The Future of South-South Cooperation in Asia: Partner Country Perspectives

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INTRODUCTION

Organized jointly by the Korea Development Institute (KDI) and The Asia Foundation (TAF), the “Asian Approaches to Development Cooperation” (AADC) dialogue series brings together development experts and government officials from the Asia region and beyond to share perspectives and to facilitate mutual learning between and among “emerging” and “traditional” development actors. After a planning meeting in Seoul in December 2010, KDI and TAF convened three workshops over the course of 2011 in Kuala Lumpur (March), Colombo (June), and Seoul (September). The 2011 dialogues culminated with a side event at the Fourth High Level Forum on Aid Effectiveness (HLF-4) in November in Busan, Korea, the world’s largest and most important gathering for discussing issues of international development and foreign aid. The conference edition of “Emerging Asian Approaches to Development Cooperation,” authored by participants in the AADC series, was released at the HLF-4.

In 2012, The AADC dialogues focused on the theme of development cooperation and pro-poor inclusive growth. Over 40 participants convened in both New Delhi (March) and Beijing (June) for the fifth and sixth meetings in the dialogue series. An authors’ workshop and a public conference, both held in Seoul, followed in November. In 2013 the first dialogue in Seoul highlighted climate change mitigation, low carbon development, and green growth strategies. In August, the complementary issues of climate change adaptation, disaster risk reduction, and disaster management were discussed in Vietnam and a final authors’ workshop was held in Bangkok in December. In 2014, the theme was Social Mobility in Asia, featuring dialogues in Sri Lanka and an author’s meeting in Seoul in November.

In 2015, the dialogues focus on the future of South-South Cooperation. The first dialogue held in Phnom Penh Cambodia features the perspective of partner countries. This report intends to cover the proceedings and outcomes of Phnom Penh’s meeting, featuring presentations and discussions by regional government officials, policy specialists and development experts.
OBJECTIVE OF DIALOGUE SERIES

- To clarify and raise awareness of how Asian development actors operate: their objectives, principles, motivation, and funding levels.

- To contribute Asian views to the international dialogue on development cooperation effectiveness and architecture, particularly in connection with follow-up to the HLF-4 and the shaping of the post-2015 global development agenda.

- To promote mutual interest, learning, understanding, and opportunities for collaboration between and among development partners.

- For 2015: To make specific policy contributions and recommendations from Asian actors on how SSC can be better governed, managed, and measured for increased impact and development effectiveness.

Jointly organized by The Asia Foundation (TAF) and the Korea Development Institute (KDI), the 12th meeting of the Asian Approaches to Development Cooperation (AADC) dialogue series closely examined partner country perspectives on South-South Cooperation (SSC) in Asia. The dialogue featured various topics including how SSC has or has not contributed to national development priorities in South East Asia and South Asia, opportunities and strategies for Triangular Cooperation in Asia, how provider and partner countries assess SSC, and new modalities and themes for SSC emerging from Asian providers.

Participants also gained first hand exposure to issues in a national context. The program included a visit to the Cambodia-Thai Skills Development Center, which trains 150 to 300 trainees per year in 6 skills: welding, electricity, air conditioner machine repair, small engine repair, construction and automotive repair. The center is a collaboration between the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation of the Kingdom of Cambodia and the Ministry of Labor and Social Welfare of the Kingdom of Thailand.

Countries participating at the dialogue included: Cambodia, the Philippines, Bangladesh, the US, Myanmar, China, India, Thailand, Korea, Japan, Australia, and others. Representatives from multilateral and bilateral agencies, academia, and international organizations participated in discussions, including the Council for Development of Cambodia, the United Nations Development Programme (UNDP), the Japan International Cooperation Agency (JICA), professors from various universities including De La Salle University in the Philippines and Jawaharlal Nehru University in India, and many others.
In this session, panelists discussed how SSC has or has not contributed to national development priorities in South East Asia. Moderated by Anthea Mulakala (Director International Development Cooperation, TAF) the session featured:

**H.E. Heng Chou**
Director General, Department of Policy and Development Assistance Coordination, Council for Development of Cambodia (CRDB)

**Wilfrido Villacorta**
Professor Emeritus of International Relations, De La Salle University; Ex-Philippine Ambassador & Permanent Representative to ASEAN (2011-2012)

**Oo Tun Hlaing**
Deputy Director General, Foreign Economic Relations Department (FERD), The Republic of the Union of Myanmar

H.E. Heng Chou, provided participants with insight into how Cambodia, specifically the Council for Development of Cambodia (CDC), promotes the effective use of SSC and TRC in Cambodia. He outlined the government's guiding principles for SSC, pointing out that SSC is not a substitute but a complement for traditional cooperation, and that TRC represents a bridge between the two. He noted that the most important criteria in distinguishing between Northern and Southern Cooperation is the alignment to national priorities. He then discussed lessons and challenges from Cambodia’s experience with SSC, noting that a better monitoring system would be helpful. However the CDC has an extensive aid management system which documents partner support.

Wilfrido Villacorta, in his presentation on “Philippine Involvement in SSC: Possibilities and Challenges”, provided a historical overview of Philippines SSC. He explained that the Philippines began its engagement in South-South Cooperation in 1980, when the Inter-Agency Committee on Technical Cooperation among Developing Countries was created. In 1992, the Technological Cooperation Council of the Philippines (TCCP) was established. It was “mandated to formulate a technical cooperation program in favor of developing and least developed countries by offering training courses where the Philippines has the experience and expertise relevant to development efforts of beneficiary countries”. Since 1980, the Philippines has initiated SSC with more than 90 countries. He described his government's strategy with ASEAN focal points and its triangular cooperation. In addition to TCCP, the Technical Education and Skills Development Authority (TESDA) of the Philippines has worked in triangular cooperation with other SSC countries, like India. He noted that a distinctive quality of Philippine SSC is that the training is not only for foreign beneficiaries, but also for local participants. He concluded his presentation by introducing “coopetition” as a term to describe the future of SSC — a combination of cooperation and competition, which is the basis of working relationships with fellow ASEAN countries.

Oo Tun Hlaing opened by explaining Myanmar’s history with SSC and questioned whether there was a truly Asian approach to development cooperation. He shared examples and statistics of SSC in Myanmar, from China, India, Indonesia, Singapore, and Thailand. Mr. Oo Tun Hlaing said Myanmar was struggling with how to move
ahead with its own approaches to development cooperation while remaining an active and supportive partner of the emerging global development cooperation architecture. As Myanmar is developing it is acknowledging the need for transparency and inclusiveness in the political and economic development process. In conclusion, he recognized the importance of Asia’s business community and public private partnerships but stressed that this SSC should be aligned with Myanmar’s national priorities and vision.

**Discussion** focused on how countries balance and manage diverse sources from different providers. When asked about the relative importance of northern and southern partners, speakers commented that southern partners often focused on hardware and infrastructure while northern partners have a longer tradition in governance and capacity building. But all offers of assistance are welcomed and host countries will decide according to their strategies.

### IMPROVING SSC: PARTNER COUNTRY EXPERIENCES, SOUTH ASIA

In this session, panelists discussed how SSC has or has not contributed to national development priorities in South Asia. Moderated by **Niels Knudsen** (Assistant Country Director / Team Leader on SSC, UNDP) the session featured:

- **Mohammed Abu Eusuf**
  Professor, Department of Development Studies, Dhaka University
- **Swarnim Waglé**
  Honorable Member; National Planning Commission, Government of Nepal
- **Pradeep Peiris**
  Executive Director, Social Scientists Association; Lecturer, Political Science Department, University of Colombo

**Mohammed Abu Eusuf,** noted that Bangladesh, with its current annual rate of 6% GDP growth, now has the capability to achieve inclusive growth. He highlighted the general features and challenges of SSC, noting the lack of an institutional framework to assess SSC effectiveness, which is currently a limit to greater economic integration. He noted that South-South trade has been expanding, while North-South trade has been decreasing. He compared South Asia integration with Southeast Asia economic integration noting that SEA trade is more balanced than South Asian trade because of the asymmetrical relationship with India in South Asia. Higher tariff barriers also characterize most Southern economies. From the Bangladeshi perspective, the export of manual labor needs to be increased, tariff and non-tariff barriers need to be removed, and physical infrastructure deficiencies hinder increases in South Asia FDI flows.

**Swarnim Waglé** highlighted key findings of the UNDP Development Report “Rise of the South” of which he was a contributor. These included the emergence of new partners in development cooperation. He also provided the group with first hand perspective on south-south and north-south cooperation during the recent Nepal earthquake in May 2015. He contrasted the tendency of traditional providers to pledge and monetize their emergency assistance and use non state systems for delivery, with non-traditional providers, specifically China and India, who use government systems and respond quickly. He commended China and India’s collaborative and agile efforts, citing the example of emergency helicopters that arrived within hours of the disaster.
With his presentation “Incentives and Challenges for SSC – Reflections from Sri Lanka’s Experience”, Pradeep Peiris focused on how SSC has affected local politics in Sri Lanka. Sri Lanka held elections February 2015, putting a new government in place that currently is still very fragile. During Sri Lanka’s civil conflict the country received considerable military and financial support from Asian countries such as India and China, which was preferred to western aid because of the human rights and governance conditionalities attached by western donors. He also mentioned that the previous government aligned itself closely with China as a preferred development partner. After the defeat of President Rajapaksa in the 2015 elections, the new President has sidelined China and is turning more towards western nations. He emphasized that SSC can have a major impact not only on economic but also political factors for partner countries.

Discussion focused on key constraints in the region. While the infrastructure gap is paramount, more often the regulatory and policy environment can be more paralyzing on growth and development nationally and regionally. Participants also commented on how SSC can be used by individual leaders to advance their political aims.

**TRIANGULAR COOPERATION**

In this session, panelists discussed opportunities and strategies for TRC in Asia. Moderated by Siriporn Wajjwalku (Associate Professor, Faculty of Political Science, Thammasat University) the session featured:

- **Naohiro Kitano**  
  Deputy Director, JICA Research Institute

- **Yahya Luping**  
  Deputy Team Leader – Global Development Priorities of Mutual Interest Advanced, USAID Indonesia

- **Paul Keogh**  
  Counsellor, Department of Foreign Affairs and Trade, Australia

Naohiro Kitano’s presentation “Japan’s Experiences on SSC and TRC”, presented JICA’s approach to SSC/TRC, of which one component is to build centers of excellence in the South, which transfer best practices from the south, dispatch third country experts, and arrange triangular training programs. He also noted that JICA Research Institute intends to share research outcomes among other partner countries in Asia through participation in policy dialogue platforms for mutual learning amongst Asian scholars and practitioners such as the Asian Development Forum (ADF).

Yahya Luping presented Indonesia’s triangular partnership with USAID. Indonesia has provided assistance to partner-countries through SSC since 1955. The US and Indonesia no longer see each other as having a traditional partnership, but as being equal partners; underlining inclusive process that includes other stakeholders such as civil societies, other development partners, private sectors, and universities. Triangular pilots are seen as an important way to build capacity in delivering development cooperation. It provides opportunity for learning by doing. Pilots follow the principles of demand-driven, partnership and co-investment by both providers. Completed pilots include workshops and training on disaster risk management with 14 countries, a democracy workshop and accountability and good governance capacity building. Indonesia is currently finding it challenging to manage more than 300 assistance requests.
Paul Keogh described Australia’s approach to TRC in Asia, with examples of successful partnerships. He noted that the Australian government’s most recent budget and foreign policy announcements approach partnerships with Asia from the perspective of shared mutual interests. TRC with non-traditional donors is still new. Australia has collaborated with China on Malaria control in Papua New Guinea, a project which plays to the relevant strengths of all partners involved. Mr. Keogh noted however that the project that the project was resource intensive and time consuming. To conclude, Mr. Keogh reflected that although TRC has value for development outcomes, it is transaction and resource heavy, and has the potential for overlap.

The discussion period raised questions about whose interest TRC is in, i.e. whether it is a vehicle for traditional donor interests. Participants also discussed the high transaction costs of TRC and the challenges of coordinating amongst multiple stakeholders. The Cambodian Mine Action Centre was mentioned as an excellent example of effective TRC. It was suggested that successful TRC depends on the capacity of all three partners and by creating an effective means of communication for all three.

MEASURING THE EFFECTIVENESS AND IMPACT OF SSC

In this session, panelists discussed how provider and partner countries assess SSC. Moderated by Touch Siphat (Chief of Research Office, Department of Training and Research, Ministry of Rural Development, Cambodia) the session featured:

Siriporn Wajjwalku  
Associate Professor, Faculty of Political Science, Thammasat University

Zhou Taidong  
Program Officer, Law & Regional Cooperation, TAF, China

Nan Li Collins  
South-South and Triangular Cooperation – Asia-Pacific, UNDP

Siriporn Wajjwalku presented the preliminary results of a study she leads on indicators for South – South Cooperation’s M & E. The study focuses on bilateral partnerships between Thailand and CLMV, and identifies the “Best Practice” of Thailand’s development cooperation (policy and practice) in those countries. The developing partners’ perspectives on partnership, achievement, satisfaction, and sustainability are considered, which differentiates this study from ones that have been conducted based on provider country perspectives only. The research has so far revealed that the understanding of some of the criteria, such as partnership, satisfaction, and achievement, vary considerably across partner countries. Also factors like historical context, economic interventions, and socio-cultural relations impacted on findings. Dr Siriporn concluded that more work was needed on the conceptualization of the criteria for measuring effectiveness as well as the methodology, before undertaking the next round of study. Additional criteria like policy relevance and sustainability will likely be added along with more theoretical debate and analysis. Once complete a similar comparative study may be launch with more Southern providers.

Zhou Taidong discussed evaluation in the context of China’s expanding SSC. He explored two major questions (1) What are the current approaches and features related to China’s evaluation on SSC, in comparison with the
evaluation modalities of the Development Assistance Committee (DAC) donors; and (2) What are the future directions? He compared the Chinese approach against the standard DAC evaluation criteria (relevance, efficiency, effectiveness, impact and sustainability of projects), arguing that although China's approach is less rigorous than the DAC’s, it does have its own rules to regulate project implementation and evaluation to ensure project quality, efficiency and effectiveness, especially during ex-ante and mid-term stages of project development. Evaluation methodologies include site visits, a review by experts and an examination of documents, but it is usually limited to single projects rather than on country impact. Finally he referred to the recently released Administration Methods of Foreign Aid, December 2014, which lays the ground for an evaluation framework Chinese foreign assistance.

Nan Li Collins shared that SSC and TRC are now core areas of work for UNDP. She discussed how evaluation in non-DAC countries was still evolving and how UNDP supports governments in evaluation capacity building. Importantly she stressed that multiple approaches and frameworks were advocated and that one size does not fit all. Case studies have proven to be a useful tool. She also expressed how different countries have adopted different attitudes towards SSC evaluation. Core challenges include capacity and developing metrics for a small number of projects and measuring intangible outcomes of SSC such as solidarity.

Discussion focused on how DAC terminology is not necessarily the best fit for evaluating SSC but DAC language has been used to try and find common ground. It was also suggested that domestic evaluation systems of provider countries might help to inform their external cooperation evaluation systems. China may be moving to a system of country strategies, as opposed to a project by project approach. There was also some discussion on how China generally passes the responsibility of safeguards onto the host country. However the new Asia Infrastructure Investment Bank (AIIB) has hired many experts to work on its assessment criteria.

### STRENGTHENING SSC FOR NATIONAL: PROVIDER PERSPECTIVES

In this session, panelists presented new modalities and themes for SSC, discussing how their years of experience as providers has evolved and refined their strategies for delivery. Moderated by Dylan Davis (Country Representative, TAF, Korea) the session featured:

**Kim Taejong**
Managing Director, KDI School of Public Policy & Management, KDI

**Denghua Zhang**
Australia National University

**Gulshan Sachdeva**
Chairperson, Centre for European Studies, School of International Studies, Jawaharlal Nehru University

In his presentation on ‘Knowledge Cooperation in Korean ODA’, Kim Taejong discussed how South Korea views its own development. During the 1950’s South Korea’s budget was 50% aid, mostly from the US and UN. This situation gave South Korea the critical opportunity to rethink and implement future plans for South Korea’s development in the late 1960s. Dr Kim asked whether aid works. He believes ‘we don’t know’, as in South Korea’s
case it was hard to see the positive effects of aid. South Korea’s experience reveals that aid is necessary over a longer time span if it is to impact crucial developmental aspects, such as human capacity building. He went on to highlight that the phases of South Korean development are still underway. He believes South Korea is ‘deeper in the well’ than originally thought. However, South Korean global knowledge cooperation has been well underway since 1982. An example is South Korea’s experience of deworming, which originated in the 1960s with the help of JICA, and allowed for the full deworming of South Korea’s society. This has now become a successfully transferred knowledge model overseas.

Denghua Zhang’s presentation on ‘China’s trilateral development cooperation: The case of Timor Leste’, was a synopsis of his current PhD research. He provided an overview of China’s foreign aid according to data from official government documents (two white papers), which reveal how Chinese assistance has increased and changed dramatically in recent years. He noted that although there are substantial differences between traditional donors and China, there is also growing aid cooperation. He presented the example of the China-USA-Timor Leste trilateral aid project where China and the U.S. agricultural experts taught Timorese farmers the knowledge and skills to increase production of selected crops. China focused on maize while the U.S. focused on beans and onions. Mr Zhang stated that China will keep participating in TRC projects as they provide a chance to increase mutual trust between China and traditional donors, promote mutual learning, respond to demand, and strengthen China’s global image.

Gulshan Sachdeva finished off Session 6 with his presentation on India’s development cooperation partnership with Afghanistan. He began with an overview of Indian SSC, highlighting its growth and expansion in recent years, particularly in capacity building and Lines of Credit. He explained that India has been engaged in SSC with Afghanistan since the 1960’s and that today, India is stepping up its engagement in Afghanistan at a time when traditional donors are exiting. India has pledged around $2 billion to all areas of the country, in sectors such as gas, education, and infrastructure. Investment stands at $700M per year. India has no exit policy for Afghanistan firstly because of Afghanistan’s strategic location vis a vis Pakistan, but also because once Afghanistan has stabilized, it has the potential to completely transform trade within the region. India hence hopes to achieve not only political, economic and strategic objectives, but also long-term capacity building with its partnership. Dr. Sachdeva concluded the two day dialogue by pointing to the fact that “emerging powers are changing the norms and institutions of global governance, including development cooperation”.

The final discussion focused on the value of human resource development efforts through SSC, pointing to India’s efforts in Afghanistan higher education as one example. China’s focus on infrastructure investment was also highlighted as immensely important for economic development in Asia. It was noted that there are many cultural and intellectual assets in Asia that can benefit the region through SSC.
After both Kim Taejong and Silas Everett, Country Representative, TAF, Cambodia, welcomed participants, H.E. Sok Siphana, advisor to the Royal Government of Cambodia, to the Council of Development of Cambodia and to the Supreme National Economic Council Cambodia provided the keynote address on the first evening of the dialogue. He described the transformation of the aid landscape in Cambodia as largely a result of the increase of resources from non-traditional partners like China. He also welcomed the establishment of the Asian Infrastructure Investment Bank (AIIB) with its aim to address the infrastructure deficit within the region. Within this changing environment he emphasized that traditional donors are nevertheless still needed to support Cambodia to navigate and manage these new sources of funding. Finishing off, Gordon Hein, the Vice President of TAF, gave a vote of thanks.
On the second day of the conference, participants made a site visit to the Cambodia-Thai Skills Development Center, which trains 150 to 300 trainees per year in 6 skills: welding, electricity, air conditioner machine repair, small engine repair, construction and automotive repair. The center is a co-operation between the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation of the Kingdom of Cambodia and the Ministry of Labor and Social Welfare of the Kingdom of Thailand. Participants were briefed on the mission and activities of the center, and were given a tour around the premises. In its second decade of operation, the Center is facing sustainability challenges, including a changing employment market and competition from other training centers. Both Cambodia and Thai government partners are therefore currently strategizing on its next phase of operation.
The coining of the term ‘coopetition’, successfully summed up the dialogue, essentially stating that successful development in Asia requires a healthy balance of cooperation and competition amongst development partners. Dr. Gordon Hein noted that, although South-South Cooperation and the strategic partnerships and projects it entails are still in an early and experimental phase, all experiences so far, and the open dialogues regarding them, have been extremely useful, and will hence most definitely continue.

The second dialogue on The Future of South South Cooperation in Asia will be held in Delhi in September or October 2015 and will examine the issue from the provider country perspective. Dates are to be confirmed. The dialogue will examine how Asian providers govern, manage, and implement SSC. It will look beyond the current policy framework, objectives, and institutional arrangements to consider how Asian provider countries are approaching the future of SSC both at a policy and practical level. In particular, how can SSC be efficiently scaled up and governed? Is consolidation and coordination desirable and if not, what are the consequences? Is a regional centre for SSC in Asia desirable to help coordinate these interests? In late 2015, an authors’ workshop will follow in Seoul, Korea, where participants will discuss key lessons presented at both the Phnom Penh and Delhi meetings. Finally, papers and presentations from the two dialogues will be consolidated into an edited volume published by KDI press. The Foundation will use the papers to promote further discussion on the issues.
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