ASIAN APPROACHES TO DEVELOPMENT COOPERATION

April 22-25, 2013
Washington, D.C. & New York City

At "Asian Perspectives" event on April 23, hosted by USAID in Washington, D.C.
Panel I speakers, from left to right: Enna Park, Keiichiro Nakazawa,
Siti N. Mauludiah, Randhir K. Jaiswal, Gordon Hein

The Asian Approaches to Development Cooperation (AADC) dialogue series is
a partnership between the Korea Development Institute (KDI) and The Asia Foundation.
These programs in Washington, D.C. & New York City were also supported by UNDP, USAID, and AusAID.

INTRODUCTION

The Asia Foundation, in cooperation with the United Nations Development Programme (UNDP), the United States Agency for International Development (USAID), the U.S. Department of State, and the World Bank, with additional support from the Australian Agency for International Development (AusAID), organized six events focusing on "Asian Approaches to Development Cooperation" (AADC) in Washington, D.C. from April 22 to 23, 2013, and in New York City on April 25. The events aimed to clarify how Asian development actors operate and to contribute Asian perspectives to the international development dialogue. A delegation of seven senior government officials and policy specialists from China, India, Indonesia, and South Korea joined counterparts at each of the host institutions for both closed-door and public discussions on their countries' approaches to and perspectives on development cooperation and post-2015 global development challenges.

These events built on the successful AADC dialogue series that has been jointly organized by the Korea Development Institute (KDI) and The Asia Foundation since December 2010. The ongoing series brings together experts and officials from the Asia region and beyond to share perspectives and to facilitate mutual learning between and among "emerging" and "traditional" development actors. In 2011, these dialogues—held in Kuala Lumpur, Colombo, and Seoul—culminated with a widely attended side event at the Fourth High Level Forum on Aid Effectiveness (HLF-4) in Busan, Korea. The 2012 dialogues held in New Delhi, Beijing, and Seoul focused on the theme of pro-poor, inclusive growth and development cooperation. In 2013, the KDI-Asia Foundation AADC dialogue series is providing an opportunity for knowledge exchange on the theme of climate change. The first of these meetings, held in Seoul in April 2013, focused on climate change mitigation, low carbon development, and green growth.

Overviews of each of the six AADC events in Washington and New York follow in this report, in chronological order. Further information and resources are available at:

- News Release, The Asia Foundation
- Archived Webcast, The Asia Foundation

THE WORLD BANK

Titled "Development Cooperation in Practice – Developing Country Capacity for Knowledge Sharing," this April 22 event was a private roundtable discussion with six World Bank staff members. ***Sophie Sirtaine****, Director of Corporate Reform and Strategy at the World Bank, provided opening remarks and* ***Han Fraeters****, Manager, Knowledge and Learning Department, World Bank, moderated the discussion. Other World Bank participants included* ***Astrid Manroth****,* ***Mark Heidister****,* ***Heidi Kausman****, and* ***Stephan Ganz*** *from the World Bank Institute Knowledge Sharing division.*

In line with the World Bank's recent call for a "solutions bank" that will more effectively address global challenges via strengthened implementation and delivery, the AADC meeting was framed as a brainstorming session on leveraging and enhancing knowledge exchange mechanisms for development effectiveness. The meeting began with an introduction of the World Bank's knowledge sharing program. The World Bank's dedicated unit on knowledge sharing is focusing on turning tacit knowledge into explicit knowledge. Two areas of support include strengthening leadership capacity in key institutions, and cataloguing and packaging learning resources.

Asian countries are also developing programs where they face various challenges. For instance, Korea is documenting eight practice areas, including export promotion policy, and over 100 programs through its Knowledge Sharing Program. Indonesia has established a national agency to coordinate its activities and document its key capacities. In China, identifying specific areas of mutual benefit and relevance with its potential knowledge sharing partners has been an obstacle. Furthermore, Thailand was cited as an example of a country that has developed a knowledge exchange platform but that has been unable to utilize it due to budget shortfalls.

As a result, several participants noted that international organizations like the World Bank should develop regional and global knowledge sharing services that can systematically and effectively "match" issue-area experts from different countries according to mutual need and benefit. Capacity building to 1) strengthen knowledge management on the "provider" (supply) side and 2) to support accurate assessment and codification of needs on the "beneficiary" (demand) side emerged as a critical area requiring further international support. Moreover, participants pointed to reliable access to technology as essential to future knowledge sharing activities. In particular, open-source platforms like Wikipedia and social media tools like Facebook will continue to play significant roles going forward. Throughout the World Bank meeting, participants emphasized the importance of mutually beneficial, two-way exchange and cautioned against static, one-way knowledge transfer.

U.S. DEPARTMENT OF STATE

Hosted by the U.S. Department of State Bureau of South and Central Asian Affairs (SCA), this April 22 private roundtable discussion was moderated by ***Daniella Ballou-Aares****, Senior Advisor for Development to the U.S. Secretary of State. In addition to Ms. Ballou-Aares, approximately 15 State Department staffers, including* ***Ted Andrews*** *(SCA),* ***Mark Clark*** *(Bureau of East Asian and Pacific Affairs), and* ***Carl Manzeno*** *(Budget for Foreign Assistance), participated in the meeting.*

Discussion regarding the impact of economic policy objectives and commercial interests on development effectiveness launched the meeting. The AADC delegation explained that development cooperation can catalyze an environment conducive to economic growth for all countries involved. For many Asian development actors, mutually beneficial economic and business interests serve as major elements of their development cooperation—as, in fact, they often are for "traditional" Western donor countries as well. With this segue, meeting participants discussed the distinguishing features of South-South cooperation. According to many of the Asian participants, this type of cooperation entails: shared experiences and solidarity among developing countries; adherence to the principle of political non-interference; support for diverse forms of cooperation, including technical and knowledge exchange, trade, and investment; absence of the donor-recipient dichotomy; and an emphasis on regional development.

Participants also discussed opportunities for confronting post-2015 challenges. The visiting Asian experts referenced the following as important components: continued provision of development services to developing countries, even those seen as "emerging donors"; promotion of inclusive growth, connectivity, infrastructure development, knowledge sharing, and food security; and the use of development cooperation as a tool to develop commercial activities.

USAID

On April 23, USAID and The Asia Foundation jointly organized three events. The first, a public event titled "Asian Perspectives: Asian Approaches to Development Cooperation," was attended by close to 100 guests. Over 100 additional audience members viewed the event live over the Internet and interacted with The Asia Foundation's real-time Twitter updates. The archived webcast and presentations are available on the Foundation's website. This public event was followed by an invitation-only luncheon discussion hosted by Asia Foundation President David D. Arnold, as well as a private roundtable meeting for the AADC delegation and USAID staffers.

Asian Perspectives Public Event:

Susan Reichle, Assistant Administrator for USAID's Bureau for Policy, Planning and Learning (PPL), and Asia Foundation President **David D. Arnold** opened the event. **Wonhyuk Lim**, Director of the Global Economy Research Team at KDI, provided an overview of the AADC program.

Chaired by Asia Foundation Vice President **Gordon Hein**, Panel I on "Development Cooperation in the Asian Century" compared and contrasted the objectives and modalities of Korean, Indian, Indonesian, and Japanese development cooperation. **Enna Park** of Korea's Ministry of Foreign Affairs explained that Korea's development cooperation strategy focuses primarily on sharing its national development experience and on strengthening global partnerships. She noted that the two main challenges facing Asian development are: 1) scaling up the volume of aid and 2) ensuring its quality such that it is effectively utilized toward positive economic growth. In his presentation that followed, **Randhir K. Jaiswal** of India's Permanent Mission to the UN highlighted capacity building within South-South cooperation as the fundamental basis of India's development cooperation programs. Mr. Jaiswal called on international finance institutions, the UN, and regional development banks to provide more comprehensive support to South-South cooperation initiatives.

South-South cooperation, in addition to triangular cooperation, also emerged as a pillar of Indonesia's development cooperation programs. **Siti N. Mauludiah** of Indonesia's Ministry of Foreign Affairs described demand-driven assistance as a core principle of South-South cooperation and suggested that Indonesia must strengthen transparency and public-private partnerships in order to implement triangular cooperation more effectively. To close Panel I, JICA USA's Chief Representative **Keiichiro Nakazawa** explored the challenges facing South-South and triangular cooperation, including high transaction costs, fragmentation, and supply-driven bias. He described the need to address these challenges to support South-South and triangular cooperation, which the G20 has referenced as important contributors to the adoption and adaptation of the most relevant and effective development solutions. Mr. Nakazawa also spoke on JICA's experience with triangular cooperation, such as with Thailand and the Philippines.

Questions from the audience to Panel I speakers discussed: how civil society, the public, and private sectors are coordinating with each other; how countries are engaging with development research; and how countries measure the success of their development cooperation programs. The question regarding the private sector shed light on countries' different experiences. India has seen significant development centered on the private sector, especially with telecommunication and pharmaceutical companies. On the other hand, in Indonesia, lack of public-private sector communication has been problematic. In Korea, notable private sector-NGO alliances have taken shape. For example, Hyundai's demand for trained auto mechanics has been integrated with partner countries' training needs.

With regard to development research networks, the Research and Information System for Developing Countries (RIS) in India and KDI in Korea were cited as key research organizations in their respective countries. JICA has a dedicated research institute and collaborates with other institutions such as the Brookings Institution based in Washington, D.C. Indonesia, however, does not have a dedicated development research institution. As Panel I came to a close, all countries represented stated that mechanisms for evaluating success will require further work going forward.

Panel II, chaired by **Jennifer Adams,** Director of USAID's Office of Donor Engagement, focused on "Post-2015 Development Challenges." The session featured **Eun Mee Kim** of Korea's Ewha Womans University, **Xiaoyun Li** of China Agricultural University, and **Sachin Chaturvedi** of India's RIS. Noting that Asian development centers on institutions and people, Dr. Kim stated that Asia needs "Asian solutions to Asian problems" to foster regional development. Dr. Li followed with remarks on China's challenges and priorities leading up to and beyond 2015, explaining the prevalent public opinion in China that the country needs greater progress domestically before it can provide financial aid to other countries. Furthermore, unlike many other countries that have set 2015 as a benchmark year, China is looking toward 2020 with a focus on economic, political, and cultural development, as well as public services and the environment. Lastly, Dr. Chaturvedi's presentation on the post-2015 agenda emphasized the need to increase recipient countries' access to advanced technologies in a manner consistent with the recommendations of the UN's *MDG Gap Task Force Report 2012*.

Questions from the audience to Panel II speakers discussed: what role the BRICS Bank will play in global development finance, and how South-South cooperation providers will engage with post-Busan global development partnerships. On the BRICS Bank, speakers suggested that it will supplement flows from the South and that details are forthcoming. In terms of global partnerships, India will emphasize regional engagement, and its priorities will depend on the partner countries involved. Speakers noted that while it is a positive development that international NGOs and foundations have been brought inside the tent, the global partnership must be more inclusive of the global South. A number of countries such as China have not been active, as they regard the post-Busan development partnership as neither "new" nor a true "partnership," but as a continuation of the common donor agenda.

UNDP's **Thomas Beloe** and The Asia Foundation's **Gordon Hein** provided brief remarks to close the public Asian Perspectives event.

Panel II speakers, from left to right: Sachin Chaturvedi, Xiaoyun Li, Eun Mee Kim, Jennifer Adams

Asian Perspectives Luncheon:

An invitation-only, closed-door discussion moderated by Asia Foundation President **David D. Arnold** immediately followed the public event. Attended by 50 senior-level representatives from government and civil society, the luncheon discussion featured **Nisha Biswal**, USAID's Assistant Administrator for Asia, and **Tony Pipa**, USAID's Deputy Assistant Administrator for Policy, Planning and Learning. The discussion centered on how traditional donors such as the United States are engaging and cooperating with "emerging donors." It also provided an overview of current trends in global development cooperation, such as the role of Asian providers in reshaping global aid architecture and in placing new challenges on the global development agenda. Both Ms. Biswal and Mr. Pipa stressed a shift toward engaging Asia more directly with increased face-to-face policy and programmatic dialogues with partners.

Roundtable Discussion with USAID Staff:

Approximately 25 people participated in this Chatham House Rule event opened by **Jennifer Adams** and moderated by **Jun Jin**, Assistant General Counsel for Acquisition and Assistance, Office of the General Counsel, USAID. With a focus on issues associated with the execution of development assistance and cooperation, the meeting touched upon demand-driven development, challenges related to implementation of knowledge sharing efforts, aid conditionality, and the importance of joint needs and capacity assessments.

Specifically, participants discussed the need to catalogue countries' demands, ensure partner countries' ownership by strengthening their capacity to do so directly, improve provider countries' capacity for knowledge management, differentiate between official and unofficial demand, and sift through political issues versus strictly technical issues around take-up of knowledge transfer.

The AADC delegation and USAID also went over the varying implications of "conditionality," which is typically viewed as having originated with "traditional" Western aid and as a principle is absent from South-South cooperation. From one perspective, conditionality is associated with values and norms that the provider country deems should be created in a partner country. These include democracy and human rights. From another perspective, conditionality is connected primarily with technical and economic issues related to a partner country's dependence on the provider country—a relationship often referred to as "boomerang aid." As follow-up, participants compared and contrasted conditionality with accountability. They also discussed the potential benefits of changing the international development lexicon to shift away from the term "aid" itself.

Finally, participants agreed that joint assessment of needs and capacities in both provider and partner countries is necessary for effective and sustainable development cooperation implementation. In that vein, all stakeholders should be involved to ensure that ownership lies with partner countries.

UNITED NATIONS

UNDP and The Asia Foundation jointly organized a day-long series of meetings at the UN General Secretariat headquarters in New York on April 25. The meetings consisted of three panel discussions as part of a larger facilitated multi-stakeholder dialogue, as well as a smaller, private roundtable discussion for the AADC delegation and UN staff. Approximately 45 people from various UN agencies attended the events.

Facilitated Multi-Stakeholder Panel Discussions:

From left to right: Ajay Chhibber, Nicholas Rosellini, Gordon Hein

Ajay Chhibber, UN Assistant Secretary-General and UNDP Assistant Administrator, provided opening remarks, in which he gave an overview of UNDP's efforts to strengthen partnerships with G20 developing countries including the establishment of outward facing policy centres to share G20 experience and expertise in international development – such as the human development centre in India. Mr Chhibber also shared the recently launched UNDP Human Development Report 2013 which focuses on South-South cooperation. In addition, Asia Foundation Vice President **Gordon Hein** provided opening and closing remarks that highlighted the Foundation's growing initiatives to support South-South cooperation.

Chaired by **Nicholas Rosellini**, UNDP's Deputy Assistant Administrator and Deputy Regional Director for the Asia Pacific, Panel I focused on Asian country perspectives regarding "Development Cooperation in the Asian Century." **Enna Park**, **Randhir K. Jaiswal**, **Siti N. Mauludiah**, and **Xiaoyun Li** spoke in this session. Ms. Park, Mr. Jaiswal, and Ms. Mauludiah shared their respective countries' perspectives in a format similar to that of the April 23 public event hosted by USAID. In his presentation on China's development cooperation, Dr. Li explained that China considers itself neither an "emerging" nor a "traditional" donor. China recognizes that development cooperation is a global responsibility and that it simultaneously serves China's geopolitical purposes, a balancing act which requires significant policy and implementation capacity. As these dual purposes are not dissimilar to those of other development actors, Dr. Li noted that OECD DAC donors and China may in fact demonstrate greater convergence than divergence from each other.

Further areas of discussion in Panel I included: how UNDP can and should add value to global knowledge exchange; what advantages and limitations "country knowledge hubs" present; how China will respond to domestic and international demands for more specific data in the country's forthcoming Second White Paper on foreign aid; how India envisions the role of its newly launched Development Partnership Administration; and how knowledge sharing can be extended to implementation to be truly useful. Indonesia's blue print for South-South and triangular cooperation, which has established a track record of transparency and effectiveness, emerged as an example of effectively applied knowledge sharing.

Panel I speakers, from left to right: Xiaoyun Li, Siti N. Mauludiah, Randhir K. Jaiswal, Nicholas Rosellini, Enna Park

Also titled "Development Cooperation in the Asian Century," Panel II continued the discussion on how development cooperation will bring change to the 21st century and how Asia will continue influencing such partnerships. Chaired by **Walid Badawi**, Deputy Director, UNDP Bureau for External Relations and Advocacy, the session featured **Michael Cohen**, Director of the International Affairs Program at the New School; **Peter Versegi**, Minister-Counsellor, Australian Permanent Mission to the UN; and **Thangavel Palanivel**, Chief Economist, UNDP Regional Bureau for Asia and the Pacific.

Professor Cohen, who previously worked for the World Bank, described and challenged the current modus operandi of various multilateral lending institutions. Explaining that traditional lending processes have often assumed similarity across contexts, he called for greater attention to specific sectoral and geographic circumstances. He noted that problem framing and implementation, the two critical phases of a project, are often allocated the least funding and thus require further attention. Mr. Versegi followed with remarks on Australia's evolving approach to its aid program. He spoke on the recently released *Australia in the Asian Century* White Paper, which reflects the country's aim to engage more effectively with Asia. These efforts include Australia's strengthened middle income country engagement and increased institutional partnerships.

To close Panel II, Dr. Palanivel highlighted both positive and potentially negative impacts of the region's recent economic resurgence over the last 40 years on OECD countries and Africa. For instance, rising middle classes in China and India have created an increased market for goods and services in OECD countries, as well as high commodity prices for mineral-rich African countries. On the other hand, the manufacturing sector in several OECD countries has suffered due to lower labor costs in Asia. Going forward, Dr. Palanivel emphasized the importance of macroeconomic policy coordination, particularly around issues like food and energy security. He cited a South Asia-ASEAN food reserve bank as an example of the regional mechanisms needed. Further, he called for strengthened regional financial institutions to provide risk management and to prevent unmanageable country-specific burdens in times of financial crisis.

In the discussion that followed, Panel II speakers noted that knowledge products, rather than sheer funding in itself, will prove critical to development. Middle-income countries in particular will increasingly seek out knowledge sharing and innovative learning, as opposed to financial assistance. In terms of new instruments, migration and remittances will play larger roles, and private foundations will continue to grow. As alluded to by Dr. Palanivel in his presentation, the panel suggested that development architecture will move toward regional-level institutions. Panelists also discussed thematic trends in development cooperation, including the transition from governance to human development and, more recently, a shift to food security and climate change.

Panel II speakers, from left to right:
Peter Versegi, Walid Badawi, Michael Cohen, Thangavel Palanivel

Eun Mee Kim and **Sachin Chaturvedi** spoke on Panel III, which discussed "Post-2015 Development Challenges." **Yiping Zhou**, Director of the United Nations Unit for South-South Cooperation, chaired the session.

Dr. Kim highlighted the important role of multilateral organizations in supporting knowledge exchange and South-South cooperation, which will play an increasingly important role in the post-2015 landscape. To date, many organizations have focused on strengthening the supply side of knowledge exchange, at times at the expense of assessing the needs and context of the demand side. Dr. Kim noted that the UN is in a good position to codify and broker the supply-and-demand matching process.

Dr. Chaturvedi built on these comments, emphasizing the need for the international community to better understand South-South cooperation—including where the demand lies and who can deliver it—in order to move post-2015 development forward. He stressed that South-South cooperation cannot be assessed via borrowed frameworks, such as that of the OECD DAC and the North-South aid model. Rather, given South-South cooperation's different nature, a new evaluation framework is necessary. Dr. Chaturvedi encouraged the UN to provide leadership in this area such that South-South cooperation implementation and evaluation can be tailored to specific sectoral and geographic contexts in policy-coherent ways, as Professor Cohen and Dr. Palanivel had also stipulated in the previous session. Given South-South cooperation's underlying principle of self-reliance, Dr. Chaturvedi also called on countries of the global South to come forward and articulate their own requirements.

As session chair, Mr. Zhou reiterated that the UN's value-added in South-South and triangular cooperation includes its roles as: 1) unbiased dialogue and convener, 2) knowledge exchange broker, 3) capacity builder, 4) partnership builder, 5) and honest communicator on behalf of the South.

Panel III speakers, from left to right: Eun Mee Kim, Sachin Chaturvedi, Yiping Zhou

Roundtable Discussion with UNDP Staff:

At a smaller, private discussion that followed, the AADC delegation and UN staff delved deeper into how the UN should be involved with development cooperation, with particular attention to the implementation of South-South cooperation in Asia. The discussion made clear that UNDP and the UN expect to enhance their engagement in this area. Meeting participants agreed that UNDP should steer away from "one-size-fits-all" approaches and adapt its strategy to be tailor-made, demand-driven, and reflective of lessons learned from both successful and less effective efforts.

SUMMARY

Over the course of the six events in Washington and New York, the AADC delegation's messages reached over 275 people—both in person and via Internet webcast—representing a range of U.S. and international government agencies, multilateral institutions, universities, and civil society organizations. Common themes and areas for further exploration included: the need for international organizers to support capacity building in knowledge exchange, on both the "provider" and "recipient" ends; South-South and North-South cooperation complementarities; niche roles for multilaterals like the UN; and new evaluation methods for South-South cooperation.

AADC WASHINGTON & NEW YORK DELEGATION

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