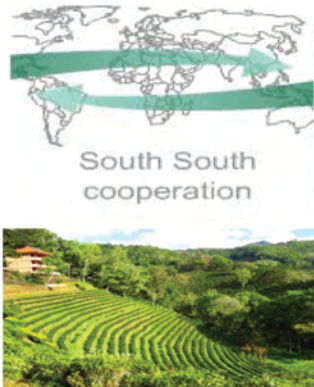




## **Networking and Learning Together: Experiences in South-South and Triangular Cooperation in Asia**





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*Networking and Learning Together:  
Experiences in South-South and Triangular Cooperation in Asia*

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## Abbreviations and acronyms

AARRO	Afro-Asian Rural Reconstruction Organization
ACMECS	Awayawady, Chao Phraya and Mekong Economic Cooperation Strategy
ADB	Asian Development Bank
ADPC	Asian Disaster Preparedness Centre
ADR	Aid for Disaster Relief
ADRC	Asian Disaster Reduction Centre
ADRRN	Asian Disaster Reduction and Response Network
AFRIPA-NET	Africa Investment Promotion Agency Network
AMBDC	ASEAN-Mekong Basin Development Cooperation
ASEAN	Association of Southeast Asian Nations
BIMP-EAGA	Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area
CADRI	Capacity Development for Risk Reduction Initiatives
CBL	cluster and business linkages
CEL	Central Electronics Limited
CFTC	Commonwealth Fund for Technical Cooperation
CIAST	Centre for Instructor and Advanced Skills Training
CICETE	China International Centre for Economic and Technical Exchanges
CIDC	Committee for International Development Cooperation
CIS	Commonwealth of Independent States
CLMV	Cambodia, the Lao People's Democratic Republic, Myanmar and Viet Nam
DAC	Development Assistance Committee
DFA	Department of Foreign Aid (China)
DP	Development Partnership Programme
DRM	disaster risk management
DRR	disaster risk reduction
DTEC	Department of Technical and Economic Cooperation
ECA	Economic Commission of Africa
ECO	Economic Cooperation Organisation
EDCF	Economic Development Cooperation Fund
EPU	Economic Planning Unit
ESCAP	Economic and Social Commission for Asia and the Pacific
EXIM	Export-Import Bank of China
FAO	Food and Agriculture Organization
FDI	foreign direct investments
FFS	Farmer Field School
FFT	Friends from Thailand
GDP	gross domestic product
GFDRM	Global Facility for Disaster Risk Reduction and Management
GMS	Greater Mekong Sub-region
GTZ	German Agency for Technical Cooperation
HFA	Hyogo Framework for Action
HMTI	Hindustan Machine Tools International Limited
IAEA	International Atomic Energy Agency

IAI	Initiative for ASEAN Integration
IBSA	India-Brazil-South Africa
ICAO	International Civil Aviation Organization
IC-SHP	International Centre on Small Hydro Power
ICT	information communication technology
ICTC	International Cooperation Training Centre (Republic of Korea)
IDEP	International Development Exchange Programme
IDF	(UNIDO-managed) Industrial Development Fund
IDFR	Institute of Diplomacy and Foreign Relations
IUM	International Islamic University Malaysia
IMF	International Monetary Fund
IMO	International Maritime Organization
INTAN	National Institute of Public Administration
ISTIC	International Science, Technology and Innovation Centre for South-South Cooperation
ITC	International Technology Centre
ITEC	Indian Technical and Economic Cooperation
ITPOs	UNIDO Investment and Technology Promotion Offices
JAGEF	Japan-ASEAN General Exchange Fund
JARCOM	JICA-ASEAN Regional Cooperation Meeting
JICA	Japan International Cooperation Agency
JMTI	Japan-Malaysia Training Institute
JODC	Japan Overseas Development Cooperation
KOICA	Korea International Cooperation Agency
KOVs	Korean Overseas Volunteers
LDCs	least-developed countries
LIFDCs	low income food deficit countries
MASSCORP	Malaysian South-South Corporation
MDGs	Millennium Development Goals
MOF	Ministry of Finance
MOFCOM	Ministry of Commerce
MRC	Mekong River Commission
MSC	Multimedia Super Corridor (Malaysia)
MTCP	Malaysian Technical Cooperation Programme
MTR	Mid-Term Review
NAM	Non-Aligned Movement
NEDA	Neighbouring Countries Economic Development Cooperation Agency
NEPAD	New Partnership for Africa's Development
NPFS	National Programmes for Food Security
NSIC	National Small Industries Corporation
NSPFS	National Special Programme for Food Security
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OTOP	One-Tambon-One-Product
OVOP	One-Village-One-Product
PIF	Pacific Islands Forum



rites	Rail India Technical and Economic Services
RPFS	Regional Programmes for Food Security
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SCAAP	Special Commonwealth Assistance for Africa Programme
SCP	Singapore Cooperation Programme
SHP	small hydropower
SIDSTEC	Small Island Developing States Technical Cooperation Programme
SPFS	Special Programme for Food Security
SSC	South-South Cooperation
SS GATE	South-South Global Assets and Technology Exchange
SU-SSC	Special Unit for South-South Cooperation
TCE	Third-Country Expert Programme
TCDC	Technical Cooperation amongst Developing Countries Programme
TCD-MFA	Technical Cooperation Directorate, Ministry of Foreign Affairs (Singapore)
TCTP	Third-Country Training Programme
TF	Technology foresight
TICA	Thailand Technical Cooperation Agency
TLC	Training and Learning Circle
UKM	Universiti Kebangsaan Malaysia
UM	University of Malaya
UN	United Nations
UNDMTP	United Nations Disaster Management Training Programme
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNISDR	United Nations International Strategy for Disaster Reduction
UPM	Universiti Putra Malaysia
UPSI	Universiti Pendidikan Sultan Idris
USAID	United States Agency for International Development
USM	Universiti Sains Malaysia
UTM	University Teknologi Malaysia
WAPCOS	Water and Power Consultancy Services Limited
WCDR	World Conference on Disaster Reduction
WFS	World Food Summit
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

## Foreword

In recent years, South-South Cooperation (SSC) has emerged as an important component of development cooperation dialogue. New opportunities for learning between regions and among countries in the same region have become a norm of knowledge-sharing and exchanges. Participants in discussions on South-South and Triangular Cooperation are often challenged to define SSC, its relevance to the development arena and global economic dynamics, and how it works to benefit developing and least-developed countries (LDCs). This was certainly the case when the Japan International Cooperation Agency (JICA) Regional Office in Thailand and the Special Unit for South-South Cooperation (SU-SSC) in the United Nations Development Programme (UNDP) Regional Centre in Bangkok convened a meeting of United Nations, multilateral and bilateral aid agencies in March 2007. Many questions arose, which led JICA and UNDP to decide on collating Asian experiences on South-South and Triangular Cooperation from different perspectives.

The resulting publication, 'Networking and Learning Together: Experiences in South-South Cooperation in Asia', is an effort to document South-South and Triangular Cooperation in case studies that reflect the different policy and operational modalities from new development partners such as China, India, Indonesia, Malaysia, the Republic of Korea, Singapore and Thailand. It describes efforts to facilitate Triangular Cooperation by JICA, and other South-South Cooperation in the region, including by the Association of Southeast Asian Nations (ASEAN). The case studies presented outline the processes and institutions created to provide development assistance, as well as some of the challenges that these countries face as new aid providers.

The publication also shows how some United Nations bodies, namely the Economic and Social Commission for Asia and the Pacific (ESCAP), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO) have adopted strategies for using South-South and Triangular Cooperation to contribute to the attainment of the Millennium Development Goals (MDGs).

I hope that this publication will assist policy makers and development practitioners to scale up South-South and Triangular Cooperation arrangements, as well as help the new development partners to establish stronger institutions to support their growing development cooperation needs.

Finally, I wish to express my thanks to the JICA Regional Office for its collaboration on this project.



Yiping Zhou  
Director  
Special Unit for South-South Cooperation, New York

## Foreword

Since joining the Colombo Plan in 1954, Japan has provided continual support to developing countries, especially those in Asia, making a tremendous contribution to their recovery from the damage caused during World War II. Later in the 1990s, Japan became the world's leading aid donor by volume, and made a great contribution to the economic development and peace building of the world.

Through such cooperation, some developing countries shifted from being not only aid-recipient but also aid-providing countries. We directed our attention to such countries from the early stages and entered into partnerships with them. These partnerships enabled us to support their contributions to the socio-economic development of other developing countries or regions by utilizing their own resources and expertise. The partnerships, which are designed to suit the context of recipient countries, are well assimilated and also work in conjunction with what is traditionally called North-South Cooperation. Overall, these experiences have proved the efficiency of SSC to the aid community.

Recently, South-South Cooperation or Triangular Cooperation has been attracting considerable attention, especially in the course of regional economic integration – through the efforts of ASEAN, for example – where narrowing the development gap among countries is one of the urgent priorities. In this, SSC is playing a vital role.

Defining SSC as “mutual cooperation aimed at fostering self-sustaining development, involving deepening relations among developing countries while conducting technical and economic cooperation”, JICA has been supporting SSC vigorously, aiming to spread positive cooperation results through our development partners to neighbouring countries in the most appropriate ways. It is our belief that through supporting SSC, we are also able to share development challenges, create firm relationships with our development partners and strengthen development networks.

Consequently, we feel the need to provide examples of our SSC initiatives and to highlight the positive contributions made by pivotal countries in SSC in the Asia Pacific Region, to demonstrate best practices and lessons learned.

This publication was completed through the efforts of various agencies and organizations that support us, and I am deeply grateful to all the contributors for sharing valuable practices and lessons. In October 2008, the Overseas Economic Cooperation of Japan Bank for International Cooperation (JBIC) and part of the grant provided by Japan's Ministry of Foreign Affairs were integrated with the technical cooperation offered by JICA. Now, new JICA thus provides comprehensive assistance for developing countries by making the most of a broader aid instruments in an effective and efficient manner, and we are confident that SSC in various fashions will be also strengthened through this integration.

It is my hope that this publication will advocate a spirit of innovation and aim for tangible results in utilizing SSC as a way to assist developing countries, their institutions and people.



Yasunori Onishi  
Chief Representative  
JICA Thailand Office

## Introduction

In 1999, Bloom, Canning & Malaney of the Harvard Centre for International Development marvelled at the economic growth of East Asian countries.<sup>1</sup> They noted that in the previous 30 years, real per capita income had nearly tripled in this region. They also observed that such sustained, rapid growth for such a large number of countries had never occurred before. The result of this growth was that several economies that had started as low- or middle-income countries had become genuine industrial leaders.

By 2009, more Asian countries had joined the ranks of these fast-growing countries and industrial leaders. The inclusion of the world's two most populous countries, China and India, in this group has seen the number of the world's poor reduced tremendously on the back of the success of these two countries.

Asia has a mix of industry leaders such as the Republic of Korea, Singapore and China (including Taiwan and Hong Kong), a large number of middle-income countries, and some least-developed countries (LDCs). This mix of countries at different levels of development has led to very strong intraregional South-South Cooperation on a bilateral basis and within regional groupings such as the Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC). In the past decade, Asian countries have shown greater outreach in SSC to other regions, particularly Africa and the Middle East. An additional impetus for the growth of SSC is Japan's role in promoting Triangular Cooperation.

A meeting convened by the Japan International Cooperation Agency (JICA) Regional Support Office and the United Nations Development Programme (UNDP) Regional Centre in Bangkok in March 2007 showed that although SSC has been scaled up in the Asian region, there are still many questions to be answered about its advantages and disadvantages. The meeting consisted of bilateral donors, United Nations (UN) agencies and other multilateral donors. Some of the issues discussed included the role of the new development partners, or the emerging donors, and commitment to aid effectiveness under SSC. Some participants wished that all donors subscribed to the Paris Declaration on aid effectiveness. There were questions on what the expanded role of the multilateral agencies could be, whether regional cooperation is also SSC, and a challenge to the usually assumed model of Triangular Cooperation whereby a passive donor provides funds to a third party or country which then delivers a programme of assistance.

This publication is an attempt to answer all these questions, through case studies rather than postulation. The document is designed as a knowledge product, to provide information and examples. The publication is divided into two parts: Part I consists of country case studies describing aid delivery structures, philosophies and the strategies of new development partners as the providers of SSC services. Part II focuses on the programmes and initiatives of SSC and Triangular Cooperation, describing the experiences of such programmes – which are supported by bilateral, regional and multilateral organizations. Part II also attempts to analyse and extrapolate lessons learned from the experiences accumulated so far, to contribute to the knowledge base for SSC. The JARCOM chapter constitutes a strong critical analysis of SSC and Triangular Cooperation. The UN agency case studies show innovative approaches to using SSC. ASEAN is a rich case, demonstrating intraregional, bilateral and multilateral SSC. In both cases, Triangular Cooperation is implemented in support of the South-South initiatives. The South-South Disaster Project – in which 10 pilot countries, the Economic and Social Commission for Asia and the Pacific (ESCAP), the German Agency for Technical Cooperation (GTZ) and the Regional South-South Unit of the UNDP Regional Centre in Bangkok are working together – demonstrates an effort to develop multilateral South-South programmes led by member countries, with UN agencies playing a facilitating rather than a lead role.

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<sup>1</sup> Bloom DE, Canning D, Maloney PN, Demographic Change and Economic Growth in Asia, CID Working Paper 15, Centre for International Development, Harvard University, 1999.

## Part I: Country South-South profiles

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## China: Principles for foreign assistance

Denis Nkala

Chief, Special Unit for South-South Cooperation

South-South Regional Unit

UNDP Regional Centre, Bangkok<sup>2</sup>

*“As one of the developing countries, China always attaches great importance to, and support for, South-South Cooperation. For decades, China has conducted fruitful activities in economic and technical cooperation with other developing countries, and has offered, within its abilities, economic and technical assistance.”*

### Overview of China's external assistance

Over the past 25 years, the Peoples' Republic of China has had one of the fastest-growing economies in the world. Gross domestic product (GDP) average growth for the period exceeded 10 percent per year. Per capita income grew by an average of 8 percent in the last 30 years. 250 million people lived in rural extreme poverty in 1978. Despite the massive reduction of rural extreme poverty, in 2006 there were still 21.48 million rural people classified as extremely poor. In 2008, China's per capita income was ranked 107 out of 179 countries by the International Monetary Fund (IMF). With this low per capita income, China is considered a developing country and still receives aid from abroad. However, China's history as a donor dates back over five decades, and strictly speaking, the country is not an emerging donor.

In 1953, China began to provide aid to other developing countries, especially to the Democratic People's Republic of Korea and subsequently to Viet Nam. Through its own experience as a recipient of foreign assistance, China developed the view that external assistance should support “economic self-reliance” (of recipient countries) and promote “equality and mutual benefit” (Kobayashi, 2008). These fundamental principles have had a bearing on how China has implemented its assistance programmes to other developing countries.

China's assistance has grown in terms of its size, modalities and fields of cooperation. China has provided different forms of aid to more than 120 developing countries, and carried out over 2,000 projects covering more than 20 different sectors including industry, agriculture, low-cost housing construction, culture, education, health, transportation and human resources development. China has also provided substantial amounts of physical goods to developing countries. In terms of human capacity development, about 90,000 personnel from developing countries have been trained in different types of applied technology. In addition, since the 1960s, China has continuously sent medical teams to other developing countries. Up to 2009, about 20,000 medical professionals have been sent to 65 countries in Asia, Africa, Latin America and Europe.

China has provided special attention to the interests of LDCs in all parts of the world, with special focus on poor countries in Africa. In order to help them lift their heavy debt burden, China has remitted debts for some heavily indebted countries and granted zero customs tax status for their export goods into China's market. China assists many low income countries in the development of their infrastructure. This has been welcomed by some poorer countries that have seen assistance for infrastructure reduced over the past few decades.

In recent years, China has actively participated in international humanitarian assistance. For example, after the Indian Ocean tsunami in December 2004, and the Pakistan earthquake of October 2005, China responded promptly, providing emergency humanitarian aid to the disaster-stricken countries. After the tsunami, part of China's emergency humanitarian aid was provided through UNDP's Special Unit for South-South Cooperation (SU-SSC). The funds were channelled through the United Nations

South-South Trust Fund, to which other southern countries contributed to support recovery efforts in the affected countries. The assistance emphasized the priority needs of these countries. For example, some countries such as Sri Lanka reported that they were receiving substantial financial resources but little support for human resources to coordinate the response and recovery effort. Funds from China and other southern countries helped to close this gap.

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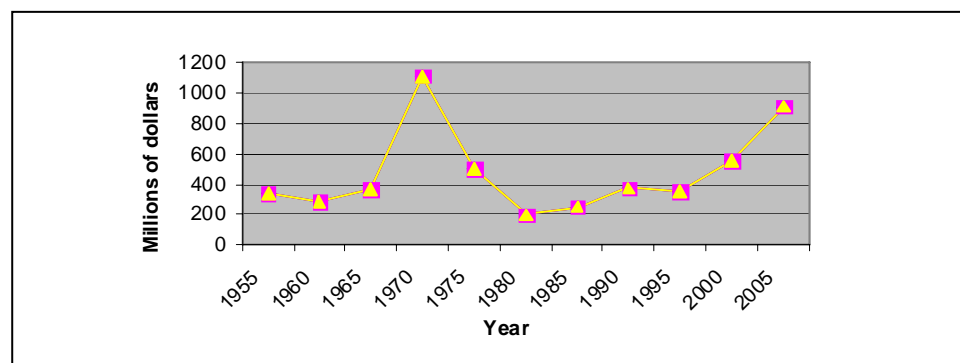
<sup>2</sup> The writer is indebted to Dr Meixiang Zhou for his contribution to the earlier drafts of this document.

### Trends in China's external assistance

Figure 1 shows China's expenditures for external assistance to other countries since 1955. From 1956 to 1978, China provided aid despite its own economically precarious situation (Anshan, 2007). According to Kobayashi (2008), in the 1970s China increased its external assistance above the average for countries of the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC). During the years of economic reform in China, from 1978 to 1985, China faced its own domestic challenges as it moved from a planned to a market economy. Although faced with these challenges, it continued to provide a significant level of external assistance. The country also expanded its aid to include preferential and discounted loans as well as joint ventures.

Until 1990, there were fluctuations in year-to-year assistance expenditures. After 1990, assistance steadily increased, perhaps reflecting the stronger Chinese economy and new policy frameworks for external assistance. The frameworks emerged from a number of conferences on foreign aid that China convened. These conferences included the National Conference on the Reform of Foreign Aid Work (1995); the International Symposium on the Reform of China's Aid Forms (1997); the Second International Seminar on the Reform of China's Aid Forms (1998) and the Third International Seminar on the Reform of China's Aid Forms in 1999. All these meetings were the result of an intensive aid reform effort in China, during which the roles of various institutions involved in China's external assistance were clarified. After a decade of this intensive reform, regulations on China's aid to foreign countries were drafted in 2003 by the Ministry of Commerce (MOFCOM) and later adopted.

**Figure 1: China's external assistance expenditure**

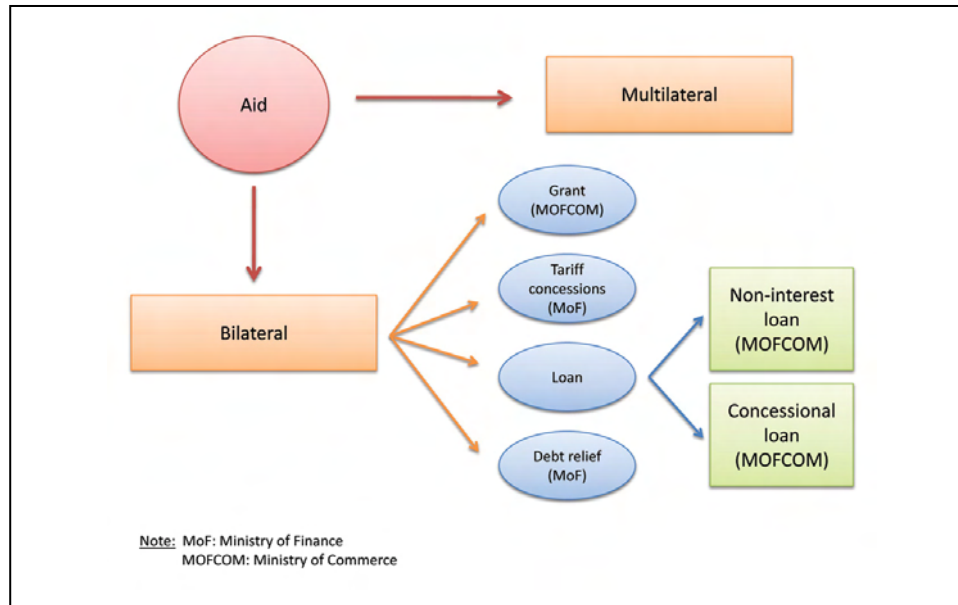


Source: Prepared by the author from data by Kobayashi (2008)

### Bilateral cooperation programmes

China's main external assistance programmes are shown in Figure 2. They include grants, debt relief, tariff concessions and concessional loans. A more detailed explanation of what each consists of is provided in the next section.

**Figure 2: China's aid schemes**



Source: Compiled by the author

### Grants

In China, the grant is considered the most suitable type of assistance to the poorest countries (Kobayashi, 2008). Grants entail providing goods, training participants, holding workshops and seminars, as well as sending some volunteers and providing technical assistance to developing countries. Examples are Senegal and Uganda, which have received about \$55 million and \$100 million respectively for public works in the last five years. The grant element is managed by MOFCOM.

### Debt relief

China has provided debt relief for heavily-indebted countries and the poorest countries in Africa. The amount increased after 2000, and in 2007 the Chinese leadership announced that China would sign debt relief agreements with 33 heavily-indebted or least-developed countries in Africa by the end of that year. Under these agreements, China agreed to cancel all government interest-free loans that had matured by 2005. Some of the countries to benefit include Cameroon, Kenya, Madagascar, Rwanda and Sierra Leone. The total amount of debt relief was about \$1.27 billion (Alden, 2008).

### Tariff concessions

China announced that it would open its markets to LDCs, and in particular would increase the number of tariff-free items from Africa from 190 to over 440 before the end of 2009 (Anshan, 2007).

### Concessional loans

Concessional loans are medium- to long-term low-interest credit that China extends to other countries through the Export-Import Bank of China (EXIM). MOFCOM draws up the policies and plans for concessional lending and signs agreements with the recipient country governments. EXIM is the sole organization authorized to appraise projects, disburse funds, manage the loan

and collect the principal and interest. The concessional loans offered by China are meant to promote economic development and improve living standards in developing countries. In the longer term, China's aim is to increase economic cooperation between developing countries and itself. China considers concessional loans to be a major tool for sub-Saharan Africa's development.



The main areas of focus for this scheme are usually the development of economic infrastructure, industries and social services and for procurement of goods and services from China. The criteria for access to concessional loans include the following:

1. The project should be approved by the recipient country's government and China.
2. The borrowing country should have diplomatic ties with China.
3. The borrowing country should have a stable political and economic situation and debt servicing capacity.
4. The project should be technically and economically feasible.
5. The project will generate social benefits.
6. Chinese companies should be selected as contractors.
7. Equipment, technology and services should preferably be procured from China (no less than 50 percent should be procured from China).
8. Local inputs for the project should be in place in advance of the project approval.

Foreign firms in a joint venture project with a Chinese firm are also eligible for concessional loans. In this case, the Foreign Aid Joint Investment and Cooperation Fund, established in 1998, is used to support the joint venture.

#### **Non-interest loans**

Non-interest loans were used to finance plant, social services projects and civic facilities. It seems that they were mostly phased out under the assumption that the non-concessional elements would be moved to grants. In that regard, construction of schools, hospitals and low-cost houses would be taken over by the grant scheme. However, in the Forum on China-Africa Cooperation held in 2000, China said that the non-interest loan scheme would still be utilized for Africa.

#### **South-South Cooperation**

Chinese officials have indicated that aid should not be seen as a unilateral gift from one country to another but should benefit both countries (Kobayashi, 2008). Ideas of equality and mutual benefit are the fundamental principles behind China's aid, and provide a basis for the country's vision of South-South Cooperation. China is one of the developing countries that have guarded against their assistance being termed "development aid." Kobayashi indicated that Chinese officials describe their assistance to other developing countries as follows: China is still a developing country, and its aid is a form of help among poor friends. Alden (2008) noted that China would rather talk about partnership and cooperation with other southern countries instead of aid.

The China International Centre for Economic and Technical Exchanges (CICETE), a special unit under MOFCOM, has a South-South Cooperation Division specially dedicated to the promotion of SSC activities. The China South-South Cooperation Network, formerly the China Technical Cooperation amongst Developing Countries (TCDC) Network, was established by the SSC Division of CICETE. The Chinese institutions listed in Table 1 are part of the network and are designated as "centres of excellence". The centres are supposed to provide technical support to other developing countries and have developed applied technologies in fields such as mini and micro hydropower, biogas and solar energy. The network aims to enhance China's SSC with other developing countries through economic and technical exchanges, joint research and the formulation of public-private partnerships to promote SSC.

**Table 1: South-South network cooperating institutions**

- China International Centre for Economic and Technical Exchanges
- Asia-Pacific Edible Mushroom Training Centre
- Beijing Food Biology Centre
- Asia-Pacific Regional Biogas Research and Training Centre
- Beijing Vegetable Research Centre
- China National Bamboo Research Centre
- China Centre of Rural Energy Research and Training
- China International Centre for Agricultural Training
- China Meat Research Centre
- China Northeast Asia Agricultural Research and Training Centre
- Asia-Pacific Research and Training Centre for Solar Energy (Gansu Natural Energy Research Institute)
- Hangzhou Regional (Asia-Pacific) Centre for Small Hydropower
- International Centre for Research and Training on Seabuckthorn
- Asia-Pacific Regional Research and Training Centre for Integrated Fish Farming
- International Research and Training Centre on Erosion and Sedimentation
- World Meteorological Organization Regional Meteorological Training Centre
- Regional Sericulture Training Centre for Asia and the Pacific

Source: UNDP China Country Office (2008)

### **Institutional structures of China's external assistance**

There are several institutions that play a role in the policy setting and delivery of China's external assistance. The relationships between these institutions and China's aid delivery system is illustrated in Figure 3. The roles of these institutions are discussed in the following sections.

#### **The Ministry of Finance**

Individual ministries with external aid budgets submit them to the Ministry of Finance. The ministry compiles an external assistance budget which is authorized by the National People's Congress. The Ministry of Finance is also responsible for debt relief and China's contributions to multilateral organizations.

#### **The Ministry of Commerce (MOFCOM)**

The Department of Aid to Foreign Countries is under the Ministry of Commerce. It is also known as the Department of Foreign Aid (DFA). The department is responsible for overall aid policy and oversight on implementation of the policies. The DFA is one of 25 departments under MOFCOM and the only one responsible for external assistance. In its responsibility for external assistance, the DFA undertakes the following functions:

- negotiating and signing agreements, monitoring implementation and handing over completed projects;
- planning overall aid policy including regulations and aid reforms, as well as gathering statistics on aid;
- oversight on concessional lending and the Foreign Aid Joint Investment and Cooperation Fund, to assess the qualification of firms bidding for projects.

### The Ministry of Foreign Affairs

The Ministry of Foreign Affairs is involved in aid policy from the overall foreign policy perspective. In international forums, the ministry has upheld the principles of equal treatment of countries, respect for sovereignty, non-interference, mutual benefit and co-development.

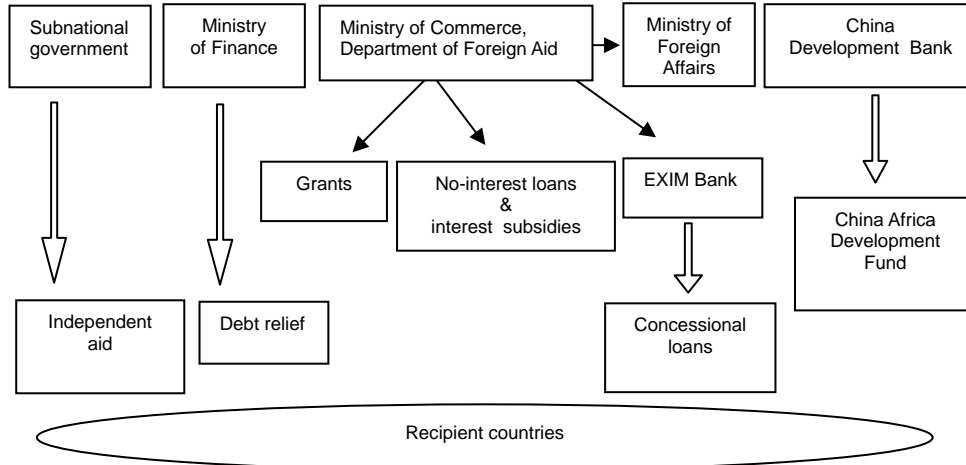
### Other institutions

Other means of assistance to foreign countries outside MOFCOM include medical assistance through the Ministry of Health, technical assistance through the Ministry of Science and Technology, secondment of teachers through the Ministry of Education and relief supplies during disasters provided by the Ministry of Civil Affairs. The Ministry of Culture, the General Sport Administration and the State Administration of Religious Affairs have also provided SSC. Provincial and city governments sometimes provide technical assistance to other countries.

Although the aid system seems decentralized between several ministries, departments and agencies, there are coordination measures in place including the following:

- joint working arrangements made between the ministries of Commerce, Foreign Affairs and Finance on external assistance;
- a communication system on external assistance linking all cities and provinces;
- communication arrangements in place among 14 MOFCOM departments;
- a joint overseas project monitoring system relating to finance and personnel set up by the ministries of Finance, Commerce and Foreign Affairs;
- EXIM Bank, established in 1994 to administer concessional lending.

**Figure 3: China's aid delivery system**



Source: Compiled by author from information provided by Kobayashi (2008)

## **Conclusions: Challenges for China in foreign aid and South-South Cooperation**

China faces challenges both as a donor and as a developing country. Its development assistance is based on the principles of equal treatment of all countries, a respect for sovereignty, non-interference, mutual benefit and co-development. Its development assistance for other developing countries is frequently perceived from two perspectives: The first is that its aid is complementing development assistance from northern donors by offering poorer countries alternative sources of funding, especially in infrastructure development. Another view is that with the non-conditionality principles that underlie its assistance (no political strings attached), Chinese aid could be a hindering factor for promoting good governance in recipient countries. It is said that by allowing countries to renege on good governance and reforms, China may be undermining the good practices on development assistance nurtured by OECD donors over the years.

This profile of China's development assistance is intended to provide knowledge on the processes and institutions China has developed for SSC. It does not attempt to appraise these principles. However, it is clear that the principles that China holds and has so far defended – as a rising global power – are likely to shake the foundations of traditionally held views on foreign aid in the immediate and foreseeable future.

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## India: South-South Cooperation for solidarity among developing countries

Denis Nkala

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*"India has believed in the imperatives of South-South Cooperation since its independence. This inspired us to establish cooperative technical and economic links with a very large number of developing countries. A deliberate and systematic effort has been undertaken to spread the reach of our South-South Cooperation activities to different regions of the globe. The Indian Technical and Economic Cooperation or ITEC, which was launched in 1964, has provided over US\$2 billion worth of technical assistance covering 156 developing countries."*

Sharma P, Joint Secretary, External Cooperation, UN High-Level Committee on South-South Cooperation, 2007

### Overview of India's technical cooperation and institutional structure

India is the seventh-largest country in the world by geographical area. It is the second most populous after China. Its population in April 2007 was estimated at 1.13 billion, about 17 percent of the world's population. It has one of the world's six fastest-growing economies. Among the big economies, India has the second fastest-growing economy after China.

According to India: Partner for Development in the South', published by the Ministry of External Affairs (2005), the Government of India traces its conceptual support for SSC back to 1927 when Nehru said of close relations with other countries, "It is to the advantage of both of us to know more of each other and to cooperate wherever possible".

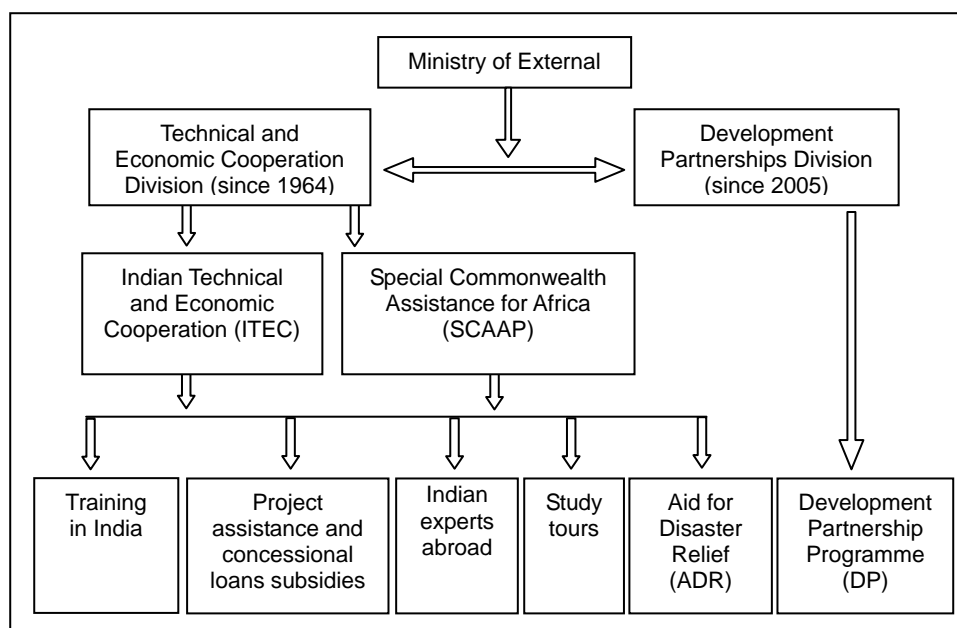
The actual cooperation programme of the Government of India was started when the Indian Technical and Economic Cooperation Programme (ITEC) was launched in 1964. Today, the Technical Cooperation Division of the Ministry of External Affairs administers the ITEC Programme as well as the Special Commonwealth Assistance for Africa Programme (SCAAP). Cumulatively, with ITEC and SCAAP together, India has assisted 156 countries in Africa, Asia, Central Asia, Eastern Europe and Latin America, providing over \$2 billion worth of technical assistance since 1964.

In addition to these programmes, a new Development Partnership Programme (DP) was launched in January 2005 and the Development Partnership Division was created under the Ministry of External Affairs to administer the resources for this new programme. The objectives of the DP are to strengthen delivery by India of project assistance to other developing countries. To this end, the division was tasked to develop in-house capacities and to "gradually evolve as the nodal agency in the Ministry for all project-related cooperation work, subsuming all similar projects presently being handled separately by the several territorial divisions".

Some of these projects have included development of small enterprises in Zimbabwe, the India-Maldives Friendship Faculty for Hospitality and Tourism Studies, a solar electrification project in Mongolia, an information communication technology (ICT) centre and hospital in the Lao People's Democratic Republic (Lao PDR), an industrial estate in Yemen, conservation and restoration of a temple complex in Cambodia and an ICT resource centre in Viet Nam.

The institutional framework under the Ministry of External Affairs and the programme components are illustrated in Figure 4.

**Figure 4: Institutional framework for development cooperation in India**

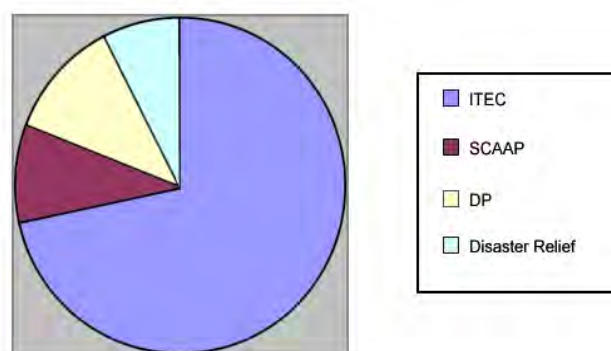


Source: Compiled by the author from ITEC data

#### Annual budgetary allocation and description of programmes

The annual budgetary allocation among cooperation programmes, administered by two divisions under the Ministry of External Affairs, is illustrated in Figure 5. The largest component is the India Technical and Economic Cooperation Programme (ITEC) (72 percent). The Special Commonwealth Assistance for Africa Programme (SCCAP) (9 percent), the relatively new Development Partnership Programme (DP) (12 percent) and Aid for Disaster Relief (7 percent) account for the rest of the funds. Detailed activities for each programme are described in the next section.

**Figure 5: Indian economic cooperation by programme (percentage)**

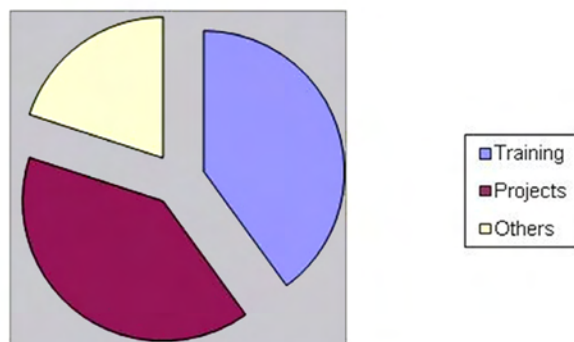


Source: Annual Report (2005–2006)

### ITEC programmes

As mentioned above, ITEC is the largest technical cooperation programme of the Indian Government. It has four subcomponents. These are: (i) training in India, (ii) project assistance and concessional loans, (iii) deployment of Indian experts abroad, and (iv) study tours to India. Figure 6 shows that the bulk of ITEC resources are channelled towards training in India and project-related activities (approximately 40 percent to each subcomponent). The balance goes to Indian experts abroad and study tours.

**Figure 6: Budgetary share of ITEC subcomponents**



Source: ITEC (<http://itec.nic.in/about.html>)

ITEC implements its programmes with the assistance of several public-sector institutions. These include the National Small Industries Corporation (NSIC), Hindustan Machine Tools International Limited (HMTI); Water and Power Consultancy Services Limited (WAPCOS), Rail India Technical and Economic Services (RITES) and Central Electronics Limited (CEL).

In the field of construction, several institutions such as India's Building Materials and Technology Promotion Council, the Housing and Urban Development Cooperation and the Department of Industrial Policy and Promotion are working closely with UNIDO's interregional project to use energy-efficient, environment-friendly and local resources-based technologies.

### Training in India

The training subcomponent constitutes about 40 percent of the annual ITEC Programme budget. ITEC is divided into civilian and military training. Under civilian training, over 6,000 participants from ITEC partner countries have been trained in what ITEC calls its most successful component of the cooperation programme (see Table 2 for the list of ITEC countries). Annually, some 250 Indian training institutions are involved. Some of the major institutions are listed in Table 3.

**Table 2: ITEC countries**

<b>Sub-Saharan Africa</b>	<b>Asia</b>	<b>Pacific</b>	<b>Eastern Europe</b>	<b>Latin America</b>
Angola	Afghanistan	Fiji	Albania	Argentina
Benin	Bahrain	Kiribati	Armenia	Bolivia
Burkina Faso	Bangladesh	Marshall Islands	Bulgaria	Brazil
Burundi	Bhutan	Nauru	Croatia	Chile
Cape Verde	Brunei	Papua New Guinea	Czech Republic	Colombia
Central African Republic	Cambodia	Micronesia	Estonia	Costa Rica
Comoros	Indonesia	Palau	Georgia	Ecuador
Congo	Iran (the Islamic Republic of)	Samoa	Hungary	El Salvador
Chad	Iraq	Solomon Islands	Latvia	Guyana
Democratic Republic of the Congo	Jordan	Tuvalu	Lithuania	Guatemala
Djibouti	Democratic Republic of Korea	Vanuatu	Macedonia	Honduras
Eritrea	Lao PDR	<b>Caribbean</b>	Moldova	Mexico
Ethiopia	Lebanon	Anguilla	Poland	Nicaragua
Guinea	Malaysia	Antigua and Barbuda	Romania	Panama
Guinea Bissau	Maldives	Barbados	Russian Federation	Peru
Ivory Coast	Mongolia	Belize	Slovakia	Uruguay
Liberia	Myanmar	Cayman Islands	Ukraine	Venezuela
Madagascar	Nepal	Cuba	<b>Central Asia</b>	<b>North Africa</b>
Mali	Oman	Dominica	Azerbaijan	Algeria
Mauritania	Palestine	Dominican Republic	Belarus	Egypt
Niger	Philippines	Grenada	Kazakhstan	Morocco
Rwanda	Qatar	Haiti	Kyrgyzstan	Sudan
Sao Tome and Principe	Singapore	Jamaica	Tajikistan	Tunisia
Senegal	Sri Lanka	Montserrat	Turkmenistan	
Togo	Thailand	Surinam	Uzbekistan	
	Viet Nam	Saint Kitts and Nevis		
	Yemen	Saint Lucia		
		Saint Vincent and the Grenadines		
		Turks and Caicos Islands		
		Trinidad and Tobago		

Source: ITEC 2008 (<http://itec.nic.in/iteccountry.html>)



Through its missions abroad, India disseminates information about the courses offered by institutions under ITEC (see Table 3). Table 4 shows some of the courses offered under ITEC. Applicants have to be recommended by a local institution to the Indian Mission for acceptance. The names of nominees are sent to the Ministry of External Affairs and the training institutions concerned. The Technical Cooperation Section in the Ministry of External Affairs makes the final approval or rejection decision. There are two cost-coverage schemes under ITEC. The Indian Government covers international air fares, tuition fees, living allowances, medical expenses, book grants and extra baggage allowance under the ITEC-1 arrangement. Under the ITEC-2 scheme, the Indian Government covers all expenses except international travel to India and return to the home country.

**Table 3: List of major training institutions under ITEC**

Name of institution		Name of institution	
1	Administrative Staff College of India	21	Institute of Government Accounts and Finance
2	Aptech Limited	22	International Management Institute
3	Bureau of Indian Standards	23	International Statistical Education Centre
4	Bureau of Parliamentary Studies	24	National Crime Records Bureau
5	Central Fertilizer Quality Control and Training Institute	25	National Institute of Bank Management
6	Central Institute for Rural Electrification	26	National Institute of Educational Planning and Administration
7	Central Institute for English and Foreign Languages	27	National Institute of Entrepreneurship and Small Business
8	Central Institute for Tool Design	28	National Institute of Pharmaceutical Education and Research
9	Central Scientific Instruments Organization	29	National Institute of Rural Development
10	Centre for Development Advanced Computing	30	National Institute of Small Industry Extension Training.
11	CMC Ltd	31	NIIT Limited.
12	Comptroller and Auditor-General of India	32	Research and Information System for Non-Aligned and Other Developing Countries
13	Entrepreneurship Development Institute	33	Rites Limited.
14	Fluid Control Research Institute	34	Shiram Institute of Business and Information Technology
15	Human Settlement Management Institute	35	South-India Textile Research Association
16	Indian Institute of Mass Communication	36	Tata Consultancy Services Limited
17	Indian Institute of Production Management	37	Technical Teachers Training Institute
18	Indian Institute of Remote Sensing	38	Telecommunications Consultants of India
19	Institute of Applied Manpower Research	39	VV Giri National Labour Institute
20	Indian Institute of Technology		

Source: ITEC (<http://itec.nic.in/about.htm>)

**Table 4: Training courses offered to ITEC partners**

Sector	Course names (subsectors)
Administration	<ul style="list-style-type: none"> <li>- Parliamentary Studies</li> <li>- Secretarial Training and Management</li> <li>- Manpower Research</li> </ul>
Education	<ul style="list-style-type: none"> <li>- English Language</li> <li>- Teacher Training</li> <li>- Educational Planning and Administration</li> <li>- Statistical Education</li> </ul>
Business and finance	<ul style="list-style-type: none"> <li>- Accounts and Finance</li> <li>- Bank Management</li> <li>- Entrepreneurship Development</li> <li>- Entrepreneurship and Small Business Development</li> </ul>
Engineering and development	<ul style="list-style-type: none"> <li>- Rural Development</li> <li>- Standardization and Quality Assurance</li> <li>- Repair and Maintenance of Telecom Equipment and Computers</li> <li>- Fertilizer Quality Control</li> <li>- Food Technology</li> <li>- Tool Design</li> <li>- Non-conventional Energy resources</li> <li>- Water Resources</li> </ul>
ICT	<ul style="list-style-type: none"> <li>- Information Technology (IT)</li> <li>- Mass Communication</li> <li>- IT in Law Enforcement</li> </ul>

Source: ITEC (<http://itec.nic.in/about.htm>).

The military training component is covered under the ITEC-1 scheme whereby the entire cost of travel, tuition fees, living allowances and medical cover are borne by the Government of India.

The duration of the training courses ranges from 4 to 15 weeks. The procedure to apply for the courses is laid down as follows:

1. Use a prescribed form to apply through your government, ministry or department or a foreign office, which should recommend the applicant to the Indian Embassy or High Commission.
2. Officials of government, public institutions, universities, chambers of commerce or industry can apply for scholarships both under ITEC and the Special Commonwealth Assistance for Africa Programme. Scholarships are granted by the Ministry of External affairs.
3. The application will probably be sent to the relevant training institution to determine if the nominee qualifies.
4. A successful candidate's organization will be informed and thereafter the selected trainees briefed by the Indian Embassy or Mission.

#### Project assistance and concessional loans

This subcomponent accounts for another 40 percent of the annual ITEC Programme budget, and includes activities related to project consultancies, feasibility studies and concessional loans. Under this subcomponent, India assists other developing countries to establish infrastructure facilities. The major focus of project assistance so far has been in agriculture. Countries that have benefited in this sector are Ghana, Senegal, Burkina Faso, Mali and Suriname.

ITEC carries out feasibility studies and consultancy services on request. The results of these studies are handed over to the governments concerned, free of charge, to adopt as they see fit.

Although India does not provide grants, it sometimes offers concessional loans that are intended to help countries develop their infrastructure for water supply, power transmission, irrigation, construction of roads and railways, as well as supply of equipment such as tractors. The Indian Government indicates that over the last 40 years, it has signed 76 credit agreements with 24 countries (Government of India, 2005). The repayment period for capital goods is 12 years including a three-year grace period. The country uses lending agencies including the Export-Import Bank of India. The lending agents are allowed to mobilize credits from international markets, which are guaranteed by the Indian Government. The Government also provides interest subsidies to reduce costs. In general, 85 percent of the credit should be used for procurement of goods and services from India.

One example of India's concessional financing is the Team Nine Initiative, in which eight West African countries have embarked on bilateral and regional projects using \$500 million provided by India in lines of credit. The initiative encourages public-private partnerships in implementing the projects. Another example is the \$200 million in lines of credit made available to the New Partnership for Africa's Development (NEPAD).

#### Deployment of Indian experts

Indian experts are deployed to countries on request to assist in development activities. They study the problems and suggest solutions that take into account the local socio-economic and cultural environment. The salaries, allowances and international travel expenses for experts are met by the Government of India. The norm is that partner countries are expected to provide accommodation, local transport, an office and reasonable medical facilities. If the receiving country or institution is unable to provide these facilities, the Government of India may also provide for these in the spirit of SSC.

The fields of expertise most often provided by Indian experts are listed in Table 5.

**Table 5: Areas of competency of Indian experts**

Sector	Subsector
Agriculture	<ul style="list-style-type: none"> <li>- Agricultural research</li> <li>- Animal husbandry</li> <li>- Dairy development</li> <li>- Pest management</li> <li>- Sugarcane industry</li> </ul>
Business and finance	<ul style="list-style-type: none"> <li>- Audit</li> <li>- Financial management</li> <li>- Foundry engineering</li> <li>- Small and medium enterprises</li> <li>- Handloom training</li> </ul>
ICT	<ul style="list-style-type: none"> <li>- Information technology</li> <li>- Telecommunications</li> </ul>
Medicine	<ul style="list-style-type: none"> <li>- Ophthalmology</li> <li>- Psychiatry</li> <li>- Radiology</li> </ul>
Others	<ul style="list-style-type: none"> <li>- Creative arts</li> <li>- English teaching</li> </ul>

Source: ITEC 2008

These skills are pertinent for agricultural-based economies as well as countries intending to transform through technology application. Ophthalmologists are specialized eye or brain surgeons whose skills are lacking in many developing countries.

### Study tours

Study tours to India are undertaken at the request of ITEC beneficiary countries. Depending on areas of interest, two- to three-week programmes are designed, and during the tour the foreign delegations are taken to relevant institutions and training centres.

### Cooperation through regional initiatives and partnership

Although the ITEC programmes identified above are mostly delivered on a bilateral basis, there are other ways that India provides assistance to other countries. These involve Triangular Cooperation and cooperation through regional initiatives. Some of the partner institutions include the Economic Commission for Africa (ECA), the United Nations Industrial Development Organization, the Group of 77, the Afro-Asian Rural Reconstruction Organization (AARRO) and the Southern African Development Community (SADC).

One example of regional collaboration is India's work with other countries in the South Asian Association for Regional Cooperation (SAARC) to improve infrastructure, reduce poverty, prevent natural disasters and mitigate pandemics. For example, at the 2007 UN High-Level Committee on South-South Cooperation, India indicated that it had offered \$100 million for the SAARC Development Fund to be utilized for poverty alleviation through economic, social and infrastructure development programmes.

India is a pivotal country<sup>3</sup> recognized as playing a "leading role" in the promotion and application of SSC. It has sought to establish partnerships with other countries to assist less-developed countries. An example of this was the creation of a fund under the India-Brazil-South Africa (IBSA) Dialogue Forum at the Rio de Janeiro Ministerial Meeting of March 2006. The communiqué from that meeting indicates that the ministers reaffirmed that SSC is an essential and fundamental component of international cooperation for development, and stressed their support for mainstreaming SSC and the pursuit of the development of technical cooperation amongst developing countries to its full potential. In this regard, they recommitted themselves to work together for the enhancement of SSC and emphasized the establishment of the IBSA Fund as an example of cooperation among three developing countries for the benefit of the neediest nations of the South. The contributions to the Fund are managed by UNDP and deployed to support projects in poor countries. The projects are identified by the three countries.

### The Special Commonwealth Assistance for Africa Programme

The second-largest programme in India's technical cooperation is the Special Commonwealth Assistance for Africa Programme. The 18 African members of the Commonwealth (excluding Zimbabwe, which left in 2003) are the beneficiaries. Essentially, the African countries have access to similar programmes as the other ITEC countries. The major distinguishing factor of this programme is that its resources are earmarked for the African Commonwealth members.

### Aid for Disaster Relief (ADR)

India provides aid for disaster relief including food (particularly rice), blankets, medicines and chemicals. In addition, India also provides trained search-and-rescue teams in emergencies, as well as setting up Web-based information systems and training people for disaster risk reduction.

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<sup>3</sup> The concept of pivotal countries was created in 1995 within the new directions given on TCDC by the High-Level Committee following recommendations of the United Nations General Assembly.

## Conclusion

The Indian cooperation programme does not offer grants but offers its human resources and technological know-how to other developing countries. India has a large assistance programme and a broad range of areas in which it has relevant expertise. The description of the programmes here shows the range of SSC initiatives that India is ready to share with its partners in all parts of the world. The trends show intensive cooperation with South Asian countries and Africa. For more details, the reader is directed to the ITEC Website (<http://itec.nic.in/about.html>) and the publication, 'India: Partner for Development in the South'.

India's SSC programmes are remarkable because the country still faces its own challenges at home, including high levels of poverty. According to the African Development Bank, the United Nations Economic and Social Commission for Asia and the Pacific and the 2007 UNDP publication, 'The Millennium Development Goals: Progress in Asia and the Pacific', India has reduced the proportion of extreme poverty from 41.8 percent to 34.3 percent and is on target to meet Goal 1 to reduce extreme poverty by half in the period to 2015. However, it is clear that the rate of poverty is still high.

India also illustrates the fine line between SSC and official development assistance. There is no clear distinction between the two in the various descriptions of Indian assistance.

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## Malaysia: Win-win solutions to development challenges through South-South Cooperation

Denis Nkala<sup>4</sup>

Chief, Special Unit for South-South Cooperation  
South-South Regional Unit  
UNDP Regional Centre, Bangkok

*"...financial contributions from the more advanced developing countries should not be seen as official development assistance from those countries to other countries of the South. These are merely expressions of solidarity and cooperation borne out of shared experiences and sympathies, nothing more and nothing less. In this regard, my delegation believes, many others are concerned with the increasing rate at which the term 'emerging donors' is being used in the UN and elsewhere. To the extent that it is used, it should be confined primarily to those members of the OECD who are not yet members of the OECD's Development Assistance Committee [DAC]."*

*"Malaysia firmly believes that South-South Cooperation extends beyond economic and technical cooperation. It also includes political cooperation, especially in the context of creating an enabling international order based on the principles of justice, equality and mutual respect. It is to this vision that Malaysia will forever be devoted to."*

HE Ambassador Hamidon Ali, UN High-Level Committee on South-South Cooperation, 2007

### Background

Malaysia has a population of about 26 million people. In 2005, the country's human development index ranked 63 out of 177 countries. The country is thus classified as a 'high human development' country. The only other countries in this category in South-East Asia are Brunei Darussalam and Singapore. Over the years, Malaysia has pursued a development model with strong State leadership and rigorous planning. The country has gradually transformed from a commodity-based economy at independence to one that has set a goal to be a developed and knowledge-based economy by 2020. Between 1965 and 1986, Malaysia grew at an average annual rate of 6.6 percent, making it one of the best economic performers among developing countries. From 1987 to 1997, GDP growth accelerated to 8 percent per year. This growth was interrupted by the Asian financial crisis in 1997.

The UNDP Human Development Report (2007–2008) indicated that per capita income grew by 3.9 percent per year between 1975 and 2005. GDP per capita growth fell to an annual average of 3.3 percent from 1990 to 2005. In the past decade, Indonesia, Malaysia and Thailand are said to have experienced declining inequality while most other countries in the Asia-Pacific region have experienced increasing inequality despite rapid economic growth in the region (ESCAP, ADB and UNDP, 2007). This conclusion is based on the trends in the Gini Coefficient<sup>5</sup> for these countries.

As indicated by Yunggar (2005), "Malaysia's economic journey has been perilous and daring. Daring to be different and thus far it has been getting the blessings of being a contrarian". These 'daring' and 'contrarian' attributes have, for many developing countries, made Malaysia an interesting country to exchange knowledge with. Malaysia has thus over the years established itself as leader in South-South Cooperation. To illustrate this, in May 2007, the Malaysian Government and the United Nations Educational, Scientific and Cultural Organization (UNESCO) announced the establishment in Kuala Lumpur of a Centre for South-South Cooperation in Science, Technology and Innovation (ISTIC). The centre is run by the Ministry of Science, Technology and Innovation. Malaysia contributed an initial \$10 million, and is due to contribute a further \$1.2 million per year to meet the running costs (<http://www.globalenvision.org/library/15/1594/>). The centre was formally launched in May 2008, its creation following recommendations by the Second South Summit of the G-77 and China, held in Doha in 2005. The Doha Plan of Action included the recommendation that UNESCO should develop and implement a South-South programme in science and technology. The objectives of the centre evolved to include facilitating science and technology application in development approaches; capacity development in science and technology through policy advice; exchange of best practices;

<sup>4</sup> The author wishes to thank Ms. Anita Ahmad of the UNDP Country Office in Malaysia for her advice.

<sup>5</sup> The Gini coefficient is a measure of statistical dispersion, commonly used as a measure of inequality of income distribution or inequality of wealth distribution.

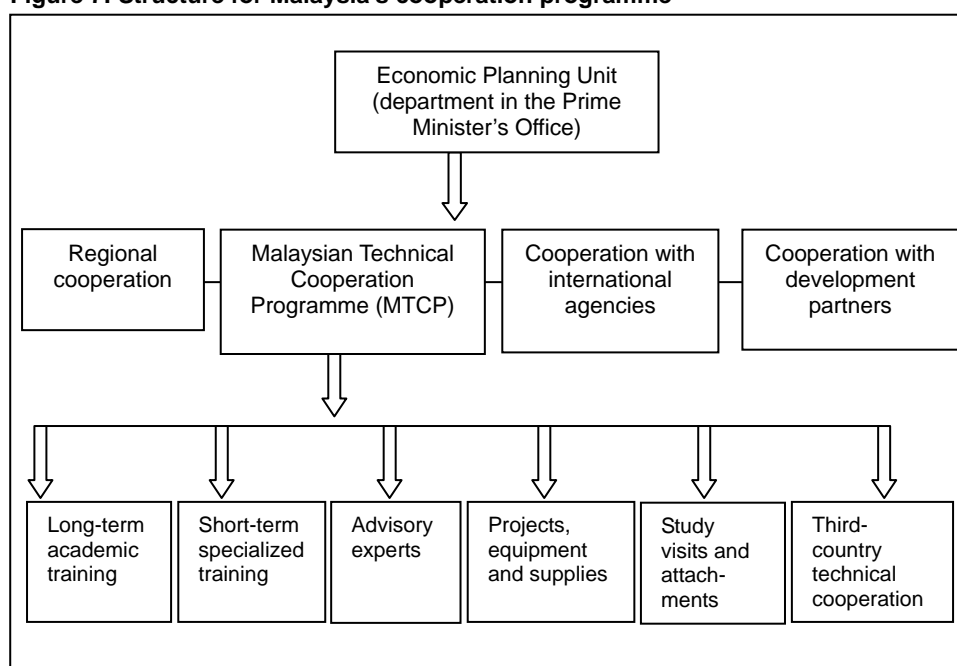
and creating a network of centres of excellence supporting the exchange of students, researchers, scientists and technologists.

### Description of programmes

The Malaysian Technical Cooperation Programme (MTCP) was launched in 1980, signalling the country's commitment to SSC through the sharing of its development experiences with other countries. The MTCP was founded on the view that the development of a country depends on the quality of its human resources, and therefore emphasizes capacity development. The MTCP is managed by the Economic Planning Unit (EPU), a department in the Prime Minister's Office.

A further description of the MTCP illustrates Malaysia's approach to SSC: "The MTCP embodies the spirit of smart partnership practices whereby, through the exchange of experiences – which is a two-way process – Malaysia can also learn from the collective wisdom of other developing countries. Such bilateral exchanges are able to spawn win-win situations where the combined efforts of partners can change the face of development and build a better quality of life" (MTCP, 2007). The organizational structure of the Malaysian cooperation programme is illustrated in Figure 7.

**Figure 7: Structure for Malaysia's cooperation programme**



Source: EPU, 2007

The regional cooperation programme focuses on regional integration initiatives, mostly in relation to ASEAN. This cooperation is described in the chapters on JICA and ASEAN. Cooperation with international organizations includes Malaysia's partnership with UN agencies and other multilateral institutions. The MTCP consists mainly of SSC and therefore is the main focus of this document. The Cooperation with Development Partners Programme is the aid-receiving component of the programme. Malaysia continues to learn from more industrialized countries through this part of the programme.

### Short-term specialized training

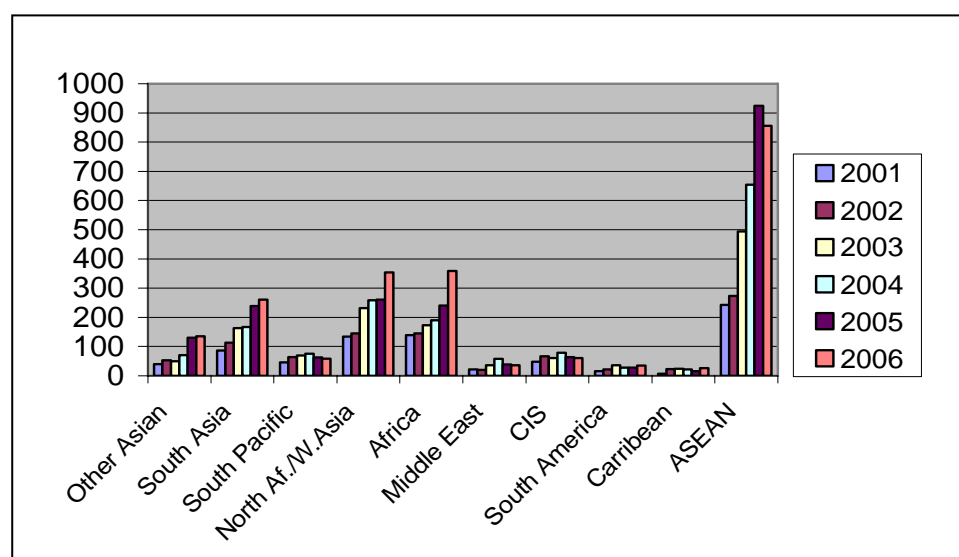
Under the MTCP, over 100 courses are delivered annually by some 30 institutions in Malaysia from the academic sector, the private sector and government agencies. The courses cover a wide range of topics in which Malaysia has acquired skills and strengths, including public administration and management, productivity, civil aviation, ICT, central banking, agriculture management, veterinary services, fisheries, television production, investment promotion, property valuation, tax administration, cooperative management, palm oil plantation management, fire-fighting and English language teaching.

On its Web site, the EPU emphasizes Malaysia's willingness to share its experiences in knowledge and technology development: "Malaysia is ready to share its knowledge and experience in dealing with the many difficulties of the development process, especially in niche areas in which Malaysia has gained the advantage through many years of research and development, such as in oil palm plantation management, agriculture development and management of veterinary services" (EPU, 2007).

Other courses also aim to share Malaysia's experiences and practices in human resources management, crisis management and planning and management of the urban environment. With the creation of its Multimedia Super Corridor (MSC Malaysia) as a strategy to create a knowledge-based society, Malaysia can offer courses on developing multimedia applications and information technology management in the public sector. On average, the duration of these courses ranges from four weeks to three months. Participants are provided with accommodation and an allowance. The training usually includes study tours to relevant projects.

Figure 8 shows trends in the number of students coming from other regions for training in Malaysia. According to the EPU, the largest number of participants come from ASEAN. By the end of 2002, the MTCP had about 8,000 alumni across the world from the short-term specialized training component. The Malaysian missions abroad disseminate information about the short-term courses, and prospective students apply through the diplomatic missions. The MTCP also publishes an alumni newsletter every four months entitled 'Sharing Experience on South-South Cooperation'.

**Figure 8: Trainees by region**



Note: CIS = Commonwealth of Independent States

Source: EPU (2007)



Figure 8 shows that most of the trainees are from the ASEAN region. North Africa and the Middle East also provide a significant number of trainees, which reflects Malaysia's cooperation with Islamic countries in those regions. South Asia and Africa show gradually increasing numbers of trainees. The figure shows an increase in the numbers of students per year in general.

### **Long-term academic training**

By 2002, about 300 participants had graduated from the long-term academic training programme. Students were awarded scholarships to study in Malaysia, and most of the trainees obtained post-graduate degrees from seven local universities. The universities that offered training are the Universiti Sains Malaysia (USM), Universiti Putra Malaysia (UPM), Universiti Kebangsaan Malaysia (UKM), University Malaya (UM), the International Islamic University Malaysia (IIUM), University Teknologi Malaysia (UTM) and Universiti Pendidikan Sultan Idris (UPSI). The graduates studied in diverse fields including economics, computer science, social science, accounting, business administration, chemistry, biology, biophysics, pharmacy, education and engineering.

Prospective students are required to apply directly to the Malaysian universities. Once admitted, an application should then be submitted to the MTCP through the diplomatic mission.

### **Learning exchanges and attachments**

Learning exchanges and attachments are arranged on request by partner countries. Apart from training, this group of activities constitutes the second-largest component of the MTCP. The objectives of the learning exchanges and study tours are to enhance the capacity of staff and practitioners through exposure to the Malaysian working environment. The exchanges and attachments entail observation of methods, procedures and techniques for work implementation in related fields; visits to sites and projects; formal training, case studies; and involvement in actual work situations. The learning exchanges are usually for a period of one to two weeks, and attachments may be for a longer period. Between 1981 and 2002, Malaysia received a total of 1,398 of such participants. The areas covered included poverty eradication, development planning, privatization, public administration, investment promotion and project planning (MTCP, 2007).

Countries that are interested in learning more about exchanges or study tours should contact the Economic Planning Unit directly.

### **Third-country technical cooperation**

As with other third-country programmes, Malaysia has collaborated with the United Nations, JICA and the Commonwealth Fund for Technical Cooperation (CFTC). In this programme, international organizations utilize the skills of Malaysian experts to train participants from other developing countries. A number of organizations in Malaysia have participated in this programme, including the National Institute of Public Administration (INTAN), the Institute of Diplomacy and Foreign Relations (IDFR), the Japan-Malaysia Training Institute (JMTI) and the Centre for Instructor Advanced Skills Training (CIASST). The areas of training include computer networking technology, welding, electrical and electronic system servicing, diplomacy, small-scale industries development, health and the environment.

### **Advisory services**

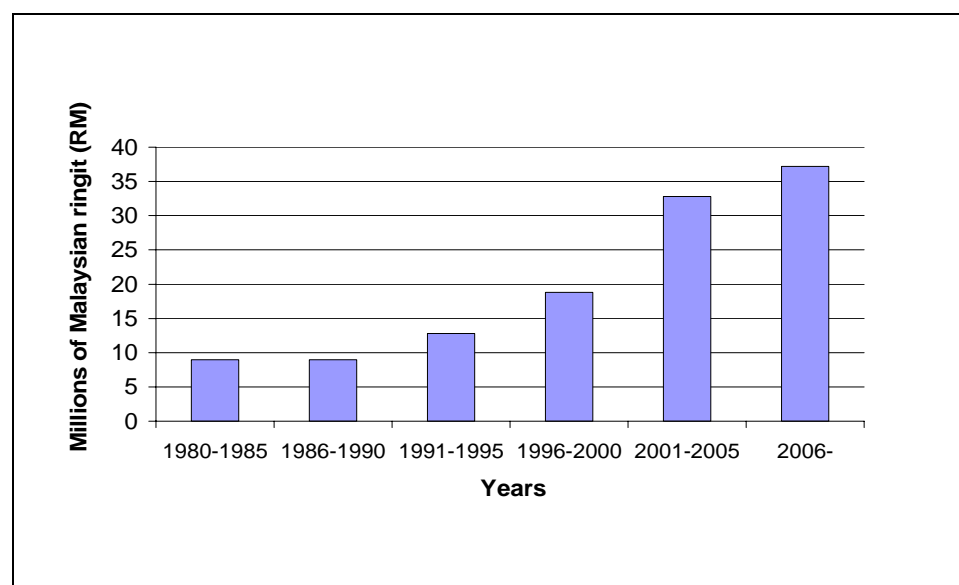
Advisory services by Malaysian experts and other assistance such as funding for socio-economic projects – mostly with limited supplies and equipment on a selective basis – make up the other programmes offered by Malaysia under the MTCP.

The Malaysian cooperation programme is delivered via partnerships that draw upon the increased participation of the private sector as well as specialized institutions. For example, the Malaysian South-South Corporation (MASSCORP) was established in 1992 and plays an important role as a link between Malaysia and other developing countries, particularly in the areas of promoting bilateral trade and investment.

## Trends

Malaysia's assistance to other countries has increased over the years. The annual budget increases for the MTCP are shown in Figure 9.

**Figure 9: Trends in the MTCP budget**



Source: Sato, 2007

Figure 9 shows that the average annual budget allocation for the MTCP has more than quadrupled from the 1980s from RM 9 million to about RM 37.2 million in 2006.

## Conclusion

According to the MTCP, the cooperation programme in Malaysia is “constantly reviewed with the addition of new courses, especially in information communications technology, in an effort to bridge the widening digital divide between countries. Programmes are expanded and new activities designed to meet the needs and priorities of participating countries while continuing the emphasis on human resource development” (EPU, 2007).

The Malaysian cooperation programme emphasizes the spirit of reciprocity. For example, the MTCP indicated that “a reciprocation of technical expertise by participating countries will also be promoted, especially in areas that are better-developed in partner countries. The modes of cooperation will also be tailored to encourage more third-party cooperation as well as greater involvement of the private sector. Closer cooperation will also be encouraged between the MTCP and the private sector in order to provide training in areas where the private sector has the expertise.”

Malaysia has pursued an independent course in development that has made it a leader in SSC for those countries interested in alternative development models. In the area of SSC, the country pushes for a distinct demarcation between official development assistance and SSC.

This was the stance that the country took at the UN High-Level Committee on South-South Cooperation in 2007.

The EPU funds the MTCP, and in that regard, prospective partners and trainees should contact the EPU or the MTCP directly.

### How to contact the Malaysia Technical Cooperation Programme

MTCP, External Assistance Section, Level 2, Blok B5, EPU, Prime Minister's Dept. 62502, Putrajaya, Malaysia. Email: [mtcp@epu.jpm.my](mailto:mtcp@epu.jpm.my); Fax: 603-88883876; Web site: [www.epu.jpm.my](http://www.epu.jpm.my)

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## **Singapore: Singapore technical cooperation**

Michiyo Morohashi<sup>6</sup>

The Republic of Singapore is an island nation with a land area of 647.5 square kilometres and a population of 4.5 million. It is one of the few city-states in the world and the smallest country in South-East Asia. By ethnicity the population is approximately 75.2 percent Chinese, 13.6 percent Malay, 8.8 percent Indian and 2.4 percent of other descent. Singapore has four official languages: English, Mandarin, Malay and Tamil. English is widely spoken and understood.

Singapore became an independent nation on 9 August 1965. At that time the GDP per capita was only US\$520, unemployment was high, and public services including education and infrastructure were poorly developed. The Government of Singapore overcame all odds to develop the new State from a poor country with no natural resources to its present affluence and status. Key to this success was strong support and assistance from France, Germany, Japan and other donor agencies in the area of human resource capacity-building.

The GDP per capita for 2006 was estimated at US\$30,900. According to the 2005 UN Human Development Report, Singapore ranked 25th on the Human Development Index, and in 2006 was rated as the “most business-friendly economy in the world” by the World Bank. Singapore has accumulated vast experience in various fields and has transformed from a developing country to a highly developed nation. Singapore believes that capacity-building is vital for economic and social progress, and thus initiated Technical Cooperation for Human Resource Development, through which it hopes to share its development experiences and expertise with developing countries.

### **Structure of Singapore’s technical cooperation**

#### **Institutional arrangements**

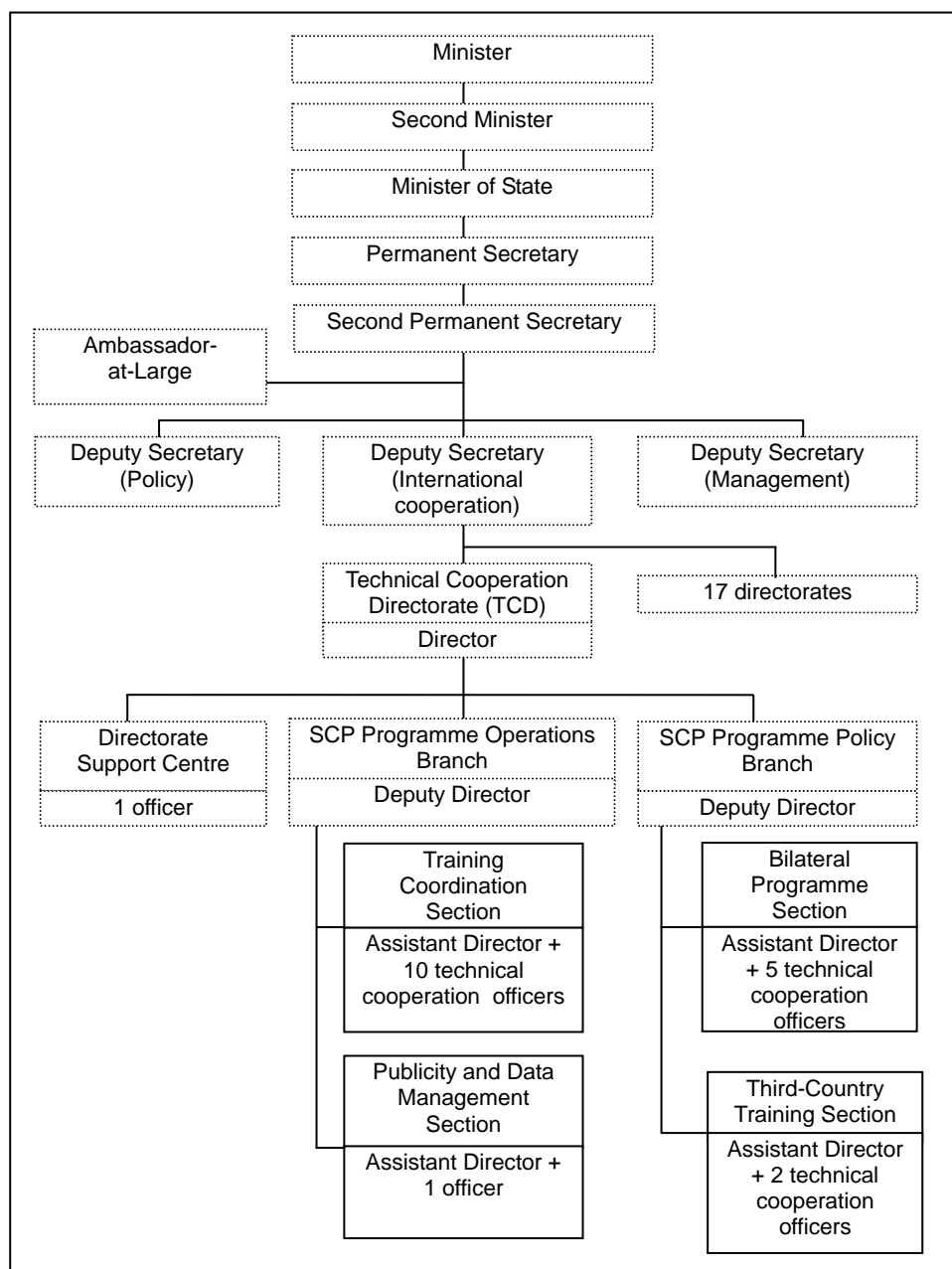
In 1992 the Government of Singapore created the Technical Cooperation Directorate within the Ministry of Foreign Affairs (TCD-MFA) in order to consolidate various technical assistance programmes under one framework. At the same time, the Singapore Cooperation Programme (SCP) was launched as the country’s main technical cooperation arm.

The TCD-MFA comprises two branches: the Programme Policy Branch and the Programme Operations Branch. The TCD-MFA is involved not only in programme policy-making but also serves as an agent for programme implementation. The activities conducted by the TCD-MFA focus on enhancing diplomatic relations with the beneficiary developing countries. The organizational structure of the Ministry of Foreign Affairs is shown in Figure 10.

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<sup>6</sup> The author has been coordinating projects under the JSPP21 (Japan Singapore Partnership Programme for the 21st Century) at the JICA Singapore Office since 2003. She is also a researcher at the Graduate School of International Social Development, Nihon Fukushi University, Japan. Her research theme is Economic Development Path and Outward Assistance of Singapore: State-led Inviting Policy of Foreign Direct Investments and Public-Private-Partnership for Overseas Cooperation. For comments and further information, contact: Morohashi.Michiyo@jica.org.sg.

**Figure 10: Organizational structure of the Ministry of Foreign Affairs (2005)**



#### Implementation arrangements

For the implementation of training courses under the SCP, the TCD-MFA only manages official procedures and logistics; the TCD-MFA makes official announcements (General Information Brochure: GIB) to relevant beneficiary government authorities through its diplomatic channel and takes care of logistic matters for the international travel of the trainees.

While many ODA agencies mostly work with government training institutions, the TCD-MFA entrusts the design and implementation of each training course to various public and private training institutions in Singapore. This is one of the characteristics of Singapore's ODA. Currently, 60 institutions are listed as implementing agencies for the SCP (figure for 2007/2008). These institutions, once entrusted with running SCP courses, are given the autonomy to conduct professional training courses including selection of course topics, material, methodologies and lecturers.

#### Budget and programme size

When the SCP was set up in 1992, the annual budget was just US\$17 million.<sup>7</sup> Although the Government of Singapore has not released the breakdown of the annual SCP budget in recent years, we can infer that a greater budget has been set aside for the programme. For example, of 400 million Singapore dollars (SG\$) allocated to the MFA in 2007, SG\$119 million was apportioned for the SCP, contributions to regional and international forums and other outreach activities.<sup>8</sup> While only 41 training courses were conducted under the SCP in 1993, the number of courses has grown to more than 300 in recent years. The number of partner countries and organizations is also expected to increase.

### The Singapore Cooperation Programme

As mentioned above, the SCP was launched in 1992 as the main technical cooperation arm of the Government of Singapore. The main purpose of the SCP is to carry out an international training programme that is implemented in various forms and through various partnerships. Other SCP activities include site visits and the Singapore Scholarship for ASEAN Countries.

#### International Training Programme

The International Training Programme is the largest scheme under the SCP. Training courses are implemented bilaterally or in partnership with other donor/aid agencies or regional initiatives. In this section, the SCP training programme is explained under three categories: (i) bilateral training programmes, (ii) joint training programmes (third-country training programmes [TCTP]) and (iii) the Initiative for ASEAN Integration (IAI).

#### ***(i) Bilateral training programmes***

The bilateral training programmes are organized through an independent initiative by the Government of Singapore and are implemented by the TCD-MFA. Such programmes include the Small Island Developing States Technical Cooperation Programme (SIDSTEC).

SIDSTEC is an initiative of the Government of Singapore that was announced and launched at the UN General Assembly's 22nd Special Session in 1999. The programme demonstrates Singapore's commitment to sustain the development of small island developing states (SIDS). Initially started as a five-year programme in 1999, Singapore's Minister for the Environment and Water Resources subsequently announced the indefinite extension of SIDSTEC II at the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States held in January 2005 at Port Louis, Mauritius. Under SIDSTEC II a number of technical cooperation areas are offered, as shown in Table 6. Eligible small island developing states can benefit from Singapore's own experiences, and under the SIDSTEC framework, more than 150 training courses have been implemented for 700 participants from 41 SIDS to date.

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<sup>7</sup> Statement by Permanent Representative, HE Kishore Mahbubani at the 11th Session of the UN High-Level Committee on South-South Cooperation, 1999.

<sup>8</sup> Singapore Budget 2007, [http://www.mof.gov.sg/budget\\_2007/expenditure\\_overview/mfa.html](http://www.mof.gov.sg/budget_2007/expenditure_overview/mfa.html).

**Table 6: Technical cooperation areas covered under SIDSTEC II**

<ul style="list-style-type: none"> <li>• Tourism management and development</li> <li>• Developing and managing a garden city</li> <li>• Environmental protection and health management</li> <li>• Sustainable development and environmental management</li> <li>• Water and wastewater management</li> <li>• Humanitarian emergencies and disaster management</li> <li>• Information technology management</li> <li>• Internet security and cyber laws</li> <li>• e-government</li> <li>• Forensic medicine</li> <li>• Aeronautical, maritime and urban search and rescue courses.</li> </ul>
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**(ii) Joint training programme (Third-Country Training Programmes [TCTP])**

The joint training programme comprises courses for less-developed countries, implemented by Singapore and other bilateral/multilateral aid agencies under various partnership agreements. In this sense, the programme can be categorized as Triangular Cooperation. The programme accounts for the largest part of the entire SCP training programme.

As of 2006, Singapore had partnership agreements with 13 bilateral donor agencies and 17 international organizations (see tables 7 and 8).<sup>9</sup> By March 2007, 200 joint training courses had been organized with these partners. Cumulatively, 48,000 participants from 166 countries received training in these courses.

**Table 7: Partnership programmes with bilateral agencies**

No.	Year	Name of programme	Partner organization
1	1993	Singapore-Germany Third-Country Training Programme	German Agency for Technical Cooperation (GTZ)
2	1993	Singapore-Republic of Korea Third-Country Training Programme	Korea International Cooperation Agency (KOICA)
3	1994	Japan-Singapore Partnership Programme for the 21st Century	Japan International Cooperation Agency (JICA)
4	1996	Singapore-Australia Trilateral Cooperation Programme	Australian Agency for International Development (AUSAID)
5	1996	Singapore-Norway Third-Country Training Programme	Royal Norwegian Embassy
6	1997	Singapore-Luxembourg Third-Country Training Programme	Luxembourg

<sup>9</sup> More countries and international organizations are being included. As of 1 January 2008, Denmark, India, Sweden, the United Kingdom, the Asian Development Bank Institute and the UN Centre for Regional Development had been added.

7	1997	Thailand-Singapore Third-Country Training Programme	Thailand International Development Cooperation Agency (TICA)
8	1998	Singapore-Canada Third-Country Training Programme	Canadian International Development Agency (CIDA)
9	1998	Singapore-Vatican Third-Country Training Programme	Apostolic Nunciature in Bangkok
10	2001	Singapore-France Third-Country Training Programme	France
11	2003	Singapore-New Zealand Third-Country Training Programme	New Zealand Agency for International Development (NZAID)
12	2004	Singapore-European Commission Trilateral Cooperation Programme	European Commission
13	2007	Singapore-Hungary Third-Country Training Programme	Hungary

**Table 8: Partnership programmes with international organizations**

No.	Year	Name of programme	Partner organization
1	1991	Singapore-Asian Development Bank Technical Cooperation Programme	Asian Development Bank (ADB)
2	1991	Singapore-United Nations Children's Fund Third-Country Training Programme	United Nations Children's Fund (UNICEF)
3	1992	Singapore-United Nations Development Programme Third-Country Training Programme	United Nations Development Programme (UNDP)
4	1994	Singapore-Commonwealth Secretariat Third-Country Training Programme	Commonwealth Secretariat
5	1996	Singapore-Colombo Plan Third-Country Training Programme	Colombo Plan Secretariat
6	1996	Singapore-World Bank Third-Country Training Programme	World Bank
7	1996	Singapore-World Trade Organization Third-Country Training Programme	World Trade Organization (WTO)
8	1997	Singapore-Economic and Social Commission for Asia and the Pacific Third-Country Training Programme	Economic and Social Commission for Asia and the Pacific (ESCAP)
9	1997	Singapore-International Monetary Fund Third-Country Training Programme	International Monetary Fund (IMF)
10	1997	Singapore-World Intellectual Property Organization Third-Country Training Programme	World Intellectual Property Organization (WIPO)
11	1998	Singapore-International Maritime Organization Third-Country Training Programme	International Maritime Organization (IMO)



12	2000	Singapore-Commonwealth of Learning Third-Country Training Programme	Commonwealth of Learning
13	2000	Singapore-International Atomic Energy Agency Third-Country Training Programme	International Atomic Energy Agency (IAEA)
14	2001	Singapore-Hanns Seidel Foundation Third-Country Training Programme	Hanns Seidel Foundation
15	2001	International Civil Aviation Organization-Singapore Third-Country Training Programme	International Civil Aviation Organization (ICAO)
16	2002	Singapore-World Health Organization Third-Country Training Programme	World Health Organization (WHO)
17	2003	Singapore-US Viet Nam Trade Council Third-Country Training Programme	US Viet Nam Trade Council

### **Box 1: Emerging partnerships among new development partners**

Singapore, as one of the active non-DAC donors, does not confine itself to partnerships with so-called 'traditional' or OECD/DAC donors. It actively seeks partnership arrangements with other non-DAC bilateral donors or 'New Development Partners' such as China, the Republic of Korea and Thailand. This is an encouraging trend in diversifying and enriching global resources for technical cooperation, as well as enhancing the initiatives from the South.

#### **Singapore-Thailand**

Singapore and Thailand reached an agreement in 1997 to jointly provide technical assistance under the Thailand-Singapore TCTP.<sup>10</sup> This was Singapore's first formalized partnership with a fellow ASEAN country in extending technical assistance to developing countries, namely Cambodia, Lao PDR and Myanmar. Both countries have jointly trained participants in the areas of health care, English language, ICT and public administration.

#### **Republic of Korea-Singapore**

The memorandum of understanding (MOU) of the Singapore-Republic of Korea TCTP<sup>11</sup> was signed in 1993. Under this agreement, the two countries share the costs equally. So far, Singapore and Korea have jointly conducted 46 courses for 768 participants from the Asia-Pacific region in areas such as tourism, trade, ICT, the environment, port management and protection of intellectual property.

<sup>10</sup> Administered by the Thailand International Development Cooperation Agency (TICA).

<sup>11</sup> Administered by the Korea International Cooperation Agency (KOICA).

### **(iii) The Initiative for ASEAN Integration (IAI)**

The IAI was launched at the Fourth ASEAN Informal Summit held in Singapore in 2002 with a proposal by Singapore Senior Minister Goh Chok Tong. The IAI is a policy framework that encompasses a variety of human resource development activities and aims to assist the integration of Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) into ASEAN.

In 2001, Singapore set up four IAI training centres in Cambodia, Lao PDR, Myanmar and Viet Nam. Initially, Singapore committed SG\$59.54 million for a five-year IAI programme for CLMV. Subsequently, at the 10<sup>th</sup> ASEAN Summit, held in Lao PDR in 2004, Singaporean Prime Minister Lee Hsien Loong announced that Singapore would extend its commitment to IAI for a further three years until 2008 with an injection of SG\$28.89 million. This amount would be used primarily for the establishment of IAI training centres, each equipped with computer rooms (15–20 terminals), lecture rooms (2–3 rooms) and an overall coordinator in-charge.<sup>12</sup> Prime Minister Lee Hsien Loong announced during the 13<sup>th</sup> ASEAN Summit in November 2007 that Singapore had pledged an additional SG\$30 million for technical assistance programmes for the three-year period from 2009 to 2011.

In each IAI training centre, courses based on priority needs identified by each CLMV country are organized by Singaporean training institutions. Since 2001, more than 330 courses for 6,233 government officials have been conducted in various fields. Courses include English language, trade and economic development, tourism, productivity, ICT and curriculum planning. Singapore has also implemented training courses in note-taking, negotiation and writing skills for diplomats.

### **Focus areas of the SCP International Training Programme**

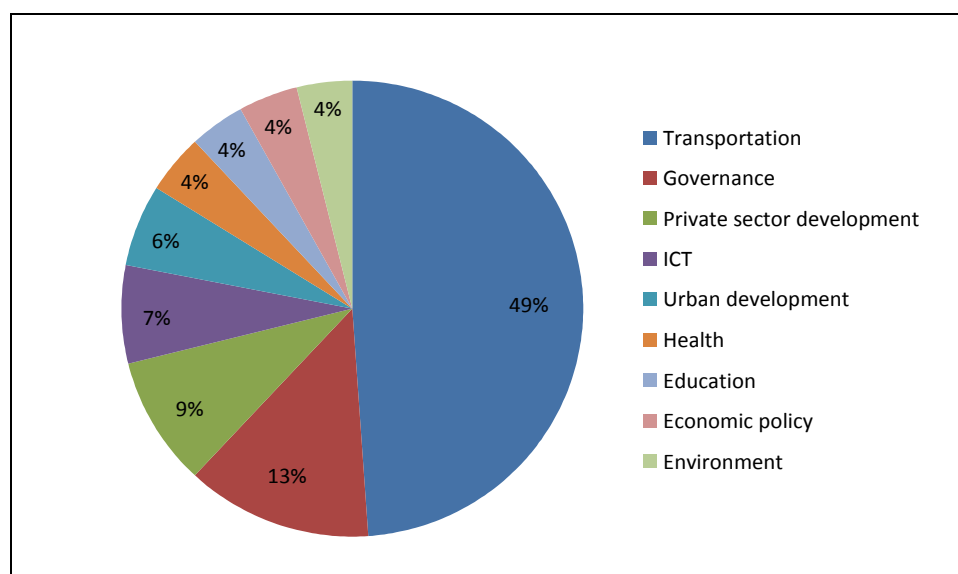
Under the SCP, the TCD-MFA annually conducts more than 300 international training courses. Based on the officially published list of SCP training courses (the SCP Calendar), training areas covered by the SCP from 2005 to 2007 were analysed<sup>13</sup> (see Figure 11). According to the analysis, the transportation sector constituted the largest area of training at 46 percent of the total. In this area, civil aviation was one of the major courses offered by Singapore. Curricula included aircraft accidents, safety management and fire management. Port management courses are also conducted regularly. As a small island state, Singapore considers that such areas are crucial for safeguarding national security, and has accumulated advanced experience and knowledge to be shared with other countries. Singapore has leading institutions to offer training courses in these areas.

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<sup>12</sup> Number of rooms and staff arrangement varies depending on the requirement of the respective IAI training centres.

<sup>13</sup> Note: the courses listed in the SCP Calendar do not constitute a complete list of SCP training programmes. Some Joint Training Programmes are not listed in the calendar due to the gap between agreement and printing timing.

**Figure 11: Ratio of training areas (all SCP international training programmes)**



In contrast to the overall focus areas of the SCP, priority areas for courses under the programme differ by partner country and international organization, reflecting each partners' cooperation policy and mandate. For example, under the JSPP21 Programme (a joint training programme with the Government of Japan), governance (at 27 percent), private-sector development (18 percent) and information technology (14 percent) were the three main areas implemented in 2006.

#### Eligible countries for SCP international training programmes

Currently, 166 countries in the Asia-Pacific region, Africa, the Middle East, Eastern Europe, Western Europe, Latin America and the Caribbean participate in various programmes under the SCP. The groups of eligible countries are different for each programme, depending on their overall goals and strategies. The IAI programme, for example, is targeted towards the new members of ASEAN (Cambodia, Lao PDR, Myanmar and Viet Nam), while 37 small island developing states (many from the Pacific and Caribbean) are eligible for SIDSTEC programmes. As for the joint training programmes implemented in partnership with various technical cooperation agencies, target countries depend on the nature and policy, and the subscriber, of the partner institutions (for example, Commonwealth countries are targeted under the Singapore Commonwealth of Learning as part of the TCTP).

#### Other SCP activities (site visits and the Singapore Scholarship for ASEAN Countries)

The purpose of site visits are to give SCP participants the opportunity to visit Singapore to gain firsthand experience of the multiracial, multicultural and multilingual aspects of the country. Site visits are organized through specially arranged immersion programmes separate from the international training courses or scholarship programme.

The Singapore Scholarship for ASEAN Countries aims to nurture exceptional students from ASEAN member nations and is extended to outstanding and talented young people from this region. Sponsored students are granted scholarships to the National University of Singapore (NUS) and Nanyang Technological University (NTU). From 1999 to 2007 a total of 448 students from ASEAN countries were granted scholarships under the programme.<sup>14</sup>

<sup>14</sup> Communication with MFA officials.

## Conclusion

The stability of Singapore itself depends on regional stability, and the SCP is seen as an integral programme for creating a stable economic environment conducive to trade. The Singapore Alumni<sup>15</sup> was established with the primary objective of contributing to regional peace and world stability, and its efforts are channelled towards promoting peace and fostering good relations with countries in all regions of the world. Its activities are carried out in the spirit of 'joining hands and making friends', in alignment with the vision of the SCP.

### Box 2: Singapore technical cooperation overview

- Singapore Cooperation Programme established in 1992;
- focus on human resource development through training and scholarship programmes;
- more than 6,000 participants trained annually;
- participants from Asia and the Pacific, Africa, the Middle East, Eastern Europe, Western Europe, Latin America and the Caribbean;
- cumulatively over 50,000 trainees from over 160 countries;
- around 60 Singaporean training agencies (from both the private and public sectors) are active in conducting training courses;
- partnerships with 13 bilateral donor agencies and 17 multilateral/international organizations;
- areas of focus include civil aviation, economic development, trade and tourism promotion, education, urban development, health care, disaster risk management, ICT, land transport and port management, public administration, governance and law;
- specific programmes include small island developing states technical cooperation programme (since 1999) and the Initiative for ASEAN Integration (since 2000).

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<sup>15</sup> The SCP Alumni Web site was set up to promote alumni relations and networking among SCP Alumni members. There is a discussion forum for members, and information on SCP activities is also available.

## **The Republic of Korea: An emerging donor country**

Denis Nkala

Chief, Special Unit for South-South Cooperation  
South-South Regional Unit  
UNDP Regional Centre, Bangkok

*“As one of the pivotal countries, the Republic of Korea has attached great importance to South-South Cooperation by committing itself to expanding technical and economic cooperation in various development areas with partners in developing countries. Only a few decades ago, Korea moved from being a major recipient of international aid to being an emerging donor country. The total volume of Korea’s ODA has rapidly increased in recent years. The Korean Government is committed to expanding our ODA still further to a level of 0.25 percent of GNI by 2015.”*

Hyun, C, Deputy Permanent Representative, High Level Committee for the Review of South-South Cooperation, 29 May 2007

The Republic of Korea had an estimated population of 48.3 million people in 2006. With a human development index of 921, it ranked 26th out of 177 countries in 2005 and was recognized as a ‘high human development’ country. From 1975 to 2005, the country’s economy grew at an average annual rate of 6 percent and from 1990 to 2005 at a rate of 4.5 percent. The Republic of Korea has had one of the world’s fastest-growing economies since the 1960s, and by 2006 its economy was ranked the 12th-largest in the world (Korea National Statistical Office, 2007). In Asia, it is the fourth-largest economy after Japan, China and India. In 2006, the national income per capita surpassed \$18,000. According to the National Statistical Office, a per capita gross national income of over \$20,000 will mean that the Republic of Korea has become a developed economy.

In 2006, the Republic of Korea became the world’s 12th-largest exporter. The country is now a leader in science and technology, and in the manufacture of electronics, computers, semiconductors and mobile phones. It is the world’s largest shipbuilder (overtaking Japan in 2002), the fifth-largest automobile manufacturer and a leader in the construction industry, with companies from the Republic of Korea building some of the world’s highest towers. It is a leader in biotechnology, robotics and aerospace research.

All of this has been achieved over a remarkably short period of time, and the Republic of Korea now perceives itself as an emerging donor. The country is a member of the OECD and is in line to become a member of the OECD Development Assistance Committee (DAC) by 2010. Its official development assistance to gross national income (GNI) ratio was 0.05 percent in 2006. The country’s strategy is to increase this ratio to 0.109 percent by 2010 in order to move nearer to the DAC average of 0.3 percent.

### **Brief history**

Information on the Korea International Cooperation Agency’s (KOICA) Web site as of December 2007 showed that since 1991, KOICA had offered 1,482 development training courses, with 24,727 people from 163 countries participating. The courses have covered areas including education, governance, rural development, industry and energy, and ICT.

The evolution of the Republic of Korea Technical Cooperation Programme from the 1960s, when the country was largely dependant on official development assistance, is documented in Table 9.

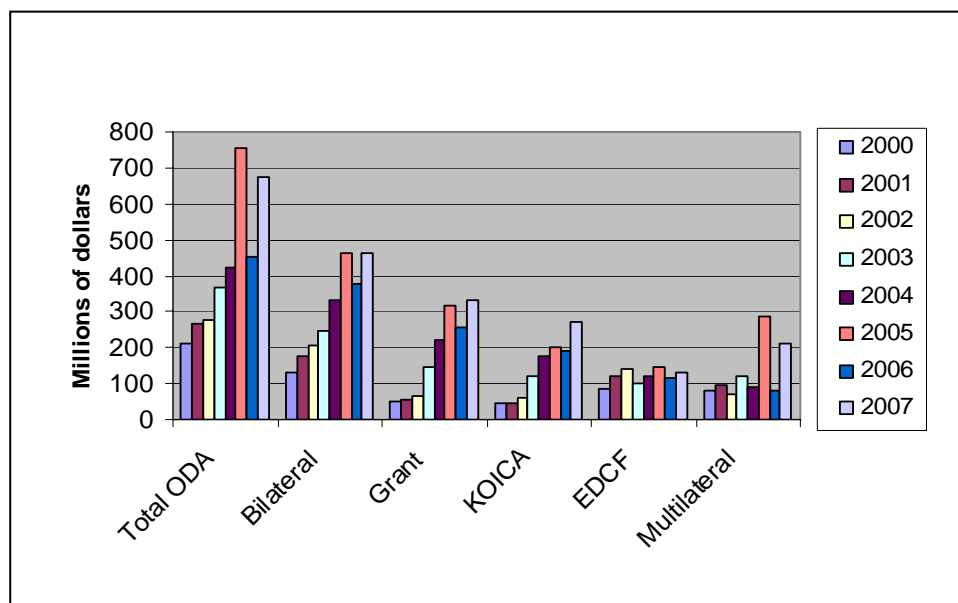
**Table 9: Milestones in the Republic of Korea development cooperation**

<b>Period</b>	<b>Year</b>	<b>Activities</b>
<b>1960s</b>	1963	Training programme under the sponsorship of the United States Agency for International Development (USAID)
	1965	Training programme funded by the Government of the Republic of Korea
	1967	Dispatch of Experts Programme funded by the Government of the Republic of Korea
	1967	Training programme with the cooperation of the UN and other International Organizations
	1968	Dispatch of Medical Experts Programme
	1969	Technology transfer project funded by the Government of the Republic Of Korea
<b>1970s</b>	1972	Dispatch of Taekwondo Instructors Programme
	1975	Invitation of Technical Trainees Programme
	1977	Aid in Kind
<b>1980s</b>	1981	Research Cooperation Programme
	1982	International Development Exchange Programme (IDEP)
	1983	Invitational training for construction workers
	1984	Technical cooperation in the construction sector
	1987	Establishment of Economic Development Cooperation Fund (EDCF)
	1988	Grants for communications technology in developing countries
	1989	Dispatch of Korean Overseas Volunteers (KOV) Programme
<b>1990s</b>	1990	First dispatch of KOVs
	1991	Korea International Cooperation Agency (KOICA) established
	1995	NGO Support Programme
	1999	International Cooperation Training Centre (ICTC)
<b>2000s</b>	2000	Special Training Programme for ASEAN
	2001	Extension of Cooperation Programme for the ICT sector
	2002	Special Assistance Programme to Afghanistan
	2003	Special Assistance Programme to Iraq
	2005	Reconstruction Programme for regions affected by the 2004 tsunami Disaster

Source: KOICA, 2007

Some of the key milestones include the establishment of the EDCF in 1987 and the creation of KOICA in 1991. Notable developments in the last decade have been the special programmes for ASEAN, Afghanistan and Iraq, and assistance for tsunami-affected countries. Trends in the country's official development assistance are shown in Figure 12.

**Figure 12: Republic of Korea ODA trends**



Source: KOICA

As shown in Figure 12, the increase in funding for ODA rose steeply in 2005 in response to the Asian tsunami disaster and to support post-recovery efforts in other countries. Therefore, both the bilateral and multilateral ODA increased. The EDCF loan component has remained quite constant over the years. The figure shows that total ODA increased more than threefold between 2000 and 2007.

The priority destinations for bilateral ODA from the Republic of Korea are Asia, the Middle East and Africa in that order. Assistance to the Middle East grew rapidly from 2003, with a significant amount channelled to Iraq after the end of the war there. The destinations of bilateral aid from the Republic of Korea are shown in Table 10 by region.

**Table 10: Bilateral ODA by region**

	Bilateral ODA (Millions of dollars)					Percentage (%)				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Asia	155.9	150.3	189.0	197.2	155.8	75.4	61.3	57.1	42.6	41.4
Middle East	5.9	42.2	81.1	177.7	71.8	2.8	17.2	24.5	38.4	19.1
Africa	5.6	19.0	17.0	39.1	47.8	2.7	7.7	5.1	8.4	12.7
Latin America	8.9	11.2	14.9	19.8	25.9	4.3	4.6	4.5	4.3	6.9
Europe	18.9	3.1	7.0	3.3	31.1	9.2	1.2	2.1	0.7	8.3
Oceania	1.2	4.8	0.3	0.5	1.2	0.6	2.0	0.1	0.1	0.3
Others	10.4	14.7	21.6	25.6	42.5	5.0	6.0	6.5	5.5	11.3
Total	206.8	245.2	330.8	463.3	376.1	100	100	100	100	100

Source: International Development Statistics Online Database, OECD

Table 11 shows the main destination for the Republic of Korea's ODA by sector. Most of the bilateral ODA is channelled towards the social and economic sectors. However, humanitarian aid and administrative costs were significant in 2005 and 2006 in response to the tsunami disaster.

**Table 11: Bilateral ODA by sector (commitment basis)**

	Bilateral ODA (Millions of dollars)					Percentage (%)				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Social	160.3	136.9	186.4	398.3	403.1	63.0	43.2	53.6	60.5	59.7
Economic	71.6	108.9	106.5	138.1	170.9	28.1	34.4	30.6	21.0	25.3
Production	7.2	38.3	18.1	50.3	33.5	2.8	12.1	5.2	7.6	5.0
Humanitarian aid	3.0	3.0	12.9	36.9	24.6	1.2	0.9	3.7	5.6	3.6
Administrative costs	9.0	13.0	17.5	19.4	25.3	3.5	4.1	5.0	2.9	3.7
Support for NGOs	1.4	6.6	1.8	4.5	5.3	0.5	2.1	0.5	0.7	0.8
Unspecified	2.1	9.9	4.8	10.4	12.7	0.8	3.1	1.4	1.6	1.9
Total	254.5	316.6	347.9	657.8	675.5	100	100	100	100	100

Source: International Development Statistics Online Database, OECD



Table 12 shows the Republic of Korea's annual loan commitment by sector. ICT and industry/energy are consistently high priority areas. However, education and health/sanitation taken together account for a significant proportion of the loans in the social sector.

**Table 12: Annual loans by sector**

	Educa tion	Health / sanitation	Govern ment	Rural develop ment	ICT	Industry / energy	Environ ment / undefin ed	Total (Millions of dollars)
1991	–	–	–	–	32.3	17.3	–	49
1992	–	–	–	–	5.6	86.7	29.7	122
1993	–	16.4	–	–	340.7	152.2	53.4	562
1994	16.4	32.4	–	–	191.3	45.3	16.6	302
1995	33.5	85.5	–	–	220.0	6.0	–	345
1996	50.7	140.5	–	–	197.3	253.5	12.0	654
1997	147.8	30.2	–	–	160.0	227.9	159.1	724
1998	38.1	291.6	–	157.7	276.3	539.1	122.8	1,426
1999	58.6	114.1	–	11.5	460.0	534.4	89.1	1,267
2000	196.7	209.1	–	97.2	99.3	236.6	173.4	1,012
2001	180.6	614.7	–	10.8	1.0	752.5	93.2	1,653
2002	61.7	466.6	248.0	–	432.6	764.8	75.9	2,050
2003	73.8	559.3	86.5	22.4	54.9	573.6	–	1,370
2004	159.1	417.0	54.0	2.5	143.2	779.2	–	1,555
2005	133.2	191.7	75.5	65.6	444.3	732.3	–	1,643
2006	88.7	278.0	114.1	152.5	96.5	631.1	–	1,361
Total (%)	1,238.9 (7.7)	3,447.1 (21.4)	578.1 (3.6)	520 (3.2)	3,155.3 (19.6)	6,332.0 (39.3)	825.2 (5.1)	16,097 (100)

Source: The Export-Import Bank of Korea

The Government of the Republic of Korea conducted a comprehensive ODA review in 2005, aimed at increasing the country's contribution to poverty reduction and sustainable development, particularly in helping developing countries meet the MDGs. After the review, policy coordination was enhanced by the creation of the Committee for International Development Cooperation (CIDC). The other objectives of the review were to increase the country's ODA and to increase grant aid to LDCs.

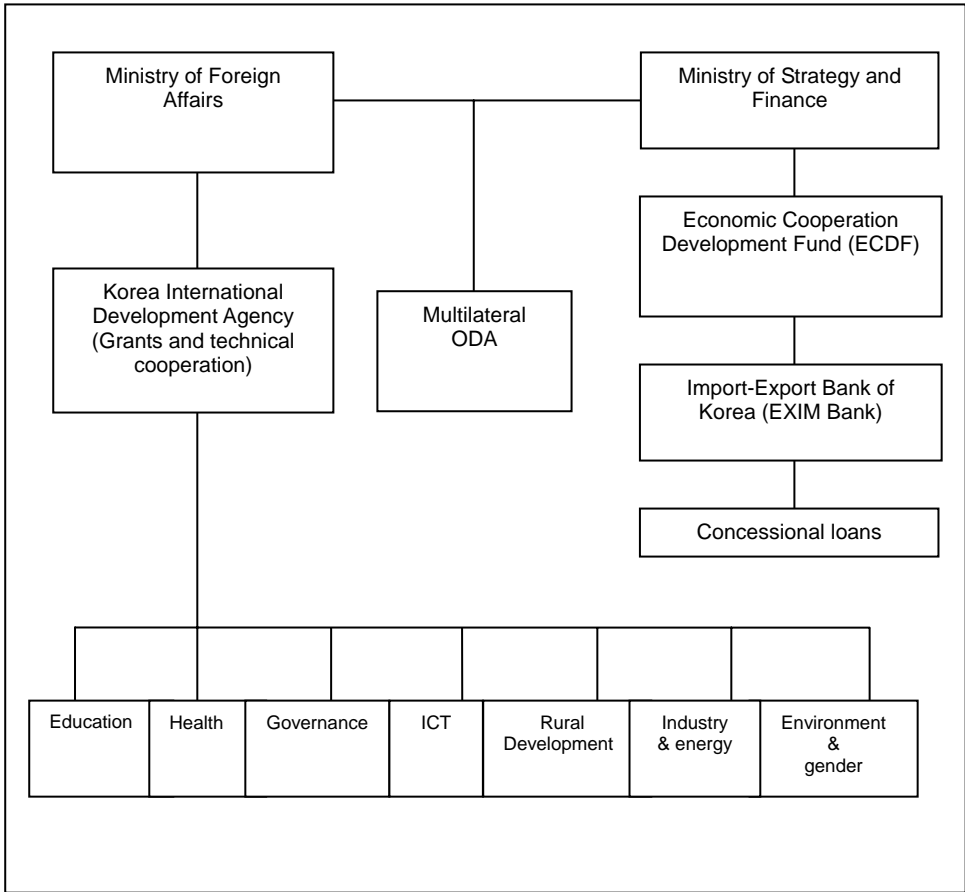
The Republic of Korea has also developed a mid-term strategy (2008–2010) that will focus on bilateral ODA to Asia, with an expansion to Africa mostly for humanitarian aid to help achieve the MDGs. Another initiative was to streamline and focus aid by reducing the number of partners (recipients) to a manageable number. In multilateral aid, the country intends to focus more on the use of trust funds.

## Structure of ODA delivery

The institutions and programmes for ODA delivery are shown in Figure 13. The EDCF under the Ministry of Strategy and Finance was established in January 1987. The EDCF provides soft loans for development projects in other countries, while the Export-Import Bank of Korea administers the loans.

KOICA was created in April 1991 and administers the grant and Technical Cooperation Programme. The ministries of Foreign Affairs and Strategy and Finance are responsible for providing multilateral aid; that is, contributions to international organizations as well as subscriptions.

**Figure 13: Institutions and programmes for Republic of Korea ODA delivery**



Source: KOICA, 2007

## Description of KOICA programmes

For its mid-term strategy (2008–2010), the Republic of Korea decided to focus on human resources sectors of development such as education and training, health care, administration (governance), ICT, rural development and fisheries, industry infrastructure and energy, as well as environmental protection. The government also strengthened the linkage of these sectors to the MDGs, which the Republic of Korea believes are a foundation for sustainable development. The key areas of focus are described in more detail in the following sections.

In educational assistance, the Republic of Korea constructs primary schools, assists with curricula development and provides text books and other supplies. Under vocational training, KOICA builds vocational training centres and helps design skills certification programmes. The focus is on keeping children in school and providing vocational training and employment opportunities for young adults. In 2006, the main partners under this programme were Egypt, Iraq, Pakistan, Sri Lanka and Viet Nam.

In the health sector, KOICA aims to respond to the MDGs relating to reduction of infant mortality, promotion of maternal health and reduction of HIV and other diseases. This is done by improving health infrastructure and medical facilities. The support also provides for the training of medical staff and the dispatch of workers from the Republic of Korea to developing countries. In 2006, the main beneficiaries were Cambodia, Iraq, Jordan, Peru and Tanzania.

In order for developing countries to build more accountable and transparent institutions, KOICA supports governance programmes that include accountability, legal and judiciary strengthening, peaceful conflict-resolution and protection of human rights and property rights.

The rural development component of KOICA ODA focuses on a broad range of infrastructure including roads, water supplies, primary schools, community centres, agricultural infrastructure and the sharing of technology for mechanized farming. Experts from the Republic of Korea are sent to provide practical training, policy advice, and to set up research centres and train researchers.

In supporting industry and energy, the Republic of Korea seconded experts and provides project aid and energy transportation infrastructure.

ICT is another component of KOICA ODA. In this area, the Republic of Korea supports the expansion of ICT education, infrastructure and use of the Internet, and the compilation of ICT plans. The biggest partners include Bangladesh, Iraq, Lao PDR, Morocco and Viet Nam.

Environment and gender are major considerations under the MDGs. The Republic of Korea assists developing countries in controlling pollution and strengthening environmental protection, with major partners including Cambodia, China, Indonesia, Iraq and Viet Nam.

According to KOICA, before the 2004 tsunami, the disaster relief and reconstruction component of ODA was conducted on an *ad hoc* basis. Since then KOICA has consolidated this programme to provide emergency relief, recovery and reconstruction assistance, and refugee relief. KOICA has also ensured that the programme can respond quickly to provide relief in emergency situations.

These then are the current programmes implemented under KOICA in addition to the loan and multilateral components of ODA.

## Conclusion

According to the Asian Productivity Organization (2001), "In the 1960s Korea had almost no science and technology base to support industrial and economic policy except for a 'can do' or 'hard-working' spirit. Just forty years on, the country is one of the leaders in science and technology. It is now a member of the Organization for Economic Cooperation and Development (OECD) and is one of the pivotal countries for SSC. The Republic of Korea attributes its success to investment in its people and the encouragement of research and development through favourable policies and institutions. Its development lessons are fresh and relevant to other developing countries."

The Republic of Korea is due to join the DAC in 2010 and is a signatory to the Paris Declaration, and therefore will have to conform to DAC rules. The country sees its recent and rapid transformation from poverty to becoming an OECD member as both an important experience to share with developing countries and as a comparative advantage as it becomes a bigger donor.

In April 2008, Japan and the Republic of Korea convened a meeting to expand dialogue with 'emerging donors' and partner countries on development cooperation and SSC. The workshop, which

took place in Bangkok, concluded that SSC is complementary to other cooperation. Furthermore, the objectives of enhancing ownership and the effectiveness of development cooperation are shared across the board (through traditional ODA and SSC). The partnership with Japan – a DAC member that has always supported SSC – means that the Republic of Korea will remain a pivotal country for SSC.

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## Thailand: South-South Cooperation for the Millennium Development Goals

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*"Countries in the South, in their efforts to achieve those goals and targets [development goals, including the Millennium Development Goals], have confronted many challenges and opportunities, among them world economic globalization, declining FDI [foreign direct investments] and an impasse in the Doha Round negotiation. Follow-up on the implementation of goals and targets is the key, and the question is about the means for implementation. With increasing challenges and demands, countries in the South have to manage resources and expertise so that win-win situations are within reach. Thailand believes that South-South Cooperation as well as Triangular Cooperation can serve as important platforms for reaching those goals and targets, especially the MDGs."*

HE Ambassador Don Pramudwinai, UN High-Level Committee on South-South Cooperation, 2007

### Overview of Thailand's external assistance

In 2005, the Kingdom of Thailand was ranked 78th out of 177 countries on the human development index, and was categorized as a 'medium human development' country in the same category (but above) countries such as China, the Philippines, Tunisia and Turkey. In the region, only Singapore, the Republic of Korea, Brunei Darussalam and Malaysia were ranked as 'high human development' countries.

According to the UNDP 'Human Development Report (2007–2008)', GDP per capita for Thailand grew by an annual average of 4.9 percent between 1975 and 2005. For the period 1990 to 2005, GDP per capita grew by only 2.7 percent. The figures reflect the interruption in progress caused by the Asian financial crisis of 1997.

From 1986 to 1991, Thailand had one of the world's fastest-growing economies, with an annual GDP growth average of 10.7 percent, but this fell to 5.5 percent between 1991 and 1996. In 1997, GDP growth was negative at minus 4 percent. Since then, the country has gradually recovered from the crisis.

Until about a decade ago, Thailand's focus on development cooperation related mostly to what the country received from donors. The Department of Technical and Economic Cooperation (DTEC), created in 1950 under the Office of the Prime Minister, had been the main channel for receiving donor funds and support. However, even as far back as 1955, Thailand had started to assist other countries as well. During this period, financial support was provided by international agencies. For example, the World Health Organization (WHO) used Thailand's expertise in public health by providing financial support for training courses led by Thais. In the 1990s Thailand stepped up assistance to other countries from its own financial and human resources. While Thailand's aid strategy has prioritized neighbouring countries (Cambodia, Lao PDR, Myanmar and Viet Nam), within the last decade cooperation has been extended to countries in South Asia, the Middle East, Africa, Latin America and the Caribbean as well as to transition economies in Eastern Europe and Central Asia.

In 2003, Thailand formally acknowledged its status as an "emerging donor". The change from recipient country to emerging donor saw the creation of the Thailand Technical Cooperation Agency (TICA) in 2004, under the Ministry of Foreign Affairs, as a replacement for DTEC.

### Current areas of cooperation

According to the UN Country Team in Thailand and the Ministry of Foreign Affairs (2005), "Thai development cooperation programmes are based on common principles and goals". These principles include SSC and partnerships for development. Cooperation is also based on the principle of achieving mutual benefits and prosperity for Thailand and other developing countries.

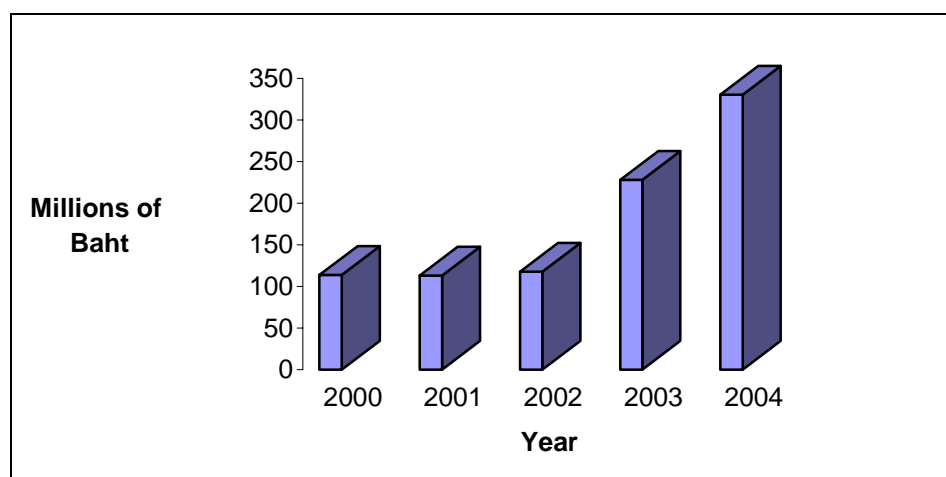
According to TICA, there are two main types of assistance under the Thailand cooperation programme. The first is project cooperation, which is broken down into several components including dispatching Thai experts to other countries, providing technical equipment, conducting short-term training courses and sending young Thais to work in neighbouring countries as 'Friends from Thailand'. The UN Country Team and TICA indicate that 90 percent of Thai ODA is in support of infrastructure projects in Cambodia, Lao PDR, Myanmar and the Maldives, including roads, bridges, dams and power stations. These are funded from the concessional lending component of the cooperation programme. The other 10 percent of ODA supports training in the areas of agriculture, banking, economics, education, finance, public health, transport and science and technology.

The other type of assistance is trilateral cooperation with international development agencies such as JICA and UN agencies including UNIDO, the United Nations Population Fund (UNFPA) and UNICEF.

### Trends in Thailand's external assistance

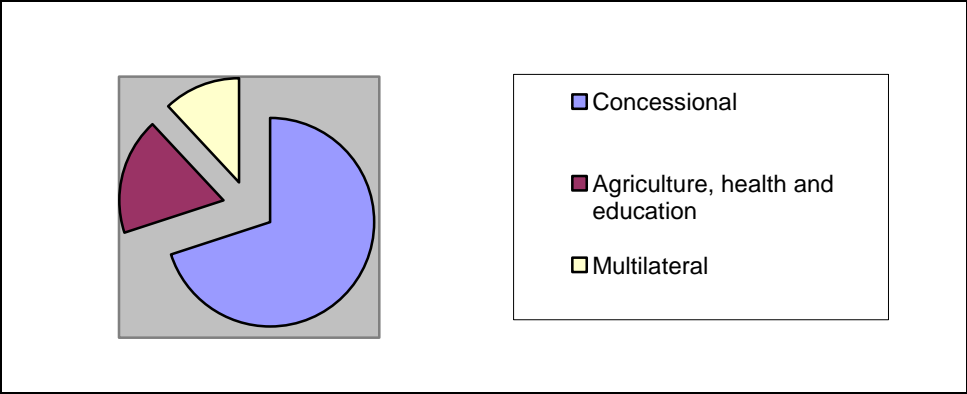
Thailand's assistance to other countries is shown in Figure 14. (As a new donor, Thailand has data on ODA covering only a few years). The trend shows that Thailand's ODA has been increasing. A report by Thailand to the Development Assistance Committee of the OECD indicated that in 2005 ODA was 0.05 percent of GNI. The breakdown of Thailand's ODA for 2005 is shown in Figure 15.

**Figure 14: Thai ODA trend 2000–2004**



Source: Global Partnership for Development

Figure 15: Distribution of ODA for 2005



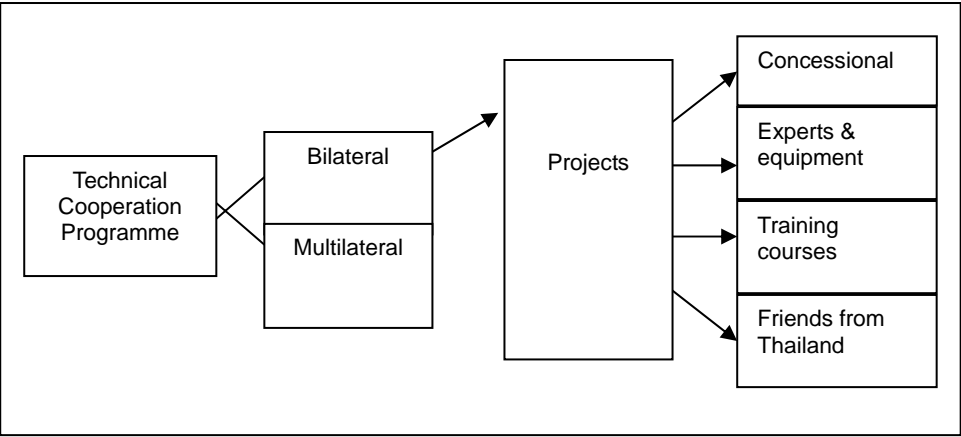
Source: TICA, 'Disbursements of Flows to ODA Recipients on the DAC List', September 2007

The bulk of Thai development assistance in 2005 was concessional lending. Most of this was directed towards Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV countries). In 2005, in addition to the 70 percent of aid in concessional loans, the total assistance by Thailand to her neighbours was 83 percent of ODA. Other countries have also benefited from Thailand's bilateral assistance in agriculture, health and education.

Description of bilateral cooperation programmes

The main programmes of Thailand's external assistance are shown in Figure 16. A more detailed explanation of what each consists of is provided in the following sections.

Figure 16: Thailand's aid schemes



### Concessional loans

The Government of Thailand and UNDP (2005) indicated that research by the UN Millennium Development Project and ADB had concluded that investments in infrastructure – roads, energy and ICT – could play an important role in attainment of the MDGs. It is with these findings in mind that Thailand supports infrastructure investments in neighbouring countries. Initially these investments were provided through the Neighbouring Countries Economic Development Cooperation Fund, established in 1999. In 2005, the Neighbouring Countries Economic Development Cooperation Agency (NEDA) was established and replaced the fund. Thai loans are coordinated with ADB.

### Experts and equipment

Thailand recognizes one component of its development cooperation as SSC. The Technical Cooperation among Developing Countries Programme (TCDC), also known as the South-South Cooperation Programme, is ongoing. The projects under the TCDC include provisions for Thai expertise and equipment, in which Thailand identifies and designs projects with partner countries to meet these countries' specific requirements. Some of the activities that fall under this programme include development and training projects, secondment of Thai experts to other countries, and the provision of equipment. Under this programme, Thailand shares development knowledge through learning exchanges. According to TICA, study tours, seminars and training are the primary activities of the programme, but other activities such as research projects are also encouraged.

In the global sense, many other activities undertaken by Thailand would be included under the SSC umbrella. In addition to programmes already identified under the TCDC and concessional funding for LDCs, Thailand has also reduced tariffs for its least-developed neighbours. This apparently has encouraged the LDC recipients to export to Thailand. For example, LDC exports to Thailand constituted 3.1 percent of its imports in 2003. According to UNDP and the Government of Thailand, no other country had such a high percentage of LDC imports among developed and developing countries. China had the second highest level of exports from LDCs at 1.5 percent.

Through its development experience, Thailand now shares its knowledge with other countries. The Thai 'sufficiency economy' philosophy has also raised interest as an alternative approach to sustainable development. In rural development, Thailand adopted the One-Tambon-One-Product (OTOP) model, which is generally accepted as a successful development strategy. A number of countries are now interested in having Thai experts help them design rural development programmes.

The recently introduced Friends from Thailand Programme (FFT) deploys young Thais aged 21 to 35 to work as volunteers in neighbouring countries. So far, volunteers have been deployed to Cambodia and Lao PDR. The Thai Government is also in discussion with Bhutanese authorities, who have requested Thai volunteers in several areas of development.

### Training

The Thai International Postgraduate Programme was conceptualized in 1999 and commenced in 2000. The Government of Thailand funds this programme in full, offering a range of postgraduate degree courses in Thailand.

#### ***Third-Country Training Programme***

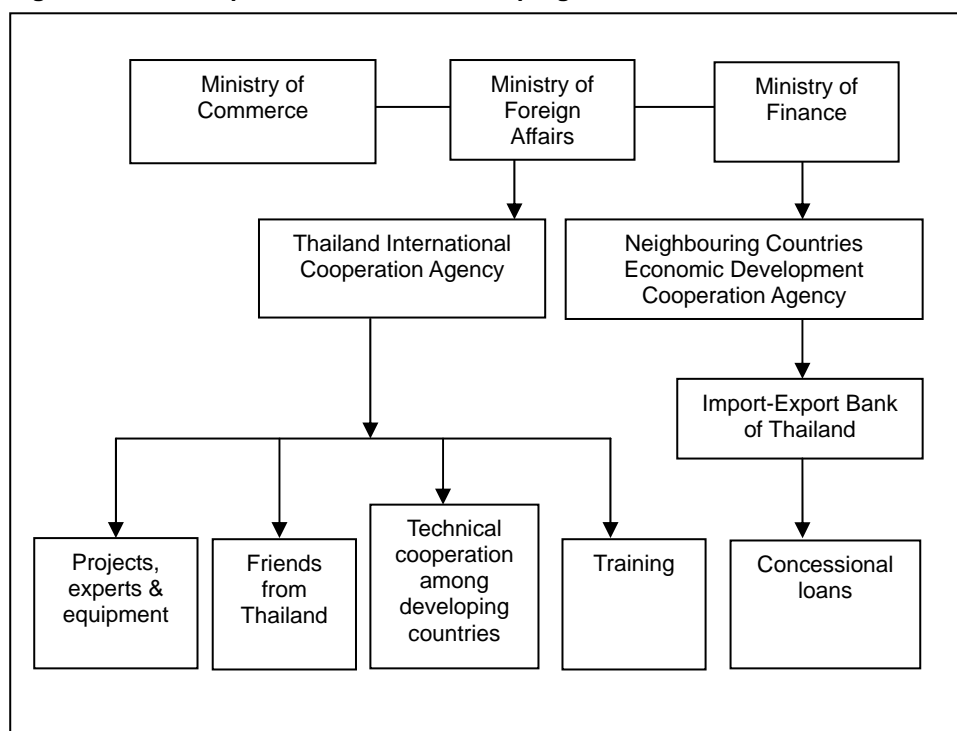
The Third-Country Training Programme consists of Triangular Cooperation under which trainees from developing countries are funded by Thailand's development partners and are trained in Thailand. The programme provides participants from other developing countries with firsthand experience of Thai development activities. The Trilateral and Regional Cooperation Programme is funded by the Thai Government and its partners and emphasizes human resources development, particularly through group training courses, study programmes and subregional cooperation programmes.



### Institutional structure of Thailand's external assistance

There are several institutions that play a role in providing Thailand's external assistance. The relationships between these institutions and Thailand's aid delivery system are illustrated in Figure 17.

**Figure 17: Thai cooperation institutions and programmes**



Source: Compiled by the author

### ***The Ministry of Finance***

The Ministry of Finance allocates the resources for external assistance and is thus a major policy maker for technical cooperation. Similarly, decisions on tariffs and foreign investment will involve the Ministry of Finance.

### ***The Ministry of Foreign Affairs***

Since the Department of Technical and Economic Cooperation was replaced by TICA, which is a department in the Ministry of Foreign Affairs, the ministry has become a key player in development cooperation. It is aware that, as a new donor, Thailand has to develop rules and regulations, as well as procedures and strategies, for development cooperation. TICA recently completed a draft strategy document for technical cooperation. More will be said later about this draft.

A priority for strengthening the role of Thailand as a donor is data collection. TICA aspires to collect data on all assistance provided through government programmes and institutions including universities and other academic institutions. TICA is also interested in partnerships with the private sector to support SSC. Some of the activities envisaged would include secondment of staff from other countries to the Thai private sector and vice versa. Some private sector organizations have expressed a willingness to implement a corporate social responsibility programme in support of SSC.

## **Others**

Local governments, particularly those close to neighbouring countries are involved in cooperation projects. Other government departments and academic institutions are also involved in SSC. For example, at a meeting attended by the UNDP and TICA on 5 September 2008 in Chiang Mai, participants from higher education institutions provided information on their development cooperation activities implemented with neighbouring countries, which were mostly in the form of studies, fellowships and student and lecturer exchanges.

Many higher education institutions have facilitated international and regional workshops in their respective areas of specialization, including primary health care, child health care, HIV, agriculture, education, the environment (global warming), animal husbandry, engineering, food safety and food security. Some universities have initiated joint research programmes through signed MOUs with counterpart universities in neighbouring countries.

## **The role of the UNDP Country Office**

The UNDP Country Office in Thailand is playing a critical role in the development of South-South and other cooperation. The office funded the Thailand International Partnership for Development Programme (TIPD) from 2004 to 2007. Under this programme, with the active participation of the Country Office, Thailand aimed to strengthen its ODA coordination. The project has facilitated Thailand's outreach to development partners to exchange knowledge. For example, Thailand has linked up with African countries to share experiences in small to medium enterprise development and HIV prevention.

As an emerging donor, Thailand, with UNDP facilitation, has reached out to other middle-income countries to share experiences in development cooperation. The UNDP office facilitated Thailand's participation in a meeting of emerging donors in Tunisia in 2006, at which other middle-income countries such as the Republic of Korea, South Africa and Turkey were also present. In 2007, Thai officials participated in an emerging-donors initiative in which most of the emerging donors from Eastern Europe, including Russia were present. The purposes of these meetings were to strengthen ties among emerging donors and to share lessons in strengthening institutions to deliver ODA.

The UNDP Country Office has also supported TICA's consultative processes for SSC by co-organizing meetings with the private sector, academic institutions and other national stakeholders. The UNDP Country Office and the Country Team have also spearheaded the mainstreaming of SSC in documents such as the 'United Nations Partnership Framework' (UNPAF 2007–2011), the 'Country Programme' and the 'Country Programme Action Plan'.

## **The way forward: Thailand's draft strategic framework for official development assistance.**

Thailand has developed a draft strategic framework for development assistance covering the five years from 2007 to 2011. The framework indicates how Thailand intends to proceed with its ODA and SSC.

The strategy emphasizes the promotion of good practices in technical cooperation, human resource and capacity development, the use of knowledge management, and the promotion of development cooperation as a tool for stimulating growth and sustainable development in the region and subregion. In return for cooperation with other countries, Thailand hopes for good relationships and strengthened ties, reciprocal support for Thai trade and investment, and people-to-people exchanges.

The strategy consists of seven components which are summarized in the following sections.

One of the components of the strategy is to make Thailand a centre for human resource development. The country has strengths in tropical medicine, public health and agriculture and could thus attract many students from across Asia. In terms of training, Thailand would offer specialist training and student fellowships. Areas of consideration include malaria and HIV prevention and management. TICA would also offer its identified experts (2,300 so far) to development cooperation partners.

If the draft strategy were adopted, Thailand would support the deployment of Thai experts, volunteers and institutions based on funding provided by TICA and other partners. The country would also scale up its Friends from Thailand volunteer programme to serve more countries.

Thailand aims to promote its 'sufficiency economy' theory among countries that are interested in this as an optional approach for sustainable development. TICA would also change Thailand's technical assistance from a passive programme based on requests and demand to one that emphasizes negotiations and identifying areas of mutual need.

Another part of the strategy is to promote regional and subregional cooperation with Cambodia, Lao PDR, Myanmar and Viet Nam. Outside of the priority neighbours, Thailand would forge relationships with other middle-income countries for mutual learning. Although further streamlined to a few strategic countries, Thailand would continue to work with some of the African countries, in particular where it has diplomatic representation. Lastly, the government would promote public, private sector and civil society partnerships to support development cooperation.

## **Conclusion**

Thailand perceives its SSC to be a narrow band of activities based around short-term training, fellowships and secondment of staff. However, in a global sense, Thailand's SSC spans a wider range of activities including customs tariff relief, concessional lending and training. Compared to other middle-income countries in Asia, Africa and Latin America, Thailand is more willing to progress towards being a mainstream donor. In this regard, it is forging collaborative relationships with the new Eastern European donors. Its demarcation of SSC and ODA could be an interesting area of observation as the country balances belonging to the South-South grouping and at the same inches towards traditional donor practices. Its experience could help harmonize practices in the two respective groups.

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# **Participatory South-South Cooperation process facilitated by JICA: Experiences of human capacity development through JARCOM**

Yasuko Matsumi<sup>16</sup>

## **Background**

### **Japan's long-term policy of supporting South-South Cooperation**

JICA, the official technical cooperation agency of the Government of Japan, is one of a few bilateral agencies to have actively supported SSC from the early stages. Historically, Japan began extending technical assistance to other developing countries in 1954, while it was still receiving aid. Being a provider and a recipient at the same time, Japan was implementing SSC before the concept was widely recognized. Such an experience is unique among today's OECD DAC member countries. Believing in the importance and effectiveness of SSC in human capacity development, Japan has repeated its active support for SSC both at the practice and policy levels (JICA, 2005a).<sup>17</sup>

JICA started its SSC programme as early as 1975 by supporting the TCTP implemented by developing countries. An arrangement like the TCTP is now often called Triangular Cooperation, involving three parties – service providers and recipients in the South, and donors in the North. The first TCTP supported by JICA was in Thailand, with trainees coming from Lao PDR. Since then, JICA has constantly expanded its SSC programmes and diversified the cooperation modalities (see Box 3). Today, JICA's TCTP has grown in terms of the number of courses, trainees and partner countries. In 2007, 138 training courses were carried out by 33 partner countries for a total of 3,240 trainees. Among these courses, 42 (approximately 30 percent) were conducted in South-East Asia (see Figure 18).

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<sup>16</sup> The author was, from 2004 to 2007, a regional project formulation advisor and coordinator at the JICA-ASEAN Regional Cooperation Meeting (JARCOM) Secretariat in the JICA Regional Support Office for Asia. Previously she was a monitoring and evaluation officer for the food security programme of the Food and Agriculture Organization of the United Nations (FAO), in which SSC was also implemented. She is currently posted at JICA's Egypt Office supporting SSC among Middle East countries. The views expressed in this chapter are those of the author and do not represent those of JICA. Comments may be addressed to the author at: [matsumi.yasuko@jica.go.jp](mailto:matsumi.yasuko@jica.go.jp).

<sup>17</sup> Japan's new ODA Charter, approved in 2003, states: "Japan will actively promote South-South Cooperation in partnership with more advanced developing countries in Asia and other regions." In addition, 'Japan's Fourth Mid-Term Policy on ODA' (2003-2007) mentions that: "JICA shall enhance its support for South-South Cooperation, which promotes capacity development in developing countries and also leads to an increase in aid resources as well as . . . international cooperation".

### Box 3: Modalities of Japan's support to South-South-Cooperation

#### Third Country Training Programme (TCTP)

This programme was introduced in 1975. Since then, JICA has supported relatively advanced developing countries in conducting training courses for other developing countries. At an earlier stage, JICA focused its support mainly on institutions that had received assistance from Japan in the past. Thus, Japanese knowledge and expertise were further extended to other developing countries.

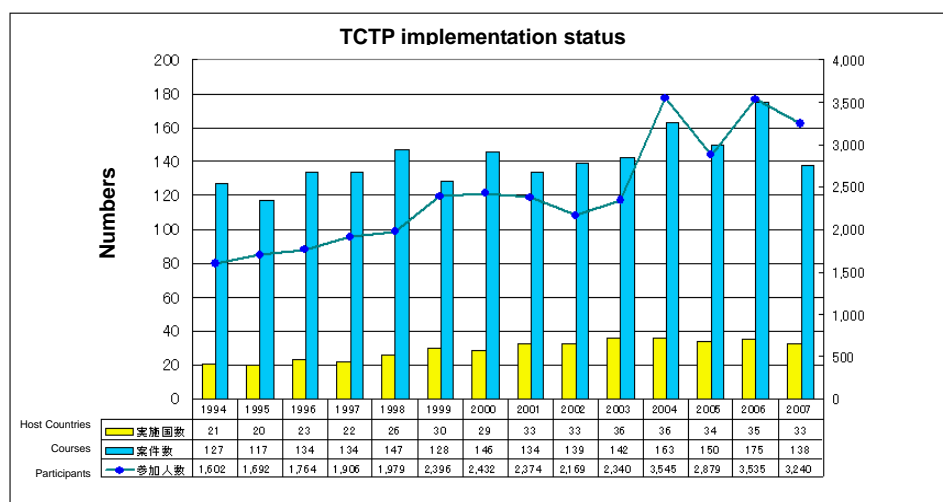
#### Third-Country Expert Programme (TCE)

Started in 1995, the TCE helps developing countries to send their national experts to other developing countries. In 2007, 65 'third-country experts' were sent to other developing countries. The majority of TCEs are from Central and South America.

#### Partnership Programme for South-South Cooperation

This is a comprehensive framework agreed by the governments of Japan and developing countries to jointly support other developing countries. Within this framework and annual consultation, JICA and its counterpart organizations in partner countries implement the TCTP, TCE and other technical cooperation projects. So far, Japan has signed partnership programmes with 12 countries including four<sup>18</sup> in South-East Asia. Under this partnership agreement, each partner country not only offers human and institutional resources, but also shares the costs of the TCTP with JICA (at varying degrees from 15 percent to 50 percent).

Figure 18: TCTP implementation status



<sup>18</sup> These countries are Indonesia, the Philippines, Singapore and Thailand. Although Malaysia does not have such an agreement, it implements the TCTP with JICA, with equal cost sharing.

### **Objectives of JICA's South-South Cooperation in the early stages**

In 2003, JICA set up an internal South-South Cooperation Task Force and analysed previous SSC projects, classifying them into five types of SSC based on their functions. According to the 'Thematic Guidelines on South-South Cooperation' (JICA, 2005) prepared by the Task Force, JICA's SSC projects fall into at least one of the following categories:

1. effective use of the resources of developing countries;
2. dissemination of the outcomes of Japan's technical cooperation;
3. collaboration between Japan and other donors;
4. support for TCDC;
5. support for developing countries to become donors (support for 'donorization').

Of these, "dissemination of the outcomes of Japan's technical cooperation" used to be considered one of the most important criterion, often a condition, when JICA designed and considered approval of SSC projects. This meant that a cooperating country should have received technical assistance from Japan in the past. By requiring this condition, JICA tried to streamline its SSC, which is partly considered as an expansion phase of its previous technical cooperation. In addition, "support for developing countries to become donors" has also been considered important in building the capacity of middle-income countries as they prepare to become full-capacity donors. Emphasis on these categories reflected JICA's view on SSC, which tends to focus more on the needs of service suppliers than of recipients.

### **Third-party evaluation of JICA's South-South Cooperation programme**

Through its relatively long history of supporting SSC, JICA has accumulated significant experiences and lessons. To document such lessons and to improve the programme, JICA has conducted evaluations of its SSC programme several times in the past. The most recent was in 2005, with a third-party evaluation team. The study covered JICA's SSC globally and included field surveys in selected countries in South-East Asia, Latin America and Africa. A questionnaire survey was conducted for 80 JICA country offices and 80 government counterpart agencies, with valid responses of 53 percent and 42 percent respectively.

Table 13 shows an extract from the questionnaire results, which indicate the level of interest and involvement in SSC activities among various stakeholders. Here, stakeholders are divided into two categories (government technical cooperation agencies and JICA country offices), with one of each in the two main groups of suppliers (cooperating countries) and recipients (beneficiary countries).

**Table 13: Summary of the questionnaire survey**

	<b>Existence of SSC policy/ strategy at country level</b>	<b>Involved in TCTP planning / formulation stages</b>	<b>Involved in TCTP implementing stage</b>	<b>Perception of SSC projects (remarks by respondents in Asian countries)</b>
<b>SSC cooperating countries</b>				
<b>Government technical cooperation agencies</b>	83%	83%	83%	Government SSC policy/strategy is part of diplomatic means.
<b>JICA country office</b>	63%	100%	81%	SSC is considered part of the JICA country programme, but low priority compared to other bilateral projects.
<b>SSC beneficiary countries</b>				
<b>Government technical cooperation agencies</b>	36%	0%	0%	SSC not perceived as a means to address the country's development issues. Low expectation for impacts of SSC.
<b>JICA country office</b>	35%	8%	8%	SSC not perceived as a means to address the country's development issues. Low expectation for impacts of SSC.

Source: Prepared by the author, based on JICA 2006.

The results show sharp differences in the level of interest in SSC. While 83 percent and 100 percent of government agencies and JICA offices in cooperating countries were involved in TCTP formulation and implementation respectively, less than 8 percent of JICA offices in beneficiary countries answered positively (none from recipient governments). From the remarks by the respondents, one can say that TCTPs were mostly considered to be projects of the cooperating countries, while both the governments and JICA officials of beneficiary countries do not perceive TCTPs as an effective means to address development issues.

The survey confirmed the tendency toward a supply-driven approach and revealed the perceptions of different actors in SSC. It is worth noting that the ultimate beneficiaries of SSC had low expectations regarding its impact. However, this is not a new issue, and being aware of it, JICA has sought ways to introduce a more demand-driven approach. This eventually led to the establishment of a Triangular Cooperation arrangement through the JICA-ASEAN Regional Cooperation Meeting (JARCOM), which is discussed in detail below.



## Experiences of JARCOM in South-East Asia

### South-East Asian context

South-East Asia is a dynamic region where culturally diverse countries at varying stages of socio-economic development are seeking to form one community under ASEAN<sup>19</sup> and where some middle-income countries are in transition from being recipients of aid to being donors. This is the region where JICA first started its TCTP and where 30 percent to 40 percent of its TCTP courses are still being implemented. Improving TCTP in South-East Asia will have a significant impact on improving the entire programme.

Since JICA's SSC used to focus on 're-disseminating' the results of Japan's previous assistance, and the capacity building of service-providing countries, many TCTPs were designed by JICA and the providers without the active involvement of beneficiary countries. As a result, it was often reported that recipient countries were not necessarily satisfied with the training courses they were offered. They claimed that the courses did not meet their priorities and that not enough attention was paid to sometimes sensitive relationships with neighbouring countries (historically and socio-culturally). Against such a background, JICA has hosted a series of separate meetings since 1999 – one for TCTP implementing countries and the other for beneficiary countries<sup>20</sup> – in order to discuss the TCTP-related issues from different perspectives. These meetings were the precursors of JARCOM.

### Characteristics of JARCOM

JARCOM was first convened in 2002 by merging the above-mentioned two meetings. Its original objective was to discuss how to improve the TCTPs supported by JICA, with the participation of both implementing and beneficiary countries. Since then, annual meetings have been held among the delegations of government officials and JICA country offices in ASEAN member countries.<sup>21</sup>

JARCOM, however, is not just the name of the meeting: It is a participatory process of Triangular Cooperation and capacity building for all SSC participants. Unlike the previous processes of SSC, JARCOM assists in the identification of priority needs by recipient countries and offers a platform for face-to-face negotiation between providers and recipients. JICA, as a donor, acts as a facilitator, offering coordination services and, when necessary, technical and financial support for project formulation. The characteristics of the JARCOM process are summarized in the following:

#### **1. Participatory and transparent process**

Originally, JARCOM tried to reverse the supply-driven approach to a more demand-driven one, and encouraged potential beneficiary countries to identify their priority needs and name cooperating countries they wished to support. At a later stage, it began encouraging cooperating countries to share their aid policies and their priority fields of cooperation. Some countries began offering courses that they considered to have a comparative advantage. In this way, JARCOM tries to balance the needs and priorities of both parties, and to seek a 'better match' if not the 'best' match.

Matching and negotiation processes are jointly monitored and shared by all participants. Quarterly monitoring reports are submitted by all countries and compiled and re-circulated by the JARCOM Secretariat at the JICA office in Thailand. In the case of a problem in the process, the secretariat advises member countries to take necessary action. This joint monitoring system enables timely follow-up and ensures the transparency of the process. Transparency helps prevent bias against any party involved. In addition, the system helps nurture the sense of ownership of all participants involved.

Once a match is made through the informal agreement of both parties, JICA can provide financial and technical assistance for further project formulation activities such as fact-finding, field missions and project design workshops. JICA has a small regional budget for these purposes that is not pre-allocated to any member country, but offered to any country on a 'first-come-first-served' basis. This

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<sup>19</sup> At the 12th ASEAN Summit in January 2007, the leaders committed to the establishment of an ASEAN Community by 2015.

<sup>20</sup> The 'TCTP Meeting' included Indonesia, Malaysia, the Philippines, Singapore and Thailand. The beneficiary meeting was called the 'CLMV Meeting' because it included Cambodia, Lao PDR and Viet Nam.

<sup>21</sup> Except Brunei Darussalam, which does not have a technical cooperation agreement with JICA. Timor-Leste participates in JARCOM as an observer. JARCOM members consist of government delegations of window organizations for technical cooperation in each country, often including senior officials (director-general level). Delegations from line ministries are sometimes invited according to agenda items.

system has created a good level of competition among members and has worked as an incentive for the identification of quality SSC projects.

## **2. Strong network of local staff in the region**

The roles of local staff are crucial, especially in facilitating smooth communications between expatriate officials and government counterparts. Needless to say, local staff members are in a better position to develop longer-term relationships with government officials and to deal with delicate protocol between neighbouring countries in the region. In addition, the existence of a stable coordination mechanism is a key to the success of South-South/Triangular Cooperation arrangements in which multilateral negotiations among geographically dispersed stakeholders take place. The network of a donor organization's local staff could be the core of such a mechanism due to their relatively stable positions (no repatriation as with expatriates, and fewer relocations and lower turnover than government officials).

To ensure the sustainability and consistency of the negotiation process, the JARCOM Secretariat supported the establishment of the JARCOM National Staff Network, a loosely structured, informal network consisting of locally recruited staff in JICA country offices in South-East Asia. Since its establishment, responsibilities to carry out related activities have been progressively delegated to the network. For this purpose JARCOM also supported the capacity building of local staff in charge of SSC. Such support includes the establishment of a mailing list; convening of the National Staff Meeting, held back-to-back with JARCOM annual meetings; active involvement, as main coordinators, in project formulation and management; and special staff training on TCTP management. Strengthening the National Staff Network has contributed to better coordination with government counterparts in project negotiation and formulation processes. The network, established with initial support from the secretariat, has become more self-sustaining, with self-help efforts complementing minor staff turnovers. Today, the National Staff Network plays a catalytic role in promoting regional networking for SSC.

## **3. Alignment with existing regional initiatives**

In South-East Asia, a number of regional and sub-regional initiatives are active, either supported by international organizations/donors or national governments of the region. In order to avoid duplication, to ensure better coordination and be more responsive to regional priorities, JARCOM has sought alignment with existing regional initiatives. Among the various initiatives, the IAI is very similar to JARCOM in terms of its overall goal, participating countries and cooperation modalities (see Chapter on ASEAN). The IAI is a cooperation framework that addresses the issue of narrowing development gaps among ASEAN member countries. The IAI focuses on human capacity development and facilitates training and policy research projects.

JARCOM, at its third annual meeting in 2004, adopted a mission statement similar to the IAI's, which aims to narrow the socio-economic development gaps among ASEAN countries through JICA's technical cooperation activities. Sharing the same objective, the JARCOM and ASEAN secretariats, after a series of discussions, agreed to cooperate whenever possible.

The secretariats of JARCOM and the IAI are invited to major meetings, share information (especially on project ideas proposed in each initiative) and seek ways to strengthen reciprocal cooperation. The most tangible results of such cooperation are the mutual endorsements of projects that meet criteria for both the IAI and JARCOM initiatives. To date, 17 JARCOM projects are officially endorsed as IAI projects by the ASEAN Secretariat. Such cooperation contributes to the achievement of the shared objective, and gives regional legitimacy to SSC supported by JICA.

## **4. A Web-based information system**

Although capacities do exist in countries in the South, these are often under-utilized and are not always known to potential clients. One of the challenges of SSC is how to identify such local and regional resources and match them to the needs of beneficiary countries. The need for a database of available resources in the South has often been discussed at JARCOM, as well as in global forums on SSC/Triangular Cooperation, including the UN High-Level Committee on South-South Cooperation. Beneficiary countries often request such information in order to identify institutions within the region that could deliver appropriate services. In response to such requests, JARCOM has established a Web-based information system ([www.jarcom.net](http://www.jarcom.net)) that gives information on the regional training courses it supports. Information is updated locally by the JARCOM National Staff Network and is accessible by anyone. Information is linked to the Web sites of each training institution and can be used as a reference to locate potential resources.

This Web site is also used to share information on relevant regional events and to disseminate the quarterly monitoring report on JARCOM project formulation status. The Web site ensures the transparency of the process and is a practical tool for information sharing.

### Main achievements of JARCOM

JARCOM is an evolving forum and has broadened its functions and output over the years. In order to assess the outcomes of JARCOM-related activities since 2002, an internal review was conducted and presented at the sixth JARCOM in 2007.

#### **1. Formulation of good quality South-South Cooperation projects**

This is the most important objective of JARCOM. Thus the most tangible indicator of JARCOM achievements is the number of good quality SSC projects formulated and the efficiency of needs–resource matching. Records have been available since 2004 when a quarterly monitoring system was introduced (see Table 14). The rate of matching has steadily increased while the number of projects formulated or realized in any form<sup>22</sup> has also increased (though a drop is observed in 2007). The decrease in the number of total project proposals is considered to be the result of the pre-screening process in which premature proposals are withdrawn before they are submitted to the JARCOM plenary meeting. The enhanced skills of participants in selective project identification and negotiation are thought to have contributed to increased matching efficiency as well.

**Table 14: Results of project identification and formulation through JARCOM**

Year	2004	2005	2006	2007
Number of project ideas proposed	36	51	43	23
Number of projects realized in any form (percentage of successful matches)	10 (28%)	31 (61%)	27 (63%)	18 (78%)

Although qualitative data is not available, it is assumed that the ‘quality’ of these projects has also improved significantly through needs identification by beneficiaries themselves, direct negotiations and joint project formulation and enhanced ownership. In addition, peer group pressure among ASEAN members seems to have worked positively to improve the quality of cooperation. It is also reported that the attendance of high-level officials at JARCOM annual meetings ensures a commitment to projects they offer, resulting in ‘extra’ effort and care for the projects and trainees.

#### **2. Capacity development through the participatory learning process**

Once JARCOM was established, its activities and functions were broadened because of the multiple stakeholder dynamics.<sup>23</sup> Eventually JARCOM’s participatory process itself became a venue of mutual learning and capacity building. Enhanced overall capacity of SSC participants not only contributes to the improvement of project quality but also, more importantly, will have longer-term effects on sustainable regional cooperation. The opportunity of face-to-face discussions at the annual meeting has certainly fostered mutual understanding and solidarity among participants and fed into the momentum for their commitment to ASEAN integration.

<sup>22</sup> This number includes training needs incorporated in other ongoing TCTP, thus, not necessarily a brand-new course is formulated.

<sup>23</sup> For example, JARCOM once tried to tackle regional and trans-boundary issues that would benefit the region as a whole and contribute to the ASEAN integration process. This went beyond the conventional SSC framework, in which the roles of providers and beneficiaries are relatively clear.

## Beneficiaries

In JARCOM, beneficiaries are not simply passive recipients, but take initial action to identify project needs. In doing so, they are requested to strictly prioritize needs and articulate their proposals to potential cooperating countries. To prepare for this, JARCOM member organizations (the technical cooperation window organizations of beneficiary countries) sometimes hold in-country JARCOM seminars with the support of the JARCOM National Staff Network.<sup>24</sup> In this way, the JARCOM process not only starts at its annual meeting, but also with this pre-JARCOM in-country consultation with wider domestic stakeholders. The entire process thus facilitates broader stakeholder participation and provides an opportunity for technical cooperation agencies in recipient countries to build capacity in strategic planning, coordination and management of external assistance – capacities that are often said to be weak in aid-recipient countries.

Furthermore, the involvement of beneficiary countries at the initial stage enables them to have ownership, to 'predict' assistance from SSC sources and to define needs within their own development plans. This should at least partly solve the issues revealed in the SSC evaluation, in which neither recipient governments nor JICA offices considered SSC as a means to address their development process.

### Providers

From the providers' point of view (service providers and JICA, the sponsor), it is easier and faster to design SSC projects alone. It would seem that they may be concerned that JARCOM would involve a more complicated process. However, JICA supports TCTPs by middle-income countries in order to build their capacity in training management and implementation. In addition, JARCOM supports their learning through participation in project formulation and the management of multilateral processes.

In addition, joint project formulation events have been a useful tool for practical training in their transition to becoming donors. In some cases, government officials of resource countries have had a chance to visit less-developed countries with JICA experts, directly observe conditions on the ground and discuss issues with recipient-country officials. In the author's informal communications with officials, they reported that, through the joint mission, they were able to learn from the difficulties of coordinating and responding to the different needs of each beneficiary country.

## Donors

In a Triangular Cooperation arrangement, a donor like JICA is expected to take a different approach to that of 'conventional' bilateral technical cooperation. Firstly, in the JARCOM process, JICA is not the sole provider of aid or the sole decision maker.<sup>25</sup> Secondly, the hierarchical relationship between 'giver' and 'receiver' in the Triangular approach is not as clear as in the North-South approach. In the JARCOM process, JICA needs to facilitate the complex multilateral process without imposing its own aid policy.

In this way, JARCOM offers a unique learning opportunity for bilateral donor staff to reconsider the approach to clients and to build their skills to be more responsive to the diverse needs of partners at different levels of development. It offers good, on-the-job training for young JICA staff in managing the multilateral process. On the whole, JARCOM offers new development approaches and multilateral networking for all participants involved.

### **3. Mobilization of 'new' resources: The evolving roles of SSC participants**

South-East Asia is a dynamic region and the roles of ASEAN member countries are never static. Before JARCOM, there was a clear role division between providers and recipients in intra-ASEAN cooperation: Original members of ASEAN<sup>26</sup> were the service providers and the new members (CLMV)<sup>27</sup> were the recipients. There were very few exceptions to these roles. However, JARCOM has

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<sup>24</sup> The first seminar was held in Myanmar. Since then, the know-how from the in-country seminar has been shared and maintained among the JICA national staff network. Thus when the second seminar of this kind was planned, JICA's local staff were able to support their national counterparts through the assistance of the network.

<sup>25</sup> JICA is still the only major sponsor and decision maker, but in a process like JARCOM, it does not make any unilateral decision.

<sup>26</sup> The so-called 'ASEAN 6' including Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

<sup>27</sup> Cambodia, Lao PDR, Myanmar and Viet Nam.

stimulated regional self-help efforts and led to the emergence of a 'second generation' of SSC service providers.

One of the merits of SSC is that virtually all countries have good development experiences and lessons to share with other countries. In fact, the similar experiences of developing countries are often more relevant to less-developed countries at similar stages of socio-economic development. Through the JARCOM process, member countries that used to be considered as recipient groups, such as Lao PDR and Viet Nam, have started offering training and workshops in which they can share their successful experiences. Such training includes aid coordination and avian influenza control, where these countries can share recent or even ongoing experiences. In fact, neither Japan nor middle-income countries in the region have firsthand experience in tackling such recent challenges and sharing them with less-developed countries. Such trends are good signs of promoting solidarity among developing countries and, more importantly, broadening the base of regional aid resources and accessible solutions to new challenges.

### **Lessons learned from JARCOM: Challenges ahead**

In this chapter, the various advantages of JARCOM have been discussed. It should be stressed, however, that JARCOM is not a panacea for all demand-driven SSC. Seven years since its inception, JARCOM is, in fact, faced with many challenges and stands at a crossroads. In one sense, JARCOM is a unique experimentation in Triangular Cooperation with no equivalent in the region. Experiences accumulated so far provide valuable insights for similar arrangements in the future. To conclude this chapter, the author shares some observations on JARCOM that might be taken into consideration for future orientation of South-South/Triangular Cooperation.

#### **Growing costs for complex coordination**

One of the biggest challenges for JARCOM is the growing costs required for complex processes. As JARCOM's functions gradually broadened, the number of stakeholders kept growing.<sup>28</sup> This has resulted in a substantial cost increase for network operations, including the financial cost of meetings and human and institutional costs for coordination. It has now become difficult for a single donor to justify and bear all costs. The ownership factor for southern partners has been enhanced, but not to the extent that they can make significant financial contributions. This is one of the limitations of a single-donor regional framework. Considering the collective merit of such a framework, however, it may be an idea to have a multi-donor framework coordinated by international organizations.

#### **Intangible and longer-term benefits of capacity development and mutual learning**

It is an inherent issue of a participatory approach that the benefits of capacity building tend to be considered as external to the development process despite the relatively high immediate cost. It is difficult to verify the intangible benefits of capacity development, which also take time to be realized. Yet, capacity development is central to SSC, especially when it is aimed at supporting new development partners in accumulating know-how as aid providers and creating an environment in which regional neighbours are willing to share and make optimal use of available recourses. Such benefits of SSC should not be undervalued.

#### **Multifaceted nature of SSC**

When evaluating the effectiveness of Triangular Cooperation initiatives like JARCOM, we should be aware of its multifunctional aspects and understand that the costs and benefits of such cooperation are not equally distributed among different stakeholders at the same time.

As we have seen earlier, SSC has multiple functions and aspects; some are results-oriented and more beneficial to recipient countries, while some are process-oriented and more beneficial to service providers (and partially to donors). In addition, the realization of such benefits comes in different time spans – effects on individual trainees are rather immediate, while the effects of institutional capacity development for provider institutions take some time to be seen. The costs are even more partially distributed to donors (see below). As a result, the perceived benefits of SSC projects differ greatly among stakeholder groups. This makes strategic decisions on Triangular Cooperation very difficult

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<sup>28</sup> The size of the meeting itself grew substantially from 49 in 2002 to 74 in 2007.

and consensus hard to reach. For sound evaluation of SSC, these aspects require due consideration, and the entire costs and benefits need to be assessed vis-à-vis each function of SSC, the stakeholders and the time scale.

### **Conclusion: Balancing the needs of all stakeholders**

Balancing the needs of all stakeholders is critical to ensure the sustainability of SSC. Needless to say, the benefits to end-recipient countries should not be neglected, and this was the initial objective behind JARCOM's establishment. However, it should also be noted that a supply-oriented approach was pre-postulated in the SSC initiative, which was originally started by asking: "What resources and experiences are available among countries in the South?" Yet, as the issue of aid effectiveness has become central to the global development agenda, 'demand-driven' and 'results-oriented' approaches became a 'blind faith' among 'responsible' donors. Should all these approaches be applied to all SSC? We may need to revisit the original spirit of SSC.

The capacity and resources of middle-income countries are still limited, and these countries are not able to fully respond to the diverse challenges that least-developed recipient countries face. It is not realistic or fair to require these new development partners to comply with all the norms and conditions that northern donors require themselves. In the long run, it is important (and mutually beneficial) to nurture the capacity of new partners as aid suppliers in order to broaden global aid resources as a whole.

The author believes that this is where the northern donors could play an important role in a Triangular Cooperation arrangement – coordinating and balancing the priorities of suppliers and recipients, thus reducing transaction costs for their southern partners, and ensuring that the needs of both parties are met. There has been an argument about whether resources from the South are supplemental to North-South Cooperation. But looking at SSC from a different perspective, northern resources can be supplemental to South-South initiatives. When we succeed in creating a win-win-win solution for all participants in Triangular Cooperation, the overall benefits of SSC will exceed the costs in the long run.

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## **South-South Cooperation in disaster risk management**

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Cooperation among southern countries is one of the best modalities in promoting solutions to developing countries' concerns over disaster prevention and mitigation. This is evidenced by the high level of attendance at the Second World Conference on Disaster Reduction (WCDR), held in January 2005, and attended by 168 countries, 78 regional and international organizations and 161 NGOs. The conference endorsed the Hyogo Framework for Action (HFA) 2005–2015: Building the Resilience of Nations and Communities to Disasters, to reduce the impact of disasters triggered by natural causes. The HFA promotes disaster risk reduction (DRR) and its mainstreaming into socio-economic development planning and activities (ISDR, 2006).

Disasters have grave consequences on the survival, dignity and livelihood of communities, particularly among the poor. Disasters can set back development gains, destroy the environment and negatively affect the attainment of the MDGs. The recorded number of people affected and the property losses caused by disasters have risen dramatically for each decade since reliable records began to be compiled fifty years ago (DFID, 2004). Disasters do not respect socio-economic boundaries or culture or gender. Nevertheless, the worst affected are usually the poor in poor countries. Such countries tend to suffer greater economic losses relative to their GDP than richer countries. Their capacity to recover and reduce risk is also more limited. Thus, DRR is a concern that cuts across all sectors in any country. It is increasingly becoming everybody's business.

With the Indian Ocean tsunami of December 2004, subsequent earthquakes in China, Indonesia, and Pakistan, flooding in Bangladesh, India, Myanmar, the Philippines and Viet Nam, resulting in huge losses of life and socio-economic and environmental damage, DRR has become one of the top priorities in the Asia-Pacific region. While a wealth of experience and capacity on DRR exists in the region, such knowledge is not readily available to countries that may benefit from tapping into such expertise.

Against this backdrop, two complementary projects on SSC in DRR have emerged. The first project, conceptualized and implemented since 2005 by the SU-SSC at the UNDP Regional Centre in Bangkok is the Global Facility for Community-Based Disaster Risk Management (GFDRM). The second, initiated by ESCAP, is focused on SSC on tsunamis and other disaster risks. Ten countries in the Asia-Pacific region participated in the pilot phase of this project

### **Global Facility for Community-Based Disaster Risk Management (GFDRM)**

The SU-SSC was mandated to embark on DRR during the first regular session of the UNDP and UNFPA Executive Board in January 2005. The SU-SSC sees DRR as a crucial factor in the SSC agenda in the economic, social, cultural and technical spheres. Recognizing the huge consequences of the tsunami disaster and the enormous requirements for reconstruction, the SU-SSC's team at the UNDP Regional Centre in Bangkok responded by fielding southern experts to these countries to assist in damage and needs assessment and early recovery project development. To continue its platform on DRR beyond tsunami relief, the SU-SSC expanded its outreach by developing the Global Facility for Community-Based Disaster Risk Reduction and Management (GFDRM).

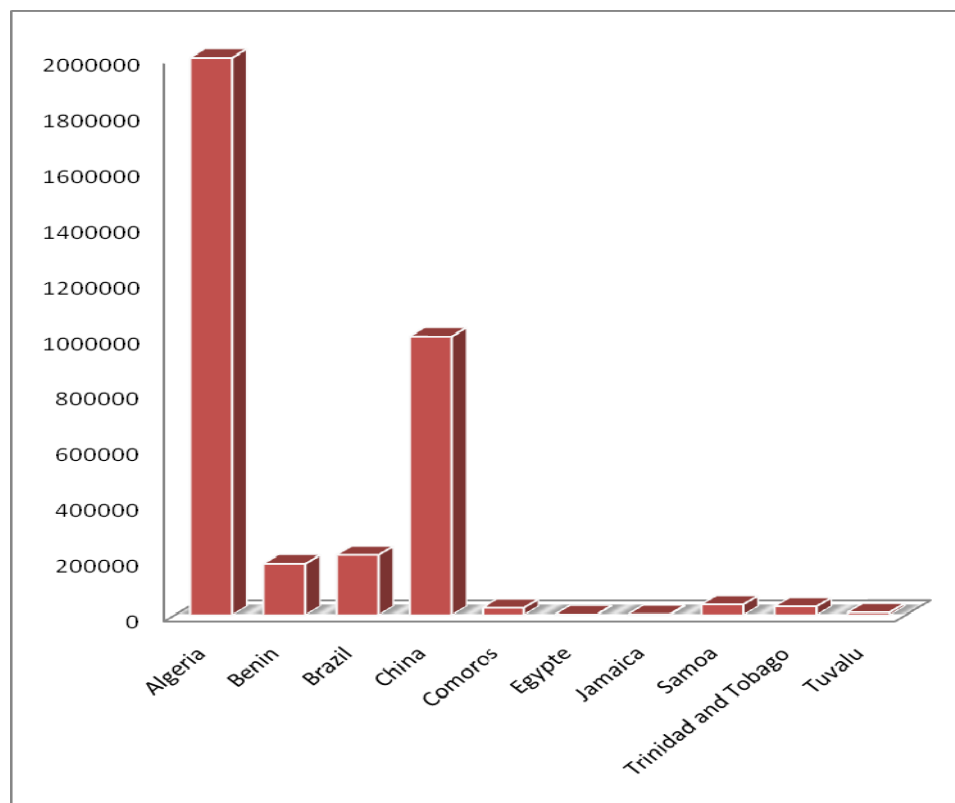
The GFDRM is an avenue to widen the scope of SSC involvement in capacity building, project development, monitoring and evaluation, public awareness and advocacy in DRR. It is envisaged that it will contribute to the current innovative approaches and projects designed to help reduce present and future disaster risks. It provides a forum for sharing good practices for

possible replication in other vulnerable communities and is a venue to assist networking and partnerships amongst people involved in making communities safer. The overarching goal of GFDRM is to contribute to vulnerability reduction and capacity development. It aims to play its part in the ever-growing initiative of reducing disaster impact and building resilience to disasters. Essentially, the GFDRM is the SU-SSC's contribution to the HFA, to help southern countries attain their targets on DRR.

### Developing countries helping each other in disaster risk reduction

During disasters, the SSC modality is a tangible manifestation of southern countries' desire to help other developing nations that suffer from the devastating aftermath of calamities. This was proven once again immediately after the tsunami, when several countries pledged support and sent emergency assistance for early recovery and rehabilitation efforts. Countries such as Algeria, Benin, Brazil, China, the Comoros, Egypt, Jamaica, Samoa, Trinidad and Tobago and Tuvalu provided support through the South-South Trust Fund. Other countries sent financial and human resource assistance directly to the affected countries (see Figure 19).

**Figure 19: Developing countries' assistance to tsunami-affected nations**



Source: SU-SSC, 2005

The contributions shown are only those contributed through the United Nations Trust Fund for South-South Cooperation.

The SU-SSC carried out the objectives of the GFDRM by utilizing resources provided by countries from the South to assist those affected by the tsunami. For example, the SU-SSC in partnership with UNDP country offices organized capacity development activities for government, NGOs and the private sector on community-based DRR; supported community-based preparedness planning and early warning; and provided seed funding for further DRR activities.

The GFDRM contributed to the SU-SSC's main platform of promoting the exchange and transfer of southern development knowledge and solutions. In the initial phase of the tsunami response, the GFDRM augmented the UNDP country offices in areas where there was no sufficient funding and where experts were needed in order to realize the early recovery efforts. Both the local professionals working in devastated areas and the southern experts benefited from this exercise. Training and cross-learning events were organized in the form of workshops in the tsunami-affected countries.



## **Networking and partnership on DRR knowledge and solutions**

The GFDRM is the SU-SSC's vehicle to link with UN agencies, governments and international and local NGOs engaged in DRR work. Through networking and collaboration, the GFDRM has helped facilitate the development, exchange and transfer of knowledge and solutions on DRR through capacity development activities such as training, sharing of good DRR practices and discourse, as well as the publication of practical knowledge. For example, in partnership with the International Federation of Red Cross and Red Crescent Societies, the capacity of local Red Cross Societies was improved on community-based DRR.

Collaboration with the UN International Strategy for Disaster Reduction (ISDR) resulted in the publication of a 'Handbook on Good Building Design and Construction'. As a result of this first publication, which was promoted globally, GTZ replicated the guide using the Philippines experience. The GTZ, UNDP and the United Nations International Decade Strategy for Disaster Reduction (UNISDR) co-published the second series of the guide.

Two other publications – 'Building Resilient Communities: Good Practices and Lessons Learned' and 'Linking Disaster Risk Reduction with Poverty Reduction' – are compilations of selected projects implemented by NGOs throughout the world. The publications, which were facilitated by the partnership between UNISDR and the SU-SSC are focused on helping communities reduce risks in their localities. These products have been distributed globally for South-South sharing and learning.

The cooperation with UNISDR also facilitated the formation of alliances such as the Global Network of Civil Society Organizations on Disaster Risk Reduction. This cooperation is now developing towards organizing the Global Alliance of Local Government Authorities for DRR. The Harbin Alliance was organised with UNISDR, Oxfam Hong Kong, the Asian Disaster Preparedness Centre (ADPC), the Asian Disaster Reduction Centre (ADRC), the International Disaster Reduction Conference, the Climate Action Network in South-East and South Asia, CARE International and ProVention Consortium, in order to promote cooperation on climate change and DRR.

A partnership with the World Bank has helped improve the implementation of community-based DRR in Viet Nam and enhanced the development of the World Bank's Global Facility for Disaster Risk Reduction, South-South Cooperation Fund.

The SU-SSC's collaboration with Capacity Development for Risk Reduction Initiatives (CADRI), formerly the UN Disaster Management Training Programme (UNDMTP), started during its inception stage and continues to date. CADRI is supporting one SU-SSC project under the GFDRM.

## **South-South training and learning**

The SU-SSC, in consultation with partners interested in South-South learning, organized a Training and Learning Circle (TLC) to increase the level of cooperation among partners and to promote a common agenda on DRR. With the ProVention Consortium, the ADPC, the Centre for Disaster Preparedness and the All-India Disaster Management Institute, it developed the concept of the TLC with the belief that DRR needs to be embedded in the culture of communities, where hazards become disasters due to lack of sufficient capacity and collective understanding of how to manage risks.

The TLC was conceptualized to generate, enhance and share useful tools and information on training and learning to help facilitate capacity development at all levels. One community or a group of communities may have innovative approaches in managing local risks, but these are not known to other communities. Some trainers may have excellent techniques in facilitating learning that are not yet shared with others. There may be existing knowledge and solutions that are not disseminated to those who are most in need. In addition, trainers and learners themselves need support systems to

enhance their capacity and enable them to be more effective. This sharing amongst different cultures, communities, countries and regions is SSC in practice. The focus of this initiative is for community-based DRR /management.

The TLC is an ongoing initiative with plans to expand its activities. It has begun to organize trainers and learners in the Philippines and India and has started to identify gaps in community-based DRR training materials. Gender-sensitive knowledge products will be produced, and community-based DRR shall be advocated to training institutions and universities. The TLC welcomes the support and collaboration of those who are interested in cross learning. Support could be in the form of funding, TLC activities or joining the TLC by registering at the following

Web site: [www.traininglearningcircle.net](http://www.traininglearningcircle.net). More information on the TLC can be viewed at the following Web sites: [www.proventionconsortium.org](http://www.proventionconsortium.org); [www.cdp.org.ph](http://www.cdp.org.ph); [www.aidmi.org](http://www.aidmi.org); and [www.adpc.net](http://www.adpc.net). This project is being funded by the ProVention Consortium.

### **South-South Cooperation on the tsunami and other disaster risk management**

This project was conceived by ESCAP in consultation and partnership with the SU-SSC, with funding by the Government of Germany. On the occasion of the 14th Session of the High-level Committee on South-South Cooperation in 2005, ESCAP and the SU-SSC organized an informal consultation with Asia-Pacific delegates on the areas of focus for ESCAP's efforts in SSC. The delegates recommended focusing on high-impact areas, including emerging areas for SSC such as DRR, in support of the MDGs.

The pilot project included the following 10 countries: China, Bangladesh, Fiji, India, Indonesia, the Islamic Republic of Iran, the Maldives, the Philippines, Sri Lanka and Thailand. The main goal was to develop a strategic institutional and operational results-based framework for SSC on the theme of DRR.

The project represented a transformational phase of ESCAP's SSC activities, which went through a shift from the traditional training courses and study visits hosted by 'capacity' or pivotal countries to more strategic interventions, focusing on priority development issues identified by its member States.

The project was guided by the following key principles: ensuring results-based approaches; clear prioritization of SSC activities on specific 'high-impact' areas such as DRR; promoting national ownership of the programme among both the 'capacity' countries and beneficiary countries; undertaking systematic collection, analysis and dissemination of good practices in DRR to learn from past experiences; and promoting greater coordination and synergies with other UN organizations, including the SU-SSC.

### **A study on the development of strategic options for South-South Cooperation on disaster risk management**

Consultations with the 10 countries prompted a thorough study to determine the DRM capacities and needs of each. This study revealed a wide range of efforts on SSC in DRM. For example, a variety of regional and national efforts on DRM are already underway. On the regional side, the ASEAN Committee on Disaster Management, the South Asia Centre for Disaster Management of SAARC, ADPC, ADRC, the Asian Disaster Reduction and Response Network (ADRRN) and Duryog Nivaran undertake an array of training, research and information-sharing programmes. Similarly, a variety of efforts are being carried out in Bangladesh, China, Indonesia, the Maldives, the Philippines, Sri Lanka, and Thailand amongst others.

SSC on DRM in the region remains a challenge. The main problems are a lack of familiarity among stakeholders, barriers to information sharing, a perceived lower priority of SSC mechanisms in DRM relative to relief activities, a lack of confidence in developing-country expertise, and a lack of designated focal points for SSC.

In light of the above, several criteria for effective SSC on DRM have been determined. Proposed initiatives have to be sustainable, feature immediate start-up, be inclusive and of acceptable cost, rely primarily on resources provided by developing countries, be in response to sufficient demand, and avoid duplicating existing efforts.

The study put forward a broad range of possible strategic options for SSC on DRM. These include the following :

- early warning systems and disaster preparedness;
- policy and legislative efforts;
- DRR;
- partnerships, networks and cooperation;
- information exchange and information management systems;
- public education, awareness and advocacy interventions;

- technical cooperation;
- capacity building, training and exchanges;
- disaster response;
- food security;
- environmental management and climate change adaptation;
- insurance;
- public–private partnerships.

Of the above possible schemes, the countries give priority consideration to the following:

- development of a people-centred early warning proposal;
- exchange of experiences of stakeholders in the South to discuss the inclusion of DRM in national development planning, public policy and legislation;
- examination of voluntary and participatory approaches to disaster preparedness and DRR;
- research on regional and emerging disaster risks;
- establishment of a regional disaster information and statistical database;
- development of an information portal for SSC in DRM;
- facilitation of information exchange between people involved in the promotion of DRM in the educational system;
- continued provision of both technical cooperation amongst developing countries and technical assistance;
- facilitation of information exchange between DRM and climate change experts.

In December 2007, the 10 pilot countries agreed to establish a regional SSC mechanism for DRR, for which the Government of Indonesia acts as the interim secretariat. The regional mechanism aims to:

- promote the sharing of existing information and knowledge at national and regional levels, including expertise, skills, training opportunities, statistical data and other information on DRR;
- assist in the identification and assessment of DRR activities, where SSC could be employed as a useful approach;
- provide solutions anchored in SSC to address challenges and barriers in DRR.

At a recent meeting of the participating countries and four additional countries,<sup>29</sup> the link between DRR and climate change adaptation was highlighted and the countries agreed to incorporate this dimension in the work of the mechanism.

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<sup>29</sup> Additional countries are Lao PDR, Papua New Guinea, Timor Leste and Viet Nam.

### **Conclusion**

The two projects have sown the seed for an active and dynamic SSC in DRM. The participating countries and partners have begun analysing and evaluating models from other countries in the region, which may be adopted to strengthen their own DRR. A strategic institutional and operational, results-based framework for SSC in DRM, which is envisioned to contribute towards improving DRR in the region, is already high on the agenda of the participating countries. With the finalized and approved SSC mechanism in DRM, the expertise, experiences and good practices among participating countries will be soon be accessible to other nations in need of such information.

Overall, SSC in the area of DRR holds great promise. Matching of resources and expertise, where one is abundant and the other is lacking, is an effective arrangement. Mutual benefit and learning using a South-South modality is a win-win deal.

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## FAO support for South-South Cooperation: Sharing Asian expertise for combating world hunger

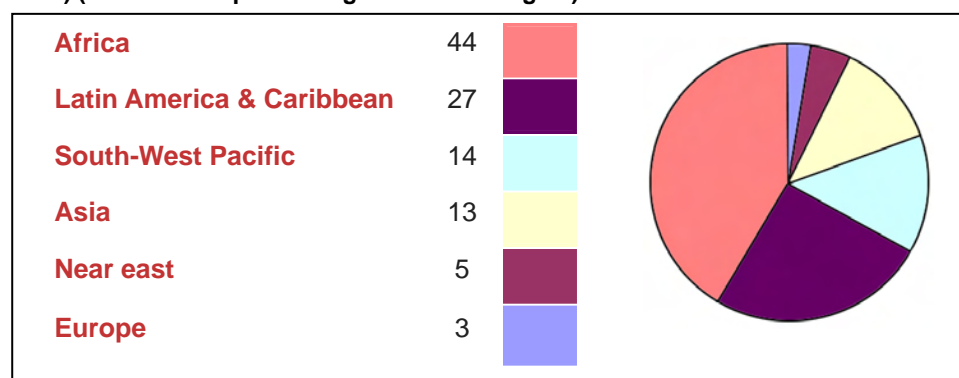
Dagmar Kunze<sup>30</sup> and Kevin Gallagher  
Special Programme for Food Security (SPFS)  
UN Food and Agriculture Organization, Rome, Italy

### FAO food security programme context

In June 1994, the FAO Director-General established the concept of the Special Programme for Food Security (SPFS)<sup>31</sup> to increase the focus of FAO's work on ending hunger. At the World Food Summit (WFS), convened at FAO headquarters in Rome in November 1996, the 186 heads of delegations adopted the Rome Declaration on World Food Security and the World Food Summit Plan of Action, which set the goal of reducing the number of undernourished people to half of the 1996 level no later than 2015.<sup>32</sup> At the same meeting, the SPFS concept was endorsed to fight hunger in low income food deficit countries (LIFDCs)<sup>33</sup> and to meet this goal by boosting food production.

The SPFS focused on showing how production could be increased through sustainable intensification of production systems, diversification, and water and irrigation management, while studying the socio-economic constraints to attaining national and household food security. During the 10 years between 1995 and 2005, over 105 member countries piloted SPFS activities, which resulted in most countries developing larger national efforts to achieve food security. To maximize the impact of its work, the FAO strongly encourages national ownership of food security activities, and local empowerment in the countries in which it operates.

**Figure 20: Implementation of special programmes for food security by region (1995–2007) (number of implementing countries in region)**



In 2002, the World Food Summit: 'Five Years Later'<sup>34</sup> was convened in Rome. Since this meeting, the focus of SPFS has shifted from small-scale pilot projects to supporting requesting countries in establishing nationally managed food security programmes that will reach their food-insecure population.

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<sup>31</sup> For updates on this programme, see: [www.fao.org/spfs](http://www.fao.org/spfs).

<sup>32</sup> Further information can be found at: <http://www.fao.org/docrep/003/w3613e/w3613e00.htm>.

<sup>33</sup> The LIFDC classification was defined by FAO in the late 1970s in the context of the analysis of food security issues. The key motivation was to create, for various analytical purposes, a subcategory of developing countries that are both low income and relatively exposed to external shocks in view of their food-deficit status. It was not necessarily meant to provide a basis for allocating aid. The list has been updated annually since then (see: <http://www.fao.org/countryprofiles/lifdc.asp>).

<sup>34</sup> The World Food Summit: 'Five Years Later' took place in June 2002 and called for an international alliance to accelerate action to reduce world hunger in the form of: an intergovernmental working group to develop voluntary guidelines to achieve the progressive realization of the right to food; reversing the overall decline of agriculture and rural development in the national budgets of developing countries, in assistance provided by industrialized countries, and in lending by international financing institutions; and considering voluntary contributions to the FAO Trust Fund on Food Safety and Food Security.

This scale-up strategy is in line with achieving both World Food Summit goals and the MDGs. These large-scale National Programmes for Food Security (NPFS) combine access to food through production or income generation with social protection measures, work policies and infrastructure investments. NPFS often operate under Poverty Reduction Strategies. At present, the FAO has been asked by about 50 member countries to help establish and implement NPFS through formulation support, fund-raising and technical input including SSC. In addition, Regional Programmes for Food Security (RPFS) are being implemented under Regional Economic Organizations to support national level and inter-country programmes including trade and trans-boundary issues. RPFS are currently under implementation in four regions. Among those, one operates with the Pacific Islands Forum (PIF) and another with the Economic Cooperation Organization (ECO) in Central Asia.

### **Characteristics of FAO's South-South Cooperation programme**

To support the implementation of SPFS, FAO established its own SSC initiative in 1996. This initiative, launched under the SPFS, provides the opportunity for strengthening cooperation among developing countries in the field of agriculture. The mechanism is designed so that it matches the longer-term nature of crop and livestock production cycles. Unlike the TCDC,<sup>35</sup> through which expertise is provided during relatively short periods by a small number of experts, FAO's SSC programme supports experts and technicians working for two to four years in teams in a given country. These teams often number more than 20 people at a time. This is based on the idea that a 'critical mass' of experts can introduce a significant improvement in food production that can be sustained by local farmers after the termination of SSC activities.

The level of compensation for SSC experts and technicians is set significantly lower than for the typical TCDC expert. Such an arrangement can be carried out because of the cooperating countries' willingness to show solidarity with other developing countries. The SSC programme continues to provide technical support to emerging NPFS and RPFS in much the same way as under the SPFS.

Under FAO's SSC initiative, experts and field technicians work directly with farmers in rural communities involved in food security programmes. It has been found that SSC experts and technicians from more advanced developing countries can undertake field activities in ways that are well suited for longer-term food security programmes. Several reasons can be identified for this. The advantages of SSC experts and technicians include: (i) familiarity with the conditions and situation of developing countries; (ii) a willingness to work for long periods in rural communities; and (iii) the ability to adapt local solutions from one country to local conditions in another country.

The strong local nature of FAO's SSC creates a unique opportunity for host communities to develop close relationships with experts and technicians, and allows for longer-term local sustainable development. Not only do the experts share experiences, they also transfer new techniques and knowledge from their home countries and encourage the better use of local resources in the host countries. In many respects, FAO's SSC is similar to volunteer programmes. The close association and dedication of the participants on both sides provides a strong basis for mutual understanding between cultures and countries.

### **Operational modalities of FAO's SSC**

FAO's SSC programmes are established through tripartite agreements among the cooperating country, the host country and the FAO. These agreements set forth the roles and responsibilities of parties concerned, including cost-sharing arrangements, and establish the frameworks under which experts and technicians are fielded. Overall, 39 SSC tripartite agreements had been signed by June 2008, in which cooperating countries committed themselves to provide up to 3,000 SSC specialists. Such framework agreements allow flexibility when fielding experts and technicians, depending on resource availability at a given time, and allow adaptation to changes at field level during the implementation of food security programmes. As of the end of 2007, 1,470 experts and technicians had been fielded, each with an assignment of two to three years.

A typical tripartite agreement sets the roles and responsibilities of the parties concerned as follows:

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<sup>35</sup> Promoting and implementing TCDC was adopted in 1978 in the framework of the Buenos Aires Plan of Action. It was the first formal step towards promoting such cooperation, as a complement to the North-South technological transfer previously favoured by the developed world.

### The cooperating government

The cooperating government selects its experts and technicians according to the terms of reference prepared by the tripartite formulation. They will provide simple but appropriate technology in order to maximize the impacts of technical cooperation in the various fields in question (water control, plant production, small animal husbandry, fisheries and aquaculture). Clearance and technical approval for each candidate is given by FAO and the host government. The cooperating government pays the salaries, social insurance and all other remuneration to which selected candidates have a right in their own country. In-country travel costs upon departure and return, as well as a re-integration grant, are also paid by the cooperating government.

### The host government

The host government pays a monthly allowance in local currency, equivalent to \$300 for each expert and technician (including 2.5 days per month time off). It is also responsible for providing entry/exit visas and other administrative formalities required, and granting duty free import of equipment within the first six month of the assignment, as well as duty free export of locally purchased goods. Accommodation and utilities, public administrative support services, insurance for vehicles and the costs for local and regional travel are also paid by the host government.

### FAO

FAO's main role is that of catalyst and negotiator at the government level. FAO, upon receiving requests from governments, contacts partner governments and assists in the negotiation process and the establishment of the tripartite agreement. In addition, FAO usually offers a platform to implement SSC in the framework of the various types of food security programmes. It provides technical assistance in designing the SSC field activities and assists in mobilizing additional resources from other donors or financial institutions.

FAO, through donor funding, is responsible for paying international travel expenses, installation grants (\$450) and subsistence allowances (\$1,200 per month per expert and \$600 per month per field technician). It also provides medical insurance under the organization's medical scheme and covers office operating costs (including office supplies that cannot be provided by the host government) and the costs of consumables (fuel, printing of reports, etc). Transport facilities, such as motorcycles needed for official work, are made available to the experts and field technicians by the FAO.

### FAO's South-South Cooperation in Asia

Asian countries have been the main providers of experts and technicians. Out of the 39 tripartite agreements signed so far, Asian countries are providing technicians and experts in 23 cases. This is 59 percent of all agreements. Cooperating countries include Bangladesh, China, India, Myanmar, Pakistan, the Philippines and Viet Nam. Technicians and experts have been working in the Caribbean, Pacific islands, Africa and Asia, as shown in Table 15. On the other hand, out of 62 recipient countries of SSC, only three Asian countries received SSC assistance through Special or National Programmes for Food Security, namely Bangladesh, Lao PDR and Papua New Guinea. Twelve countries in the Pacific received assistance through an RPFS from the Philippines and China.

**Table 15: Asian cooperating countries and respective recipient countries (May 2008)**

Cooperating country	Recipient country or region
Bangladesh	Gambia
China	Bangladesh, Ethiopia, Gabon, Ghana, Mali, Mauritania, Nigeria, Sierra Leone; the Caribbean (the Bahamas, Barbados, Jamaica, St. Lucia, Suriname, Trinidad); Pacific Islands (Cook Islands, Federated States of Micronesia, Fiji, Nauru, Niue, Samoa, Tonga, Vanuatu)
India	Eritrea, Lesotho, Mozambique
Myanmar	Malawi
Pakistan	Swaziland
The Philippines	Pacific Islands (Kiribati, Marshall Islands, Palau, Papua New Guinea, Solomon Islands, Tuvalu)
Viet Nam	Benin, Democratic Republic of the Congo, Lao PDR, Madagascar, Mali, Senegal



## Country cases

### Philippines South-South Cooperation in the Pacific Islands

The tripartite agreement between the Government of the Philippines, FAO and the governments of six Pacific island countries was signed on 22 February 2005. Host countries included Kiribati, the Marshall Islands, Palau, Papua New Guinea, the Solomon Islands and Tuvalu. The SSC arrangement was first proposed by FAO to the Pacific countries. This technical cooperation framework established under the agreement provides for the dispatch of a team of experts and technicians from the Philippines to assist in the implementation of the RPFS, which currently supports 26 national projects in the partner countries of the Pacific region.

A team of eight experts and 17 field technicians from the Philippines worked in the areas of crops, water management, livestock and fisheries. Eleven technology demonstration farms were established, where improved crop production systems, pest and weed management, and various post-harvest handling and food-processing technologies were demonstrated. Information materials were also developed and distributed to disseminate the demonstrated technologies.

### Viet Nam's cooperation with Africa and Lao PDR

Viet Nam has been very active in the implementation of the SPFS by providing experts and field technicians to several countries under the SSC initiative. It has so far assigned a total of 50 experts and 326 technicians to six countries – Benin, the Democratic Republic of the Congo, Lao PDR, Madagascar, Mali and Senegal.

From September 2001 to February 2005 Viet Nam sent 29 experts and 239 technicians to Senegal to assist in the implementation of the SPFS. They contributed both to programme management and field-level activities, and supported the set-up of a monitoring and evaluation system for programme implementation and achievements. They were also directly involved in the demonstration of improved or new technologies. Demonstrations included: production of improved maize varieties; multiplication of improved and local seed varieties; innovations for rain-fed agriculture, small livestock (pigs and poultry), beekeeping, fish farming and horticulture; and processing and post-harvest management of fruits and vegetables.

In addition, the experts and technicians brought along and disseminated simple Vietnamese tools, which were easily reproduced by Senegalese farmers using local materials. Such tools included an improved animal-drawn plough, a six-toothed rake for rice, a wooden rake for land-levelling, sacks for spreading insecticide, and improved beehives.

Viet Nam signed a tripartite agreement with Lao PDR in 2001. The main objective of the Lao programme was to increase farmers' incomes and access to healthy and nutritious food. This was achieved through the reduction of post harvest losses, improved agro-processing and the marketing of farm products in four provinces. Agronomy and livestock aspects were added later on. To introduce these technologies to the Lao farmers, Farmer Field School (FFS) classes were organized throughout 2003 and 2004. FFS is a group-based adult learning method based on field observation and hands-on experiments. In Lao PDR, farmers carried out experimental learning with the assistance of Vietnamese experts and technicians. The affects of the programme were remarkable. Both the rice planting areas and yields were increased substantially. As a result, it was reported that per capita production in programme areas increased by between 20 percent and 90 Percent (,2004).<sup>36</sup>

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<sup>36</sup> GCSP/LAO/011/JPN, 'Final Report of the Activities of Vietnamese Experts and Technicians', 2004, Page 10.

### China: Most active cooperating country

China has been the most active supporter of SSC under the various FAO food security programmes. Since 1996, China has provided experts and technicians for Bangladesh, Ethiopia, Gabon, Ghana, Mali, Mauritania, Nigeria and Caribbean and Pacific island countries. Among these, the largest SSC programme is carried out with Nigeria, where the entire programme is unilaterally financed by the Government of Nigeria. The SSC work carried out by the 500 Chinese experts and technicians there has been documented in detail in the report of the National Special Programme for Food Security (NSPFS) Nigeria in 2007.

The report describes over 230 technologies that have been demonstrated to Nigerian partners at various levels. The beneficiaries include farming communities, small commercial farmers, government institutions such as state laboratories, extension workers and other governmental or non-governmental service providers.

The techniques introduced were mainly in four areas: water management, agriculture, livestock and aquaculture.

- In water management, dam construction, pond development, rain water harvesting techniques, water saving irrigation, and well development were demonstrated.
- Various agricultural techniques were demonstrated by Chinese experts, including crop husbandry, plant protection, processing, machinery and tools, and rural energy.
- Livestock techniques covered included poultry, pigs, small ruminants, rabbits, egg production, forage production and disease control.
- Aquaculture demonstrations included pond engineering, reproduction and hatching, pond and cage culture, seed rearing, rice-fish farming, disease control, and processing and equipment.

### ***Rice-fish farming***

The SSC technicians disseminated the technique of rice-fish farming in all states by distributing technical materials, making scale models for exhibition or establishing demonstration sites for teaching. In Kebbi state, the SSC technicians encouraged widespread rice-fish farming. Ten project sites for rice-fish farming were set up by local farmers raising funds independently. The average unit area yield is 900kg/ha. In Kwara state, a demonstrative base of 200m<sup>2</sup> was established at two project sites. Upon harvest, the individual weight of fish reached up to 700g. In Abia state the SSC technician designed a system of automatic water control for the rice-fish farming project, in which fish could still be bred after the rice harvest, without feed. In Kaduna state, the SSC technician set up three rice fields as a rice-fish farming comparison. Five months later, the rice output was twice as much as that in a traditional field. The average weight of individual catfish reached 0.4kg, with a survival rate of 96 percent.

### India's SSC

An SSC agreement was signed with Eritrea on 31 March 1998. The maximum number of SSC 'cooperants' in the country was four experts and 25 technicians in 2000. The last cooperants left in 2004.

A tripartite agreement for SSC between India and Mozambique was signed on 1 March 2001. A total of five cooperants (two experts and three technicians) were fielded in 2002 for a period of three years. The initial SSC started in Zambezia province with funding from the African Development Bank (AfDB).

A joint FAO/Government of India SSC formulation mission visited Lesotho in May 2000. The SSC agreement was signed on 3 October 2001 and four experts and one field technician were provided by India in the following year until 2005.

## **A survey on SSC in the Pacific**

A brief questionnaire survey was carried out in 2006 among the 12 National Project Coordinators of the Pacific Island Regional Programme for Food Security. To the overall satisfaction of the SSC programme, 58 percent of the respondents rated the programme as "very good" while one quarter was "more than satisfied" and only 10 percent "less satisfied."

In terms of areas of assistance, the respondents were generally content with the four broad areas of the programme, namely water management, crop production, livestock and fisheries, and aquaculture. The area most often mentioned as additionally useful was agro-processing. Other areas included fruit tree growing, coconut timber usage, organic crop production, marketing, farm management and plant protection and propagation.

The most appreciated feature of the SSC contribution was the direct technical assistance to, and training of, farmers and fisher folk. Training of government staff and assistance in planning and general organization were ranked of lower importance.

Regarding areas of improvement in SSC, the most prominent proposals concerned the language performance of the SSC cooperants, as it was considered the most important condition for success. Secondly, it was suggested that the host country should be given more responsibility in developing the terms of reference for the assignment in accordance with its needs; 50 percent of the interviewees shared this opinion. Nevertheless, the commitment of the assigned staff was judged as "very high" by 67 percent of respondents.

Seventy-five percent of those interviewed recognized that the costs of the programme to their country were reasonable when compared to the obtained benefits. When they were asked if their country would be able to pay the salaries of the SSC staff, one quarter of the answers were positive, one third could not answer the question and 42 percent did not think so. Most argued that their governments could not afford additional staff, rather they were trying to reduce public service employees. Other respondents thought that their government would consider the possibility, particularly for certain technical areas.

## **Conclusion**

FAO's SSC programme has contributed, in a cost-effective manner, a large number of specialists to food security programmes globally. For the most part, the SSC is well appreciated by the host countries. SSC experts and technicians make new technologies available to communities that are well adapted to their particular environment. They support communities in setting priorities. They often bring tools and input from their home country, assist in setting up relevant equipment, and train the farmers in operating tools, equipment and small machinery. SSC cooperants mostly live at the community level and keep in close contact with the people they are assisting. They often work with great enthusiasm and engagement.

Areas that are being improved include: (i) better matching of cooperants' language skills, and support for their education in the official and local languages in order to improve communication; (ii) better selection criteria to match field positions with experts and technicians; (iii) better pre-departure training for cooperants to adjust their expectations to the realities of the specialist experience under the SSC programme; and (iv) improving administrative support procedures for experts and technicians, including health and life insurance, better contact with their families at home, and facilitating appropriate mobility and adequate operational support.

It is expected that Asian expertise will continue to be in high demand within FAO programmes. The further development and improvement of the SSC programme is essential to providing effective technical support in line with the demand and expectations of host countries, and to offering valuable experiences for experts and technicians that they can bring back to their own country.

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## **Narrowing the development gap: The Initiative for ASEAN Integration (IAI)**

Gary P Krishnan

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In the late 1990s, developments in the greater Mekong region allowed for the inclusion of new members of ASEAN. Viet Nam joined ASEAN in 1995, Lao PDR and Myanmar in 1997 and Cambodia in 1999. Almost immediately, concerns about a 'two-tier' ASEAN were raised. The gap between the older, more-advanced members and the newer, less-developed nations became a concern in ASEAN for the first time.

At the ASEAN Summit held in November 2000 in Singapore, the group's leaders adopted a special programme aimed at narrowing the development gap. They called it the Initiative for ASEAN Integration (IAI). IAI gave an additional dimension to the concept of ASEAN integration, which now not only denoted the integration of the regional market but also the integration of newer member countries into the ASEAN economic mainstream.

Towards this end, in November 2001, ASEAN members, with the assistance of dialogue partners and international agencies, drew up a six-year (2002–2008) work plan for the IAI with 48 projects. ASEAN presented the projects to the IAI Development Cooperation Forum, organized by the ASEAN Secretariat in Jakarta, in August 2002. The work plan was due to conclude in June 2008, at a time when initiatives in the larger ASEAN framework were rapidly coming to grips with the acceleration of integration towards the target date of 2015.

At the 12th ASEAN Summit in January 2007 in Bali, the ASEAN leaders affirmed their strong commitment to accelerate the establishment of an ASEAN Community by 2015, as envisioned in the ASEAN Vision 2020 and the ASEAN Concord II, and signed the Cebu Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015. In particular, the leaders agreed to transform ASEAN into a region with free movement of goods, services, investment and skilled labour, and a freer flow of capital.

Thus, as ASEAN agreed on the need for clear and precise blueprints to chart the way towards achieving the 2015 goals, the IAI Task Force was also asked to produce an IAI Blueprint. The IAI Blueprint would identify the characteristics and elements necessary for the achievement of the 2015 goals, consistent with the Bali Concord II, and including clear targets and timelines for the implementation of various measures while accommodating the interests of all ASEAN member countries.

The objective of narrowing the development gap is an integral component of ASEAN integration because economic disparities distort and prevent equitable economic distribution. As ASEAN embraces a single free market, the challenge will be to ensure that all ASEAN members are able to take advantage of the many opportunities this will bring.

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<sup>37</sup> Edited by Denis Nkala.

### The IAI programme

Since its inception, the number of IAI projects has expanded to over 130. Although most of the projects have achieved results, shortcomings were identified during the mid-term review (MTR) of the IAI. The shortcomings include project selection criteria, inter-agency coordination, coordination with other Mekong basin programmes, and follow-through and implementation.

### Special and differential treatment

When the ASEAN Leaders affirmed the IAI as the main instrument for narrowing the development gap, they declared that the programme would include specific regional cooperation activities aimed at assisting the less developed members in removing tariffs and physical barriers to the free flow of goods and services. This would also include activities to supplement national efforts directly aimed at poverty reduction and the promotion of equitable and inclusive development. In order to provide a buffer during this period of adjustment, the new members – Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) – were accorded special and differential treatment in ASEAN agreements. The most obvious consequence of this was the longer grace period in the implementation timelines. In practical terms, this resulted in an additional 2–3 years to enable them to meet liberalization targets. For example, when the older ASEAN members – ASEAN-6 – were given a deadline of 2010 to implement certain liberalization measures, CLMV were given a deadline of 2013 to implement those same measures.

### IAI initiatives

The IAI Work Plan (2002–2008) comprises seven components, namely: infrastructure, human resources development, ICT, regional economic integration, tourism, poverty and quality of life, and general coverage projects. These projects are shown in Table 16.

**Table 16: IAI projects, February 2008**

Area	Com ponents	Status of project						Total
		Comple ted	Under imple menta tion	Funding secured– Planning under way	Partially funded – Planning and imple menta tion underway	Match Ing pro cess under way	Unfund ed pro jects	
I. Infras tructure	A. Transport	8	3					11
	B. Energy	8						8
II. Human resources developm ent	A. Public sector capacity building	28	6	1		3		38
	B. Labour and employ ment	6	3		1			10
	C. Higher education	1						1
III. ICT		15	2		3		2	22
IV. Regio nal	A. Trade in goods and services	8	2	2				12

eco nomic integra tion	B. Customs	4				1	4	9
	C. Standards	7	4					11
	D. Invest ments	1						1
V. Tourism		1						1
VI. Poverty and quality of life								0
VII. General coverage projects		9				1		10
Total		96	20	3	4	5	6	134

The success of the IAI programme does not lie in the number of projects, but in the mechanism it provides for ASEAN dialogue partners and development partners to come together. Initiatives under the IAI are the result of a combination of several simultaneous mutual assistance lines, both from within ASEAN and by working with others. From within, ASEAN-6 have played a role in: (i) the IAI programme itself; (ii) bilateral assistance direct to CLMV; and (iii) ASEAN subregional initiatives, namely the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) and the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). Working with ASEAN friends and partners, assistance takes on various forms, from financial to technical assistance, often on a joint-venture basis, and predominantly comes from contributions from dialogue partners and development agencies or non-ASEAN subregional frameworks. Table 17 shows the projects by source, as above.

**Table 17: Contributors to the IAI Work Plan 2002–2008**

IAI Work Plan (Feb 2008)	Projects	Millions of dollars
<b>ASEAN 6</b>	87	28.3
<b>With development partners / agencies assistance, including Joint Venture basis</b>	61	18.3
<b>Total</b>		46.6
<b>Bilateral basis</b>		
<b>ASEAN 6</b>	221	159.5

## ASEAN

Of the \$46.6 million worth of initiatives under the IAI, ASEAN-6 contributed approximately \$28.3 million or 61 percent. On a direct bilateral basis, assistance from ASEAN-6 amounted to \$159.5 million. Some deductions can be made from this. 'Prosper the neighbour' is a living doctrine being subscribed to. The IAI is a mechanism that facilitates – and importantly does not prevent ASEAN-6 providing – additional assistance to CLMV over and above the IAI framework. Thus, ASEAN members readily accept the IAI as the heart and soul of the ASEAN mutual assistance strategy. Table 18 shows the ASEAN-6 contribution to the IAI Work Plan.

**Table 18: ASEAN-6 contribution to the IAI Work Plan 2002–2008**

(February 2008)

Country	Projects / programmes	Funding secured (\$)
Brunei Darussalam	8	1,500,000
Indonesia	7	733,498
Malaysia	47	4,080,590
The Philippines	2	30,932
Singapore	11	21,554,456
Thailand	13	480,902
<b>Total</b>	<b>88</b>	<b>28,380,378</b>

Tables 19 and 20 detail the official assistance provided by ASEAN-6 to CLMV but do not completely cover ASEAN's entire commitment. For example, in a continuous drive to find modalities for effective ODA, ASEAN, under the IAI programme, set up the co-shepherds system. Under each of the seven areas of cooperation, CLMV were teamed up with mentors from ASEAN-6. Thus, Myanmar was teamed up with Malaysia for ICT projects, Viet Nam with the Philippines for regional economic integration projects, Cambodia with Thailand for transport and with Indonesia for energy, and Lao PDR with Brunei Darussalam and Singapore for human resources development. However, ASEAN is cognizant that more needs to be done as new challenges arise and as the current IAI Work Plan comes to a conclusion. The subsequent IAI Work Plan should take into consideration any shortcomings and incorporate new strategies. Additionally, as ASEAN integration deepens and widens, pockets of under-development within the ASEAN-6 themselves are being addressed as part of the wider effort to narrow the development gap.

**Table 19: ASEAN-6 contribution to CLMV (on a bilateral basis)**

(February 2008)

Country	Number of projects	Cost of Project (\$)	Date of implementation
Brunei Darussalam	4	358,605	15 Sep–15 Dec 2002
Indonesia	29	1,661,588	30 July 2000–2006
Malaysia	62	5,874,249	1992–2005
The Philippines	31	261,833 <sup>a</sup>	1995–7 February 2003
Singapore	9	52,495,275	2001–2008
Thailand	97	100,358,255 <sup>b</sup>	1996–2004
<b>Total</b>	<b>221</b>	<b>159,483,271</b>	<b>1992–2008</b>

Source: Data provided by ASEAN member countries to the IAI Unit of the ASEAN Secretariat

Notes: <sup>a</sup>Only the amount of 7 projects out of 31 is available.

<sup>b</sup>Does not include non-financial assistance of any kind.

### Working with others on narrowing the development gap

While the ASEAN Secretariat units predominately engage with governmental focal points, the IAI terms of reference specifically call for the IAI Unit to engage NGOs. The IAI works closely with both existing ASEAN and non-ASEAN ODA initiatives as listed below:

- (i) ASEAN-Mekong Basin Development Cooperation (AMBDC) is an initiative to promote the development of the riparian states of the Mekong and thus comprises CLMV plus Thailand and southern China. The AMBDC is ASEAN plus China;
- (ii) Greater Mekong Subregion (GMS), an Asian Development Bank (ADB) programme;
- (iii) the Aweyawady, Chao Phraya and Mekong Economic Cooperation Strategy (ACMECS), a Thai-led initiative to promote economic cooperation with CLMV;
- (iv) Mekong River Commission (MRC), which involves Cambodia, Lao PDR, Thailand and Viet Nam, with Myanmar and China as observers.

While the IAI is engaged actively with dialogue and development partners, three concurrent programmes require special mention – the synergies with the ADB and the close cooperation AUSAID and JICA. The ADB and ASEAN have signed an MOU in which the former is providing regional technical assistance to strengthen the ASEAN Secretariat including the IAI Unit, thus enabling the unit to better carry out its coordinating functions. As the GMS and the

IAI share broadly similar objectives, a regular exchange of information and programmes is in place. Institutions are observers in each other's programmes, such as the GMS meetings and the AMBDC summits. Australia and the ASEAN Secretariat, through the IAI Unit, jointly manage the East ASEAN



Initiative (EAI). The EAI is an AU\$ 2.7 million AUSAID initiative that was developed with inputs from the ASEAN Secretariat. Finally, the IAI Task Force holds regular consultations with JICA, and through JARCOM coordinates regional projects intended for CLMV.

**Table 20: Contribution by dialogue and development partners to IAI Work Plan projects**

No.	Development partners and agencies	Number of projects	Funding by donors (US\$)	Percentage of funding
1.	Japan	34	5,087,110	27.7%
	a. Government of Japan	2	1,027,427	
	b. Japan-ASEAN General Exchange Fund (JAGEF)	16	3,218,080	
	c. ASEAN-Foundation (Japan-ASEAN Solidarity Fund)	4	350,928	
	d. JICA	8	460,675	
	e. Japan Overseas Development Cooperation (JODC)	1	30,000	
2.	Republic of Korea	5	5,000,000	27.3%
3.	India	4	3,102,666	16.9%
4.	Norway	2	1,528,502	8.3%
5.	European Union	5	1,113,039	6.1%
6.	Australia	3	999,240	5.4%
7.	Denmark	1	622,395	3.4%
8.	New Zealand	2	412,650	2.2%
9.	UNDP	2	264,710	1.4%
10.	China	1	200,000	1.1%
11.	International Labour Organization	1	16,000	0.1%
12.	World Bank Institute	1	n/a	–
	<b>Total</b>	<b>61</b>	<b>18,346,312</b>	<b>100.0%</b>

### **The road ahead**

The IAI programme has revitalized external relations by providing a solid path for narrowing the development gap as a fundamental human right in itself. The IAI provides the mandate for all stakeholders to engage CLMV as a unified entity that is sanctioned by ASEAN, and facilitates a framework for consultations and cooperation. In this regard, the development of the ASEAN Charter has been a key measure for engagement as it establishes a common set of values for ASEAN, evolving it from a loosely based regional body to that of a rules-based organization. It strengthens the ASEAN Secretariat, and with it provides cover for the various entities within its structure such as the IAI Unit. This in turn allows the IAI Unit to act as a coordinating entity among the various stakeholders and ODA players.

### **Conclusion**

The IAI, being an internal mechanism, is in the best position to synergize with other ASEAN initiatives. However, to be truly effective, it needs to broaden its funding base and in the long term, adequately address the inadequate resource mobilization situation. Adequate funding would also address another detracting feature of most IAI projects to date, that is, projects often lack continuity. Nevertheless, the IAI's existence creates a sense of regional solidarity and of equitable and inclusive development, offering a counter balance to the costs, sacrifices and loss of national autonomy as the planned economies of CLMV rapidly merge into a larger, single ASEAN market.

## **UNIDO programme for South-South Cooperation: An emerging intersection for new partnerships**

UNIDO Regional Office in Bangkok

*“South-South Cooperation is increasingly seen as an important element of international cooperation. As countries in the South increase their skills and capabilities, they are willing and able to transfer these to other countries. The launch of UNIDO’s new initiative on South-South Cooperation during 2006 will significantly increase the ability of developing and transition countries to work together better in the future, through exchanging policy experience, transferring technology and promoting intra-South investment flows.”*

Kandeh K Yumkella, Director-General, UNIDO  
(Message from the Director-General, ‘Annual Report 2006’)

An intersection is a place where different cultures, domains and disciplines stream together toward a single point. The connection and combination of these elements help catalyze new and groundbreaking ideas, which ultimately lead to innovation and growth. South-South Cooperation, in many ways, represents an emerging and valuable intersection for UNIDO to make great strides in fostering partnerships to promote poverty reduction through productive activities, a competitive economy through trade capacity building, and a sound environment through sustainable industrial practices.

The emergence of the South as a major global economic player has been largely due to its significant growth in industry and trade. This, in effect, has resulted in a new pattern of global interdependence, both from a North-South and a South-South perspective. In this process, SSC has attracted widespread attention and remained an important common platform for developing countries to engage each other in development dialogue.

The global industrial setting has become ever more complex due to globalization and fundamental changes in technologies, industrial capacity, global value chains and stricter global norms and standards for industry. This more complex industrial setting has increased the risk of marginalization, especially for countries with weak productive capacities. As a result, increasing concern for reducing poverty within the framework of the United Nations MDGs has added new perspectives to SSC and overall industrial development policies and strategies.

Developing countries are now investing in each other’s economies, with foreign direct investments (FDI) rising from \$14 billion in 1995 to \$47 billion in 2003. These investments accounted for 37 percent of the total FDI in all developing countries in 2003. Trade within the South has also risen significantly from \$222 billion in 1995 to \$562 billion in 2004, representing 26 percent of their global trade. In Asia alone, South-East Asian countries accounted for 70 percent of the total manufacturing value added in developing countries in 2005, an increase from around 50 percent in 1990. During the period 2002 to 2004, average annual intra-Asian investment flows amounted to \$48 billion, more than four fifths of all intra-South FDI in the period.

On the other hand, a recent UNIDO study (2005) on SSC for industrial development found that although there has been a high concentration of growth in Asia, it has been accompanied by the further marginalization of sub-Saharan Africa and other LDCs. This is mainly in terms of manufacturing trade but also in industries in which sub-Saharan Africa is perceived to possess comparative advantages such as in agro-industries.

Although the overall trends in SSC have been quite encouraging and a lot of progress is clearly being made, the potential of maximizing gains through leveraging of capacities, networking of institutions and making timely technological interventions still remains largely untapped. Against such a background, UNIDO, a specialized UN agency mandated to promote industrial development and international industrial cooperation, plays a pivotal role in fostering and stimulating growth in order to enhance SSC.

## UNIDO's role in support of South-South Cooperation in industrial development

In the industrial sector, there is growing consensus that the emphasis of SSC should lie in strengthening the following:

- developing a common position on global trade norms and a vibrant consultative mechanism;
- developing, promoting and sustaining productive capacities;
- continuous shaping of approaches to poverty reduction based on collective wisdom and shared experience;
- exchanges of experiences and institutional and knowledge networking.

UNIDO's role and contribution, particularly in building productive and trade capacities of developing countries, is quite well known and is naturally expanding. As a result, UNIDO is now uniquely positioned to give stimulus to SSC by bringing its expertise and time-tested experience in support of developing countries, particularly LDCs. Additionally, at UNIDO's LDC Industrial Ministerial Conference in Vienna in November 2007, the ministers unanimously signed a declaration calling for UNIDO, inter alia, to play a pioneering role in developing industrial productive capacity and to promote mutually beneficial SSC initiatives in the areas within its mandate.

UNIDO's strengthened relationship with the G-77, and improved interaction and coordination with other UN agencies such as UNDP's SU-SSC and UNHRLLS<sup>38</sup> implementing the Brussels Programme of Action,<sup>39</sup> is creating high returns. UNIDO's sectoral report submitted to the United Nations General Assembly session in September 2006, reflecting the organization's role and contribution to technical cooperation in LDCs, was well received by all member states. UNIDO was also working with the SU-SSC on a global South-South report<sup>40</sup> to be published in 2008, covering topics such as:

- the definition of South-South Cooperation;
- SSC in industry;
- beneficial outcomes of South-South initiatives;
- SSC beyond government – the private sector as a possible motor for cooperation in industry;
- UNIDO's role in promoting SSC.

Overall, UNIDO's activities within the framework of SSC facilitate in:

- serving as a catalyst between the developing economies of the South (particularly LDCs), and supporting them in shaping their policies and strategies;
- mapping the potential in more-developed countries in the South for support to LDCs;
- building partnerships among developing countries, particularly to strengthen production capacities in LDCs;
- disseminating best practices in SMEs (small- to medium-sized enterprises) and entrepreneurship
- serving as a catalyst between the developing economies of the South (particularly LDCs), and supporting them in shaping their policies and strategies;
- building partnerships among developing countries, particularly to strengthen production capacities in LDCs;

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<sup>38</sup> UNHRLLS: United Nations Office of the High Representative for Least-Developed Countries, Landlocked Developing Countries and Small Island Developing States.

<sup>39</sup> The Programme of Action (A/CONF.191/11) was adopted by the Third United Nations Conference on Least-Developed Countries, Brussels, 20 May 2001; Page 57 of the 'UNIDO Annual Report 2006', 2006.

<sup>40</sup> Refer to Page 59 of the 'UNIDO Annual Report 2006'.

- disseminating best practices in SMEs (small- to medium-sized enterprises) and entrepreneurship development;
- supporting technology transfer and the upgrade of suitable technologies, and their assimilation and absorption;
- improving networking among developing countries' institutions and stakeholders;
- diffusing best practices in South-South trade, with export promotion based on international quality standards; and
- enhancing Triangular Cooperation with special focus on LDCs under TICAD<sup>41</sup> process in support to SSC.

UNIDO's technical cooperation in LDCs is primarily aimed at fulfilling the following commitments of the Brussels Programme of Action:<sup>42</sup>

- Commitment 4: Building productive capacities to make globalization work for LDCs;
- Commitment 5: Enhancing the role of trade in development; and
- Commitment 6: Reducing vulnerability and protecting the environment.

A UNIDO study on SSC critically analysed the trends and initiatives on SSC in relation to trade in manufactured goods and investment and technology transfer among countries in the South, and suggested several promising approaches to intensifying SSC:

- linking trade, FDI and technology flows from Asia to pro-poor development in sub-Saharan Africa and LDCs;
- redeploying labour-intensive industries from Asia to sub-Saharan Africa;
- using Asia as a growth pole for sub-Saharan Africa and LDC industrial development by:
  - increasing imports of semi-processed raw materials from sub-Saharan Africa/ LDCs;
  - increasing market access for sub-Saharan Africa and LDC products in India, China and other successful Asian countries through preferential industrial tariffs, and the participation of sub-Saharan Africa and LDCs in the value chain of industrial production in China and India and other successful Asian countries.

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<sup>41</sup> The Tokyo International Conference on African Development.

<sup>42</sup> The Programme of Action for Least-Developed Countries for the Decade 2001-2010 (A/CONF.191/11) was adopted by the Third United Nations Conference on Least-Developed Countries, Brussels, 20 May 2001. It consists of seven commitments for actions to be taken by LDCs and development partners. Further information can be found at: <http://www.un-documents.net/ac191-11.html>.

### UNIDO South-South Industrial Cooperation Centres

UNIDO's Asian experiences in SSC reflect both its commitment to the success of the overall framework and the impact that can potentially be created in other regions, particularly in sub-Saharan Africa. The establishment of South-South Industrial Cooperation Centres in India and China serves as a primary point to explore UNIDO's experiences in SSC in Asia. These centres have been set up in order to further stimulate and catalyze the development of mutually beneficial partnerships between the industrially more advanced developing countries and LDCs. The status and activities of these two centres are described in the following sections.<sup>43</sup> Similar centres are planned in Indonesia, the Islamic Republic of Iran, Egypt, Morocco, South Africa and Brazil.

These South-South Industrial Cooperation Centres will primarily focus on:

- exchanges of experiences within the South;
- institutional and enterprise networking within the South;
- replicating best practices for poverty reduction within the South; and
- strengthening national and local innovation systems within the South.

Additionally, these centres aim to help identify and mobilize resources required for projects and programmes within the framework of SSC. The centres will also be linked to various UNIDO investment and technology promotion networks and programmes described below:

- The UNIDO Investment and Technology Promotion Offices (ITPOs) play a supporting role in technology transfer and investment to developing regions. ITPOs are linked with public and private organizations working in the field of industrial development. They seek to open new opportunities for investors and technology suppliers to find potential partners in developing countries. The Investment Promotion Units (IPUs) complement and are linked to the ITPOs.
- The UNIDO International Technology Centres (ITCs) are a tool for promoting technological collaboration, diffusing technological knowledge and innovations and building technology partnerships, thereby encouraging investments in new technologies. Each ITC has a network consisting of government organizations, industrial associations, research and development institutions, universities, professional societies and funding agencies.
- The UNIDO Business Partnership Programmes have been building partnerships among private sector industries and firms, civil society organizations, and developing country governments and institutions in order to support different industry sectors in developing countries. The programmes have been successful in increasing industrial competitiveness.
- The UNIDO Technology Foresight Programme seeks to promote the use and application of technology foresight (TF) as an instrument for strategic decision-making and policy definition, with a special focus on industrial sectors. TF tries to identify possible future development scenarios on future market opportunities and threats. As such, it is a decision-support tool to facilitate anticipation and pro-active policy planning. The TF programme operates at sectoral, national and regional level. The most recent Technology Foresight Regional Conference/Expert Group Meeting was held for the South-East Asia region in Kuala Lumpur, Malaysia in October 2007. The meeting identified the need to use TF for strategic decision-making for science, technology and innovation, as well as in a broader sense, foresight for economic development in the South-East Asia region. The meeting was also important in demonstrating the experience that UNIDO has gained from its regional foresight approach in Latin America and Europe, and creating a synergy for UNIDO's technical assistance in foresight activities at the national and regional level of those regions.

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<sup>43</sup> For further information on UNIDO's South-South Industrial Cooperation Centres, please see the following link: <http://www.unido.org/index.php?id=o84303>.

## Country-by-country experiences

### China

China's explosive growth, primarily in the industrial and manufacturing sectors over the past few years, has made it recognize the importance and necessity of cooperation with UNIDO in promoting China's industrial development. UNIDO considers that China's successful development experience and its achievements in advanced industrial technologies may serve as a model for other developing countries, thereby contributing to their national industrial development. China and UNIDO have had a sound cooperative partnership over the past thirty years and are interested in further consolidating and enhancing their partnership, especially in the field of SSC. In this section, two model experiences in the UNIDO-China partnership initiatives, namely the UNIDO Centre for South-South Industrial Cooperation, in Beijing, and the Rural Small Hydropower Project in Africa, are described.

#### ***The Centre for South-South Industrial Cooperation: Promoting investment and technology transfer***

Originally created to support industrial development in China, the UNIDO-managed Industrial Development Fund (IDF) has provided the basis for continued and stronger cooperation between UNIDO and China within the SSC framework. Both parties agreed, wherever possible, to take into consideration the objective of SSC when designing new IDF projects in the future. In addition to strengthening their cooperation, both parties are actively exploring innovative and pragmatic cooperation within the SSC framework, for which they have agreed to make Africa and LDCs the priority areas.

One of the key tangible outcomes from this unique cooperation was the utilization of \$2 million from China's contribution to the IDF, to establish the UNIDO Centre for South-South Industrial Cooperation. This is the second UNIDO establishment of this kind, and it is established in collaboration with the China International Centre for Economic and Technical Exchange

(CICETE),<sup>44</sup> which is affiliated to the Ministry of Commerce of China. The focus of the centre will be to foster SSC in the areas of renewable energy, technology and investment promotion. The centre is also mandated to carry out comparative policy research, experience sharing, investment and technology promotion, fund-raising, capacity building and personnel training.

#### ***Lighting Up Rural Africa: Sharing China's expertise in small-scale rural electrification***

China's experiences in rural small hydropower (SHP) electrification proved that the decentralized development of SHP could be effective for rural energy supply and integrated, sustainable social, environmental and economic development. At present, 97 percent of renewable energy generation in China is from SHP. The electrification rate of townships, villages and households in 653 Primary SHP Rural Electrification counties is 99.9 percent, 99.5 percent and 97.9 percent respectively. SHP is a well-developed technology and usually the most cost-effective solution compared with other energy supply schemes.

Such practical technologies and know-how accumulated in China have great potential to be transferred to countries in Africa. Although Africa still faces many critical challenges in the energy sector, especially lack of access in rural areas, low purchasing power and the over-dependence on traditional biomass to meet basic energy needs, most remote rural areas possess abundant SHP resources that can be conducive for replication of successful experiences drawn from pilot projects on a larger scale.

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<sup>44</sup> CICETE's main mandate, delegated by the Ministry of Commerce of China, is to coordinate the cooperation between China and the UNDP, UNIDO and United Nations Volunteers (UNV), and to undertake the execution of the assisted programmes. Further information can be found at: <http://www.cicete.org/>.

For further information on China's aid delivery structure, please refer to Part I, Chapter 1.

Against such a background, UNIDO and China have launched the Lighting Up Rural Africa Project, implemented through close collaboration between UNIDO and the Government of China, with the International Centre on Small Hydro Power (IC-SHP) based in Hangzhou, China as the implementing agency. The project aims at combating energy poverty through the setting-up of 100 mini/micro/pico hydropower projects in selected countries in Africa, the strengthening and expansion of the capacities of national institutions for technology transfer, project financing and investment promotion, and information dissemination to a greater number of recipients. As a result of China's comparative advantage in rural SHP electrification technologies, Lighting Up Rural Africa is becoming one of the key projects within the framework of renewable energy and technology promotion supported by UNIDO.

To launch the project, UNIDO conducted the initial formulation for cooperation and the identification of possible recipient countries on the basis of a thorough assessment of their needs, along with a feasibility and environmental impact study. China then tailored its strategy, on a case by case basis, to providing active support to the countries identified within its existing programme of bilateral assistance, using the expertise and capacity of the IC-SHP. Both parties are also making efforts to raise additional funds from various donors for the implementation of SHP projects in Africa.

On 23 September 2007, the IC-SHP organized a technical mission led by Professor Tong Jiangdong, the Director-General of the IC-SHP, to three countries in Africa identified by UNIDO, namely Kenya, Madagascar and Namibia. Meetings were held between the IC-SHP delegation and relevant high-ranking government officials from each country to develop an appropriate plan of action to promote SHP development and the productive use of renewable energy in rural areas. In addition, several sites that were visited and evaluated by the IC-SHP team were earmarked for pilot (demonstration) sites of the project.

With other relevant value-added services provided by UNIDO's SSC framework, the SHP field has become an important platform in fostering Chinese-African cooperation on renewable energy and technology, and investment promotion.

## India

### ***First UNIDO Centre for South-South Industrial Cooperation***

Like its neighbour China, India is one of the rapidly growing economies in Asia, and there is huge potential to promote its achievements in sustainable industrial development to other developing countries. As proof of its commitment to strengthening its cooperation with UNIDO, and to further stimulate SSC, India became the first country to host a UNIDO Centre for South-South Industrial Cooperation.

The UNIDO South-South Industrial Cooperation Centre, based in New Delhi, has been in operation since January 2007<sup>45</sup> and has already accumulated a wealth of experience in terms of conceptualizing and developing project proposals that target the developing countries of the South, especially LDCs.

The centre strives to create programmes that have clear synergies with India's comparative advantages. To enhance interaction between developing countries, the centre will:

- exchange expertise and experience;
- facilitate networking with institutions and enterprises;
- replicate best practices to reduce poverty;
- strengthen national and local innovation systems.

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<sup>45</sup> Refer to Page 58 of the 'UNIDO Annual Report 2006'.



For these purposes, the Centre will carry out the following activities:

- Design practical and innovative projects to exploit new areas of technical competence and economic opportunity. The emphasis will be on launching projects – in both established fields and new ones – with social and economic development potential for LDCs.
- Provide a platform to encourage closer cooperation in policy formulation among developing countries. The aim is to ensure that the LDCs can benefit from the experience of successful strategies in the more-developed ones. Benchmarking will be encouraged between the more developed economies of the South – China, Brazil, India, and South Africa – so that through increased productivity, their pace of development can be maintained and strengthened, enabling them to become engines of growth in their respective regions. For this, the centre will network with the UNIDO International Technology Promotion Centres, the Investment and Technology Promotion Offices (ITPOs) and the Africa Investment Promotion Agency Network (AFRIPA-NET). The centre will also coordinate its activities with UNIDO's field offices all over the world.
- Act as a catalyst to leverage various ongoing government and UNIDO projects where relevant, and channel them into coherent initiatives to enhance their effectiveness and benefits, and to sharpen their focus towards SSC.

Furthermore, the centre will, in close collaboration with the Department of Chemicals and Petrochemicals of India and UNDP, actively facilitate and support a project to conduct the transfer of low-cost technology through neem-based<sup>46</sup> pesticides to countries in Africa. The objective of this project is to promote the production, processing and use of neem-based products to create eco-friendly or bio-degradable pesticides for farmers, thereby aiding in the development of wasteland and the generation of rural employment, particularly for women. This also reduces farmers' dependence on expensive chemical pesticides that leave harmful residues in food items. Equivalent projects that were initially tested in India yielded impressive results and warranted the shift to focus on utilizing similar technologies in Africa.

The SSC framework facilitated by UNIDO through its Industrial Cooperation Centres has provided India with a unique platform to share its industrial development experiences with other countries of the South. This has resulted in win-win opportunities for both India and the beneficiary countries through the creation of new partnerships and the promotion of technology transfer and investment.

## China and India

### ***South-South Initiative on Cotton***

The SSC framework can also provide an opportunity for these two pivotal countries to collaborate in sharing their experiences and expertise with other developing countries of the South, especially LDCs.

UNIDO's Director-General launched the South-South Initiative on Cotton as a follow-up to his participation in the High-Level Session on Cotton, organized by the WTO, 15–16 March 2007 in Geneva. The meeting took place with ministers from 36 participating African cotton-growing countries. During the meeting, the Group of 20 developing countries (G-20) declared support to the cotton sector in Africa, under Paragraph 12 of the Hong Kong Declaration,<sup>47</sup> in particular to support mechanisms or programmes linked to strengthening the productivity and efficiency of the cotton sector in Africa.

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<sup>46</sup> Neem oil is a vegetable oil pressed from the fruits and seeds of Neem (*Azadirachta indica*).

<sup>47</sup> The Hong Kong Ministerial Declaration treats cotton specifically under the three pillars of the agriculture negotiations: market access, export subsidies and domestic support: (i) "All forms of export subsidies for cotton will be eliminated by industrialized countries in 2006." (Hong Kong Ministerial Declaration, 18 December 2005, WTO document symbol WT/MIN(05)/DEC); (ii) "On market access, developed countries will give duty and quota free access for cotton exports from LDCs from the commencement of the implementation period."; (iii) For domestic support (by the far the highest concern for the C-4 countries), the Hong Kong Declaration adds that the reduction for cotton should be more ambitious than for agriculture, and implemented over a shorter period. Also, priority in the negotiations has to be given to cotton. Further information can be found at: <http://www.ideascentre.ch/trade-cotton.html>.

Cotton plays an important role in the economies of many developing countries. Of the 89 countries producing cotton, 83 are developing countries and 30 are classified as LDCs. However, the global cotton industry is complex and not favourable for small farmers in LDCs. It is highly distorted due to government support and subsidies to cotton farmers, which in industrialized countries amounted to \$4.7 billion in 2004. Such subsidies encourage subsidized farmers to produce more, and this has the effect of depressing world market prices. Two major issues have had, and will continue to have, profound implications for the future of the cotton industry in developing countries: The abolition of the Multi-Fibre Agreement at the end of 2004 and the growing importance of the global value chain for cotton. The abolition of the Multi-Fibre Agreement will gradually open up new markets, ultimately leading to the intensification of competition among world garment exporters. The growing importance of the global value chain for cotton represents an important strategic option for the cotton industry worldwide and for LDCs, for overcoming the problems associated with commodity dependence through value addition and diversification.

Against such a background, UNIDO launched its South-South Initiative on Cotton in 2007. The immediate objective of the initiative is to assist African cotton-producing countries in improving their productive capacities in cotton processing through SSC with China and India. These two countries are well suited to share their experiences and expertise because both have very advanced and mature local cotton and textile industries. Countries in Africa can gain a great deal from China and India in further developing their cotton-textile-garment value chain through the use of new technology, equipment and the exposure to niche product ranges and industry support.

The programme intends to organize two study tours to China and India for relevant government officials and representatives of the cotton textile associations from the countries in Africa. The tours will help the participants identify appropriate strategies, policies and technologies that can be implemented in Africa in order to enhance local processing of cotton, and promote technical and business exchange in the cotton-textile-garment value chain.

After the tours, a regional Investment Forum and Technology Fair will be organized to bring together potential investors and financing partners for discussion on the relevant issues, including on non-investment inputs that can be provided to the programme. The fair will become a platform for the participants to present their new development strategies and business proposals on cotton processing for Africa, and for the textile experts from China and India to share their experiences with the participants. They will present their ideas and provide assistance in the development of niche markets and products for Africa.

In the near future, based on the lessons learned, four pilot cotton-processing centres will be established/upgraded in selected countries in Africa, mainly for training and demonstration purposes. The programme is expected to contribute to the overall reduction of poverty by creating employment and value-addition.

Indonesia and the Islamic Republic of Iran: New and emerging SSC partners

### ***Indonesia: Partnership through the Non-Aligned Movement Centre***

With a burgeoning economy and one of the biggest populations in South-East Asia, Indonesia recognizes the importance of implementing and promoting sustainable industrial development. It recognizes that growth cannot be maintained unless it promotes a more sustainable form of industrial development that provides productive employment opportunities for poverty alleviation while protecting the environment at the same time. In addition, it recognizes the opportunities that lie within the SSC framework in promoting intra-South sharing of experiences, expertise, technologies and investments.

In close partnership with the Indonesian Ministry of Industry and Trade, UNIDO is actively exploring innovative approaches to enhance activities within the SSC framework, with particular focus on LDCs. In December 2007, an MOU strengthening promotion of SSC in the fields of research, technology transfer and investments was signed by the Minister for Industry and Trade and UNIDO. Both the ministry and UNIDO are working together with the Non-Aligned Movement Centre,<sup>48</sup> in cooperation with various stakeholders, to support the South-specific systems of managing and sharing development knowledge, best practices and solutions.

The Government of Indonesia and UNIDO have identified work in the following areas, among others:

- exchanging experience in the orientation, formulation and implementation of industrial policy;
- institutional and enterprise networking to enhance productive capacities, and the flow of trade, technology promotion and investments;
- replicating best practices for the reduction of poverty through industrial development and through grassroots innovations that serve as impulses for rural growth;
- strengthening national and local innovation systems;
- enhancing the entrepreneurial and productive capacities of SMEs; and promoting the use of sustainable energy and technologies in industry.

### ***The Islamic Republic of Iran: A new partner for South-South industrial cooperation***

The SSC partnership between the Government of the Islamic Republic of Iran and UNIDO is a fairly recent development. Due to its strong economic growth, the Islamic Republic of Iran recognizes the need to promote sustainable industrial development both within its national development strategy and across the region. The establishment of closer economic and industrial ties with countries in the South has always been a long-term objective for the Islamic Republic of Iran. As a result, UNIDO's SSC framework is in synergy to provide the country with a platform to share its experiences and technical expertise, and to collaborate with other countries in the South. Working in close partnership with the Ministry of Industry and Mines, UNIDO hopes to establish a South-South Industrial Cooperation Centre in the near future.

To begin with, such a centre would advance the following existing programmes of cooperation between the Islamic Republic of Iran and countries in the South:

- 1) Expansion of technical cooperation with regional organizations such as the Economic Cooperation Organization (ECO) for technology transfer, technical capacity building for the 10 member states and development of further trade between the member states;
- 2) the establishment of a development link between Chengdu in China and Shiraz in the Islamic Republic of Iran;

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<sup>48</sup> The Non-Aligned Movement Centre aims to contribute to the acceleration and enhancement of national development by strengthening and expanding South-South technical cooperation in the context of international development cooperation. Further information can be found at: <http://www.csstc.org/>.

the establishment of industrial and technical cooperation between the Islamic Republic of Iran and other countries in the region such as Bahrain, Saudi Arabia, the United Arab Emirates, as well as countries in sub-Saharan Africa, Latin America and South-East Asia.

## Japan and Thailand

### ***Old and new partners supporting African countries through a combination of proven development experiences: One Village Industrial Clusters***

Through the shared common interest and commitment of UNIDO and the Government of Japan to support the development of SMEs in Africa, the SSC framework provides a platform for UNIDO, Japan and Thailand to share their experiences and expertise through the One Village Industrial Clusters approach. This is a new development product that combines Japan's One-Village-One-Product (OVOP) approach and UNIDO's Cluster and Business Linkages (CBL).

One-Village-One-Product is a community-centred, market-driven regional economic development initiative started in Japan in 1979. The underlying concept is that a village promotes a distinctive industry or product in order to attain national or even global market access. This has been very successful in Japan, and through the country's technical cooperation schemes, it has been adapted and replicated in developing countries in Asia. One of the most successful adaptations has been in Thailand through the One-Tambon-One-Product (OTOP)<sup>49</sup> approach.

The UNIDO CBL approach has similar characteristics to OVOP in the sense that it also fosters the local competitive advantage of selected clusters (agglomerations of enterprises producing similar or related goods, where external economies exist and collective productivity gains can be created through joint action) and provides technical assistance in improving production, organization, institutional support and networking within the cluster and along the value chain.

While OVOP primarily focuses on marketing the products, especially in the export market, the UNIDO cluster approach focuses on enterprise and networking promotion, participatory community development and building local institutional capabilities of public- and private-sector institutions, especially local governments.

The two approaches are therefore complementary and provide a promising opportunity for further developing and scaling up the OVOP concept through the CBL methodologies, which are based on concrete, multi-country experiences over the past 10 years. UNIDO can add value to the OVOP concept by offering its operational tools and training instruments to develop the skills of local policy makers and cluster/OVOP managers.

The combination of OVOP and CBL resulted in the One Village Industrial Clusters, which is a new development product being introduced initially to two countries in Africa, namely Uganda and Ethiopia. It is expected that this combined approach will become a powerful strategy to improve the productive capacities and market performance of SMEs in the selected beneficiary countries and those where this will eventually be replicated.

The target beneficiaries are artisans and micro- and small-scale entrepreneurs in the selected countries in Africa. The sustained growth of the beneficiaries will help to increase local jobs and bring income and poverty alleviation benefits to their communities. Local and national government officers, public- and private-sector institutions and entrepreneurs will be directly involved in the application or support of the tools that will be used to establish and enhance productive capacities at the local/sub-national level. They will also facilitate market access and generate incomes in local communities.

In addition to the UNIDO-Japan partnership, the SSC framework facilitates adding value to the One Village Industrial Clusters by, for instance, tapping into Thailand's experience and expertise in adapting OVOP into OTOP. This experience with adaptation can help meet the local needs of countries in Africa. It also helps facilitate the involvement of CBL project teams in Africa, Latin America and Asia in the establishment of the combined approach and its application to new countries.

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<sup>49</sup> 'Tambon' means 'sub-district' in the Thai language.

experts from South-East Asia are able to acquire an understanding on how to transfer their lessons learned and adapt their methodologies to countries in Africa. Special emphasis is being given to Thai expertise gained from the application of OTOP in Thailand.

The project is helping the selected African countries meet their MDGs in relation to poverty alleviation and sustainable development. Results of the pilot projects' implementation are being monitored, reviewed and conceptualized with a view to replication in other countries in Africa. The project objectives are in line with UNIDO's strategic priorities in relation to poverty reduction through productive activities and SSC.

### **Conclusion**

In an increasingly complex and fast-changing world, elements of globalization are seeping into every corner of society. The issue of social, environmental and economic sustainability is growing in importance in every realm. The need to identify the delicate balance between growth and sustainable development is becoming more urgent everywhere, but especially for the developing countries of the South. The complexity that arises from these changes can result in the marginalization of developing countries that are not equipped to participate equitably.

The conditions are ripe for the blossoming of further SSC platforms modelled on UNIDO's experiences, and the promotion of intra-South and triangular sharing of experiences, expertise, technology, trade and investment. One of the most promising approaches for UNIDO to stimulate SSC lies in the South-South Industrial Cooperation Centres that have been strategically established in selected growth areas such as India and China. These can help highlight the experiences, expertise and technologies of countries in the South and facilitate their sharing across other countries and regions, especially countries in Africa and the LDCs.

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Cooperation. Most SSC will remain bilateral. If the facilitation is based at regional level, then the concern will be intra- and inter-regional SSC.

Triangular Cooperation offers scope for industrialized countries to harness the more recent and relevant experiences of developing countries. Analysis shows that Triangular Cooperation cannot simply be understood as a developed country handing over financial resources to a third party to deliver technical assistance. The developed country, concerned about the achievement of results, may realize that both the third party and the beneficiary are not putting in resources that will enable the achievement of results. A framework has to be negotiated between the various potential stakeholders, and agreements signed, including the split of costs between the stakeholders.

The aid-delivery institutions for the new development partners all need strengthening, particularly in terms of data gathering for the assistance provided, as well as skills and modes for transferring the technology and skills they have. They can benefit from the accumulated experiences, know-how and lessons learned from the nearly 60 years' experience of northern donors. There is a role for northern donors to play in the institutional capacity development of new development partners. It should be noted however, that northern donors should resist the temptation to demand compliance to the existing norms and guidelines for development assistance. A number of countries have development cooperation agencies and strategic frameworks to strengthen their development cooperation. They have also established some informal forums for exchanging experiences. Such efforts could also be supported by a multi-donor framework. It is worth noting that developing countries have supported the South-South Global Assets and Technology Exchange (SS GATE) spearheaded by the SU-SSC as a mechanism for the transfer of technology among developing countries.<sup>50</sup>

On the broader question of donor practices, the JARCOM chapter shows that in working with new development partners, Japan has gained the patience to allow them to develop their own systems. Arguing that they should simply follow the DAC guidelines that have evolved over the last 40 years in fact shows the strengths and weaknesses that the new development donors need to address. On the one hand, these guidelines are well established and easy to follow. On the other hand, there are still questions as to why the aid has not been effective. Therefore, the emerging donors may be effective in their own approaches. An eventual complementary approach, rather than strict compliance to DAC principles, should be encouraged through a formalized dialogue.

Some programmes within the regional cooperation groups aim to benefit less developed members of the groups. An example is the IAI. In fact, this is an example of a multi-donor framework involving the more developed ASEAN members as well as industrialized countries. This case study suggests that strengthening existing mechanisms at the regional level is a helpful strategy to deepen SSC. The ESCAP South-South Disaster Project in particular shows an effort by a donor (GTZ) and UN institutions to pull back and let countries take ownership through Indonesia's coordination. In this way, the major stakeholders that countries consider important for the project's success are included, and the project has a chance of being sustained beyond the support of the donor and the UN. The SU-SSC would therefore do well to cultivate stronger facilitation for multi-donor-supported SSC within the regional institutions and, conversely, the regional institutions should be open to the facilitation.

This publication has focused a great deal on the supply side of SSC activities. It is suggested that a sequel to this should focus on the users and recipients of SSC. Although technically, under SSC, any country can be a user or recipient in one area and a supplier in an area of

competency, this publication shows the clear emergence of 'pivotal countries' and that new countries eventually emerge as suppliers.

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<sup>50</sup> See South-South Gate at: <http://ssc.undp.org/SS-GATE.8.0.html>.