ASIAN APPROACHES TO DEVELOPMENT COOPERATION DIALOGUE:

LESSONS FOR DEVELOPMENT EFFECTIVENESS

June 15 – 17, 2011
Colombo, Sri Lanka
INTRODUCTION

This third meeting in a series on Asian Approaches to Development Cooperation brought together government officials, leading analysts and practitioners from China, India, Korea, Malaysia, Singapore and Thailand to share their views on the objectives and modalities of Asian development cooperation and its implications for High Level Forum 4 on Aid Effectiveness.

The meeting was held in Sri Lanka in order to profile and analyze Sri Lanka’s development framework and its experience as a recipient partner of Asian cooperation. Sri Lankan government officials participated throughout the meeting. Sri Lanka based representatives from JICA, KOICA, AusAID, and the Indian High Commission also presented their approach to development cooperation in Sri Lanka.

The Colombo meeting was formally addressed by the Governor of the Central Bank, Mr Ajith Nivard Cabral at the welcome dinner. The distinguished speaker provided the historical and current perspective on Sri Lanka’s development challenges and aspirations. The meeting was jointly hosted by the Korea Development Institute (KDI) and The Asia Foundation (TAF). The first planning meeting was held in Seoul in December 2010. This was followed by a dialogue in Kuala Lumpur in March 2011.

OBJECTIVES OF DIALOGUE SERIES

• To clarify and raise awareness of how Asian development partners operate: their objectives, principles, motivation and funding levels.
• To contribute Asian development partner views to the international dialogue on aid effectiveness and architecture, particularly the HLF 4.
• To promote mutual interest, learning, understanding and opportunities for collaboration between and amongst rising Asian and traditional development partners and their recipient countries.
OBJECTIVES OF COLOMBO DIALOGUE

- To understand the experience and perspectives of recipient development partners
- To sharpen our analysis of current issues in the aid and development discourse
- To understand better the perspective of DAC members in relation to Asian Approaches
- To identify Asian priorities on aid principles and architecture to put forward at Busan

PARTNER EXPERIENCES AND STRATEGIES FOR DONOR ENGAGEMENT: SRI LANKA

Dr BMS Batagoda, Director General, Department of National Planning, Sri Lanka, provided his perspective on Sri Lanka’s preferred types of cooperation relationships and modalities, donor/partner trends in the country, aid management issues, and Sri Lanka’s long term interests and goals for development cooperation.

Dr Batagoda described Sri Lanka’s transition from low income to middle income country status and the associated shifts required in development strategy as a pressing challenge.

In response to this transition the role and composition of Sri Lanka’s foreign assistance and have changed significantly in the last four decades.

- In the 70’s and 80’s bilateral program and project aid for economic liberalization dominated, with Western donors and Japan in the forefront. 70% of aid was in the form of concessionary loans. During the 90’s ADB, World Bank and Japan became the leaders with other bilateral declining. Programmatically the focus shifted to policy reform, economic and social infrastructure. In the last decade post-tsunami and post-conflict reconstruction has been a common feature.
- To achieve the government’s vision of establishing Sri Lanka as a strategically important economic centre for naval, aviation, commercial, energy and knowledge investments the strategy requires 1) broadening the options for foreign financing by mobilizing a mix of commercial credit and -concessional funds while ensuring debt sustainability, 2)
maintaining steady growth of 6 – 8 % over the next six years to achieve a GDP of USD 98Bn by 2016.

- Presently, given Sri Lanka’s middle income status, the trend has shifted to non-concessional funding, in support of priority sectors in the government’s national development strategy (Mahinda Chintana), with Japan playing a major role and 50% of foreign financing coming from China, India and Russia, and export and commercial loans surpassing multilateral and bilateral assistance.
- Traditional donor finance through concessionary assistance is uncertain and so the emphasis is currently on commercial loans and export credits from non-traditional partners where project timeframes are short, procedures are simple and flexible, and country ownership is assured.
- The GoSL is keen to coordinate donor efforts in the country under the leadership of the Ministry of Finance. This will include regular meetings with donors (traditional western donors and the emerging Asian donors) to ensure sharing of information to avoid duplication of development interventions.
- The GoSL is also keen for emerging Asian donors to develop a country strategy for Sri Lanka which will serve as a tool to guide development cooperation projects in the country. This will allow the government to match donors to projects where they can provide the best sources of expertise, while focusing on growth-oriented projects which are in line with the Government’s development strategies.
- Partnerships in Sri Lanka are no longer just about borrowing and lending money, but they are about sharing technical experiences and building capacities. Sri Lanka has a strategic approach to development cooperation. The country does not follow a traditional model of aid, but instead looks to build partnerships which promote commercial activities, political support and the sharing of information. South-south partnerships have resulted in the transfer of high levels of technical skills ranging from bio and nanotechnologies to high tech engineering.
- Current challenges include balancing development gains when many donors want to invest in the former conflict zones, the difficulty in costing aid from different donors where BOQ are sometimes unclear or not transparent, identifying the right donor mix and mix of instruments.

DEVELOPMENT COOPERATION APPROACHES: CASE STUDY SRI LANKA

Cooperation partners used the example of Sri Lanka to discuss their different country approaches and policies to development cooperation. Officials from JICA (Mr Akira Shimura), the Indian High Commission (Mr Vikram Misri), KOICA (Mr Sang Woo Cho), China MOFCOM (Ms Mao Xiaojing), Singapore MFA (Mr...
Tin Koh Fook) and AusAID (Mr Mark Bailey) presented the factors that shape their strategies and programs in Sri Lanka, described their partnerships with local actors, how they measure impact and the lessons learned.

### Foreign Finance Commitments to Sri Lanka 2010 (USDM)

<table>
<thead>
<tr>
<th></th>
<th>Loan</th>
<th>Grant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bilateral</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>396.6</td>
<td>42.3</td>
<td>438.9</td>
</tr>
<tr>
<td>China</td>
<td>821.4</td>
<td>7.5</td>
<td>828.9</td>
</tr>
<tr>
<td>India</td>
<td>493.8</td>
<td>0</td>
<td>493.8</td>
</tr>
<tr>
<td>Australia</td>
<td>105.2</td>
<td>10.5</td>
<td>115.7</td>
</tr>
<tr>
<td>France</td>
<td>16.3</td>
<td>0</td>
<td>16.3</td>
</tr>
<tr>
<td>Iran</td>
<td>111.2</td>
<td>0</td>
<td>111.2</td>
</tr>
<tr>
<td>Russia</td>
<td>300.0</td>
<td>0</td>
<td>300.0</td>
</tr>
<tr>
<td>Saudi</td>
<td>46.1</td>
<td>0</td>
<td>46.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>USA</td>
<td>0</td>
<td>44.2</td>
<td>44.2</td>
</tr>
<tr>
<td>Korea</td>
<td>4.0</td>
<td>0</td>
<td>4.0</td>
</tr>
<tr>
<td>Other</td>
<td>81.9</td>
<td>0</td>
<td>81.9</td>
</tr>
<tr>
<td><strong>Multilateral</strong></td>
<td>762.3</td>
<td>19.0</td>
<td>781.3</td>
</tr>
<tr>
<td>ADB</td>
<td>366.7</td>
<td>5.5</td>
<td>372.32</td>
</tr>
<tr>
<td>World Bank</td>
<td>347.4</td>
<td>0</td>
<td>347.4</td>
</tr>
<tr>
<td>IFAD</td>
<td>24.2</td>
<td>0</td>
<td>24.2</td>
</tr>
<tr>
<td>OPFC</td>
<td>24.0</td>
<td>0</td>
<td>24.0</td>
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<tr>
<td>UN</td>
<td>0</td>
<td>13.5</td>
<td>13.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3136.9</td>
<td>123.6</td>
<td>3260.5</td>
</tr>
</tbody>
</table>

### KEY FEATURES OF SRI LANKA’S DEVELOPMENT COOPERATION PARTNERS’ STRATEGIES

Many countries provided emergency, humanitarian and rehabilitation assistance during the post tsunami and post conflict periods. This included school rehabilitation (KOICA, Singapore),
fishery harbour reconstruction (China), emergency hospitals and family packs (India), community rehabilitation (Australia), and livelihood and infrastructure development (JICA).

Technical cooperation in the form of training and scholarships is a common aid modality for Singapore, JICA, China, and KOICA.

Infrastructure projects (highways, power, roads, railways, buildings) are a key component of Chinese, Japanese, Indian and Korean assistance.

Cooperation with Sri Lanka is based on long term historical, political and economic relationships (Japan, China, India).

Among the three largest partners, Japan and China have fewer larger scale projects while Indian projects are numerous and span multiple sectors. Chinese infrastructure projects are supported by Chinese labour, most recently at a ratio of 10 local workers to 1 Chinese worker.

Partnership with INGOS or NGOs is practiced by KOICA, JICA, AusAID, India and Singapore.

JICA, KOICA and AusAID participate in development partners’ coordination meetings. India has started to attend occasionally since the scale up of its programming, primarily to avoid duplication.

Some agencies have or are developing Sri Lanka specific country strategies (KOICA, AusAID, JICA).

All cooperation partners are guided by Sri Lanka’s national development strategy to identify their priorities and programs.

Cooperation partners expressed some hesitation about the value of harmonization in Sri Lanka. Policy harmonization is considered important (JICA) in order for the GOSL to meet its funding target and minimize donor competition. Procedural harmonization is considered important by the GOSL but more challenging. India is more wary of standardized guidelines or benchmarks which can stifle diversity and flexibility in cooperation efforts.
CURRENT DEVELOPMENT COOPERATION DEBATES: CHALLENGES TO DEVELOPMENT EFFECTIVENESS

Development cooperation partners continually try to identify the critical ingredients of development effectiveness. Participants discussed three debated ingredients: governance reform, infrastructure development and civil society participation and then examined how historically these may have contributed to overcoming the middle income trap.

JONATHAN STROMSETH: STRENGTHENING POLITICAL AND ECONOMIC GOVERNANCE

The presentation discussed the increasing importance of governance criteria in traditional development approaches, pointing to research which suggests that good governance (less corruption and a strong policy environment) support growth. Governance approaches of various traditional donors were compared and examples of Asia Foundation governance programs in Vietnam and China were profiled. In Vietnam, TAF supported local economic governance through the Provincial Competitiveness Index and public private dialogues with government and private businesses. In China, TAF is undertaking qualitative and quantitative research to examine the correlation between governance and economic growth, particularly in relation to transparency, public participation and accountability at the local level. Discussion in the session focused on the tension between the importance of governance considerations in development programming and the traditional donor tendency to make governance criteria as a condition for funding.

HE WENPING: ECONOMIC INFRASTRUCTURE PROGRAMS, CAN THEY BE PLATFORMS FOR ACHIEVING BROADER SOCIAL GOALS?

The presentation profiled China’s approach to infrastructural development in Africa, highlighting how infrastructure is seen as a priority for Africa and a necessary ingredient for growth and development. China’s “going out” strategy of the last 20 years, has encouraged Chinese state-owned enterprises in infrastructural sectors to spearhead Chinese interests overseas. The result has been mutual benefit for China and African countries. Funding forms range from commercial and
concessional loans to grants. China has a clear competitive advantage in this sector due to its own experience, low costs for construction, labour, materials, and strong financial backing. The discussion focused on the debate around whether infrastructure construction projects build local capacity in infrastructural development and management. While there are many criticisms of the high levels of Chinese labour in infrastructure projects, China’s development strategy is proactive on technical cooperation and skill development. There are Chinese efforts in Africa to develop technical expertise in this area.
include: 1) A country must address innovation and coordination externalities while minimizing negative government externalities such as corruption; 2) It should also establish fiscal discipline and prudential regulation and flexibly adjust prices to mitigate the impact of shocks; 3) it should commit to human development and social cohesion if it is to reduce the risks of growth-killing conflicts. Vertically, the challenge is for countries to successfully move up the value chain of production without falling into debt. This requires careful investment in capacity building and skills coupled with coordinated and strategic investment to develop potential growth industries at the right time.

KEY NOTE ADDRESS BY MR AJITH NIVARD CABRAAL, GOVERNOR CENTRAL BANK SRI LANKA

Mr Cabraal addressed dialogue participants, officials and diplomats from Sri Lanka on Sri Lanka’s development goals and plans. Mr. Cabraal’s message focused on the importance of aid diversity, and the need for fewer conditionalities and greater flexibility amongst donors. Sri Lanka is open to diverse forms of donor engagement and is constantly looking for innovative aid instruments which effectively and efficiently assist in fulfilling the Government’s development strategies. Likewise, the Government is looking to diversify its aid formula in order to maximize its aid potential. This means finding both a range of aid instruments and a range of donors who are interested in investing in an array of activities, from pure monetary investment to infrastructure development to capacity building. This also means finding donors who can provide more effective aid through rapid disbursements, greater flexibility and fewer conditionalities. Sri Lanka is looking for fair, non-extractive partnerships which promote sustainable results and non-political interference.
CURRENT DEVELOPMENT COOPERATION DEBATES: CHALLENGES TO AID EFFECTIVENESS

Expanding on discussion in previous meetings, participants delved into current debates around the process and management of aid which are central to the agenda of the High Level Forum on Aid Effectiveness.

SIRIPORN WAJJWALKU: COUNTRY OWNERSHIP: HOW IS IT BEST ACHIEVED?

The presentation focused on the factors that contribute to country ownership from the recipient’s perspective. Ownership has been described in many ways but key characteristics include: leadership, commitment, capacity, independence/autonomy, coordination. Ownership can be short term (over a project) or long term (over an outcome) and can range from community ownership over resources, institutional ownership over a project or country ownership over a policy or strategy. Case studies of donor-supported projects from Thailand reveal that the role of institutions and government officials are vital for ownership. In the reception process, governments often lead as they have the capacity and qualification to negotiate with donors. In the provision process, donors are obliged to apply partnership and harmonization in the aid process. Recipient ownership in projects emerges when: there is opportunity for participation in project formulation and there is authority and autonomy over budget management. Recipient ownership over outcomes emerges when the local institutions and communities gain more knowledge, understand and realize the positive impact, and are able to apply the knowledge as a tool to access to additional resources. In sum, ownership is a process which requires strong will, intention, responsibility, commitment, and capacity of both sides. Discussion raised examples of how ownership principles are not often applied by donors and how recipient partners must sometimes create incentives for donors to concede ownership.

MAO XIAOJING: AID PREDICTABILITY AND TRANSPARENCY

China has just released a White Paper on foreign assistance. The White Paper articulates China’s objectives and perspective on foreign aid. Key features include basing aid on the will and necessities of recipient countries, improving developing country capacity, recipient participation in aid process, constant reform and adjustment to improve results, maintaining substantial aid flow, and encouraging diversification of aid modalities and actors. In terms of aid
transparency, China has three general concerns: first that the Chinese public is not well informed about aid and may question why more is not spent on domestic needs; second, some recipient countries do not want their aid information released; and third, China’s aid volume is small compared to other countries. However, the White Paper is a big step towards greater transparency and more public information is expected to be shared in due course. During discussion, participants applauded the White Paper and encouraged increased information flow on aid from China.

DAC DONOR PERSPECTIVES ON ASIAN APPROACHES

Mark Bailey from AusAID provided a framing presentation which articulated AusAID’s position on aid effectiveness and international aid architecture. Australia is a member of the DAC. The main points were:

- Development cooperation is also in Australia’s national interest to build stronger communities and more stable governments, which improve Australia’s own economic and security interests.
- Australia, and its Asian development partners, have come together to work towards long term development goals through regional economic cooperation, facilitating South-South cooperation, and empowering partner countries.
- The increase in the types and amounts of aid flows creates new challenges for aid management on the part of developing countries. Therefore, Australia is embarking on projects with other Asian cooperation actors that build partner countries’ capacity to adapt to and engage in an increasingly complex development and trade environment, ensuring that they are well placed to benefit from the proliferation in development actors and flows. Examples include the WTO’s Global Trust Fund (also supported by China) which helps developing countries to engage in multilateral trade negotiations and implement their commitments, and the Trans Pacific Partnership talks (involving Australia, Malaysia and Singapore) around FTA in the ASEAN region.
- The Cairns Compact is a good example for the Pacific region, where Pacific island nations lead a forum of partners for more effective development planning and aid coordination. The Compact has yielded positive results in terms of coordinated infrastructural development in the region, reduced fragmentation and strengthening country leadership. The Cairns Compact may provide a useful model for regionally based cooperation elsewhere.
Sachin Chaturvedi provided the Asian perspective, commenting on how DAC assistance, as highlighted by the AusAID example, was increasingly viewing development cooperation as more than aid and recognizing trade, investment and technology as part of the cooperation equation. This provides greater points of convergence between Asian and traditional cooperation approaches.

Dr Chaturvedi provided a summarizing table of the areas of convergence and divergence between North-South and South-South Cooperation.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Aid Programme (North-South)</th>
<th>Development partnership (South-South)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature and purpose of Support</td>
<td>ODA. Stated to be altruistic in nature.</td>
<td>Idea is of mutual benefit and growth.</td>
</tr>
<tr>
<td>Philosophical Perspective</td>
<td>Framework Approach</td>
<td>Ingredients Approach</td>
</tr>
<tr>
<td>Actors</td>
<td>At least one actor has very high per capita income.</td>
<td>Both partners have very low per capital income.</td>
</tr>
<tr>
<td>Level of Development</td>
<td>huge difference in the stages of economic development for donor and recipient.</td>
<td>Both partners are almost at the similar stages of economic development.</td>
</tr>
<tr>
<td>Role of Actors</td>
<td>One is a donor the other is a recipient (of ODA).</td>
<td>Relationship of equality – both may be contributing in the process.</td>
</tr>
<tr>
<td>Priority Sectors</td>
<td>Grant assistance and budget support for social sectors.</td>
<td>Economic and technical cooperation largely confined to projects in infrastructure and productive sector investment.</td>
</tr>
<tr>
<td>Adherence to Global Governance Frameworks like Paris Declaration (PD)</td>
<td>Donors under the guidelines of Paris Declaration, which they evolved as an instrument for effectiveness.</td>
<td>PD negotiations did not involve the providers, who are out of the purview of any such global arrangement. Sticks to the confidence of partner countries.</td>
</tr>
<tr>
<td>Data, Monitoring and Evaluation</td>
<td>Peer reviewed by DAC/ OECD. Data is compiled and periodically released by the national governments and DAC/OECD.</td>
<td>No such mechanisms exist – except some occasional reporting of data and anecdotal details.</td>
</tr>
</tbody>
</table>

Discussion focused on several critical debates on aid effectiveness: why many Asian cooperation partners are not interested in joining the DAC, whether regionally specific programs like AusAID’s are politically viable for other countries, whether the often small-scale nature of south-south cooperation is scalable.
Woong-soon Lim, Deputy Director General, Korean Ministry of Foreign Affairs and Trade, provided his insights into Korea’s preparations and expectations for HLF4 in Busan in November 2011. His main observations were:

- The ODA budget is more vulnerable because taxpayers pay less attention to ODA expenditures versus other public services. Therefore higher ethical standards are needed, but too high a standard can fail; it is too hard to track every single penny.
- A poor record in a country should not mean less aid. HLF4 should be about efforts for better aid, not reducing aid.
- Korea’s commitment to ODA comes from the recognition that Korea’s success is thanks to aid.
- It is time to deepen our understanding of aid and how it interacts with other global resources. The conversation on aid has become a conversation on aid and beyond, about development effectiveness rather than aid effectiveness.
- Busan will also be a new global compact. There are new development challenges as well as new significant partners including the private sector, and NGOs and CSOs. Partnerships will be more inclusive and Busan will be a multi-stakeholder event for all involved in development. A political agenda is necessary; aid effectiveness is not apolitical. A broader audience is needed with a forward-looking agenda which links the UN narrative of MDGs with the G20 narrative on sustainable and inclusive growth, to approach development more comprehensively.

During the final session, participants discussed a number of issues and recommendations for HLF4 and future dialogues:

**RECOMMENDATIONS FOR BUSAN**

- Place more emphasis on horizontal partnerships for mutual benefit and design appropriate indicators.
- Place more emphasis on knowledge sharing and good-fit technical cooperation to build local capacity. (Cure for Dependency Syndrome)
- Broader dissemination of the South-South Cooperation approach and look more closely at the benefits and viability of Triangular Cooperation.
- Recognize multiple streams of development cooperation beyond aid.
• Move away from aid effectiveness indicators toward measuring progress toward development that ends the need for aid.
• Discussion of why donors are not able to meet DAC commitments.

RECOMMENDATIONS FOR FUTURE DIALOGUES

• Measuring the impact of interventions given the different business model of Asian approaches
• Linking/feeding our discussions into regional forums like ASEAN
• Beyond aid and ending aid. This was on the agenda for this meeting but the presenter was sick and could not participate. We should revisit this issue.
• Scaling up South-South Cooperation: pros and cons. How to scale up promising approaches demonstrated through SSC without straight jacketing the flexible approach.
• Dialectic between ownership and partnership.
• How recipient countries manage diverse donors
• Measuring effectiveness? Is it possible? While you can measure health and education outcomes, this becomes problematic when you expand to trade, infrastructure and governance it is more difficult.
• Can and should Asian partners develop their own principles? Given the diversity in Asian approaches, are principles necessary or useful? Is country level harmonization desirable, or does diversity empower recipients?
• Are there forums beyond DAC/HLF where a more inclusive dialogue can continue?
TUESDAY JUNE 14

- Participants arrive
- Hotel: Hilton Colombo

WEDNESDAY JUNE 15

Session 1: Opening Ceremony, Welcome and Introductions

Objective: Host agencies will open the meeting and welcome participants. We will review outcomes of the KL meeting and frame the desired outcomes from this meeting.

8:30 – 8:35 Welcome

Gordon Hein, Vice President Programs, The Asia Foundation

Wonhyuk Lim, Director of Policy Research, Center for International Development, KDI
8:35 – 8:40  Participant Introductions

Anthea Mulakala, Regional Adviser Donor Relations, Country Representative Malaysia, TAF

8:40 – 9:00  Outcomes of Kuala Lumpur Meeting

Objectives of this meeting

Edward Reed, Country Representative Korea

Session 2: Partner Experiences and Strategies for Donor Engagement

Moderator: Banchong AMORNCHEWIN, Director, International Organizations Partnership

Thailand International Development Cooperation Agency (TICA)

Objective: In this session, officials from partner countries will provide their perspectives on their preferred types of cooperation relationships and modalities, donor/partner trends in their country, aid management issues they face, and their long term interests and goals for development cooperation.

9:00 – 10:00  Sri Lanka

BMS Batagoda, Director General, Dept of National Planning, Ministry of Finance and Planning

Cambodia (cancelled due to last minute travel complications)

Chou Heng, Policy Adviser, Cambodian Rehabilitation and Development Board (CRDB) of the Council for Development of Cambodia (CDC)

10:00 – 10:15  Questions

10:15 – 10:30  Break

Session 3: Development Cooperation Approaches: Case Study Sri Lanka

Moderator: J.S Mukul, Joint Secretary, Joint Secretary (TC & ER) Ministry of External Affairs, India

Objective: This session will use the example of Sri Lanka to discuss different country approaches and policies to development cooperation. Officials from partner countries supporting Sri Lanka will present the factors that shape their strategies and programs in Sri Lanka, describe their partnerships with local actors, how they measure impact and the lessons learned.
10:30 – 11:15 China

Mao Xiaojing
Associate Research Fellow
Department of Development Assistance
Chinese Academy of International Trade and Economic Cooperation (CAITEC) Ministry of Commerce

India

Vikram Misri, Deputy High Commissioner, Indian High Commission Sri Lanka

Singapore

Tin Fook KOH, Director, Technical Co-operation Directorate, Ministry of Foreign Affairs (MFS), Singapore

11:15-11:30 Questions

11:30 -12:15 Korea

Sang Woo CHO, Resident Representative, KOICA Sri Lanka Office

Australia

Mark Bailey, Counsellor, AusAID Sri Lanka.

Japan

Akira Shimura, Chief Representative JICA Sri Lanka

12: 15 - 12:30 Questions

12: 30 - 12:45 Discussant Comments

B.M.S. Batagoda, Director General, Dept of National Planning, Ministry of Finance and Planning, Sri Lanka

12: 45 – 1:00 Discussion

1: 00 – 1:15 Group Photo

1:15 – 2:30 Lunch Spices Restaurant

Session 4: Current Development Cooperation Debates: Challenges to Development Effectiveness

Moderator: Peggy Kek, Country Director, The Asia Foundation Singapore
Objective: This session will consider different views on thematic issues often linked to development effectiveness.

2:30- 3:00  Strengthening political and economic governance: what is the appropriate role of donor partners?

Jonathan Stromseth, Asia Foundation Country Representative China

Economic infrastructure programs: Can they be platforms for achieving broader social goals?
3:00 – 3:30  He Wenping, Director of African Studies Section, Institute of West Asian and African Studies, Chinese Academy of Social Science

3:30 – 3:45  Break

3:45 – 4:15  Working with civil society organizations, both domestic and international: Advantages and challenges for official development partners

Won-Gyu Hwang, Gangneung-Wonju National University, Korea

4:15 – 4:45  Middle Income Countries: How to tackle poverty and avoid the middle income trap?

Wonhyuk Lim, Director of Policy Research, Center for International Development, KDI

4:45 – 5:00  Discussion

Welcome Dinner: Hilton Hotel, Moonstone/Amethyst Room

Guest speaker: Mr Ajith Navard Cabraal, Governor, Central Bank of Sri Lanka

7:00 – 7:30  Cocktail reception, guests arrive

7:30 – 7:35  Welcome and Introduction of Guest Speaker

Gordon Hein, Vice President, The Asia Foundation

7:35 – 7:55  Speech by Mr Ajith Navard Cabraal, Governor, Central Bank of Sri Lanka

7:55 – 8:00  Vote of thanks to Guest Speaker

Wonhyuk Lim, Director of Policy Research, Center for International Development, KDI

8:00  Dinner
Session 5. Current Development Cooperation Debates: Challenges to Aid Effectiveness

Moderator: Kim McQuay, Country Representative, The Asia Foundation, Thailand

Objective: This session will delve into current debates around the process and management of aid which are central to the agenda of the High Level Forum on Aid Effectiveness.

9:00 – 9:30  Country Ownership – How is this best achieved?
Siriporn Wajjwalku, Dean, Faculty of Political Science/ Director of International Program, Thammasat University, Thailand

9:30 – 10:00  Aid predictability and aid transparency: why is it useful? How can transparency be improved? Why do we need statistics?
Mao Xiaojing, Associate Researcher, Department of Development Assistance Chinese Academy of International Trade and Economic Cooperation (CAITEC) Ministry of Commerce, China

10:00 – 10:30  Beyond Aid: How can aid be effectively used a catalyst for development? Is the objective of aid to end aid?
Eun Mee Kim, Dean and Professor, Graduate School of International Studies; Director, Institute for Development and Human Security, Ewha Womans University, Korea
(cancelled due to illness)

10:30 – 10:45  Break

Session 6: Perspectives of Selected DAC Donors on Asian Approaches

Moderator: Herizal Hazri, Program Director, The Asia Foundation Malaysia

Objective: This session will explore new perspectives from DAC donors on Asian approaches given the increasing complexity of global aid architecture and the diversity of cooperation approaches. An official from a DAC donor will consider the major areas of policy or strategy divergence and convergence, the challenges and opportunities aid diversity presents for recipient partners, the prospects for greater harmonization or collaboration between DAC and non DAC cooperation partners.
11:00 – 11:20  DAC donor perspectives : AusAID  
Mark Bailey, Counsellor Development Cooperation for South Asia, AusAID

11:20 - 11:40  Discussant comments  
Sachin Chaturvedi, Senior Fellow, Research and Information System for the Developing Countries

11:40 – 12:15  Discussion

12:15 – 2:00  Luncheon with Speaker, Curry Leaf Restaurant  
Introduction of guest speaker by Wonhyuk Lim  
Woongsoon Lim, Deputy Director General, Korean Ministry of Foreign Affairs and Trade  
“Preparations and Expectations for HLF4 in Busan”  
Thank you to guest speaker by Edward Reed

Session 7: Implications for Development and the Aid Debate

Facilitator: Wonhyuk Lim

Objective: this facilitated plenary discussion will pull together a set of conclusions and recommendations from the meeting.

2:00 – 3:00  Topics may include the following questions:

- What should be the priorities for HLF4?
- What changes in current aid architecture would encourage Asian partners to participate?
- What is the role of alternative forums and modalities for achieving development effectiveness through improved development cooperation e.g. G20, UNDCF, SSC Forum

3:00 – 3:15  Break

Session 8: Closing Remarks
FRIDAY JUNE 17

Visits to Development Cooperation Projects

8:30  Departure from Hotel lobby by bus

Rain Water Harvesting Project at the Export Processing Zone at Katunayake

The Rain Water Harvesting Project at the Export Processing Zone at Katunayake is a 17.2 million Sri Lankan Rupee project initiated and funded by the Government of India following discussions on water security within the SAARC region in 2007. The project is implemented by the Sri Lankan Ministry of Irrigation and Water Resource Management with the technical assistance of experts from India, who carried out a feasibility study to develop the technology for the project. The project required the construction of artificial recharge structures, such as one recharge trench, one recharge pit, two ring wells, eleven recharge tube wells and ten Piezonmeters. The main objective of the project is to show the effectiveness of rain water harvesting in supplementing and improving the sustainability of water resources at the local level by storing rain water in ground structures or artificially recharging groundwater resources. The project will help in popularizing rain water harvesting for direct use or in recharging underground aquifers. Technical studies suggest a water deficit of $1000 \text{ m}^3$ in the export processing zone. This project will help meet this deficit. The Water Resources Board has recently introduced a system to monitor ground water levels. Given that the average rainfall in the area is over 2000mm/annually, the project is hopeful that they will be able to demonstrate an increase in ground water levels in the treatment area.

Colombo-Katunayake Expressway

The Colombo-Katunayake Expressway is a $292 million dollar initiative, funded by the Chinese Government, which the Government of Sri Lanka is in the process of implementing. The expressway is being built to create a high-speed link between Colombo and the international airport, to encourage outward migration of people living under congested conditions in and around Colombo, as well as to improve the mobility needs of the industrial development areas. The project will strengthen and expand the country’s road network with a view of fostering greater economic development in the country. The project, approved and managed by the Sri Lankan Treasury, was initiated in August 2009 and is scheduled to be completed by the end of 2012. The expressway is approximately 30 kilometers in length with 4
interchange points located at New Kelani Bridge, Peliyagoda, Je Ela and Katunayake. 85% of the project’s budget has come from the Chinese Government; the remaining 15% from the Government of Sri Lanka. The Export-Import Bank of China is funding the project with a 12-year loan. Loan terms lie somewhere between a concessional and commercial loan, with loan repayments scheduled after the 3-year grace period. A fortune 500 company, the China Metallurgical Group Corp. has been contracted to implement the project. To date, they have hired 500 Chinese and 1,000 Sri Lankans as labourers.

4:00 Return to hotel
Asian Approaches to Development Cooperation Dialogue

June 15 - 17, 2011

Colombo, Sri Lanka

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