transparency and reporting criteria and argued e.g. at the High-Level Forum for Aid Effectiveness in Busan (2011) that the principle of transparency should apply to North-South, but not to South-South Cooperation, it releases information about its development cooperation projects and financial volumes in official press releases as well as state media. A pioneer project of the Center for Global Development has taken up the tedious job of researching official press releases and other media report available at the AidData Databank and has come up with first insights into the volume, scope and regional distribution of Chinese aid in Africa (Strange et al. 2013). Unfortunately, no such studies or data are available for other world regions. China is now already largest trading partner for Africa with a total of USD 198.5 billion, of which imports make up USD 113.2 billion and exports USD 85.3 billion and is becoming the driving force for African development in many ways (Li 2013). As investments and other financial flows are mingled into Chinese aid, Strange et al. (2013: 16) have included the following categories into their calculations:

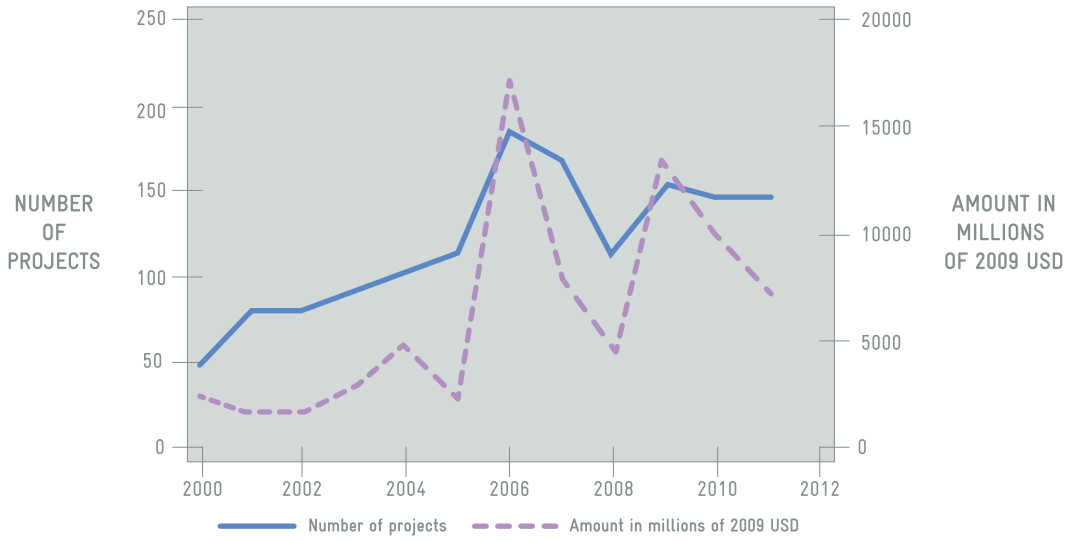
• Figure 45: Chinese Official and Unofficial Finance



Source: Strange et al. 2013: 16

Whilst experts like Li Xiaoyun (2013) estimate Chinese development cooperation to be around USD 2 billion per year, other experts come up with more or less according to the sources they use. It is likely that Chinese development cooperation has already taken over American aid to Africa or if not yet, it is very likely to do so in the next years. Strange et al. (2013: 25) offer the following numbers for the period of 2000-2011:

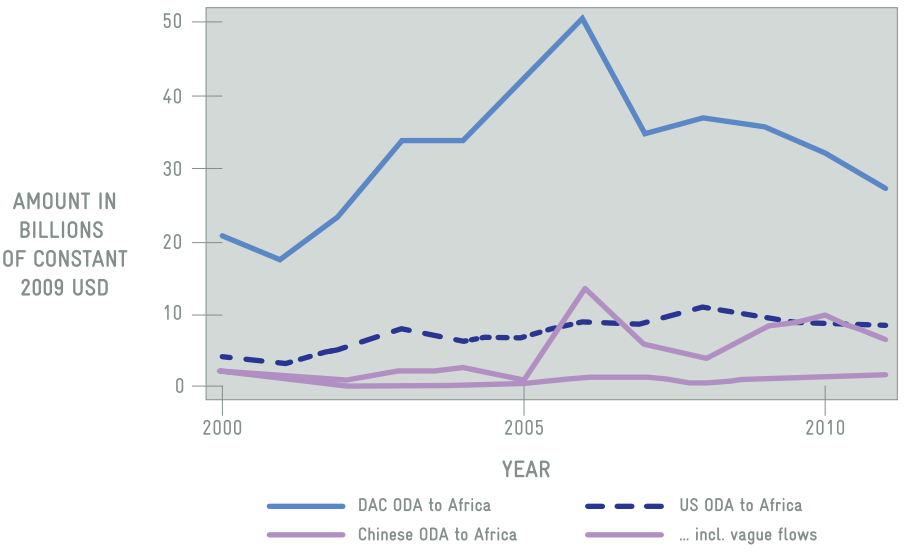
• Figure 46: Chinese official finance reported over time, 2000-2011



Source: Strange et al. 2013: 25

In comparison to OECD-DAC and US aid flows to Africa, Chinese aid rivals American efforts (Strange et al. 2013: 29):

• Figure 47: Chinese, OECD-DAC and US ODA over time, 2000-2011

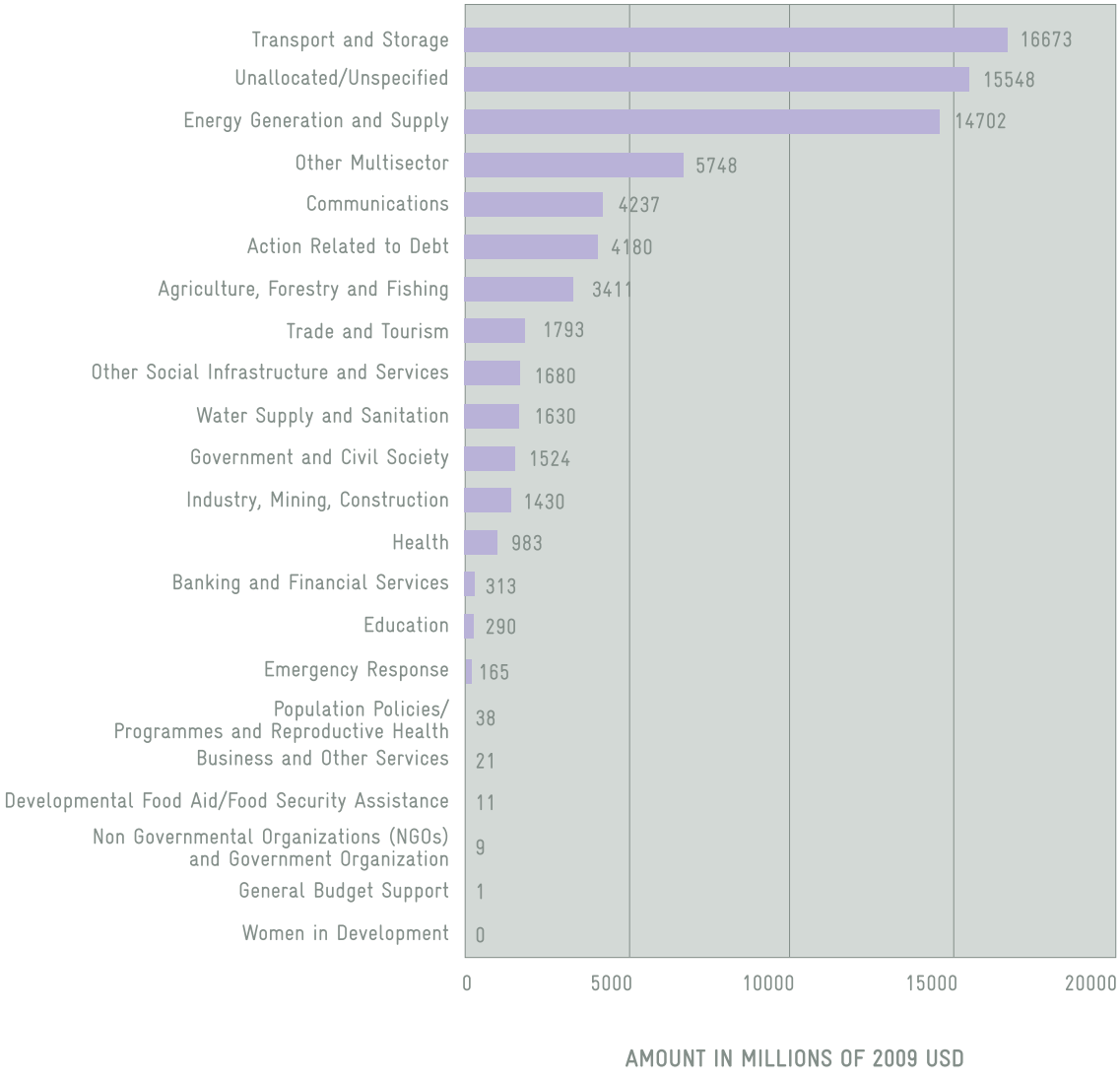


Source: Strange et al. 2013: 29

All of Chinese development cooperation is tied aid, only Chinese companies are eligible to apply for tenders. The Chinese way of working in the development cooperation sector and implementing projects, is that Chinese companies do the job and then afterwards hand it over to the local population (Li 2013). Thus, the strongest criticism of Chinese development cooperation in Africa is its lack of sustainability and the lack of inclusion of the African population, creating jobs and economic growth within the countries, rather than importing Chinese workers.

Chinese focus areas are mostly infrastructure, agriculture, health and education as well as – surprisingly when looking at the AidData calculations - governance. Yet, the latter largely refers to official government support, without inclusion of civil society actors as is usually the case for OECD-DAC donors. Strange et al. (2013: 31) offer the following monetary amount of Chinese financing per sector:

• Figure 48: Monetary amount of Chinese official finance by sector, 2000-2011



Source: Strange et al. 2013: 31

3.1.7 Concluding Remarks

The Chinese model of development cooperation is quite unique and cannot be replicated easily in other contexts. Yet, some food for thought can be derived from the debates around Chinese aid and the Chinese stance towards development in general. First, the **Chinese orientation towards the East (Japan, Korea) in its development approach** is interesting because it shows successful alternatives to the always propagated Western models of development through democratization and good governance. Second, Li Xiaoyun's interpretation of the developmental state is an interesting approach. He claims that in China governance is largely based on welfare state assumptions. Hence, the first step to achieving this, is the developmental state and then in a second step (and China is just entering this phase), the "ingredients" of the welfare state can be added. In his view, there needs to be a differentiation on the overall governance approach and the "ingredients" (concepts) approach. In a first step, China has successfully identified the major "ingredient" for Chinese development and also transports these in its development approach (infrastructure, energy, health system, food supply etc.). Thus, Li argues for a **responsible developmental state** referring to the experiences of the Asian development model and following an "**ingredients" based approach** in contrast to the Western overall approach of good governance.

China is active in **triangular cooperation** projects with DFID, USAID, Australia, New Zealand and Switzerland. Generally, the Chinese government signals to be open for projects with other donors and countries, but some have been reluctant to engage in joint projects due to political considerations. This is mainly due to the assumption that when cooperating with China, the Chinese model and principles might seem to be endorsed by the traditional donor as well. Yet, this neglects the benefits of learning and managing projects jointly with China in third countries. By having to agree on common standards joint learning processes about the respective others' project management and principles of development cooperation.

3.2 THAILAND

The Thai case of development cooperation is very interesting because of its agency's almost 10-year experience and that it is the only Asian development partner that **aims for the OECD-DAC development cooperation path**, rather than its own or an Asian cooperation model. Thailand has decided to transform from recipient to donor of international development cooperation. It follows an **OECD-DAC definition of ODA** and aims at aligning its development cooperation along the Paris Declaration principles. Thailand publishes regular data on its development cooperation activities, issues statistics reports and strategies aiming at DAC-style transparency. However, Thailand only delivers tied aid, involving mainly Thai companies or joint ventures with local and Thai companies as well as Thai experts in delivering aid, which is in stark contradiction to OECD-DAC principles.

3.2.1 Interests and Motivations

Former Thai Prime Minister Chatchai Chunhawan formulated one leading motivation for Thai development cooperation in 1988, when he vowed to transform Indochina by **"turning battlefields into market places"** (Kondoh et al. 2010: 25). Underlining its role as one of the strongest economies and a regional power in Southeast Asia, then Prime Minister Thaksin Shinawatra declared "No More Aid" and announced the gradual retreat from receiving aid from international donors (apart from emergency and humanitarian aid after the devastating tsunami in 2004). He asked international donors to turn their attention towards the poorer neighboring countries. This turn was accompanied by an increase of Thai development cooperation activities since 2003, following the aim of establishing Thailand as a development partner in the international community (ibid.).

Wajjwalku (2012) emphasizes the **strong domestic motivation** of Thai development cooperation. By strengthening and promoting a cordial relationship between Thailand and the **neighboring countries** (Cambodia, Lao PDR, Myanmar, Vietnam), bridging the economic gap, eradicating poverty and expanding trade and investment, Thai foreign, development and economic motivations are mingled. Stability in the region and a good inter-connection through reliable and efficient infrastructure serve both the interests of the recipients as that of the donor. This is also mirrored in the regional and sectoral distribution of Thai development cooperation. Thus, the two main motivations of **economic development within the Southeast Asian region and asserting a stronger role on the international level** by being included in the exclusive club of donors are domestically oriented. The latter also explains Thailand's aim for OECD-DAC membership.

3.2.2 National strategies for international development cooperation

The Thai International Development Cooperation Strategy (2007) formulates **three central aims of providing aid:** (1) promotion of economic relations and security, especially in relation to neighboring countries, (2) fulfillment of international obligations, and (3) development of an international community network.

Besides concrete infrastructure projects in its direct neighborhood and maintaining good relations through development cooperation with other Asian partners, Thailand's development cooperation strategy mainly concentrates on human resources development and capacity building in the form of trainings, exchanges and fellowships. The government's proclaimed "Look West" policy has also brought an increase in development assistance given to Africa, which is likely to grow steadily.

The **Forum on East Asia-Latin America Cooperation (FEALAC)**[38] is the main strategic orientation for relations between Thailand and LAC. Thailand has established its cooperation program with LAC within FEALAC, where member countries may submit projects of their interests for consideration. Thus, a duplication of efforts and a proliferation of different cooperation fora are being avoided by establishing projects within existing platform. Relations between Thailand and LAC are still in its infant steps. In TICA's Annual Report (2009) LAC is seen as competitor in the international economy and Thailand's strategy is to foster friendship with all regions in order to perform well. "Development cooperation is seen by many countries as an important instrument for building up international relations" (TICA 2009: 23). So far, small-scale exchanges have taken place in sending Thai experts to workshops in Latin America on drug interdiction cooperation and tourism, the two sectors that Thailand sees its main expertise for cooperation with LAC. Furthermore, fellowships for master degree courses in tourism have been given to fellows from Mexico and Ecuador. Yet, there is strong interest to increase cooperation with the Latin American continent, which was why a TICA mission visited Chile and Peru in order to assess triangular cooperation possibilities with the Chilean International Cooperation Agency (AGCI) and the Peruvian International Cooperation Agency (APCI) in 2012[39]. Looking into the future, it is concluded (TICA 2009: 24) *"the current development cooperation program with these target countries is in small volume. It is however realized that development cooperation is an important instrument for building recognition and familiarity among all parties. Thailand takes the view that future cooperation with this region should expand and contribute to the exchange of information and experience in many aspects including trade and investment".*

3.2.3 Internal and external factors that influence policy formulation and implementation

The two main internal and external factors have been mentioned in 3.2.1. Interestingly, some authors also claim that Thai orientation towards the DAC model is also internally motivated, as it is easier to justify the spending of national resources and taxpayers' money to the own constituencies under the umbrella of an internationally accepted and well-reputed regime (Kondoh et al. 2010).

3.2.4 Cooperation patterns and structures

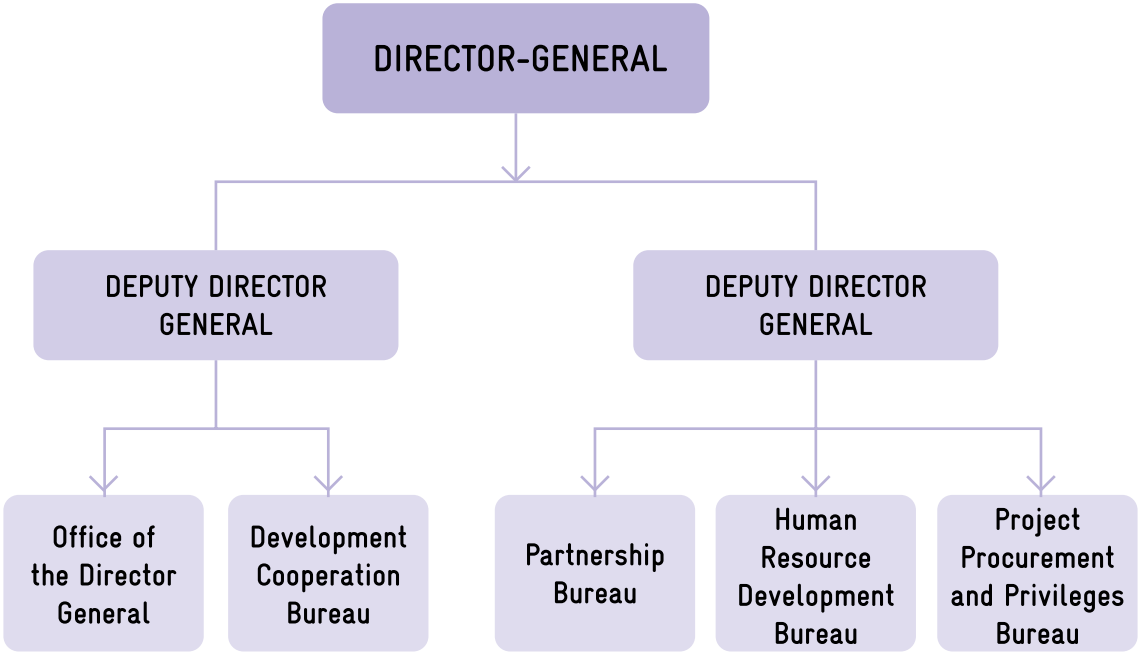
The development cooperation landscape is quite fragmented in Thailand. Nevertheless, two main agencies currently implement Thai development cooperation: the **Thailand International Cooperation Agency (TICA)**, which provides technical assistance and is organized under the **Ministry of Foreign Affairs**, and the **Neighbouring Countries Economic Development Cooperation Agency (NEDA)**, which administers financial and technical cooperation and is part of the **Ministry of Finance**.

[38] Of the 33 member countries, the 16 Asian members are: Australia, Brunei, Cambodia, China, Indonesia, Japan, Korea, Lao PDR, Malaysia, Mongolia, Myanmar, New Zealand, the Philippines, Singapore, Thailand and Vietnam. The 18 Latin America members are: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruaguay and Venezuela.

[39] Interview GIZ Thailand

TICA was formerly responsible for managing incoming aid, and from 2004 onwards it was transformed into the Thai agency responsible for outgoing aid with a staff of approximately 100 (Schulz 2013). Its main mission is to prepare strategic plans and administrative procedures of international technical cooperation projects under bilateral, trilateral and regional cooperation frameworks (Wajjwalku 2012). Its internal structure is also based on experiences of being a recipient of aid and is **modeled on the example of JICA** with assistance from various other donor agencies, such as UNDP, KOICA, GIZ and AusAID (Potter 2008). In 2014, TICA will experience an institutional up-scaling from an agency to a department, which will most likely lead to more coordination "power" of Thai development cooperation[40].

• Figure 49: TICA's organizational structure



Source: TICA 2009: 6

[40] Interview GIZ Thailand

NEDA, established in 2005, provides **economic cooperation only in the neighboring countries**, whilst **TICA's mandate is worldwide**. NEDA functions as funding source for cooperation projects, provides loans and grants and coordinates private sector engagement in development projects. It has ten members in the board of directors and three executives.

• Table 8: Financial projects funded by NEDA, in million baht

Countries	Ongoing Projects	Completed Projects	Total
Lao PDR	1.160 (2 projects)	2.062 (4 projects)	3.222 (6 projects)
Cambodia	1.300 (1 project)	868 (1 project)	2.168 (2 projects)
Myanmar	-	123 (1 project)	123 (1 project)
Total	2.460 (3 projects)	3.053 (6 projects)	5.513 (9 projects)

Source: Data provided by NEDA, February 2009.

Source: Kondoh et al. 2010: 26

Apart from TICA and NEDA, several **line ministries** have been involved in development cooperation. Thus, unlike in some OECD-DAC countries, there is no overall coordinating agency or department, which has the oversight and responsibility for all development cooperation activities. TICA is a good step in that direction, but many efforts are being duplicated by other line ministries, and the implementation of a coherent strategy for development cooperation would be facilitated if all strings were held in one hand. The table below shows the other ministries involved in the provision of development cooperation. Only recently has TICA been able to consolidate information on the other ministries' aid activities (Kondoh et al. 2010). Yet, it is in no position to coordinate them.

• Table 9: Top 10 ODA Donors within Thailand (2007), in Thai baht

Ministries	Grant/Technical Cooperation	Contributions to International Organizations	Loans	Total 2007
NEDA	350 460 834.78	-	1 006 300 249.30	1 356 761 084.08
TICA	301 466 000.00	28 564 908.76		330 030 908.76
Ministry of Energy	110 877 235.00	-		110 877 235.00
Ministry of Public Health	23 282 470.18	-		23 282 470.18
Ministry of Agriculture and Cooperatives	20 278 576.70	37 407 000.00		57 685 576.70
Commission on Higher Education	15 019 660.65	-		15 019 660.65
Ministry of Education	12 686 986.46	55 785 936.58		68 472 923.04
Ministry of Natural Resources and Environment	10 101 310.00	-		10 101 310.00
Ministry of Interior	5 297 732.00	-		5 297 732.00
Ministry of Social Development and Human Security	4 917 720.50	-		4 917 720.50

Source: Data provided by TICA Information Centre, February 2009.

Source: Kondoh et al. 2010: 28

3.2.5 Principles and procedures of project implementation

Thailand adheres to the **principles defined in the Paris Declaration on Aid Effectiveness** for its development cooperation. For Thailand there are **3 main modalities of delivering aid: bilateral, trilateral and regional**. Major types of cooperation activities include **technical cooperation projects, third country training programme (TCTP), third country expert programme (TCEP).**

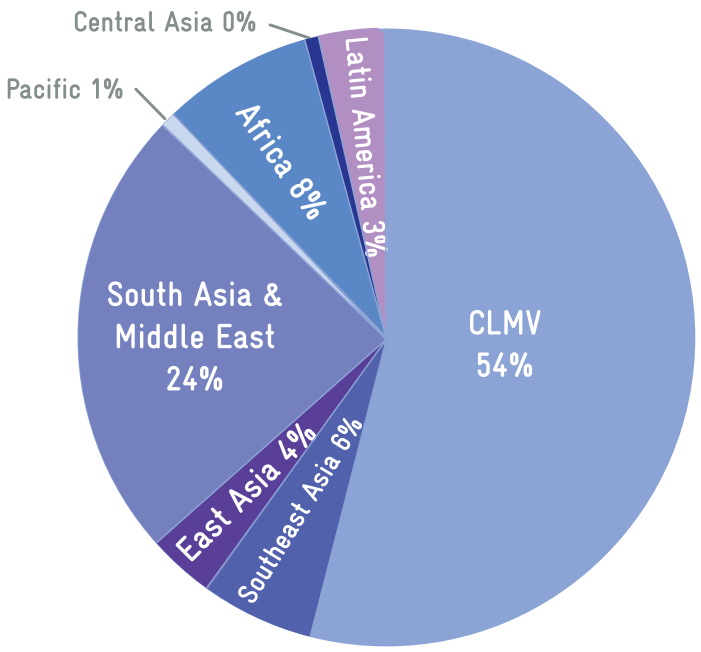
Development partnership programs are implemented through various activities, ranging from training courses, study tours, and study programmes, to the secondment of experts and volunteers, the provision of equipment and financial support for organizing seminars and conferences. The partnership programs have been designed and implemented in various modes, depending on the mutual interests and agreement between Thailand and its partners, which are (TICA 2013):

1. Development Partnership
2. Technical Cooperation among Developing Countries (TCDC)
3. Third Country Training Programme (TCTP)
4. North-South-South Cooperation
5. North-North-South Cooperation
6. Regional Cooperation Framework

3.2.6 Key facts about Thai development cooperation

As mentioned above, Thai development cooperation is mainly aimed at its direct neighborhood, followed by the rest of the Asian region and the Middle East (especially Afghanistan). Only 12% of its development cooperation is oriented towards other world regions (Africa, Latin America, the Pacific and Central Asia) and is minor in volume and scope. In total around 50 countries benefit from Thai development cooperation.

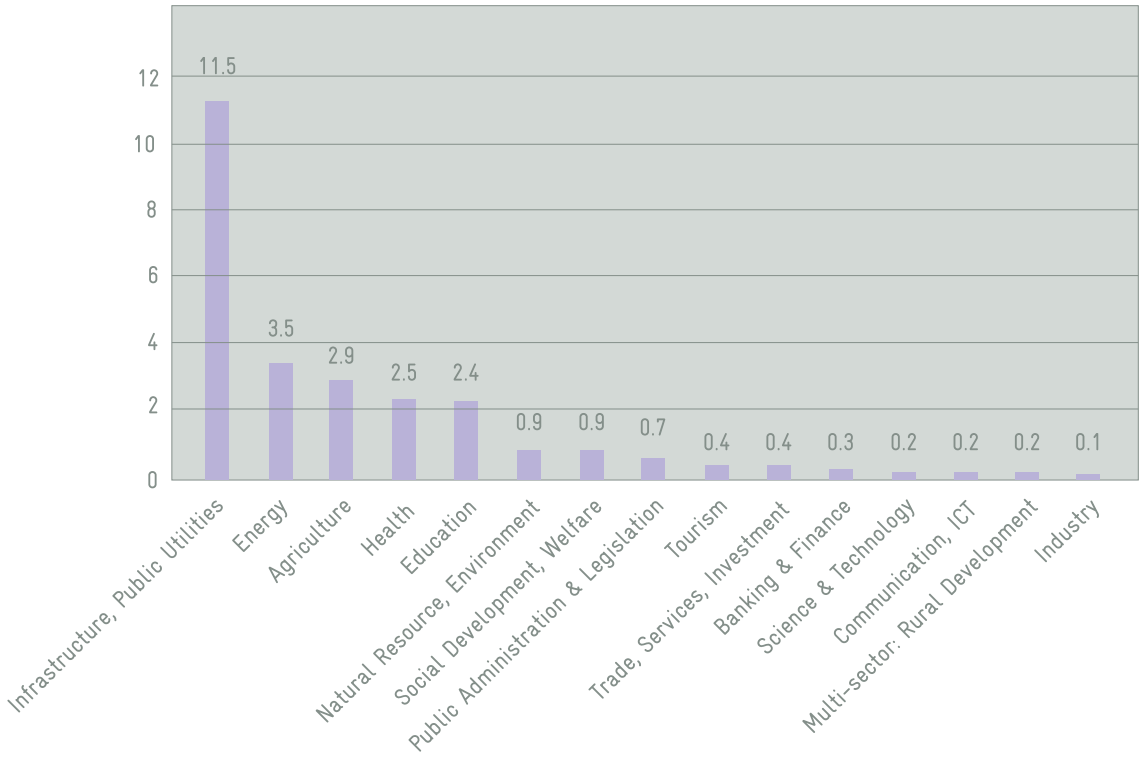
• Figure 50: Regional Distribution of Thai development cooperation by region (2011)



Source: Own compilation according to TICA's statistics „Total Value of Thai International Cooperation Programme by type of Programme (TICP FY 2011)"

In terms of **sectoral distribution**, there is a very clear focus on the **infrastructure sector,** followed by the other sectors in the graph below. Yet, these numbers might be a bit outdated as they are from 2007 and only include the US$ 27 million that Thailand declared as ODA for that year.

• Figure 51: Distribution of Thai development cooperation by sector



Source: Thailand Official Development Assistance (ODA) Report 2007-2008: 15, numbers in million USD

3.2.7 Evaluation and interpretation

Thai development cooperation is mainly concentrated on trainings, exchange of experts and the construction of infrastructure in various sectors. In its overall foreign policy Thailand aims at being a **knowledge hub**, where experts from other countries are trained. This aspect will be taken up in more detail below, but might give interesting insights into a quite narrow focus on development cooperation.

This narrow approach is characteristic for Thai development cooperation in all regards. Yet, it is within the **broader long term vision of Thailand to expand its activities in other world regions**. Furthermore, Thailand already is a strong partner in **triangular cooperation** with many donors and lays emphasis on joint planning and implementation of projects. After successful initial phases of TriCo, discussions are currently under way of scaling-up and engaging in larger projects.

3.3. MALAYSIA

After vital policy shifts in the 1970s and 1980s (especially under Prime Minister Mohamad Mahathir), Malaysia officially launched the **Malaysian Technical Cooperation Program (MTCP) in 1980**, which was also the time of the introduction of **first official foreign aid policies** (Kondot et al. 2010). Although Malaysia did not participate in the Bandung Asia-Africa Conference, its development rhetoric is strongly linked to the Non-Aligned Movement (NAM), which it later actively joined. As most emerging donors, Malaysia emphasizes that South-South Cooperation is different from traditional donor approaches and thus, it does not consider itself a "donor".

3.3.1 Interests and motivations

Although, the fundamental objective for Malaysia's promotion of development cooperation is economic growth (Hazri/Mun 2011), **economic motivations** alone do not explain the country's engagement in South-South Cooperation (SSC). Its **strong historical roots and ideology of the NAM and SSC** must be equally acknowledged (Kondoh et al. 2010). Malaysia uses its **strategic position** as **a middle-income Asian Islamic country** to serve as a **bridge** between different regions and cultures and is interested in enhancing this position and reputation. The high English proficiency of government officials paired with strong cultural links to other Islamic countries around the world make it an interesting hub for international trainings. The example of a triangular cooperation between AusAID, Afghanistan and Malaysia in the education sector illustrates this point. Australia is working in the education sector with Afghanistan, but as a Western country, it is more difficult to overcome perceptions as an outsider not well suited to deliver culturally sensitive and accurately fit approaches for the Afghan Islamic culture. Malaysia, as a fellow Asian and Islamic country, has a much better entry point for discussions on education as it shares the Islamic identity and concerns in adapting the Afghan education system to its specific needs (Izzard 2010).

Thus, the **main objectives** of the MTCP are (Hazri/Mun 2011: 67):

a) To share development experience with other countries

b) To promote technical cooperation among developing countries

c) To promote South-South Cooperation, and

d) To strengthen bilateral relations between Malaysia and other developing countries

3.3.2 National strategies for international development cooperation

Malaysia does not follow one coordinated strategy for international development cooperation. The **objectives and training of the MTCP run on parallel paths with foreign policy goals**. More than 25,000 participants from 140 countries have benefited from the various programs offered under the MTCP (MTCP 2013), thus there have been relations with most countries in the world. Strategically, the main focus lies on the **direct neighborhood and other ASEAN countries**. Regional cooperation and economic development, infrastructure across borders etc. are factors that contribute to reaching further economic growth and development. Malaysia takes its own growth model and success story as example for other countries and regions. Currently, the MTCP is working on a strategy, which will most likely be internal and not published e.g. on its homepage.

Although the list of LAC countries which have been participants in trainings of the MTCP is long (see below), relations with Latin America and the Caribbean are still in a nascent status. The Ministry of Foreign states that relations "will increasingly be developed to identify opportunities for enhanced political consultations, trade and investment ties, opportunities for developing and sharing new technologies, particularly in the fields of information communication technology, security and sustainable energy. Malaysia will focus on promoting Malaysia's trade, investment and tourism potentials as well as opportunities with countries in the Americas region. In this regard, Malaysia will focus its marketing initiatives as one of the safest investment destination for countries such as the United States of America, Canada, Brazil, Argentina, Peru, Mexico, Cuba and Chile" (MFA 2013).

• Table 10: List of LAC participants in MTCP Trainings:

SOUTH AMERICA	
Argentina	
Bolivia	Brazil
Chile	Colombia
Ecuador	Mexico
Panama	Paraguay
Peru	Suriname
Uruguay	Venezuela
THE CARIBBEAN	
Antigua Barbuda	Bahamas
Barbados	Belize
British Vir. Islands	Cayman Islands
Cuba	Dominica
Dominican Republic	Grenada
Guyana	Haiti
Jamaica	Montserrat
St. Kitts and Nevis	St. Lucia
St. Vincent Grenadines	Trinidad Tobago
Turks Caicos Islands	

Source: MTCP 2013

3.3.3 Cooperation patterns, structures and key facts

The MTCP was managed by the Economic Planning Unit (EPU) of the **Prime Minister's Office** until 2010, which used to be a quite distinctive feature (Kondoh et al. 2011: 76). The EPU at this point was responsible for managing both incoming and outgoing aid to Malaysia. In 2010 the MTCP was moved to the **Ministry of Foreign Affairs'** Department of South-South Cooperation and the Organization of Islamic Countries (OIC) and moved again, in 2012, to the **Policy and Strategy Planning Department**. This has had the effect that the **MTCP is now a political apparatus staffed with diplomats**, who not only undergo a vast amount of training during their time in Malaysia, but have their assignments changed frequently, providing few continuity or political clout. Moreover, the current staff of nine people has had little prior experience in project management. It could be noted that by moving MTCP from EPU to the Ministry of Foreign Affairs has led to a weakening of MTCP's capacity to provide South-South cooperation. By working with diplomatic staff, that changes positions every couple of years and might not be very familiar with development cooperation, and thus, lacks long-term project management experience, there is great fluctuation and little continuity. One of the foci of MTCP's work are projects and activities offered under the Initiative for ASEAN Integration (IAI) for the CLMV countries (Cambodia, Lao P.D.R., Myanmar and Vietnam), which are channeled through the respective Ministries of Foreign Affairs of the recipient countries (GIZ 2013: 2).

The two most important features of the MTCP are that it is both "**demand-driven" and "untied"**. Demand-driven meaning that assistance is provided at the request from prospective recipient countries, which means that the initiative for cooperation is up to the recipient countries. The aid given by MTCP is also untied, meaning that the assistance is not

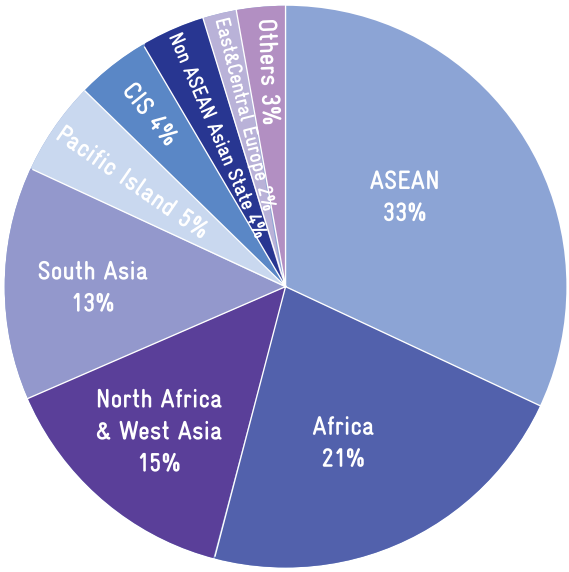
bound to conditions like using Malaysian goods and services in exchange (GIZ 2013: internal mapping of MTCP).

Malaysia focuses e**xclusively on technical assistance and in this regard on human resource development, i.e. trainings.** Malaysia has identified this key sector for economic and social development in developing countries as its contribution to partnerships with lesser developed countries. Trainings are provided based on the partners' demands and the priorities of the participating countries. These could be in sectors, such as economic planning and development, agriculture, industry, energy and gas, healthcare, education, gender equality, other infrastructure sectors etc.. The provision follows regular consultations, needs assessment missions and close collaboration with partners in order to offer specially packaged courses (Hazri/Mun 2011: 70). Types of assistance include (MTCP 2013):

- **Short-term specialised courses:** provision of short-term specialized training for participants at various training institutions and government agencies in Malaysia
- **Long-term courses (Scholarships)** at various institutions in Malaysia
- **Study visits and attachments**
- **Services of experts:** advisory services by the dispatch of Malaysian experts and advisors
- **Socio-economic development projects:** project type assistance, including socio-economic projects and provision of supplies and equipment on a very selective basis.
- **Supply of equipment and materials**

The geographical distribution of participants is quite diverse with an increasing number of African countries. Generally, the main focus and half of its trainings are with other ASEAN and South Asian countries, but numbers of participants from other world regions (also LAC) are increasing.

• Figure 52: Geographical distribution of MTCP participants, 1980 - 2011



Source: MTCP, in: Hazri/Mun 2011: 67

• Table 11: Top ten recipient countries (2006)

Rank	Country	Rank	Country
1	Indonesia	6	Sri Lanka
2	Myanmar	7	Thailand
3	Cambodia	8	Lao PDR
4	Vietnam	9	Bangladesh
5	Philippines	10	Sudan

Source: Economic Planning Unit, Malaysis (2007), in: Hazri/Mun 2011: 68.

In comparison with other emerging donors, the funds allocated to the MTCP are not very high, but they have significantly increased in recent years.

• Table 12: Allocation for the MTCP, 1980-2010

Year	Allocation (million ringgit)
1980 - 1985 (RMK-4)	45
1986 - 1990 (RMK-5)	45
1991 - 1995 (RMK-6)	65
1996 - 2000 (RMK-7)	95
2001 - 2005 (RMK-8)	160
2006 - 2010 (RMK-9)	200

Source: Economic Planning Unit, Malaysis (2007), in: Hazri/Mun 2011: 68

The budgetary planning follows the **5-year rolling plan of the Malaysian government**. Due to assistance being provided upon request of prospective beneficial countries, there is a problem of allocating funds before requests are made, which then leads to delays in project activities. Each year in September funds are allocated for different MTCP projects for the following year. Thus, there is no clear long-term budgetary planning[41].

For its programs, MTCP employs several **funding options** besides full funding by Malaysia:

1. **Cost-sharing**: Costs of programs are shared between the Malaysian government, the participating governments and third parties.

2. **Full funding by the participating country:** Countries sponsor their officials to undergo training. This funding option is rarely used.

3. **Third party funding:** Donor countries and multilateral organizations fund the programs. This is an increasingly popular funding option.

41 Interview GIZ Thailand

A glimpse at the evaluation of Malaysia's achievement of the MDGs in 2010 shows its contribution to goal number 8 and sheds light on the number of participants, courses and recipient countries of the MTCP as well as the budget for 2009 (source: UN 2011: 12).

• Table 13: Malaysia's contribution to MDG 8

Goals and targets	Indicators for monitoring process	Malaysia´s progress (aggregate)	
		1990	2009
Goal 8: Develop a global partnership for Development			
Target 8A: Develop further an open, rule-based, predictable, non-discriminatory trading system	**8.1:** ODA receiving by Malaysia	Not available	0.0004% of donors´GNI
	8.2: Malaysia´s contribution through MTCP and Malaysia´s Involvement in South-South Cooperation		
	Total allocation spent	RM 9 million	RM 563 million
	Number of MTCP member countries	52 countries	140 countries
	Number of participants	226	28.153
	Number of advisory services	0	36
	Number of spaecial projects	0	28
	Number of third country training programme courses	4 courses	88 courses
	Study visits and practical attachment by sector:		
	Agriculture	2	16
	Education	0	3
	Dispatch of experts and advisors by sector:		
	Agriculture	0	13
	Medical	0	3

Source: UN 2011: 12

3.3.4 Evaluation and Interpretation

The Malaysian (and Singaporean) international cooperation model of **providing trainings is an interesting focus on human capital development**. Due to Malaysia's rapid economic growth, its increasing influence in global politics as well as its good position as bridge between different regions and cultures, it is now at the crossroads of deciding where to go with its development assistance. It has potential to expand, but several factors should be kept in mind. First, Malaysian development cooperation does not follow an overall strategic foreign or development policy approach, but is rather scattered due to recipients' demand, which could be changed within the scope of shifting its affiliation from EPU and to the Ministry of Foreign Affairs. Second, rather than just having participants go to Malaysia for trainings Malaysian experts could also go to the respective countries to hold trainings with a broader range of participants (as offered by Singapore). Furthermore, they would be able to get a better insight into the countries' needs and could adapt Malaysian experiences to the participants' development context.

In order to enhance sustainability of its approach, Malaysia could think about establishing training centers in its primary partner countries with staff that has been especially educated for the job and has expertise in a certain field, but also knows the country context. This way, Malaysia would establish itself more as development partner and through longer term engagement it could also follow its foreign and economic policy goals in a more coordinated manner. Generally, a clearly allocated budget for development cooperation would enable more coordinated and targeted planning. By following a strong demand-driven approach Malaysia runs risk of losing its own vision. Partnerships with the private sector could also be a prospective development for Malaysia, as the private sector also benefits from well-educated staff in third countries with the respective company's representation (Hazri/Mun 2011).

Overall, there is much scope for further development and besides the positive impressions of Malaysia's role and approach in development cooperation, interview partners working with Malaysia have mentioned the amounts of bureaucracy, communication problems and lack of commitment for long-term projects as obstacles to successful cooperation. The definition of key terms, such as "projects", may vary from Western donors' and Malaysia interpretations. Whilst OECD DAC donors understand a well-planned and implemented project with clear goals and indicators, a defined budget and timespan, staff, results-based management, monitoring and evaluation etc. as "project", for Malaysia a "project" already consists of one successfully conducted training[42]. These **cultural differences** need to be kept in mind in order to avoid communication problems. The follow-up of trainings and measures to make them sustainable lie in the responsibility of the recipients (similar to the Chinese approach). Yet, Malaysia could enhance its impact by providing some guidance for sustainability measures and concrete follow-ups. From a longer term perspective Malaysia could increase its involvement in new and innovative international cooperation approaches, rather than only focusing on human capital development (Hazri/Mun 2011). A first step in this direction is the increased interest in **triangular cooperation** projects.

[42] Interviews in Bangkok with MTCP and GIZ representatives.

3.4 SINGAPORE

Singapore is by far the wealthiest country in Southeast Asia with a per capita income exceeding that of some OECD countries. There is not much talk, research, data or literature on Singapore as a development partner. Thus, this part will be rather short and will mainly rely on information provided by the Ministry of Foreign Affairs of Singapore and interviews.

In a brief analysis of Singapore as Asian donor Kondoh et al. (2010: 75) state that the "central characteristic of Singapore's aid program is a government led structure which emphasizes promoting the **"Singapore Brand"** abroad". Reflecting its own development experience the **Singapore Cooperation Program (SCP)**, which was launched in 1992, f**ocuses only on human resource development**. The SCP is managed by the **Technical Cooperation Directorate of the Ministry of Foreign Affairs** and has a staff of 25. Accordingly, SCP's budget is included in the annual expenditure of the MFA under the heading "International Organisations and Official Development Assistance". The total amount spend in this category was USD 70.435.00 in the fiscal year 2011. Singapore only offers technical assistance in the form of trainings to other countries. "From the onset, we decided financial aid was not the way we would go or finance infrastructure projects. We understood from our own experience that technical assistance is equally or more effective in creating the right conditions for growth," Mr. K. Shanmugam (Minister of Foreign Affairs) said at the 20th anniversary of SCP (quoted in Ali/Khor 2013: 3). The SCP to date has trained over 80,000 government officials from 170 countries in the Asia Pacific, Africa, Middle East, Eastern Europe, Latin America and the Caribbean. Each year, some 300 courses are conducted and close to 7,000 government officials are trained (SCP 2013). Yet, the **primary geographic focus is on the ASEAN region,** specifically to Cambodia, Laos, Myanmar and Vietnam. A diverse range of subjects such as public governance and administration, trade and economic development, environment and urban planning, civil aviation, land transport, port management, education, healthcare, and information and communication technology is covered in the training courses. These are held both in Singapore and in the respective partner countries.

Singapore's aid modalities include:

- **Bilateral programs:** assistance delivered to another country according to its specific needs and demands

- **Third country training programs:** Jointly with 44 other key countries and international organizations Singapore provides trainings within trilateral cooperation projects (e.g. with GIZ). In cooperation with GIZ participants from GIZ projects in third countries are chosen for trainings in Singapore. Whilst GIZ is responsible for the logistics of the participants' travels etc., Singapore provides the courses and training from its budget. The TCTP framework allows for pooling of expertise, sharing resources and tapping more networks in order to reach out to a greater number of participants and to incorporate different modes. Engaging in this mode of cooperation could also be an interesting perspective for Mexico in order to enhance cooperation between Southeast Asia and Latin America.

- **The Initiative for ASEAN Integration (IAI):** The IAI was launched by then-Prime Minister of Singapore Goh Chok Tong at the 4th ASEAN Informal Summit in November 2000 to strengthen ASEAN and to promote ASEAN integration. Singapore has since made four pledges totaling around S$170 million to the IAI. Singapore has also established in-country IAI training centers in Cambodia, Laos, Myanmar and Vietnam to conduct training courses in areas such as English Language, Trade and Finance and ICT. These in-

country IAI centers allow more participants to benefit from training courses (SCP 2013).

- **Scholarships:** mainly aimed at ASEAN neighbors
- **Study visits**

Within the SCP there is no special focus on **Latin America and the Caribbean,** but the Ministry of Foreign Affairs generally regards cooperation within the Forum on East Asia and Latin America Cooperation (FEALAC) and regards it as an important bridge between the two regions outside the APEC. Singapore has also undertaken several initiatives to foster greater **trans-Pacific cooperation** through FEALAC, such as (Ministry of Foreign Affairs 2013):

- Singapore has organized the FEALAC Journalists' Visit Programme (JVP) since 2000. To date, journalists from Argentina (7), Brazil (9), Chile (6), Colombia (5), Costa Rica (2), Cuba (2), Dominican Republic (1), Ecuador (1), El Salvador (1), Mexico (4), Panama (1), Paraguay (1) and Peru (6) have participated in the JVP.

- Singapore also conducted a study on "Obstacles and Impediments to trans-Pacific Trade and Investments" in 2002. The study examined the difficulties and constraints that were limiting trans-Pacific trade and also recommended several initiatives to boost inter-regional trade.

- Singapore launched the FEALAC Young Parliamentarians Forum (YPF) on 22 August 2005.

- Singapore has a dedicated Singapore Cooperation Programme for FEALAC countries.

At the 20th anniversary of the SCP Mr. K. Shanmugam, Minister of Foreign Affairs, stated that Singapore aims to do more and to deliver "smarter assistance" by concentrating on areas where it can make the greatest difference and by constantly including feedback on existing programs and to customize new ones (Ali/Khor 2013: 4). Furthermore, a **"Whole-of-Government"** approach is aimed for, including know-how and experience from various government officials and making them available to the participants of SCP trainings. New course with new tools might also include public-private-partnerships (ibid.).

Singapore's **motivation** to engage in development cooperation is mainly two-fold. First, it has benefitted from technical assistance for its own development and now aims at giving something back to the international community and at **showing that it is a responsible global actor**. Second, Singapore is a small island state and depends on **stability in its direct neighborhood** as well as in the international system. Thus, development and stability also benefit its own (economic) goals. A special **comparative advantage of Singapore** is that large parts of its population are of **Chinese descendent and fluent in the Chinese language**. Thus, it is very popular with Chinese participants and regarded as high-quality training adapted to Chinese needs. Kondoh et al. (2010: 75) analyze the Singaporean approach as follows *"In a sense, Singapore is relying on its soft power, based on a quality brand in the management of technology fields. Its strong connection with the Chinese community serves its interest of expanding its economic market through technical cooperation and human resource development, among other means. Facing sensitive regional politics, this strategy may be the most realistic for them to pursue".*

3.5. INDONESIA

As the world's fourth most populous country and the third largest democracy, Indonesia is a fascinating case in many ways. There is almost no literature on Indonesia as provider of South-South and triangular cooperation as of now, yet, it is aiming at enhancing its role in international cooperation. According to own estimates, Indonesia has provided close to **USD 50 million in the last ten years** with a strong increase within the last two years. In addition to technical cooperation, it has provided around **USD 7 million for humanitarian assistance** (e.g. Japan after the tsunami, New Zealand after the Christchurch earthquake, Queensland floods in Australia, to Pakistan and to Haiti) and has shown its global responsibility (Hatch 2012). As **host of the 1955 Bandung Conference**, Indonesia has been active in South-South Cooperation (SSC) since the times of the Non-Aligned Movement. A more concerted approach is followed by the Indonesian government since 1981, when it formed the Indonesian Technical Cooperation Program (ITCP) approved by a Presidential Decree under which the four institutions of the Planning Ministry (BAPPENAS), the Ministry of Foreign Affairs (MOFA), the Ministry of Finance (MOF) and the State Secretariat (SEKNEG) where involved. The overall aim was to share Indonesia's experience and knowledge of development through training programs and the exchange of experts, also with the support of other countries (Shimoda/ Nakazawa 2012:150). An increase of efforts has recently taken place due to global power shifts towards emerging powers, especially after Indonesia joined the G-20.

3.5.1 Interests and national strategies for international development cooperation

Enhancing Indonesia's role in the international community became one of the national development missions of Indonesia and is stated in **Law No. 17/2007** on the **National Long-Term Development Plan (2005-2025)** and the **National Medium Term Development Plan (2010-2014)**. To formulate policy frameworks and restructure its development cooperation towards more efficiency, Indonesia has formulated a Blue Print for a policy framework and the next steps (see figure 53). Also, Indonesia's SSC vision and strategy is laid out in its **"SSC Grand Design 2011-2025"**, which is still in the process of being finalized. Both processes are in close cooperation with the Japanese and German development cooperation (ibid.). The SSC and trilateral cooperation policy frameworks are aligned to the **Indonesian** overall vision "To achieve Indonesia that is prosperous, democratic and just" and to transport these values to third countries. SSC should be a "Better Partnership for Prosperity" through implementing the following aims (Homepage of SSTC) 2013:

- Improvement of Indonesia's role in the framework of SSC to achieve national interests
- Improvement of solidarity and self-reliance of the Southern countries through partnerships optimizing the national capacities
- Improvement of innovative development cooperation and improvement of prosperity
- Development of economic cooperation among Southern countries
- Development of technical cooperation, socio-cultural cooperation and science and technology cooperation among Southern countries.
- Improvement of the Indonesian diplomacy in the framework to improve the bilateral, regional, multilateral relationship and cooperation to achieve national interests
- Plays a central role as emerging country

The steps envisioned for SSTC are illustrated in the following figure:

• Figure 53: "Blue Print" – Development Stages of Indonesian SSTC

STAGE 1 2011-2014	STAGE 2 2015-2019	STAGE 3 2020-2025
Stronger Coordination Within Revitalized Institutional Framework	New Emerging Partner in Innovative South-South Cooperation for Development	Stronger Partnership within Innovative and Inclusive South-South Cooperation
1. Strengthen Coordination Framework. 2. Program development and funding 3. Develop Information system and Knowledge Management 4. Develop promotion and publication strategy 5. Develop monitoring and evaluation system	1. Strengthen Indonesia SSTC as new emerging partner in innovative development cooperation 2. Develop new program aligned with the RPJM 2015-2019 3. Strengthen stakeholder involvement 4. Evaluation of the first period	1. Improvement and broadening of cooperation 2. Develop new program aligned with RPJM 2020-2025 3. Improve non-government institutions involvement 4. Evaluation of the second period 5. Evaluation of Grand Design

Source: Siliwanti 2012: 20

Indonesia regards the following three areas as comparative advantage and aims at fostering SSC in these focus areas (Siliwanti 2012: 13):

- **Development issues:** poverty alleviation, disaster management, climate change and human development
- **Good governance and peace building:** democracy, law, enforcement and peace keeping
- **Economic issues:** macro-economic management, public finance and micro finance.

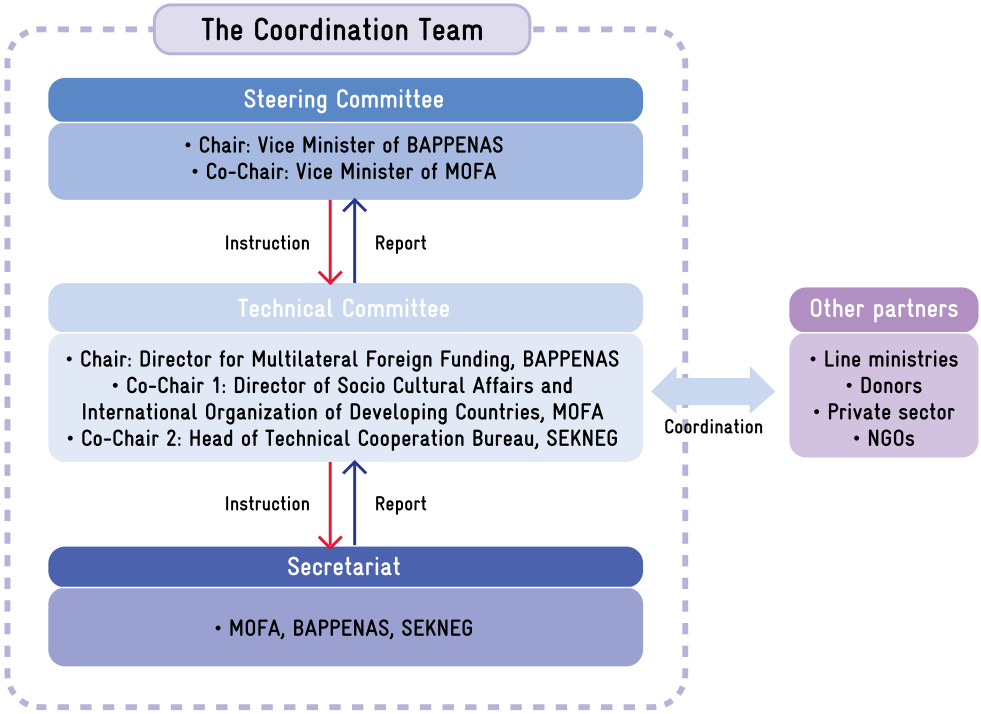
These broad aims and focus areas are strongly related to Indonesia national interests and goals. Within its foreign policy Indonesia aims at strengthening its role in the direct neighborhood, ASEAN as well as on the global stage. It has taken an interesting approach in hosting many international events and is active in SSC in order to position itself on the global stage. For instance, in the High-Level Meeting "Towards Country-Led Knowledge Hubs", which Indonesia hosted and jointly organized with the World Bank, JICA and UNDP, Indonesia stated its commitment to become a knowledge hub within the region. Strategic Partnerships with various world regions underline this strategy. The last Forum for East Asia and Latin America Cooperation (FEALAC) was hosted by Indonesia in Nusa Dua, Bali in June 2012. Foreign Minister Marty Natalegawa underlined the importance of enhancing cooperation between these two world regions by opening the event with the following statement "The East Asia and Latin America regions are both very dynamic and considered as engines of the world's economy, particularly and amid the economic recession in many parts of the world. FEALAC can assist the next major shift in the world's geopolitics and geo-economy" (Saragih 2013: 1). Indonesia and Colombia were then co-chairs of FEALAC, now it was handed over to Thailand and Costa Rica.

3.5.2 Cooperation patterns, structures and key facts

Since the late 2000s, line ministries of the Government of the Republic of Indonesia, particularly the National Development Planning Agency (BAPPENAS), the Ministry of Foreign Affairs (MOFA), the Ministry of Finance (MOF), and the State Secretariat (SEKNEG), have been striving to promote effective South-South cooperation. Currently, the State Secretariat has the responsibility for multilateral cooperation with developed countries and international donors, whilst MOFA is in charge of bilateral cooperation. As in all other cases, technical cooperation is implemented by various line ministries (e.g. **Ministry of Agriculture, Ministry of Education and Cultural Affairs, Ministry of Public Works and the National Population and Family Planning Board**), government agencies, local governments, universities and non-governmental organizations. Economic cooperation is managed by the Ministry of Trade, the Ministry of Industry and the Indonesian Chamber of Commerce. Funding for South-South and triangular cooperation from the state budget, yet, Indonesia is still heavily reliant on international cooperation and funding from other donors (Shimoda/ Nakazawa 2012).

An inter-ministerial team is tasked with working out proposals for Indonesian South-South and triangular cooperation through to 2025 (Hatch 2012). A **coordinating team on South-South and triangular cooperation (CT SSTC)** has been established in **2011** with the objective to pool all efforts in this regard and to overcome fragmentation within the current system. As of 2013, there was only one person working full-time in the Coordinating Team on SSC, who was seconded from Bappenas; others are taken from the involved line ministries (Schulz 2013). Their division of labor and the vision for the coordinating team on SSTC is illustrated in the figure below.

• Figure 54: Structure of the Coordination Team

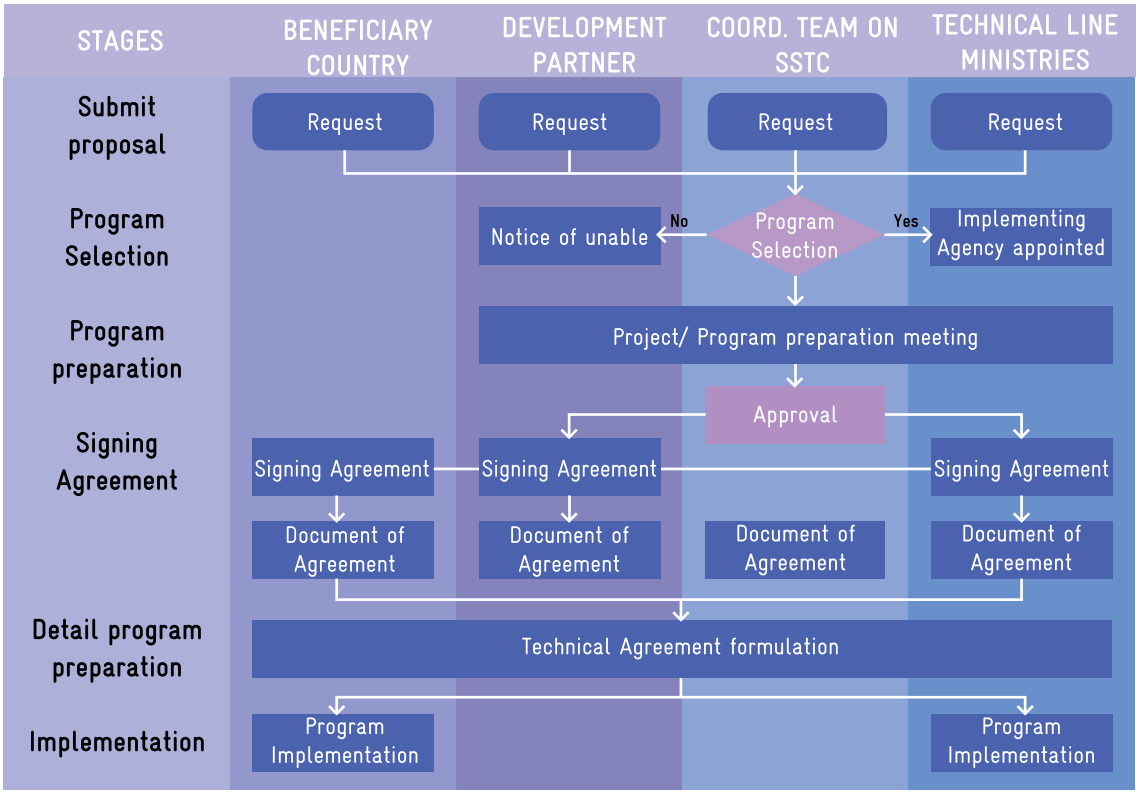


Source: Shimoda/ Nakazawa 2012: 159

The geographic distribution of Indonesian SSCTC is estimated to be **60% in the Asia-Pacific region** with a strong focus on **ASEAN countries**, followed by Palestine and Afghanistan, Africa and also other regions to a minor extent. The thematic priorities are seen in: **self-propelling growth schemes, family planning, information, natural resources, social services, public works, agriculture, finance, aviation, education and vocational training** (Schulz 2013: 34). The modalities are thus far similar to Thailand by concentrating on k**nowledge exchange, technical cooperation and human capacity development** (also like Malaysia and Singapore).

The principles of development cooperation are strongly based on the request of a partner country from the South or also the North. Indonesia views triangular cooperation as an important complementary mode of cooperation to SSC. The procedures for project planning and implementation are illustrated below:

• Figure 55: Standard Operating Procedure for Triangular Cooperation



Source: Siliwanti 2012: 15

3.5.3 Evaluation and interpretation

In comparison to the other four countries, Indonesia's SSC structures are in a **quite nascent status**. Yet, the Blue Print, SSC Grand Design 2011-2025 and the establishment of the Coordinating Team on SSTC are signs of increased efforts in overcoming fragmented aid governance structures and approaching SSTC with more strategic vision. Several OECD DAC donor agencies, such as GIZ, JICA or USAID, are actively supporting the establishment of further Indonesian structure. This can also be seen in some of the political statements; furthermore, a mixture of different cooperation patterns and structures of other Asian donors can be identified paired with taking up some principles of the OECD DAC discourse and others of the NAM and SSC.

Thus, the Indonesian case is very interesting due to several factors. First, its aim of playing a leadership role in South-South and triangular cooperation is implemented by **hosting important events**, such as the **High-Level Forum on Knowledge Exchange** in July 2012. It asserts a **stronger role in the G-20** and has thus become an important partner for the North and the South alike. This strategy of following development cooperation aims through multilateral and global channels is an interesting approach.

Second, Indonesia's current **search for a more coherent strategy and implementing structure for its SSTC** paired with the commitment to increase its funds, offer a window of opportunity for other donors (from the North and the South) to take part in shaping Indonesia's future aid patterns. This shift also means that current providers of assistance to Indonesia will have to change the ways they operate by taking into account Indonesia's new role (Hatch 2012). Third, Indonesia's aim to **extend its role in certain areas**, e.g. as knowledge hub, points to a more focused approach on certain issues. At the moment, it seems too early to draw any conclusions on the implementation and impact in third countries of Indonesian SSC. Indonesia remains an interesting case to follow and to engage with.

3.6 Concluding Remarks and Interpretation of "Asian Aid Paradigm"

The five countries studied in this section - with the exception of China, which is a special case in many regards - are following surprisingly **similar development cooperation patterns**. Thailand can be regarded as the most advanced provider of technical cooperation with a strong aim to follow the OECD DAC model and having modeled its aid agency along the Japanese case; whilst Indonesia is using a mix of its approaches between Thailand and the strong focus in trainings and human capacity development of Malaysia and Singapore, including elements of JICA and other aid agencies in its plans to establish a Coordinating Team for South-South and Triangular Cooperation. Singapore can be considered as a model of its own by only focusing on specific trainings and human capacity development. Singapore is using its own development path and position as an industrialized country – not being part of the OECD, the G8 or G20 – in order to enhance regional stability and economic growth through a very narrow, but well-coordinated and institutionalized approach. Malaysia seems to aim for this model, but also includes parts of the Thai model and uses its strategic position as an Islamic Southeast Asian country in order to serves as bridge between Western, Asian and Islamic countries and approaches. The Indonesian development cooperation pattern of mixing approaches and establishing a coordinating team, rather than an agency is interesting. Moreover, Indonesia's strategy of asserting a strong role in global fora first, before having adequate national structures, strategies and policies is thought-provoking. It seems that Indonesia uses the international level to strategically establish itself as leader in certain areas (e.g. as knowledge hub), and is then improving national efforts to deliver the commitments made internationally.

In terms of normative orientation all countries take the **principles of the non-aligned movement and South-South cooperation** as leading framework and aim for different models of development cooperation than the OECD DAC donors (with the exception of Thailand). Although it is the largest development partner studied in this section, the Chinese model is not viewed as example for the smaller Asian states. Rather they aim for more Eastern models, such as Japan or Korea. Singapore seems to be the exception as its official policy rhetoric does not refer to any ideological or political strand, but is focused on national economic motivations and the aim of being an example and a knowledge hub in the region.

For all countries studied in this section, **triangular cooperation** with OECD DAC donors and third countries in their regions is seen as an important mode of delivery, but also to learn through these projects and professionalize own structures are regarded as important.

Besides China, none of the countries has specific strategies for cooperation with Latin America and LAC is not a high priority issue on their political agenda (though increasing on the Thai agenda). APEC and the Forum on East Asia – Latin America Cooperation (FEALAC) so far serve as the main platforms for exchange and cooperation between the two regions. Yet, due to economic growth in both regions and regional groupings, such as the Pacific Alliance (see also Chile case study), the crisis prevailing in traditional economic powers, mutual importance is likely to increase and opens windows of opportunity for cooperation.

There seems to be an **Asian model of development cooperation and combining strategic national (economic) goals with private sector engagement in third countries**, so that the thesis of **"commercialization"** of aid could be proved. Yet, it is short-sighted to only reduce Asian efforts to economic motivations; global political ambitions as well as notions of South-South solidarity play almost equally important roles. Other larger Asian development partners, such as JICA and KOICA play an important role in offering models to orient aid delivery of smaller donors.

Thus, several overall concluding observations for Asian development partners can be made:

1. Development cooperation is part of foreign policies and **closely intertwined with political and diplomatic goals**.

2. As such, development cooperation efforts are **mainly concentrated in the own region and primarily on neighboring countries** (apart from the case of China, which is active in all world regions). It follows the **main aim of stabilization in the region** in terms of peaceful relations within and between the countries (internal conflicts always also impact the neighboring countries), enhancing inter-regional trade and economic relations (thus, the high concentration on the infrastructure sector in development cooperation towards neighboring countries), high-political issues (votes in UN organizations, the Taiwan issue, North Korea etc.) and asserting regional but also emerging power status in the region.

3. Although most Asian development partners distance themselves from the **principle of tied aid**, their cooperation delivery involves the private sector and is also closely connected to economic benefits in the own country. The principle of **mutual benefit and of demand-driven approaches** is followed in all cases.

4. From an institutional perspective, development cooperation policies follow a rather **top-down approach**, including mainly government actors and only to a small extent civil society or NGOs. **High institutional fragmentation** is characteristic for most new development partners, meaning that several ministries, departments and government agencies are involved in formulating policies and in delivering development cooperation.

5. In terms of project management and development cooperation delivery it can clearly be noted that emerging Asian development partners are **more flexible and speedy** than their OECD-DAC counterparts. The quote by Sahr Johnny, Sierra Leone Ambassador in Beijing exemplifies this: *"If a G8 country wanted to rebuild the stadium, for example, we'd still be holding meetings! The Chinese just come and do it. They don't start to hold meetings about environmental impact assessment, human rights, bad governance and good governance. I'm not saying that's right, I'm just saying Chinese investment is succeeding because they don't set high benchmarks"* (quoted in Hilsum 2006: 7). As the last part of the quote already implies, the flipside of the coin is often the quality of development cooperation. This is not to say that Asian development partners generally delivery less quality of development cooperation than OECD-DAC donors, but it sums up some of the critics often mentioned in the debate. Of course, the assessment depends from case to case.

6. The **strategic vision** of the countries studied varies greatly. China has formulated various strategies, including one on foreign aid, one on the African and another one on the Latin American region. Thailand also has clearly formulated strategies and principles of delivering aid, but the other countries focus more on specific aspects and could be characterized by a more opportunistic, pragmatic approach of taking up windows of opportunity without having a long-term vision in mind.

7. All countries share the **experience as recipients of development cooperation** and have incorporated these into their own development cooperation approaches.

8. The **normative orientation** might seem to be of minor importance when looking at development cooperation, but there is considerable lack of deeper research into the ideologies and values behind international development cooperation in different world regions. Usually, it is characterized as a clash between the West (and its conditionalities) and the "rest" (refraining from conditionalities and following the principle of non-interference into internal affairs of third countries). The latter is the prime norm of cooperation in ASEAN and thus, an important corner stone for cooperation. Mainly, the norms for development cooperation of Asian development partners are derived from the Non-Aligned Movement (NAM) and have been guiding South-South Cooperation for centuries.

9. The **international context** plays an important role in manifold ways: First, it sets the basic outline of international cooperation and the multilateral embeddedness of development cooperation policies. Second, current power shifts in international relations encourage emerging economies to assert a stronger role in the global sphere. Thus, development cooperation serves the purpose of showing the world that the country is a responsible actor and has evolved from a recipient to a donor country with valuable experiences for other developing countries. Third, discussion between OECD-DAC and non-DAC members on principles of effective aid form a balancing act between a traditional Western aid paradigm towards a new Asian aid paradigm.

4.
EVALUATION AND INTERPRETATION OF OVERALL RESULTS OF THE STUDY

The following table provides an overview of the key facts on development cooperation agencies in middle-income countries.

43 As mentioned in the previous chapters, no comparable data for all countries exists and all numbers are estimates according to varying calculation methods. Disbursements may include the agencies' budgets, other line ministries' contributions, financial cooperation etc. Thus, these numbers are meant provide a first impression, without claiming to be complete and comparable. For further information on the statistics used per country, please see the respective country chapters.

• Table 14: Comparison of development cooperation agencies in middle-income countries

COUNTYRY	AGENCY	DATE OF FOUNDATION	LEGAL BASIS	AFFILIATION OF AGENCY	ORGANIZATIONAL STRUCTURE	COUNTRY DISBURSEMENTS IN USD (YEAR)[43]
BRAZIL	Agência Brasileira de Cooperação (ABC)	1987	No legal basis, individual MoUs	Ministry of External Relations	Mix of regional & sectoral	1 billion (2010)
SOUTH AFRICA	South African Development Partnership Agency (SADPA)	2013	Proclamation in South African Government Gazette (No. 36543)	Department of International Relations and Cooperation	Sectoral/ managerial	104 million (2011)
INDIA	Development Partnership Administration (DPA)	2012	-	Ministry of External Affairs	Mix of regional & sectoral	1.3 billion (2013)
CHILE	Agencia de Cooperación Internacional (AGCI)	1990	Law No. 18.989	Ministry of External Affairs	2 regional divisions, 1 sectoral	4 million (only AGCI, 2010)
TURKEY	Turkish International Cooperation and Coordination Agency (TIKA)	1992	Organization Law 2011	Prime Minister (formerly MEA)	Regional	2.5 billion (2012)
MEXICO	Agencia Mexicana de Cooperación Internacional para el Desarrollo (AMEXCID)	2011	Law of International Development Cooperation (LCID)	Ministry of Foreign Affairs	Regional/ sectoral	277.1 million (2012)
THAILAND	Thailand International Cooperation Agency (TICA)	2004	-	Ministry of External Affairs	Sectoral	178.5 million (2008)
MALAYSIA	Malaysian Technical Cooperation Programme (MTCP)	1980	-	Ministry of Foreign Affairs (formerly PM)	Along coop. instrument	64 million (2006-2010)
SINGAPORE	Singapore Cooperation Programme (SCP)	1992	-	Ministry of Foreign Affairs	Along coop. instrument	70.4 million (2011)
INDONESIA	Coordinating Team on South-South and Triangular Cooperation (CT SSTC)	2010	-	Ministry of Planning (BAPPENAS)	No clear structure yet	50 million (2003-2013)
CHINA	-	-	-	Ministry of Commerce (MOFCOM)	-	2 billion (2011)

COUNTYRY	OTHER LINE MINISTRIES/ ACTORS INVOLVED (3 MOST IMPORTANT)	DEVELOPMENT COOPERATION STRATEGY	PRINCIPLES
BRAZIL	Ministry of Planning, Ministry of Developm., Industry and Foreign Trade, Agencies: EMBRAPA, SENAI, FIOCRUZ	No strategy, ad hoc	SSC Diplomacia solidária; Demand driven; não indiferencia
SOUTH AFRICA	National Treasury, Presidency, line ministries according to specialization	South African Medium Term Strategic Framework; National Develop. Plan 2030	SSC Partnership People centred Supporting catalytic initiatives
INDIA	Prime Minister, Ministry of Finance, parastatal companies as implementing agents	Colombo Plan, Special Common-wealth Assistance to Africa Plan	SSC Demand driven Non-conditional.; sovereignty
CHILE	Ministry of Planning, Ministry of Housing and Urban Planning, Ministry of Justice	-	SSC & OECD DAC Demand driven Knowledge exchange
TURKEY	Ministry of External Affairs, Departments under the Prime Minister: TOKI, AFAD	Part of foreign policy strategy, Davutoğlu doctrine	OECD DAC & non-conditional
MEXICO	Secretariat of Agriculture, Livestock, Rural Dev. (SAGARPA); Secretariat of Health; Federal Electoral Institute (IFE); National Institute of Statistics and Geography	LCID, National Development Plan 2013-2018, Sectorial Program of Foreign Affairs 2013-2018 Programme of International Development Cooperation (PROCID) to be published	SSC &OECD Comple-mentarity, sustainability, horizontal partnerships
THAILAND	Ministry of Finance, Neighbouring Countries Economic Development Cooperation Agency (NEDA)	Thai International Development Cooperation Strategy (2007)	OECD DAC Paris Decl. SSC Demand driven
MALAYSIA	Prime Minister, line ministries according to topic	Work in progress	SSC Demand-driven untied
SINGAPORE	-	-	SSC Demand driven
INDONESIA	Ministry of External Affairs, Ministry of Finance, State Secretariat	SSC Grand Design 2011-2025	SSC Demand driven
CHINA	State Council NDRC Ministry of Foreign Affairs	White Paper on Foreign Aid White Paper Africa White Paper Latin America	SSC Mutual benefit Non-interference Equality Sovereignty

COUNTYRY	SECTORAL FOCUS	COOPERATION INSTRUMENTS	TRIANGULAR COOPERATION
BRAZIL	Agriculture, Health, Education	Technical, financial, scientific, academic cooperation	High priority: 1/5 of total developm. cooperation
SOUTH AFRICA	Peace, security; Post-conflict reconstruct; regional integration; humanitarian assist.	Bi-, tri-, multi-party approaches; financial & technical assistance	Important, TriCos with USAID, DFID, Germany, Canada
INDIA	Infrastruct., IT, Tele-medicine, Social Sector, Agriculture	Grants, technical cooperation, loans, PPPs	Interest in developing networks and partnership through TriCo, no priority
CHILE	Social Infra-structure	Bilateral, technical cooperation, TriCo, scholarships	High priority
TURKEY	Humanitarian Aid, Infra-structure, Education, Health	Program/ project assistance, technical cooperation, trainings	Interesting modality, but no priority
MEXICO	Agriculture, social development, environment, public security	Bilateral and regional technical, cultural and economic cooperation	High priority, experiences with various international partners
THAILAND	Infrastructure, energy, agriculture, health	Trainings, Technical Cooperation	Important
MALAYSIA	Economic planning and development, agriculture, industry, education	Trainings, human resource development	Increasing interest, but no priority
SINGAPORE	All sectors	Trainings, human resource development	Possible, but no priority, more within third country training programs
INDONESIA	Economic growth schemes, family planning, natural resources, social services, governance	Trainings, human resource development	Important
CHINA	Infra-structure, agriculture, health, education	Package Deals	Increasing interest from Chinese side, but only few TriCo projects

Source: Own compilation

4.1 Role in International Development Cooperation

Classifications for "new partners in development" or "emerging donors" usually take the OECD DAC as reference point as well as their history of engaging in development cooperation. Referring to the latter, some authors also talk about a "second generation" or even a "third wave" of smaller donors vs. the larger (re-)emerging donors, like China, India and Brazil (cf. Schulz 2010). As with any attempt of classifying countries into clear-cut groups, the endeavor to do so is not easy and can always be contested. Deduced from the empirical findings of this study, the countries will be categorized into three groups in order to underline their role, strategies and policy choices. This serves to shed light on their motivations to engage in development cooperation as well as their position in the international development cooperation governance (see also figure 56):

- **Group 1 countries** like China, India and Brazil tend to emphasize stronger that their approach is completely different to that of traditional donors and are aiming at developing new models of cooperation. Motivations range from economic interests over foreign policy goals to solidarity among developing countries. The cases of China and India give evidence of "package deals" of loans, technical assistance and resource or other business agreements. For these countries regional stability is also at the core of their engagement in the Asian region. All three countries are strong players in their regions as well as in Africa and build on long term partnerships based on historical, ideological or linguistic (e.g. PALOP countries and Brazil) ties.

- **Group 2 countries** like Mexico, Turkey, South Africa and Chile can serve as a bridge between different regions and interests. In the cases of Turkey and South Africa both are perceived as "big brothers" and follow a rhetoric of solidarity among brothers (and sisters) in solving developmental challenges. Whilst Turkey is an OECD member and reports its development cooperation budgets to the DAC, South Africa is open for inputs from the OECD DAC but follows the overall vision of creating a new kind of development agency incorporating best practices from the DAC and new development partners. The rationale for development cooperation is mainly on regional stability and enhancing influence in the region. Yet, Turkey is also active in most other regions, especially in Africa, and besides engaging in humanitarian aid, Turkey also combines business interests with development cooperation on the continent. The Chilean and Mexican cases have shown orientation along successful domestic development programmes and both countries faces the same challenge as Turkey - being an OECD member as well, yet, they are also looking for allies on the Latin American continent or across the Pacific. Mexico has been a key actor in the DAC external relations policy and there is strong collaboration and dialogue in many issues, as e.g. hosting the Global Partnership for Effective Development Cooperation in April 2014 demonstrates.

- **Group 3 countries** are carving out niches for their specific input to international development. The Southeast Asian countries follow a more narrow approach of focusing solely on trainings and some very small bi- and trilateral technical assistance projects. Furthermore, they aim at building up regional knowledge hubs especially in Thailand and Indonesia.

It can be observed that all countries follow principles of South-South Cooperation, lay emphasis on non-conditionality, solidarity and demand driven approaches in **horizontal partnerships** between developing countries, rather than hierarchical donor-recipient relationship. The case of Brazil is interesting as it follows all of the above mentioned and in terms of non-interference in internal affairs has constructed the principle of **"não-indiferença"/ non-indifference**.

Furthermore, all countries base their development cooperation approaches also on experiences as recipients of aid. In some cases (e.g. Thailand, Brazil, Malaysia and Chile), the agencies providing South-South cooperation to other countries are still responsible for coordinating incoming aid from traditional donors. This **dual identity** of being "donor" and "recipient" at the same time is also essential to understand different approaches to development cooperation (Piefer/ Knodt 2012). Due to developmental challenges still persisting in the own country, all cases analyzed in this study have come up with strategies of justifying spending millions (or at times billions) of USD to support other countries, while there is still need for support and financing of domestic projects, these include:

- Replication of successful development models abroad
- Foreign policy instrument
- Linked with economic interests and access to new markets
- South-South Solidarity

4.2 Legal Basis & Cooperation Patterns

Due to the absence of reference frameworks, in most cases an ad-hoc culture is prevailing in delivering development cooperation (Schulz 2013). Of the countries studied, only Mexico, Chile, Turkey and South Africa have a **legal basis or organizational law** for their development cooperation activities. Indonesia is currently in the process of defining its institutional and legal set-up further, so that further developments in terms of legal basis can be expected within the next years. Covering up the lack of legal basis, some countries - i.e. India, Thailand, Indonesia and China - have developed **strategy papers** for providing development cooperation. In the case of Turkey it is part of the broader overall foreign policy strategy and South Africa has included cooperation with other African countries in its National Development Plan and Medium Term Strategic Framework.

The above mentioned ad hoc character of many development cooperation initiatives and projects combined with a lack of legal and institutional backing might be explanations for the difficulty of **defining clear budgets for development cooperation** in the cases studied. Turkey is the only country, which reports to the OECD DAC and uses the DAC criteria. Thailand partially reports to the DAC and aims at fulfilling the DAC reporting criteria in the next years. Chile also takes up a kind of intermediary position in this regard. In order to consolidate the Mexican methodology for calculating the amount of cooperation provided, AMEXCID analyzed several methods of assessing budgets, amongst others the OECD DAC methodology. All other countries do not report to the DAC and keep a mixed record of the budgets spent on development cooperation. Furthermore, budgetary planning varies from 5-year plans of China, India and Malaysia over budgets allocated annually by the government (Chile) or the Ministry of Foreign Affairs (Singapore) to more ad hoc approaches in reaction to demands by third parties (e.g. Brazil) and institutionally more complicated procedures, such as currently in the transition phase to handing over the mandate to coordinate development partnerships in South Africa. Table 14 gives a comparative view of estimates of budgets spent on development cooperation. Yet, these numbers are based on different methods (accounting for or leaving out the contributions of line ministries), so that a real comparison is difficult. Often not knowing the exact contributions of other line ministries is a major pitfall for the coordinating function of development cooperation agencies. They would need a stronger mandate not only to coordinate activities, but also to at least have an idea of budgets spent by other line ministries.

Some **interesting funding/ budgetary models** deserve closer attention. In the **envisaged South African Partnership Fund** (bill to be agreed on by mid 2014) South African funds will be appropriated by the Parliament. Unexpended money from the existing African Renaissance Fund (ARF), repayments from loans, interest received, money vested from foreign governments, money earmarked for trilateral co-operation, from private sector or charitable organizations and money accruing from any other source will all be transferred into the Partnership Fund (Hargovan 2012: 17). In contrast to the existing ARF, funds can be directed directly to the Partnership Fund by international partners, not having to go through National Treasury as was formerly the case with the ARF. The Fund will be governed by a Board of Trustees appointed and the Minister of External Relations will have the main authority, with the Minister of Finance determining the investment policy of the Fund. Similarly, the Mexican National Fund (FONCID) will be gradually implemented and, according to its rules of operation, it was structured so as to be able to receive funds from abroad and from the private sector.

The **Chile-Mexico Fund** is another interesting modality in terms of joint cooperation in third countries. Each country allocates about USD 1 million per year to the fund and decisions on disbursement in either of the countries or in third countries in the LAC region are taken jointly. In Chile as well as in Mexico the funds are allocated by the government to the Ministry of External Relations and more specifically to the Chilean International Cooperation Agency, respectively the Mexican International Development Cooperation Agency.

For all countries **the primary regional focus is the direct neighborhood and the own region**, followed mostly by Africa (in the case of Brazil, China, India, Turkey and to a lesser extent through trainings provided by Southeast Asian donors). Singapore is an interesting exception within the group of Southeast Asian donors, as its main focus is also on the ASEAN region, but its scope has extended much further towards international partnerships with major institutions and building up training centers in abroad together with the partner countries. This follows the above mentioned motivations of regional stability and economic integration, but also consolidating a stronger role in regional and international politics through engaging in development cooperation.

The **sectorial approach and thematic focus** follows a wide range according to the country's respective expertise. Without going into detail, it is interesting to note the strong emphasis on infrastructure development followed by agriculture, education, health and social protection as primary sectors. The main exception is South Africa with its focus on post-conflict reconstruction as well as Chile and Mexico with strengthening public institutions and capacity development. There might be two explanations for this: First, many OECD DAC donors are moving away from providing "hardware" like infrastructure towards providing "software" like support for governance issues. Thus, there is a niche that new development partners are happy to fill. Second, there is great demand from recipient countries for expertise e.g. in agriculture from countries with similar pre-conditions. Lastly, it can be said that these issues are usually not very controversial and everyone appreciates the construction of new roads or hospitals, which also gives visibility to the donor. It is easier to take pictures of schools with kids than to visualize and put the agency's label on difficult political reform processes. It may be also part of a learning curve. All development cooperation approaches started with trainings and capacity development in partner countries. Nevertheless, it should not be assumed, that new development partners only repeat the learning curve of the traditional donors. It will be very enlightening to see how they further develop.

4.3 Institutional Set-Up and Organizational Structure

The organizational structure of the development cooperation systems varies greatly in the countries studied. Two main strands will be considered here: First the question of **fragmentation** combined with **centralized or decentralized** forms of institutional set-up. And second, the **degree of specialization** of the agencies and overall development cooperation approaches (see figure 50). Table 14 shows that almost all development cooperation agencies are affiliated with the **Ministry of External Affairs**, with the exception of Turkey (Prime Minister's Office), Indonesia (Ministry of Planning) and the Chinese case where no agency exists but the Ministry of Commerce is the most influential player. This underlines the finding of very strong inter-linkages between foreign policy goals and development cooperation. Institutionally, the Ministries of External Affairs are then the most (or in the other cases second most) important actors.

Yet, in almost all cases a high **institutional fragmentation** – in the sense of a variety of actors being involved - can be observed. Except for the case of India, where development cooperation is centrally governed and coordinated through the Ministry of External Affairs, line ministries are important and powerful actors in development cooperation. In India a strong role for the newly created DPA was chosen and all coordinating responsibilities will be solely with the DPA. Until 2014, line ministries are carrying out projects as well. In the case of Brazil some authors estimate over 100 different institutions to be involved in cooperation projects with third countries (cf. de la Fontaine 2013). Besides line ministries being the active players in their respective sectors, government agencies under the line ministries, such as EMBRAPA, SENAI, or FIOCRUZ are essential in project implementation and have built up their own project management and implementation structures (e.g. with offices in recipient countries). The model of experts from line ministries being exempted from their jobs for a certain amount of time in order to implement projects in thirds countries is often used e.g. in Brazil, Chile, Turkey, Mexico, China, India, South Africa and Thailand. Yet, in most cases there are limits to this model and the professionalization of staff is being discussed as a major issue. Furthermore, Brazil has a special agreement with UNDP for the implementation of Brazilian projects through UNDP staff abroad.

In most countries a division of labor between the Foreign and Finance Ministries is along the lines of overall coordination combined with **technical assistance** and **financial assistance**. For the latter development- as well as EXIM banks are key players. For instance, Thailand has a separate agency (NEDA) for financial cooperation (only with the neighboring countries) and in Brazil a special department is organized under the Ministry of Finance.

The inclusion of the **private sector** varies from implementers (India and to a lesser extent Turkey and Brazil) to occasional inclusion and engaging in discussions on strategies for involvement in multi-party partnerships (South Africa). In most cases tied aid is not officially promoted, but de facto practiced. This is often due to the implementation institutions' linkages to the private sector, e.g. in infrastructure or economic development projects. The commercialization of development cooperation is especially evident in the Asian cases (incl. India), but it is an important factor for all other countries as well. **Civil society** participation is mostly encouraged and envisaged but still in its infant steps for most cases.

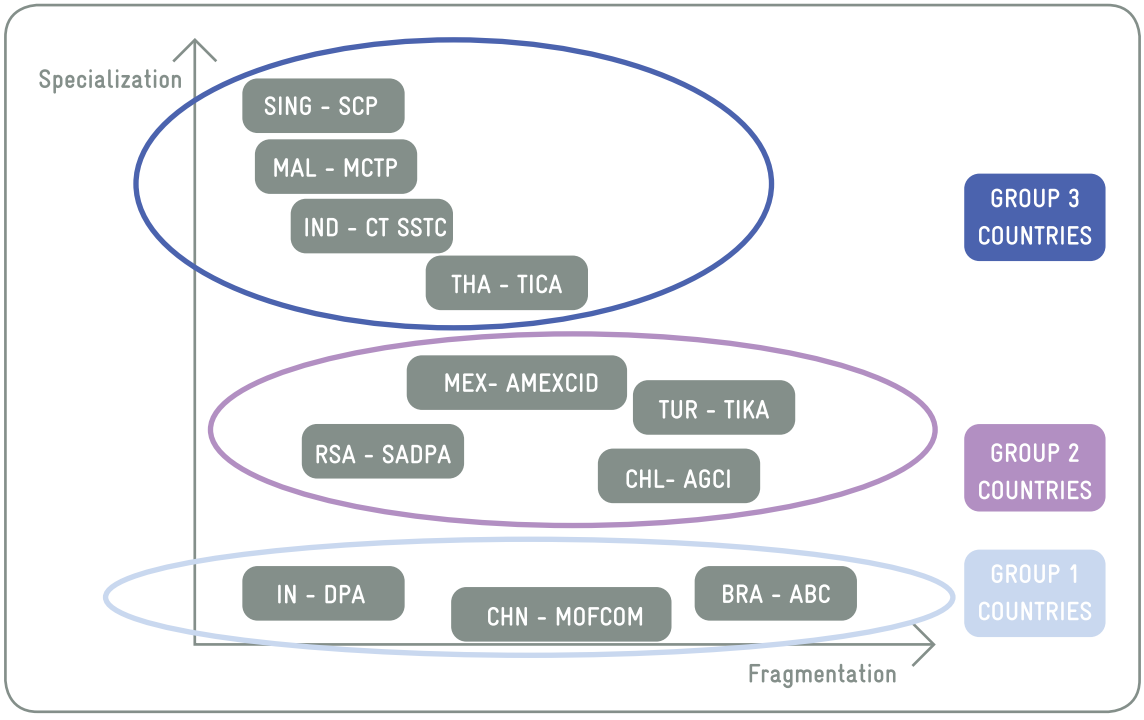
Development cooperation agencies or programmes have been created in all cases except for China. Some agencies – e.g. AGCI, TICA, ABC – were initially founded to coordinate incoming aid into the country in the role of recipient. Their mandate then changed towards including coordination for outgoing assistance to third countries. Other countries have initiated agencies as reactions to their increasing role in international development cooperation or to other global changes, as e.g. in the case of Turkey and the collapse of the Soviet Union. Mexico, South

Africa and Indonesia are further examples of current foundations of agencies, responding to the increased global role and responsibility of these countries. As Bernadette Vega mentioned in the case of Mexico (chapter 2.6.6), agencies with dual identity face specific challenges and evolution paths. They have to develop management processes for their role as partners in development while at the same time coordinating incoming cooperation activities of OECD DAC partners. In this regard, they also have to develop clear messages to explain such duality to the public opinion. Some more countries than the ones analyzed in this study have recently established cooperation agencies - among them are Russia, Kazakhstan, Peru, Colombia, Azerbaijan and others.

The agencies have the mandate to coordinate development cooperation with third countries, but at times lack the institutional power and the information of activities being carried out by other line ministries. Mexico, India and South Africa have made clear steps in addressing this problem, now it remains to be seen how this is put into practice. In terms of internal organization a mix along the lines of **sectoral and regional structure** can be observed. Malaysia and Singapore organize their cooperation programmes/ training along the cooperation instruments used (e.g. bilateral or third country training programmes). Turkey follows an overall regional organizational approach and Thailand a clear sectoral one. Brazil, India, Mexico and Chile have divisions for both regional and sectoral responsibilities (sometimes even mixed in one unit as in India) and South Africa follows a managerial sectoral approach. As Indonesia is still in the process of building up its coordinating team, no clear structure can be observed, yet.

Comparing the two aspects of specialization and fragmentation, figure 56 maps the broad range of where the agencies currently stand. This mapping is not meant as valuation or promoting one model over another; rather, it illustrates the spectrum of possible approaches. It is interesting to note that this corresponds more or less with the classification made in 4.1.

• Figure 56: Comparison of agencies' institutional set-up between fragmentation and specialization



Source: Own visualization

Interesting differences exist between the different agencies in their project management and in this regard especially the r**ole of Embassies and/ or coordination offices of the agencies abroad**. TIKA is the only agency with **33 coordination offices** in its most important partner countries. Thailand is currently establishing some offices abroad as well. The coordination offices are responsible for project management and implementation in the country and maintain all coordinating relations with headquarters, the Embassy and the Ministry of External Affairs. This structure is quite close to some OECD DAC agencies (e.g. GIZ, USAID), which have country offices throughout the world. Brazilian EMBRAPA is also establishing offices in some African countries, but ABC so far has not followed this model. Rather Brazil has identified **ten technical cooperation hubs** (núcleos de coordenação técnica) **within Brazilian Embassies** abroad. With its **focal points** in Embassies responsible for coordination with partner countries, e.g. in El Salvador for cooperation with the Central American region, AGCI follows a similar approach. Singapore also operates in decentralized formats by jointly establishing training centers abroad with its partners. All other countries either work through their Embassies or in a very centralized manner through the agencies' headquarters and the Foreign Ministries in the capital. Requests from third countries for cooperation in certain areas are mostly received through either the **Embassies** of the new development partner in the countries or by the recipient country's Embassy to the Foreign Ministry in its capital. For instance, Indian Embassies in Africa receive demands and forward these to headquarters in Delhi. Or the African country's Embassy in Delhi addresses the Ministry of External Affairs directly in Delhi, so that project planning and implementation are then processed after having agreed on a project proposal. The strong role of Embassies in most cases is also one reason for a great increase of diplomatic representations abroad of the countries analyzed in this study.

India has established an interesting model between generally strong centralization on the one hand, and decentralization in some cases. As elaborated above (section 2.3.4), in cooperation with certain focus countries like Nepal, Afghanistan and Vietnam decentralized modes of project initiation and management have been established. In the case of Vietnam a special **"quick implementation facility"** and in cooperation with Nepal, Bhutan and Afghanistan "small development projects" (SDPs) can be decided by the Embassy of India in the respective countries, if they do not exceed a certain budget (see section 2.3.4 for detailed elaborations).

4.4 Project Types and Project Management

Project types that new development partners engage in vary greatly. Whilst all countries are active in technical cooperation in different formats, not all provide **financial assistance**. The largest actors in providing loans are China, India, Brazil and to a lesser extent South Africa and Thailand. Mexico has increased its financial assistance through the introduction of the Acuerdo de Yucatán in 2012. Turkey and Chile are not very active in this regard, Malaysia and Indonesia sometimes give small amounts of financial assistance and Singapore has decided from the beginning of its aid activities to focus on human capacity development and to exclude financial assistance from its offers for cooperation. SADPA has mentioned various financial instruments that are envisioned: micro-grants, grants, loans, joint ventures and public-private-partnerships. The types of support include: budgetary, programme, project, sector, SWAPs, basket or pooled funding (Casoo 2012: 8).

Within **technical cooperation** some agencies have a very **fine-tuned and highly specialized approach** to certain instruments and their specific value, such as joint studies, trainings, expert exchanges, seminar and workshops (in the cases of Thai TICA, Malaysian MTCP, Singaporean SCP, Indonesian CT SSTC and Chilean AGCI).

It is interesting to note that most Southern providers focus on human capacity development and transferring knowledge to other developing countries. This is e.g. also at the heart of Indian development cooperation.

Technical cooperation projects in sectors such as infrastructure, health or education follow similar models in most cases. After having agreed on the project, technical experts from line ministries or other government institutions – or if available the agencies themselves – are sent to the recipient country for a couple of weeks to provide assistance and advise. **Private companies** are often involved in the provision of "hardware", like the construction of roads, hospitals or schools. In the case of TIKA, Turkish Airlines is even closely involved in humanitarian assistance projects (which are also classified as technical assistance by Turkey). An interesting example of cooperation between the public and private sector is the "Alianza México por Haití", which brought together seven major foundations from Mexican companies, the Mexican Government and CSOs for the reconstruction of Haiti (AMEXCID, 2012b; AMEXCID 2013b). Based on these experiences, the Executive Director of AMEXCID has proposed the installation of five ad hoc Technical Councils: Social, Private Sector, Local Government, Scientific and Academic and High Level in order to improve the channels of communication and exchange with those key groups (SRE, 2012b; SRE, 2014b, see also 2.6.2).

The **internationalization of successful domestic development projects**, programmes or institutions (e.g. Brazil Bolsa Familia, Fome Zero; Chile public sector reforms; South Africa peace and reconstruction/truth and reconciliation commissions; Mexico the National Council on Evaluation of Social Development (CONEVAL) and the Federal Electoral Institute (IFE)) is often the starting point to plan technical cooperation projects. This expertise is specifically demanded by partner countries with similar developmental challenges because experiences seem replicable under the circumstances of the recipient country. Adaptations to the specific recipient country context are necessary, which also requires inter-cultural understanding between both partners. Furthermore, certain countries have a good reputation as **experts for specific topics**, such as India in the IT sector or Brazil in agriculture. Not necessarily referring to existing projects or programmes, this expertise is often demanded by partner countries.

The core aim of South African projects is that these are able to catalyze something and thus, **catalytic initiatives** are followed. This could be understood as projects that help to unlock the potential of a country or region, multiply impact of projects, should be replicable and are scalable. Besharati (2013: 53) sums up the South African approach – which is also quite common in most other countries:

"While allowing space for partner countries to shape the type of assistance and the way they would receive support, Pretoria needs to be clear on its comparative strengths, the technical expertise it has to offer, as well as its foreign policy and international development imperatives it is called to address and report on. Similar to the approach of Brazil, this might mean that at times Pretoria needs to provide funding, at times technical expertise and at other times to even have the wisdom to say that South Africa is not well placed to provide the specific assistance requested by the partner country."

Triangular cooperation (TriCo) is a very interesting modality as a partnership where one or more providers of development co-operation or international organizations support South-South co-operation, joining forces with developing countries to facilitate a sharing of knowledge and experience among all partners involved. For all countries analyzed in this study, trilateral cooperation is of utmost importance, especially countries like Brazil, Mexico and Chile have been active forerunners and promoters of this modality. One interview partner in South Africa stated that "TriCo is an experiment", meaning that the first phase of TriCo projects was good to build up a trustful relationship

and to gain first joint experiences. Yet, for the next phase emphasis should be laid on building on these experiences and developing the "experiment" into more strategic partnership projects.

This means that we are currently at a turning point, where the first years of "experimenting" with the instrument of TriCo are over and strategic thinking about the benefits for all partners is necessary. The only countries having already drafted a TriCo strategy are Japan and Germany. Others act on an ad hoc basis, and again others, like South Africa, are currently planning to create innovative **policy frameworks**. According to their specific regulations, this will be slightly adapted for cooperation with different partners, but SADPA aims to deliver a kind of template for TriCo projects. Going from here, the overall aim is to move towards a new kind of development cooperation in multi-party partnerships. These may result out of trilateral cooperation between two partners in development from the North and South with a beneficiary country and include further partners on each side of the triangle. This has happened in a TriCo between Chile and Paraguay with Germany and Australia as two OECD DAC providers. Also, possibilities could be carved out for cooperation with regional organisations, the private sector, foundations, think tanks and others.

Thus, two **innovative models of triangular cooperation** will be briefly sketched below in order to illustrate this vision and to give food for further thoughts on developing this modality in the future. Among other sectors, India implements TriCo projects in the energy field. One of these projects is implemented by an independent research institution which provides consultancy for the government and implements projects on their behalf. A network of partners was initially created with support from Norway and several institutions in Kenya. This "Solar Transitions" project was very successful and when DFID approached India wanting to work on energy issues in Africa, the same network of partners was taken and enhanced to the UK, further African as well as European partners. Private companies are involved in providing technological expertise and equipment. Thus, instead of creating a new triangular cooperation project with DFID, the existing one with Norway was extended to a **multi-party partnership** project.

The often claimed high **transaction costs** of TriCo might result from the observation that in many cases not enough time is given for the establishment of partnerships and a joint cooperation basis. Projects might need a bit longer to actually kick-off and catalyse something, so that they are costly in the beginning. But if managed and driven well, the value added and the partnerships created outweigh the higher costs. A Canadian example illustrates this: Former Canadian CIDA runs a TriCo project with South Africa and their motivation to do so is quite different than what is often heard from other donors. By working with the same South African partner on the issue of public administration, the project design and approach are used for cooperation with three different African countries (Rwanda, Burundi and South Sudan). All of them are represented in the steering committee and instead of having for different projects; costs are saved by having one central structure with country specific adaptations.

Especially in the Southeast Asian region, but also in Africa and in Latin America mostly through Mexico (e.g. the Mesoamerican Project or Pacific Alliance), development cooperation projects are planned within and/ or supported by **regional initiatives or organizations**. The link between regional (economic) integration and development cooperation supporting poorer countries of the region to join in trade initiatives and the common market serves the interests of both partners in development.

Academic cooperation is another modality that e.g. Brazil, Chile, India and Turkey as well as the Southeast Asian countries promote in their development approaches. The provision of scholarships for students of other developing countries has a long history in all cases. Mexico is the

only case in studied that has incorporated **cultural cooperation**, i.e. promotion, in its development activities.

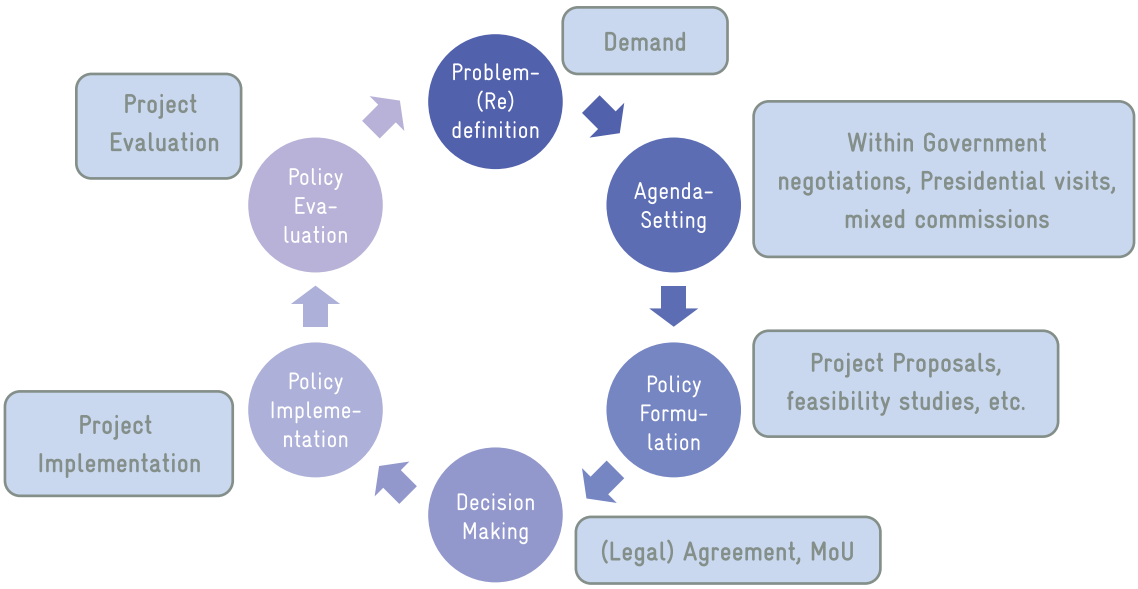
Humanitarian assistance is often classified under development cooperation and makes up the majority of Turkish aid. With its coordination unit for actions to fight hunger (CGFOME), which also provides assistance in time of humanitarian crisis, Brazil has institutionalized its approach in a different unit under the Itamaraty. But also smaller players like Indonesia have contributed considerably in times of natural catastrophes, such as earthquakes in New Zealand and Pakistan or the Tsunami in Japan.

Several models of **project initiation** can be observed in the cases analyzed for this study. For all of them the prerequisite should be given of **demand being voiced by the recipient country:**

- Through **institutional partnerships/ linkages** and regular interaction
- During **regular meetings** between line ministries, sectoral institutions and their counterparts in partner countries;
- Through **focal points in partner countries**
- During **Presidential visits**
- Through **direct requests from diplomatic delegations.**

After this first demand being voiced and ideas being developed for a project proposal, in some cases like Brazil or within the framework of regional projects, such as the Mesoamerican Project or the Chile-Mexico Fund, a review of the proposal and/ or a feasibility study will be carried. Applying the general findings to the policy cycle introduced in section 1 of this study, the following steps (illustrated in the boxes next to the steps of the cycle) can be observed in taking up examples from all cases of this study:

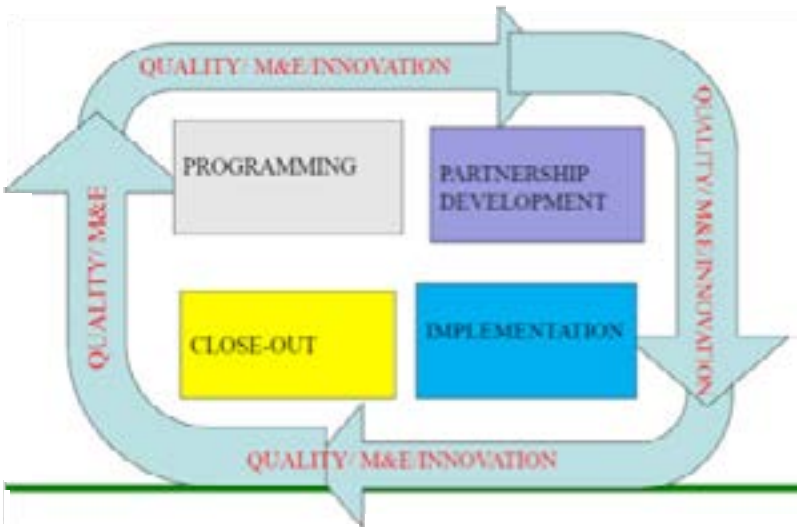
• Figure 57: Policy Cycle combined with project cycle steps



Source: own visualization based on: Jann/Wegrich 2003: 82

Besides attempts in Brazil, South Africa is one of the few cases having developed a **project cycle management**. The case of SADPA shows some very interesting approaches (see also country study South Africa, section 2.2).

• Figure 58: SADPA Project Cycle



Source: Casoo 2012: 10

First, **programming** of the project should be planned in a participatory way including **common understanding of a project** and which components will be considered part of the "project". The case of a trilateral cooperation project in Malaysia has shown that the two partners sometimes assume they know what the other understands as project, but in the end Germany regarded the whole process as project, whilst for Malaysia only the training executed was considered to be a project. This also has implications for budgetary planning of projects. Second, strong emphasis is laid on **partnership development**. This step seems self-evident, yet, it is often neglected in bi- and trilateral cooperation projects. Building up trustful relations and achieving an open and truly participatory partnership oriented cooperation mode is the basis for successful implementation. This is essential for all next steps and requires time and patience from all sides. Mostly, after agreeing on a project in some cases **MoU**s are signed, in others a **record of discussion** or other kinds of **legal agreement** is made to put cooperation on a legal footing. Third, project **implementation** itself can find different forms according to the demand voiced by the beneficiary country. The choice of instruments is adapted to the specific context and could include bilateral, trilateral, multilateral, decentralized and multi-party approaches in financial and technical assistance (see above for project types). Fourth, the **close-out** will be achieved with a final evaluation. Throughout the whole process **monitoring and evaluation** measures as well as **quality management** will be applied with an eye on **innovative approaches**. Yet, it must be noted that **monitoring and evaluation** systems are still in their infant steps in all cases analyzed in this study.

5. CONCLUSIONS AND RECOMMENDATIONS

This study has shown that in many countries very interesting, complex and high-performing structures are evolving, which are enriching the plurality of the international development cooperation architecture and will be decisive for the future path of international cooperation. All of the countries and agencies analyzed in this study are currently in an open and interesting learning process, which follows other rules than that of traditional donors did under other conditions and circumstances. Traditional donors started their aid activities under a post-colonial heading of solidarity and altruistic motivations combined with political (and economic) interests and have since then headed towards more partnership oriented approaches and strong emphasis on ownership of partner countries. New development partners are taking a different path by starting on strong partnership orientation with ownership being enhanced through demand driven projects combined with the notion of South-South solidarity and economic and foreign policy interests. As mentioned above their principles are influenced by experiences as recipients and the lessons learnt by traditional donors. New development partners follow their own **visions for development cooperation** in a post-Busan, post-2015 age and it will be exciting to observe how this influences and changes the international cooperation architecture.

Attempting to draw overall conclusions for agency development and international cooperation structures from the findings of this study will not lead to a one-size-fits-all recipe to be followed step by step; rather, the aim of this section is to deduce interesting topics, questions and observations that are relevant and interesting for the future development of agencies. Some overall recommendations derived from the findings of this study are:

- It is essential to have a **legal basis** for development cooperation and **strategy papers** putting these into practice. It is important to note in this respect that the message is delivered effectively on the right level. Often levels mix between what is regulated on the legal and on the operational basis of agencies and what is stated in foreign policy strategy papers. Not leaving the legal framework, there needs to be enough flexibility in projects' every day implementation on the ground, not to make structures and coordination processes too bureaucratic. The nature of demand-driven projects is a more ad hoc character, which is likely to be the reason for a lack of strategy papers in most countries. Yet, a long-term strategic vision of where the country's development cooperation is heading and which kind of effects can be catalyzed through deploying certain cooperation instruments is a vital orientation for all those involved in planning and implementing projects.

- **Strong structures and a clear institutional set-up** support the often envisioned **coordination function** of agencies. In this regard coordination does not necessarily mean sole implementation or oversight power. Rather, for cooperation agencies to play a strong role it is advisable that information sharing and exchange mechanisms are built up between agencies, their host ministry (mostly Ministry of External Relations) and other line ministries. When agencies are aware of which activities are being implemented by other actors in third countries, coordination can be enhanced, the duplication of efforts avoided and synergies created.

- For strong agencies to build up a continuous role in development cooperation the question of origin of staff arises. In most cases agency staff is a mix of career diplomats, some technical experts, and consultants. A **professionalization of staff** and other officials involved in cooperation projects outside the agency, enhanced training for development cooperation experts - e.g. also by offering courses on development cooperation in diplomat trainings or special workshops in line ministries– is necessary to ensure continuity and effectiveness.

- Good relations with partner countries are crucial to plan and implement successful projects. This is not always only possible through short-term assignments of experts or within the scope of general diplomatic relations. Most countries maintain relations with the partner countries through their Embassies in this country. For instance, in the Turkish case TIKA has opened 33 **coordination offices** throughout the world to coordinate its activities directly with headquarters. Both models seem promising to enhance efficiency and coordination.

- The relations with Ministries of Finance are crucial. The case of Chile has shown how natural disasters and political crises can affect the budget attributed to agencies. It is vital for agencies to have their **own clear budget** with predictable amounts allocated each year.

- The mapping in figure 56 shows the **pluralism of agency models** with a range of other actors involved and strong specialization. There is no ideal model to be followed and the mapping should not be understood as valuation of certain paths and models. Rather, it shows the diversity of approaches and models to learn from and combine for the own agency development.

- Whilst the geographic focus of most countries is in their region and on the neighboring countries, a **regional diversification** can be observed in most cases. Besides extending relations on the African continent a stronger orientation across the Pacific between Asia and Latin America seems to be envisioned by actors from both sides.

- All countries analyzed in this study emphasize the importance of triangular cooperation as an additional mode and bridge between North-South and South-South approaches. Processes of mutual learning and exchange of experiences have enhanced understanding and contributed to the implementation of successful projects in partner countries. South Africa is one of the few countries drafting a policy framework for **triangular cooperation** which serves as basis for agreements with different partners.

- **Innovative project implementation models** can be found throughout all countries. Some examples are the Chile-Mexico Cooperation Fund, the Small-Development Projects (SDPs) and Quick-Implementation Facility in India or the South African vision of creating multi-party partnerships between North and South including the private sector and civil society. These are just a few inspirations to think in innovative models and enrich the own spectrum of cooperation modalities.

- Stronger cooperation with the **private sector,** e.g. in the form of private-public-partnerships (PPPs) or co-funding is envisaged by most countries. In some cases private companies are already actively involved in project implementation. It seems fruitful to explore synergies and divide tasks between public and private actors without one dominating the other's agenda and priorities. Enhanced cooperation with civil society is also envisaged by many countries. Whilst this is embedded in most countries' rhetoric, there is little practical basis and focused approaches. Also the scope for cooperation with academia could be further explored.

- There is huge potential to enhance **monitoring and evaluation** mechanisms as well as systematic analysis of processes for institutional learning.

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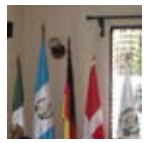

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