

1998 International Conference

**Conference on  
Promoting South-South Cooperation**

**Report**

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May 1998

**Japan International Cooperation Agency**



**The Japan International cooperation Agency (JICA), in co-sponsorship with the Japanese Ministry of Foreign Affairs, held the Conference on Promoting South-South Cooperation in May 1998. The conference was one of the international conferences JICA organized in fiscal 1998 on technology transfer. This report has been prepared to serve as a record of the conference; the summaries and minutes of the proceedings were compiled mainly from written notes.**

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# I. *Description*

## 1. Description

Working level dialogue on specific problems that should be resolved and measures to overcome these problems toward the building of a mutually beneficial, medium-term partnership between Japan and emerging contributing countries in development (hereinafter referred to as "Development Partners").

## 2. Goals

- (1) To encourage emerging contributing countries in development to assume ownership related to the South-South cooperation by promoting the identification of common issues and exploration of relevant solutions through opinion exchanges and discussions among Development Partners.
- (2) To reach a common recognition between Japan and Development Partners on the ideal orientation for new partnerships (seeking the participation of developing countries on a more equal footing, as in the partnership programs with Singapore and Thailand.)

## 3. Background

- (1) The importance of South-South cooperation has gained increasing recognition among both industrialized and developing countries because, inter alia, it helps close economic and technological gaps within regions and adds to the pool of resources available for the development of developing countries. Amid this trend, Development Partners are implementing South-South cooperation in their respective regions and thereby contributing to the development of East Asia, Southeast Asia, the Middle East, Africa and Latin America. Some of these Development Partners are even promoting South-South cooperation beyond their immediate surroundings to more distant regions. One example of this is the recent cooperation between Asia and Africa.
- (2) In order to enhance these efforts of Development Partners, industrialized nations such as Japan have extended support for South-South cooperation.

Japan, on its part, has underscored the importance of supporting South-South cooperation at various international fora, while also actively utilizing third-country training, third-country expert dispatch and other JICA technical cooperation schemes to support South-South cooperation. To build a foundation for medium/long-term cooperation between Japan and Development Partners, we

have created partnership programs with Singapore and Thailand.

- (3) There is increasing recognition that the sustainable implementation of more effective South-South cooperation requires not only more knowledge, technology and funding for the management of individual projects by Development Partners, but also more efforts on the part of Development Partners to assume ownership of these projects. Here "ownership" means taking the initiative to identify issues relevant to implementing South-South cooperation and to search for ways to improve policies and institutions to overcome these issues.
- (4) In light of the recent constraints on Japanese ODA, it is necessary that Japan and Development Partners explore the ideal orientation for their partnerships with a view to building a medium/long-term base for cooperation.
- (5) This conference will provide a forum for Development Partners to explain and compare notes on their relevant philosophies, experiences and challenges, and for Japan and these Development Partners to discuss directions toward the building of a mutually beneficial partnership through the promotion of mutual understanding and the further advancement of South-South cooperation and support for that cooperation.



Chairperson: Mr. Hwang, Soon Taik

(Korea, Director, Economic Cooperation and Resources Division)

Lead Discussant :

H.E. Ms. Samira Ibrahim Ekdawi

(Egypt, Ambassador/Secretary General, Egyptian fund for Technical Cooperation with Africa, Ministry of Foreign Affairs)

Mr.G.K. Arap Koech

(Kenya, Director, External Resources Dept., Ministry of Finance)

Workshop 2: Theme II (at Library 3F)

”Building relations with recipients (formation of agreements with recipients, recipients participation in the aid process, current issues and future tasks for policy dialogue with recipients)”

Chairperson: Mr. Eugenio Raymundo B. Inocentes III

(Philippines, Assistant Director, Public Investments Staff, National Economic and Development Authority)

Lead Discussant:

Mr. Marco Antonio Alcazar

(Mexico, General Director, Mexican Committee for the Cooperation with Central America, Ministry of Foreign Affairs)

Dr. Tuncay Ercan

(Turkey, Coordinator for International Activities & Chief of Publications & Review Board in General Directorate of Mineral Research & Exploration(MTA))

15:30 - 16:00 Coffee Break

19:00 - 21:00 Dinner Party co-hosted by Ministry of Foreign Affairs and Japan International Cooperation Agency (at Sugar Cane, 1F)

5/21(Thu)

09:30 - 11:00 Session III - (at Function Room : 4F)

”Wrap-up of previous day’s workshops”

Chairperson: Mr. Hideaki Domichi

(Japan, Deputy Director-General, Economic Cooperation Bureau, Ministry of Foreign Affairs)

Theme I: ”Reinforcing implementing mechanisms”

Report by chair, Mr. Hwang, Soon Taik

(Korea, Director, Economic Cooperation and Resources Division)



Theme II: "Building relations with recipients"

Report by chair, Mr. Eugenio Raymundo B. Inocentes III

(Philippines, Assistant Director, Public Investments Staff, National  
Economic and Development Authority)

Session IV - (at Function Room 4F)

"Summary of Ideal Orientation for Future Cooperation between Japan and  
Development Partners"

- Japan's Basic Philosophies on Support for South-South Cooperation

Presentation by Mr. Hideaki Domichi (20 min.)

10:30 - 10:45 Coffee Break  
11:00 - 13:00 Lunch Break (at "Fanuan", 2F)  
19:00 - 21:00 Dinner Party by Okinawa Prefecture (at Function Room, 4F)

5/22(Fri)

09:00 Observation Trip in Okinawa(Those who leave Okinawa on May, 22)

12:00 - Lunch  
Departure of Okinawa Airport for respective countries

### III. List of Participants

Country	Name	Title
ARGENTINA	Ms. Norma Nascimbene De Dumont	Director, Bilateral Cooperation in charge of South-South Cooperation Undersecretariat of International Cooperation, Ministry of Foreign Affairs
	Ms. Andrea De Fornasari	Senior Officer, Asian Section and Special Issues Under-secretariat for International Cooperation, Ministry of Foreign Affairs
BRAZIL	Mr. Manoel de Araujo Amorim	Brazilian Cooperation Agency
CHILE	Mr. Bernardino Sanhueza Pino	Acting Executive Director, Chilean International Cooperation Agency
	Ms. Adriana Lagos Toro	Coordinator, Asia-Pacific Program, Bi-Multilateral Dept., Chilean International Cooperation Agency (AGCI)
CHINA	Mr. Qin Zhang	Councilor, Dept. of International Cooperation, Ministry of Science and Technology
	Mr. Yao Shen Hong	Division Director, Dept. of International Trade and Economic Relations, Ministry of Foreign Trade and Economic Cooperation
EGYPT	H.E. Ms. Samira Ibrahim Ekdawi	Ambassador/Secretary General, Egyptian Fund for Technical Cooperation with Africa, Ministry of Foreign Affairs
	Mr. Ashraf Mohi El Din El Moafi	First Secretary, Office of Assistant Minister of Foreign Affairs and International Cooperation, Ministry of Foreign Affairs
INDONESIA	Mr. I Gusti Ngurah Swetja	Director, Economic Relations among Developing Countries, Dept. of Foreign Affairs
KENYA	Mr. G. K. Arap Koech	Director, External Resources Dept., Ministry of Finance
KOREA	Mr. Hwang, Soon Taik	Director, Economic Cooperation and Resources Division, Ministry of Foreign Affairs and Trade
	Mr. Cho, Sang Woo	Assistant Manager, Korean International Cooperation Agency
MALAYSIA	Ms. Faizah bt Mohd. Tahir	Director, Human Resources Section, Economic Planning Unit
	Mr. Kamel bin Mohamad	Assistant Director, External Assistance Section, Economic Planning Unit

Country	Name	Title
MEXICO	Mr. Marco Antonio Alcazar Avila	General Director, Mexican Committee for the Cooperation with Central-America, Ministry of Foreign Affairs
	Ms. Cristina Ruiz Ruiz	Director, Demand of Cooperation Dept., General Directorate of Technical & Scientific Cooperation, Ministry of Foreign Affairs
The PHILIPPINES	Mr. Eugenio Raymundo B. Inocentes III	Assistant Director, Public Investments Staff, National Economic and Development Authority
	Ms. Celeste S. Vinzon	Assistant Director, Office of Policy Planning & Coordination, Dept. of Foreign Affairs
SINGAPORE	Mr. Anthony Chng Chye Tong	Director, Technical Cooperation Directorate, Ministry of Foreign Affairs
THAILAND	Mr. Sumathee Srisuchart	Deputy Director General, Dept. of Technical and Economic Cooperation, Office of the Prime Minister
	Ms. Kundalee Prachimdhit	Director, Div. of Economic Relations & Cooperation, Dept. of Economic Affairs, Ministry of Foreign Affairs
TUNISIA	Mr. Jemail Mondher	Assistant Director in charge of Japan and East Asian Nations, the General Dept. of Political, Economical and Cooperation Affairs for the Americas and Asia, Ministry of Foreign Affairs
	Mr. Gharbi Naceur	General Director, Tunisian Agency for Technical Cooperation
TURKEY	Mr. Mehmet Yavuz Arinsoy	Deputy Undersecretary, State Planning Organization (SPO)
	Dr. Tuncay Ercan	Coordinator for International Activities & Chief of Publications & Review Board in General Directorate of Mineral Research & Exploratio (MTA)
JAPAN	Mr. Hideaki Domichi	Deputy Director-General, Economic Cooperation Bureau, Ministry of Foreign Affairs
	Mr. Nobuhito Hobo	Director, Technical Cooperation Division, Economic Cooperation Bureau, Ministry of Foreign Affairs
	Mr. Akio Ijuin	Vice President, Japan International Cooperation Agency (JICA)
	Mr. Mitsuaki Kojima	Managing Director, Planning Dept., Japan International Cooperation Agency (JICA)

## ***IV. Opening Session***

### **1. Opening**

**Chairperson of the Session, Mr. Hideaki Domichi**, *Deputy Director- General, Economic Cooperation Bureau, Ministry of Foreign Affairs , Japan*

Mr. Ijuin welcomed the participants to the Conference on Promoting South-South Cooperation -- Sharing Experiences and Developing a New Common Approach.

Representatives from Argentina, Brazil, Chile, China, Egypt, Indonesia, Japan, Kenya, Korea, Malaysia, Mexico, the Philippines, Singapore, Thailand, Tunisia and Turkey participated in the Session.

### **2. Opening Address**

**Mr. Akio Ijuin**, *Vice President, Japan International Cooperation Agency (JICA)*,

As a representative of JICA, the hosting organization, Mr. Ijuin greeted the participants. This meeting was originally conceived as a follow-up to the initiative of the Japanese government at last June's G7 Summit in Denver. Under the joint sponsorship of the Ministry of Foreign Affairs of Japan and the Japan International Cooperation Agency, government representatives of 15 countries already offering support as contributing countries in development have been invited to share their experiences.

We are now striving to define a new global order and a new paradigm for international relations amidst globalization following the Cold War period. South-South cooperation is emerging as a third form of development assistance in addition to traditional bilateral and multilateral assistance. This concept traces its roots back to the 1970s when it was first promoted by the UNDP and other international organizations under the names "Technical Cooperation among Developing Countries" (TCDC) and "Economic Cooperation among Developing Countries (ECDC).

Although the Buenos Aires Action Plan adopted in 1978 clearly spells out the importance of industrialized nations providing financial assistance for cooperation among developing countries, Mr. Ijuin noted that South-South cooperation has become more important in recent years because such cooperation helps build new and richer relations between nations. He added that the Okinawa Conference on Development held in July, 1997, adopted a declaration which included as its third recommendation the promotion of South-South cooperation as a new development strategy.

Japanese assistance to developing countries began in 1954 when Japan joined the Colombo Plan. Japan itself was a recipient nation at that time, working to rebuild its economic infrastructure with loans

from the World Bank. As both recipient and donor to neighboring Asian nations, Japan was then in a unique position vis-a-vis this new paradigm of cooperation.

In 1974, Japan began promoting South-South cooperation by starting a third-country training program, a system of transferring technology to a developing nation who would then "re-transfer" it to other developing countries in need. By 1996, this program expanded to 99 training courses serving 1,662 participants from 23 countries. Now accounting for 15% (by participants) of JICA's training programs, this program has served over 13,500 trainees. Japan has also contributed a total of US\$ 27.3 million to the UNDP Human Resources Development Fund from 1986 through 1997 as part of South-South cooperation.

This coming October, Japan will sponsor the second Tokyo International Conference on African Development (TICAD), the first of which was held in 1993. This will provide further opportunity for the exchange of opinions, and represents another example of Japan's efforts to promote South-South cooperation.

In closing, Mr. Ijuin expressed hope that all participants will engage in a lively exchange of opinions and propose fresh ideas which can contribute to stronger partnerships among participating nations in the realm of South-South cooperation.

### **3. Argentina: South-South Cooperation Activities**

**Ms. Norma Nascimbene de Dumont**, *Director, Bilateral Cooperation in Charge of South-South Cooperation Undersecretariat of International Cooperation, Ministry of Foreign Affairs, Argentina*

Ms. Nascimbene de Dumont expressed gratitude for the opportunity to participate, and thanked the Japanese Government and JICA for their leading role.

After decades of economic stagnation and military dictatorships, Latin America is now moving forward in coping with the changes and struggles caused by globalization. In this regard, Argentina has been no exception. Now, steady growth has been achieved, with practically zero inflation and a growing GNP. Nonetheless, this progress has not permeated every area of the country, and development still remains localized.

There has been a dualism in development. Argentina is a recipient and, at the same time, a provider of assistance. The key purposes of cooperation are the transfer of knowledge, and strengthening of links with developing countries.

International cooperation is both a mechanism for development, and an instrument of foreign policy. In international technical cooperation, until 1975 it was a matter of dispersion. Then, from 1976 to 1983, it went through a period of planification, and from 1983 onwards it evolved into the province of the Foreign Ministry.

The types of cooperation have included conventional (or North-South), TCDC -- technical cooperation among developing countries (South-South), cooperation on an equal basis (combined funds and cost-sharing), and tripartite cooperation (support for South-South cooperation).

In TCDC, a significant factor for success is cost-sharing. As a donor nation, Argentina has established the FO-AR, the Argentine Horizontal Cooperation Fund, which is funded by the Ministry of Foreign Affairs, with priorities determined by OAS, OIM, and UNDP. So far there has been support from international organizations, but in the future Argentina is considering funding this by itself. Organization, tickets, health insurance and per diem costs are from FO-AR, while host institutions in Argentina take care of human resources, consultant posts and salaries; in other words, experts from here will go on a normal business trip.

Regional seminars are frequently held using Argentine experts for up to 90 days, and trainees from developing countries are hosted for up to 45 days. The modality is that there are no loans or materials provided.

Argentina has the capability to offer technical cooperation on many levels. International technical cooperation (ITC) has been federalized, with a centralization of rules and executive decentralization, while focal points have been at the provincial, sectoral, and national academic levels. The benefit of focal points is that one person bears all responsibility for prompt reaction, while the entire country is participating in the activities of technical cooperation.

Participating Argentine institutions are in the national, provincial and local public sector, and also include state decentralized institutions, national and private universities, private sector enterprises, and NGOs. There exists a database of cooperating institutions. Private enterprise, however, seems hardest to attract unless some concrete benefit is offered.

The cooperation is tailor-made to fit the needs, usually one whole week, or a maximum of 20 days. Much has been done throughout the Caribbean, and to a lesser extent sub-Saharan Africa due to the smaller diplomatic presence there. Activities have also been limited by a lack of funds.

In FO-AR applications, requests from institutions are made through the national cooperation authority, and subsequently through that country's ministry of foreign affairs, to the Argentine embassy in the

country, which plays a key role in supplying various forms of support. The request is then given over to the Argentine Ministry of Foreign Affairs, then to the Argentine Cooperation Bureau for Development, and then the Argentine host institution.

Argentina wants to strengthen and improve the quality of cooperation. But other forms of cooperation are different. Examples of successful projects can be found in many areas, including energy (El Salvador and Honduras), industry (Honduras), human resources (Dominican Republic and Panama), seismology (Guatemala and Nicaragua), education (Jamaica and Nicaragua) health (Colombia and Nicaragua), law (Guatemala), and in agriculture, forestry and fisheries (Costa Rica and Ecuador).

Argentina has cooperated extensively with Japan over the years with a track record of good results. Cooperation programs implemented by the Japanese government in Argentina with Latin American projection include training programs for third countries, and sending experts to third countries, both of which are implemented through JICA.

The chairperson expressed thanks for the presentation, and congratulated Argentina on its expanding role in cooperation.

#### **4. Singapore: South-South Cooperation Activities**

**Mr. Anthony Chng Chye Tong**, Director, Technical Cooperation Directorate, Ministry of Foreign Affairs, Singapore

Mr. Chng thanked the Japanese government and hosting organization for the chance to participate in this event.

Since the 1960s, Singapore has provided technical assistance to other developing countries. As a country whose only resource is its people, Singapore believes in that human resource development is essential for economic and social progress. Singapore has benefited from training provided by other countries and international organizations in the past, and now stands ready to share positive aspects of its development experience with other developing nations.

In 1992, the Singapore Cooperation Programme (SCP) was established to unify various existing assistance programs. Through the SCP, the number and scope of programs have increased. It is managed by the Technical Cooperation Directorate (TCD) of the Singapore Ministry of Foreign Affairs. Since 1992, Singapore has sponsored training courses and study visits for over 6,000 officials from 101 developing countries. The SCP annual budget is about US\$ 12 million.

Types of SCP assistance encompass both bilateral and joint training programs, the former offering training directly to a developing country, with the latter representing assistance provided in collaboration with a developed or developing country in an arrangement known as a Third Country Training Programme (TCTP).

Singapore's bilateral technical assistance programs reach countries in the Asia-Pacific, Africa, the Middle East, Latin America and the Caribbean. Examples include the:

- a) Singapore-Colombo Plan Training Awards,
- b) Singapore-ASEAN Training Awards,
- c) Indochina Assistance Fund (for Cambodia, Laos and Vietnam),
- d) Myanmar Technical Assistance Fund to develop agro-business and tourism, and
- e) Singapore Technical Assistance Programme for Sustainable Development (STAPSD) to promote environmentally friendly development in developing countries through training in urban planning, transport management, water treatment, coastal marine environmental management, environmental health, air pollution control, solid waste management, transboundary haze pollution and town planning.

Singapore also hosts training courses and study visits to Singapore, as well as in-country training programs and consultancy projects in the areas of:

- a) civil aviation,
- b) port management,
- c) environmental management,
- d) telecommunications,
- e) community policing,
- f) productivity,
- g) information technology,
- h) banking and finance, and
- i) the English language.

Trainees are hosted for up to one month in Singapore, but sometimes for as long as two to three months as the need arises.

Singapore has also embarked on a landmark project to help Vietnam upgrade its technical skills with the establishment of the Vietnam-Singapore Technical Training Centre (VSTTC) in Bin Duong Province, Vietnam in August, 1997. Singapore has also assisted Botswana in their establishment of the Botswana National Productivity Centre with the training of facilitators of Work Improvement Teams. Singapore has also hosted study visits from numerous developing countries

Mr. Chng emphasized that no grants, loans or equipment are provided, just pure training. Funding is provided in two ways, either bilateral training with co-payment by the recipient country, or in Third



Country Training Programmes (TCTP) wherein costs are borne with the partner country. To date, Singapore has partnerships with 19 countries and organizations; Australia, Canada, Denmark, Germany, Japan, the Republic of Korea, Luxembourg, Norway, the United Kingdom, and the Holy See along with the Asian Development Bank (ADB), Colombo Plan Secretariat, Economic and Social Commission for Asia and the Pacific (ESCAP), Commonwealth Secretariat, International Monetary Fund (IMF), World Bank, World Intellectual Property Organization (WIPO), and World Trade Organization (WTO). The joint training programs extend to a large number of developing countries in Africa, Asia-Pacific, the Caribbean, Latin America, and the Middle East, with training in a wide range of fields including port management and civil aviation, telecommunications, productivity, housing and estate management, information technology, environmental management and English language training. Recently, new fields have been introduced, such as strategic commercial bank management (with the World Bank), radio and television broadcasting (in a pilot project with the Commonwealth Broadcast Association), intellectual property rights (with WIPO), and trade policy (with WTO).

Mr. Chng noted that Japan was Singapore's first partner in 1989, and this led to the establishment of the Japan-Singapore Partnership Programme (JSPP) in 1994, and JSPP21 in 1997, to offer joint training courses to participants from the Asia-Pacific region and African countries. He then outlined the major training programs and commented on the popularity of each. One interesting example is the Koban Project, which was originally introduced to Singapore, who in turn introduced it to a province in India, and now the South Africans are keen to adopt a similar system. Mr. Chng noted that JSPPs are operated under of bilateral relations with Japan, and wants to expand projects under JSPPs.

Mr. Chng then explained how the programs are promoted and funded. The Ministry of Foreign Affairs receives formal requests through diplomatic channels. Unlike the case in Argentina, training programs are conducted by specific agencies, which then bill the Ministry of Foreign Affairs, in the case of third-country training programs. He also noted that since English is the language of government, trainee candidates must be qualified in it. Some 5,000 trainees have been trained since 1992, and already 2,000 trainees are hosted each year. The annual budget is US\$ 10 million dollars.

The chairperson observed that the Japan-Singapore Partnership Program is the most advanced, and the partnership is equal. Japan has already concluded similar agreements with Thailand, and wishes to expand these types of arrangements in the future. He added that cost-sharing is important, and the basis of cooperative success.

## **5. Tunisia: South-South Cooperation Activities**

**Mr. Gharbi Naceur**, *General Director, Tunisia Technical Cooperation Agency*

Mr. Gharbi opened his talk by expressing his gratitude toward the Japanese government for this opportunity to participate in this international conference.

Tunisia has been involved with TCDC for a long time, and is at the forefront of technical cooperation. With the support of UNDP, Tunisia is currently operating a "capacities and needs matching process" with 13 French-speaking countries in Africa, along with Haiti. The theme of this is "Sustainable Human Development." Tunisia wishes to contribute to the establishment of a partnership for South-South and tripartite cooperation on the side of developing countries in Africa and Asia, and with developed countries such as Japan.

Tunisia agrees with the principle that development must be a "participative process that revolves around the human being" proposed by the OECD Development Committee, to which Japan was a significant contributor. In 26 years of experience, the Tunisian Agency for Technical Cooperation has placed some 16,000 qualified professionals in more than 25 African countries and in the Gulf area, with over 30 technical assistance projects implemented in these countries. Mr. Gharbi added that his own agency has placed 850 Tunisian specialists in various international and regional organizations, and has organized over 120 training and refresher sessions which have benefited over 1,300 African and Arab employees from the public and private sectors, as well as from NGOs.

South-South cooperation may also be applied in the academic field. Over 3,000 African students are currently pursuing undergraduate and graduate studies in various disciplines at Tunisian universities. Moreover, economic operators have already developed a long tradition of work outside Tunisia in other African countries. In many cases, Tunisian Banks have played an active role in launching some African banking companies. In the food industry, private Tunisian companies have also had many successes in Africa. With Tunisian private consulting agencies in a number of technical and managerial fields operating in Africa, Tunisia shows a good track record in exporting know-how accumulated during four decades of development.

In engineering and technology, South-South cooperation allows highly trained and experienced African managers to provide expertise in African development. Since these opportunities are more interesting and promising, it helps prevent the brain-drain from Africa. As well, developing countries often face similar problems, even though solutions are not always shared. The case of "tontines" is an example of a traditional solution to the problem of financing in Africa which conventional banks do not usually provide. Without denying the perspicacity of experts from the North, these "tontines" also show how informal solutions sometimes fit easily into the mental frameworks of consultants from the South and into their recommendations.

The Free Trade Agreement signed in 1995 between Tunisia and the European Union and the country's

adhering to the WTO are both promising and challenging. The fully entry into the liberal economy and the progressive dismantling of trade barriers has certainly opened up new prospects for the Tunisian economy. Accordingly, improvements in fiscal equilibrium, productivity, competitiveness and management have been achieved. This is in line with Tunisia's shift toward privatization, and lessons learned here can easily be shared with other African countries. The result of these trends is the birth of a new generation of managers and specialists, which can offer positive benefits to other countries.

At the preparatory conference of TICADII in Tokyo last November, Tunisia proposed the establishment of a "TICAD NET" and an African-Asian corps of volunteers to serve African countries.

Exclusion and marginalization are not exclusive to the South; Western countries in search of solutions to poverty can often find answers in poor countries. One example is Bangladesh's experience with micro-credits to the poor was used by USAID to empower poverty-stricken urban ghettos in the U.S.

For many developing countries, a small push helps them greatly in gaining access to a higher level of development. Without the help of Japan, several Southeast Asian countries wouldn't be the dragons they are today. Similarly, some European countries wouldn't be developed without their membership in the EU. We may ask where Europe would be today without the Marshall Plan. If Africa cannot benefit from a Marshall Plan of its own, it can certainly take advantage of tripartite cooperation which has proved beneficial for both donor and recipient countries alike.

Tunisian experience in technical cooperation has resulted in a number of successes. With the financial support of organizations such as UNDP, the World Bank, the Islamic Development Bank, the African Development Bank, BADEA, OECF, FADES and the EX-IM Bank of Japan, some 30 projects have been implemented in such areas as the environment, agriculture, fishing, health, education and professional training. The participation of Tunisian experts helped in the creation of integrated institutions in several countries in areas like employment promotion, public health, telecommunications and business.

To prevent the Tokyo Declaration from becoming another example of merely wishful thinking, it is necessary to turn its recommendations into reality. This could be achieved by assisting African countries which are able to extend their expertise to lesser developed countries.

## **6. Thailand**

**Mr. Sumathee Srisuchart**, *Deputy Director General, Department of Technical and Economic Cooperation, Thailand*

Mr. Sruisuchart pointed out that Thailand began international cooperation activities in 1954, when the

government cooperated with other donors and multilateral agencies in augmenting the training and study visit program for foreign participants in Thailand. In 1961 the Thai government began to finance a fellowship under the Colombo Plan. This was raised to a certain level, and has grown together with the Thai International Cooperation Program (TICP).

The concept of TICP is "Partnership for Development" which is focused on mutual interest, complementarity and solidarity among the cooperating partners so as to support development efforts to achieve self-sustaining growth and development. In this respect, the Thai Government began to place greater emphasis on international cooperation with other developing countries, especially Thailand's neighboring countries.

From 1970 to 1991, the annual TICP budget rose from 10 million baht to 25 million baht, but after that the growth was phenomenal. In 1991, funding was increased to 200 million, then to 299 million in 1995, and to 400 million in 1997.

At present, the TICP operates under various modalities including the Bilateral Programme, the Annual International Training Courses program (AITC), the Third Country Training Programme (TCTP), the Technical Cooperation among Developing Countries Programme (TCDC), and the Trilateral Cooperation Programme. Each were briefly detailed by Mr. Srisuchart.

The nature of TICP implementation is in line with the concept of South-South cooperation. Due to limited resources, however, along with the present economic crisis, Thailand is not able to fully support the South-South cooperation initiative.

However, technical cooperation is still an important long-term goal for the Thai government.

## **7. Malaysia**

**Mr. Kamel bin Mohamad**, *Assistant Director, External Assistance Section, Economic Planning Unit, Malaysia*

Mr. Kamel remarked that Malaysia has established the Malaysian Technical Cooperation Program (MCTP) in 1980, and since then over 100 countries have benefited from its activities. These countries are in the ASEAN region, the OIC, and the South Pacific.

There are many different types of cooperation engaged in, and the MCTP plays a role as a focal point with the executing agencies. Complementary donor support is involved in most cases, while trilateral cooperation with such countries as Japan and France for African development has been successful. MCTP

regularly cooperates in ASEAN programs.

As a member of G-77, G-15, OIC and D-8, Malaysia intends to step up cooperative efforts in the future when resources permit, recognizing the South-South cooperation is essential in enhancing self reliance among developing nations.

## **8. Indonesia**

**Mr. I Gusu Nguran Swetja**, *Director, Economic Relations among Developing Countries, Department of Foreign Affairs, Indonesia*

Mr. Swetja noted that Indonesia's external development assistance began in 1954 with the dispatch of navigation experts to other countries. Since then, Indonesian assistance has grown, and over 74 countries have been helped to date. The government works toward the ideal of 50/50 cost sharing in principle.

The contributions of the private sector are important, and two examples of such assistance were given. Indonesia stands committed to further promote South-South cooperation wherever possible, and believes that this new approach to aid and assistance will become the norm in the 21st century. As well, the tripartite approach also shows promise depending upon the application.

In closing, Mr. Swetja noted that Indonesia holds membership in G-15, G-77, OIC, D-8 and the Non-Aligned Countries, and maintains a strong commitment to the goals of international technical cooperation and assistance.

## **9. Philippines**

**Ms. Celeste S. Vinson**, *Assistant Director, Office of Policy Planning & Coordination, Department of Foreign Affairs, the Philippines*

Ms. Vinson noted that historically, the Philippines has over 30 years of experience as a recipient of technical assistance from various donor countries, including Japan, under the Colombo Plan for Technical Cooperation, and international organizations under multilateral arrangements. The acquired knowledge and skills accumulated over these years have made the Philippines realize that it can now assist other developing countries. Thus, the Office of the President established the Technical Assistance Council (TAC) in 1979. Meanwhile, in September 1981, the First United Nations Cooperation on Least Developed Countries held in Paris declared a program of action to promote TCDC. This development preceded the 1980 establishment of the Interagency Technical Committee on Technical Cooperation

among Developing Countries (TCDC) , which led to the drafting of the Manila Declaration to express the Philippine commitment for a technical cooperation program in favor of other developing countries. This paved the way towards the establishment of the Technical Cooperation Council of the Philippines (TCCP) which was transferred to the jurisdiction of the Department of Foreign Affairs in 1992.

TCCP focal points include: a) the implementation of programs in favor of developing countries, particularly the least developed among them, b) the coordination of related programs sponsored by the government or other organizations, and c) research on technical assistance requirements.

In the future, the Philippines wishes to expand its role in South-South cooperation through its TCCP, and looks forward to working with Japan and other nations in this regard.

## **10. Republic of Korea**

**Mr. Hwang Soon Talk**, *Director, Economic Cooperation and Resources Division, Ministry of Foreign Affairs and Trade, Republic of Korea*

Mr. Hwang commented that the Republic of Korea was a major recipient of foreign aid until the 1970s, and owing to that it has become a paragon of successful economic development. Korea was then able to change from a recipient to a donor of development assistance.

Although the Republic of Korea first initiated technical assistance programs in the early 1960s when it was still in deperate need of foreign assistance, the take-off of the Korean economy in the 1970s enabled the dispatch of Korean expert and grant aid programs. In 1987, Korea established the Economic Development cooperation Fund (EDCF) to provide bilateral loans to developing countries. In 1991, the Korea International Cooperation Agency (KOICA) was founded as a central executive body for grants and technical cooperation, and represented a breakthrough in the history of the country's South-South cooperation efforts.

The basic motives of this assistance are: a) to contribute to international peace and prosperity, b) to strengthen economic relations with developing countries, and c) the continuous provision of humanitarian assistance. ODA programs are led mainly by the Ministry of Foreign Affairs and Trade (MOFAT), and the Ministry of Finance and Economy (MOFE). Grants and technical cooperation rest with MOFAT, while execution is entrusted to KOICA.

KOICA provides grants in both project-type cooperation and also in the provision of equipment and material. In 1997, KOICA spent about US\$25 million for these programs, reflecting 56% of total expenditures.

In 1996, the Republic of Korea's ODA volume amounted to some US\$ 159 million, but due to current economic difficulties, it cannot be expected that the scale will expand for the time being. Instead, the government is trying to enhance the effectiveness of its current programs. Accordingly, a new approach is now being taken, which includes a) the formulation of a country-specific program, b) cooperation programs in HRD will be expanded, c) cooperation will be furthered with other donors and international organizations, and d) private sector involvement will be actively pursued. In addition, NGO cooperation will be sought.

Finally, the promotion of public support for ODA is still an important task, and KOICA and other organizations are now working to increase public awareness of the issues at hand through publishing, mass media PR, and on-line services.

## **11. China**

**Mr. Qin Zhang**, *Counsellor, Department of International Cooperation, Ministry of Science and Technology, People's Republic of China*

Mr. Zhang opened by highlighting the need to share experiences. China has been maintaining friendly cooperation with developing countries in politics, economics, science, technology and culture. In the field of science and technology, China has provided developing countries with both knowledge and information, as well as technology, equipment, and personnel training to enhance their development prospects. To this end, China has allocated a special fund for technical assistance.

These objectives are administrated and executed by the Ministry of Science and Technology (formerly the State Science and Technology Commission), and technological cooperation agreements have been signed with 67 developing countries. Activities include study tours in China, international training courses on applied technology, the provision of agricultural resources, joint research projects, and the dispatch of Chinese experts to recipient countries. However, China's resources are still limited, so the most cost-effective forms of aid are promoted.

In addition, there is an emphasis on appropriate technology concerning both China, where some forms of technology are inherently strong, and recipient countries, where the technology should be appropriate. Traditional examples include aquaculture, agriculture, porcelain, and traditional Chinese medicines for malaria and other maladies, while more contemporary examples include large-scale computers, solar energy, and earthquake monitoring technology.

Recent successes have included a malaria eradication program in Kenya, a solar power plant in Zimbabwe, the establishment of a computer laboratory and a solar energy laboratory in Egypt, the

donation of measuring and test instruments to a laboratory in Cuba, the donation of earthquake monitoring instruments to Chile, and training on traditional Chinese medicine in China for a group of students from Mexico. In addition, China accommodates trainees from over 50 countries each year in a variety of fields.

The Third Country Training program operated jointly with JICA is a current success. At present, students from developing countries are being trained at the Beijing Meat and Food Research Center. We hope the current program will become a model for Japan's role in South-South cooperation.

Our recommendations are:

- a) The Third Country Training program in China sponsored by JICA is welcomed to be expanded.
- b) China wishes to commit to JICA's planned Project Type or Development Investigation programs in developing countries with experts sent from third countries.
- c) Bilateral or multilateral South-South cooperation may seek funding from Japan.
- d) China and Japan may discuss ways to assist the development of Middle Asian countries.

In conclusion, China holds a very positive attitude towards supporting South-South cooperation, and feels that they can contribute more in this area. China wishes to work with Japan and all developing nations on both the discussion and the promotion levels.

## **12. Kenya**

**Mr. G. K. Arap Koech**, *Director, Economic Relations Among Developing Countries, Ministry of Finance, Kenya*

Mr. Koech related that South-South cooperation is a comparatively new concept in his country. Kenya is located near the sub-Saharan area, and is in a strategic regional position. The country has already benefited from development assistance in the past, particularly that from Japan.

Mr. Koech explained that Kenya has gone through a number of significant changes and some rather drastic transformation. Since 1992 it has become a country with multiple political parties, and new economic reforms have gone into effect. The government now realizes it can no longer be the sole main player, and various privatization programs have already been undertaken.

Kenya is a culturally diverse country populated by some 42 tribes of people, each with a distinct language. Accordingly, Swahili has become the national language.

Already, Kenya is participating in regional coalitions. One is with Uganda and Tanzania in East Africa,



and the other is with nations to the south, including Zimbabwe and Zambia.

Mr. Koech expressed his hopes to take advantage of participating in this conference to build structures and mechanisms for implementing South-South cooperation.

### **13. Egypt**

**H.E. Ms. Samira Ibrahim Ekadawi**, *Ambassador/Secretary General, Egyptian Fund for Technical Cooperation with Africa, Ministry of Foreign Affairs, Egypt*

H.E. Ms. Edadawi observed that the Egyptian Fund for Technical Cooperation with Africa (EFTCA) was established in December 1980, with operations beginning in 1981. It operates within the framework of the Ministry of Foreign Affairs to provide technical assistance with the aim of developing human resources and the economic infrastructure of African countries in the context of South-South cooperation. She added that Egypt, as an African country, feels kinship with the rest of Africa, as part of the same family on the same continent. Accordingly, EFTCA is based on the following objectives and principles:

- a) Egypt is an Arab, African and Middle Eastern country committed to the enhancement of its relations with other African countries.
- b) Egypt believes that fostering South-South cooperation and promoting self-reliance are important instruments in the building of productive capability and the utilization of natural resources by enhancing managerial, technical, administrative and research capabilities. All of these are part of economic, social and institutional development.
- c) Egypt believes that the development of human resources is one of the most pressing needs of developing countries. Consequently, imparting the expertise and know-how necessitate active cooperation and joint action among African countries.

Egypt enjoys advantages in the availability of scientific and technological expertise from two decades of experience in tackling economic, social, legal and administrative issues related to economic reform, liberalization and structural adjustment. These problems are currently of special interest to African countries. Egypt has also established information systems in various fields, while Egypt also has many specialized training academies and institutes in different disciplines.

The EFTCA receives an independent budget allocation every year from the Egyptian government. Main activities include delegating Egyptian experts and consultants to long-term assignments in other African countries, and organizing training programs with Egyptian institutes and training centers for African groups working in development within the framework of bilateral and tripartite cooperation with international agencies such as JICA. These programs cover the following main sectors: diplomacy,

agriculture, irrigation, industry, health care, crime prevention, tourism and hotel industries, maritime transport, civil aviation, seismology. The EFTCA also delegates selected professors, consultants and medical missions and other technical personnel to short-term assignments, while offering humanitarian assistance to African countries in the event of natural disasters or civil war. In the future, EFTCA intends to expand and diversify its activities.

In closing, Ms. Ekadawi noted that Egypt is a founding member of both G-15 and D-8, and intends to take an active role in the promotion of South-South cooperation in the years to come.

#### **14. Turkey**

**Mr. Mehmet Yavus Armsoy**, *Deputy Undersecretary, State Planning Organization (SPO), Turkey*

Mr. Armsoy stated that as an advanced developing country, Turkey possesses a wealth of experience in development issues, and has many organizations already involved in South-South cooperation.

One of the most recent examples of success include third-country programs on the development of underground mineral resources. This was financed by JICA, and has helped tremendously a number of countries throughout Central Asia. In addition, an audio/video communication program, involving 14 partner countries, is another example of success.

In addition, a standards organization was created in 1991, while training courses have also been offered.

Due to its proximity to Africa, Turkey has been able to devote resources to developmental assistance. Examples include an irrigation project in Senegal, and a 24-bed hospital in Sudan.

Turkey stands ready to increase its role in the future, in keeping with the principles and objectives of South-South cooperation.

#### **15. Brazil**

**Mr. Manoel de Araujo Amorim**, *Representative, Brazilian Agency for Technical Cooperation among Developing Countries*

Mr. Amorim stated that Brazil believes the responsibility of financing cooperative aid projects lies with the recipient countries. Under this approach, Brazil has already been involved in bilateral and multilateral aid programs with many different countries worldwide. Within this, Brazil is engaged in a number of TCDC projects, with some 41% of activity in Central and South America, 21% in Asia, and 2%

in Eastern Europe.

As a means of South-South cooperation, the mission of Brazil's TCDC programs is to contribute to training and other related endeavors, with the intent of bringing such modes of cooperation into the diplomatic agenda of developing countries.

Mr. Amorim closed by asking representatives to read the documentation on his countries TCDC activities which he has prepared for this conference.

## **16. Chile**

**Mr. Bernardino Sanhueza Pino**, *Acting Executive Director, Chilean International Cooperation Agency*

Mr. Sanhueza noted that Chile has been active in international South-South cooperation under the name of Horizontal Cooperation, represented mostly by scholarships and seminars directed mainly towards countries in Central America and the Caribbean.

These activities have been the focus of the Chilena Agencia de Cooperacion Internacional (AGCI), and focus areas include the alleviation of poverty, especially in health, social policies, natural resources management and more.

Currently, the Agencia de Cooperacion Internacional is evaluating its work on horizontal cooperation between 1993 and 1997.

Shared tri-lateral cooperation has been successful with the Japanese government to help identify and help developing countries in matters related to the promotion of South-South cooperation. The future challenge consists of identifying, negotiating, and agreeing on tri-lateral cooperation initiatives which, based on specific projects, each party plays a specific role, and where these efforts may be conjugated in order to achieve a greater and more effective cooperation.

## **17. Mexico**

**Mr. Marco Antonio Alcazar Avila**, *General Director, Mexican Committee for the Cooperation with Central-America, Ministry of Foreign Affairs, Mexico*

Mr. Alcazar noted that the Mexican Institute for International Cooperation was established in order to collaborate with other developing countries, primarily those linked to Mexico geographically, as is the case with Latin America and the Caribbean.

The technical cooperation extended is in accordance with Mexican foreign policy, and is based on the experience and capability which have been gained through years of internal development of knowledge, techniques, and technologies.

Objectives include assisting the fight against extreme poverty and achieving full social development; strengthening the institutional ability of administration; supporting technological development, making efficient use of natural resources and preserving the environment, and achieving productive and sustainable development in goods and services.

Particular attention is given to those projects which involve the participation of several countries in the region, as well as those which bring together the public, private and social sectors.

Areas of interest include social development, agriculture and nutrition, health and social security, housing and urban development, communications and transportation, education, science and technology, economic development, employment, natural resources and ecology, public administration, tourism and energy development.

Methods of cooperation include cooperation among enterprises, diagnostic and prospective missions, the exchange of specialists, staff training, joint projects, seminars and workshops, short courses, and research, as well as the exchange of information, documentation and materials.

Through these activities, Mexico intends to expand its links of technical cooperation with other developing countries, reinforce regional solidarity, support the process of peace and integration throughout Latin America and the Caribbean, achieve full participation in international cooperation for development, and support the exchange of knowledge between developing countries to improve productivity in both goods and services with the aim of increasing foreign trade.

## ***V. Workshop I : Establishing Structures for the Implementation of South-South Cooperation***

### **1. Introduction**

**Chairperson of the workshop, Mr. Soon Taik Hwang, Director, Economic Cooperation and Resources Division of the Ministry of Foreign Affairs, the Republic of Korea**

Under the chairmanship of Mr. Hwang, Workshop I "Establishing Structures for the Implementation of South-South Cooperation (Basic Philosophies, Obtaining National Support, Current Issues and Future Tasks for Implementing Structures) was conducted with representatives from Argentina, Chile, China, Egypt, Kenya, the Philippines, Thailand, Tunisia, and Japan. In his introduction, the chairperson noted that in an increasingly interdependent, global economy, the challenge is to ensure quality of life for developing countries, and South-South cooperation has grown in importance. But for emerging contributing countries in development, difficulties exist in terms of lack of experience, insufficient funds for implementation, and management, etc. There is also the need to gather domestic public support to enhance South-South cooperation in the future, particularly given the current ODA constraints. In the ensuing discussion, the chairperson proposed a review of the current issues, philosophy, resources and public support for South-South cooperation, and encouraged an informal debate about ideas for promoting it. Three discussants led the session.

### **2. Egypt**

**H.E. Ms. Samira Ibrahim Ekadawi, Ambassador/Secretary General of the Egyptian Fund for Technical Cooperation with Africa, the Ministry of Foreign Affairs.**

H.E. Ms. Ekadawi began by pointing out the profound changes witnessed by the world economy in recent years, accentuated by economic liberalization and globalization trends. For the strongest economies, this movement has presented opportunities in terms of access and investment. But for developing countries, the threat of marginalization exists. Against this backdrop, official development assistance is in decline. Nonetheless, several developing countries have achieved significant growth in the past decade, providing a real basis for South-South cooperation.

The Program for Action of the Non-Aligned Countries (adopted in 1972) and the Caracas Action Plan for Economic Cooperation Among Developing Countries (adopted by the G-77 in 1981) already aimed at enhancing South-South cooperation. They serve as a basis for exchanges on global economic issues. The concept of South-South cooperation is of ever-growing importance, whether cooperation among developing countries occurs on the bilateral, multilateral, regional, intra- or inter-regional levels.

Egypt has long-term experience in the South-South cooperation sphere, including as a participant in tripartite arrangements. The creation of a specialized institution for coordinating and channeling cooperation has proven to be an effective mechanism. In 1980, the Egyptian Fund for Technical Cooperation with Africa (EFTCA) was established under the umbrella of the Ministry of Foreign Affairs. Its activities have included dispatching Egyptian experts and consultants according to varying needs of African partners; conducting training courses with specialized Egyptian institutes; and the creation of training centers for African cadres in sectors essential to the development process, within the framework of bilateral and tripartite cooperation (including some international agencies) under the auspices of JICA, UNDP, ISECO, etc.

The EFTCA programs cover main sectors such as diplomacy, agriculture, irrigation, health care, crime prevention, tourism and the hotel industry, maritime transport, civil aviation, and seismology. In addition, skilled personnel, such as professors, technicians and doctors are dispatched for short-term missions. Humanitarian assistance is provided to African countries in the event of natural disasters and civil wars. In 1985, a tripartite arrangement for South-South cooperation was organized with Japan. In general, EFTCA has proven a successful model of South-South cooperation for human resource development.

Encouraged by this success, Egypt decided to institute a second mechanism to facilitate technical cooperation with another group of countries. This decision led to the Egyptian Fund for Technical Assistance to the Commonwealth of Independent and New Independent States (established by Presidential Decree in 1992 under the auspices of the Ministry of Foreign Affairs). It promotes technical cooperation with Albania, Armenia, Azerbaidjan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Mongolia, Russian Federation, Tadzhikistan, Turkmenistan, and Ukraine.

Both of these Egyptian funds could be expanded, to areas such as feasibility studies, and the implementation and management of development projects, providing that additional resources were provided. Tripartite cooperation could serve as a catalyst in this regard.

Egypt has been a founding member of both the G-15 and the D-8, two catalysts for mutually beneficial South-South cooperation. A G-15 agreement on the establishment of a G-15 Federation of Chamber of Commerce was signed this year. Both groups are undertaking a wide range of economic and technical projects to ensure a practical, concrete dimension of member cooperation.

The tripartite sphere for South-South cooperation has not yet been fully realized. Structures and resources are still needed. But although resources from developed countries are limited, the development experience of many developing countries offers promising potential for South-South cooperation. Not

only are their products and expertise often cheaper, but they are also sometimes better suited to the realities of other developing countries. A South-South information network would foster the process.

In closing, the discussant noted that South-South cooperation is not a substitute for North-South cooperation. It is complimentary to traditional aid approaches, and provides additional resources, but cannot replace participation from developed countries.

### **3. Kenya**

**Mr. G. K. Arap Koech**, *Director of External Resources Department, the Ministry of Finance, Kenya*

Mr. Koech noted that the concept of South-South cooperation is new for Kenya, and for Sub-Saharan Africa in general. He felt that it is an attractive development concept, and East Africa and Sub-Saharan Africa should "join the club" of South-South cooperation. No mechanisms for it are in place in Kenya yet. The discussant said that he hopes to promote the concept upon his return to Kenya. He summarized his view as follows.

In view of donor fatigue and the reduction of ODA in recent times, other areas of aid must be explored. Development assistance plays a crucial role in driving the process of development. However, it is futile to embark on a wide range of poorly coordinated and designed projects. To improve the efficacy of aid, the focus should be on a reasonable portfolio of sustainable projects. Developing countries have comparative advantages, resources, and experience to share in South-South cooperation. Such exchanges are complimentary, rather than in conflict with, North-South cooperation.

Efficacy depends to a large degree on real partnerships. For needs to be realistically assessed, the recipient must be the leading partner. There is a growing realization that the ownership and responsibility for the implementation of cooperative development efforts should be placed with the recipient. On occasions when aid has been less than successful, the problem is often that the recipient country does not perceive of a project as belonging to them, but rather as donor-driven, and imposed externally. For sustainability of projects in the long-term, recipients need to have a sufficient policy framework that provides an enabling environment. If sound economic policies do not exist, there is no chance for success.

Kenya is now in the process of economic, social, and political reforms. In the past, the government has played too great a role. Privatization is currently in process. However, the government must still provide infrastructure and services that cut across sectors, including roads, energy, water, health, and education.

Information exchange plays a crucial role in cooperation. Knowledge is power. Technology, skills and information cannot be exhausted as a resource. In addition, Mr. Koech pointed out, government to government contacts alone are not enough. People-to-people exchanges, in terms of trade, private investments, and joint ventures, are already underway in Africa.

Finally, Mr. Koech highlighted the need for participatory development. Development cannot be delivered; the nationals can be enabled, but they must take part. For a project to be meaningful, the beneficiaries must be involved in its identification, conception, and design. Even in cases where the literacy rate is low, people know what they want and need. Donors should act as the catalysts.

He also called attention to the crisis of widespread poverty and the diseases and famine that accompany it. In his region, sometimes as much as 50% of the population exists below the poverty line. In the global village, everyone is affected by economic troubles. Now economic turmoil has gripped the Asian tigers, which were once perceived by Africa as a model for economic development. Given their present turmoil, we can ask ourselves what might possibly have been ignored when they were developing. However, he noted, events beyond their borders have of course played a major role in the current economic crisis.

#### **4. Tunisia**

**Mr. Jemall Mondher**, *Assistant Director in charge of Japan and East Asian Nations at the General Department of Political, Economical, and Cooperation Affairs for the Americas and Asia, Ministry of Foreign Affairs, Tunisia*

Mr. Mondher hoped that the present conference would be of benefit to the second Tokyo International Conference on African Development (TICAD) scheduled for October 1998. African countries have high hopes for the impending Agenda for Action, which will be formulated exactly five years after the first TICAD.

The first TICAD meeting emphasized the concept of self help. Japan provided a chance for African nations to learn from the experience of rapid East Asian development, and this initiative received the endorsement of the G-7 nations at their 1996 Lyon summit and the 1997 Denver summit.

In addition, the process is being supported by UN institutions such as UNCTAD, UNDP, and other international and regional institutions. To be effective, South-South cooperation must be integrated in the global system, including the participation of the North, or developed countries.

Tunisia is a strong proponent of the concept of "people-centered development" first formulated by the



UNDP in its 1990 Human Development Report, and reiterated by the 1995 Copenhagen Declaration. The swift pace of the globalization process makes it imperative that developing nations are not left out. To this extent, closer cooperation between North-South would facilitate a continuous transfer of technology. Due to the gap in scientific development left over from the colonial era, the self-effort approach alone is not sufficient. Thus, Tunisia recognizes the importance of focusing on education.

As a result of its effective, diversified educational system, it can now meet assistance requests from less developed nations. Although this cooperation is still limited, it could expand given a larger framework. The viability of such an undertaking depends in large part on support from developed countries and multilateral and regional organizations. Such a comprehensive system would need to be developed in accord to principles of sustainable development and would eventually need to encompass the private sector and NGOs.

The larger the framework, the greater the chance is for distributing the burden of adequate financing. Funding should be multi-layered. Limited resources inhibit South-South cooperation. Japan has set a good example with its well organized ODA efforts.

TICAD II will continue this process of addressing the urgent needs of Africa. A sustainable assistance effort should encourage Africa and other developing countries to rely on self effort to achieve their development goals, and to that end, concrete measures should be taken, particularly in TICAD II's Agenda for Action next October.

In the first stage, this Agenda will require an assessment of capabilities for technical cooperation in each "development partner" country. This approach has gained wide international support. It is thus possible to utilize regional similarities and overcome language problems, among other things. Who needs assistance would be the subject of subsequent evaluation. Ideally, TICAD members could count on the support of JICA, with its accumulated knowledge and experience in the field of technical cooperation.

Tunisia has appreciated close cooperation with JICA and would like to continue to take part in the creation of a South-South cooperation network that consists of carefully selected, existing elements. In coordinating this network, we should derive advice from actual past experience, such as the multilateral/bilateral aid cooperation in which Japan is already engaged. Cooperation between donor countries and international organization is implicit. In exploring different avenues for a global implementation structure, Tunisia feels that the TICAD forum might be transformed into a permanent, multilateral organization, with a structure resembling that of UNCTAD. The governing board or council would be assisted by special committees, each with a different sphere of activity. Such an organization would need to be functional, rather than burdened with a heavy administrative structure.

Asia and Africa need a mechanism to supervise the implementation of the Agenda for Action, for addressing weak points, the allocation of particular tasks and missions to development partners, and the coordination or work with specialized UN agencies and institutions. But without sufficient funding, South-South cooperation will be condemned to a premature end.

The alternative to an organization such as the one described above would be to promote existing structures. The implementation of TICAD II could be executed on different levels by various bodies, whether bilateral, multilateral, or regional. The risk is, however, that programs are diluted in the process. The UNDP, with its special unit for TCDC is particularly worth mentioning as a potential implementation institution, and the capabilities of developing partners should also be utilized. Based on partnership programs, financing could occur through relevant regional and multilateral institutions, including regional banks and financial institutions. Although these ideas are not exhaustive, they could serve as a ground for further discussion in this session.

## **5. DISCUSSION**

The Chairperson requested that participants give their view on four points:

- a) Philosophy of South-South cooperation;
- b) Structure/mechanism for implementing aid;
- c) Securing resources; and
- d) Implementation of participatory aid (public participation and acceptance).

## **6. Topic : Philosophy for South-South Cooperation**

### **Japan:**

For a country like Japan that is not a military power, to contribute internationally, economic cooperation is one of the most important measures. Japan has been pleased by the responses to its efforts.

As a personal observation, he noted that accumulated development experience and rapid progress of globalization have given a new dynamic to South-South cooperation. Its significance has been reinforced, and its dimensions have taken on a new dynamic, with expansion of intra- and inter-regional trade and investment. The real economy is changing so rapidly. South-South cooperation is not longer just a philosophy; it has become a reality. In addition, a qualitative change in South-South cooperation has occurred. It is no longer just a matter of technology transfer, but of sharing nation-building experience. More and more activities and proposals for tripartite cooperation are also emerging. South-South cooperation has acquired a new significance and momentum.

**Indonesia:**

The philosophy for South-South cooperation derived largely from the UN Plan of Action and the G77 summit in Caracas. Japan is correct in perceiving a new dynamic. As a result, the original philosophy now needs review. South-South cooperation should be strengthened, but not in opposition or conflict with North.

We now need a tripartite approach, one of partnership. Reinforcing the self-reliance of developing countries contributes to greater world prosperity. Southern development progress will improve its relationship with the North. It is in mutual interest.

The idea of creating another global mechanism is not an appropriate solution. Another multilateral organization will only add to bureaucracy. TICAD should meet and discuss progress every two or three years, but do not generate new bureaucracies; this is not the right time for such a step.

Self-reliance is not something that occurs in isolation from international cooperation. It should take place in accordance with the ownership concept articulated by Kenya. We do not want to have situations or events imposed upon us by others.

**China:**

A philosophy has existed since the 1970s; South-South cooperation has been discussed in various forum contexts. We are still talking, but developing countries are not yet satisfied. How can it be improved? The concept is good and accepted as an effective way to promote our development. Yet we must consider why it has not been entirely successful.

The lack of sufficient funds is an important issue. Furthermore, when we become donors, we must remember our feelings as recipients. Kenya addressed the need for aid to be demand-driven. In South-South cooperation, we often talk about how many training courses and experts we are organizing, but we should also think about impact, sustainability, and follow-up.

We should move from TCDC to ECDC. Many modalities should be introduced into South-South cooperation. The issue now is how to make the process move ahead, how to generate major, in-depth progress before we meet again in another five years.

**Thailand:**

The philosophy must express that technological and comparative advantages do exist among us. It is not a question of techniques, but of the resources to be implemented. TCDC modalities promoted by the UN have many difficulties in terms of expanding the programs.

Thailand has experienced less cooperation requests than it anticipated. The reason is a lack of funding on the part of the requesting nations. They must seek travel costs, for example, from big donors or multilateral organizations.

There are three main models for South-South cooperation:

- a) Bilateral cooperation: now slowly expanding. Budget and activities are limited.
- b) Countries in sub-regions: growth triangle experience of Malaysia, Indonesia, and Thailand provides many examples of cooperative programs. Some difficulties exist, and extensive budget support is required.
- c) South-South cooperation with assistance from big donors of multilateral agencies is now most appropriate. Outside support is needed, especially in the present economic crisis. Cooperation between developing countries alone is not enough; external support is necessary to expand.

#### **Kenya:**

Never forget the past mistakes of ODA. Some efforts concentrated on capital-intensive rather than labor-intensive projects. Expensive equipment from developed countries was supplied without sufficient capability for the developing countries to sustain it. This resulted in stalled projects and so-called white elephants. It spawned corruption in developing countries, and led to some negative outcomes. This approach also overshadowed small enterprises that are an essential part of economic development. You have to start small and become big, not vice versa.

In addition, in the past, too often agriculture was ignored, leading to food shortages and famine. Environmental issues were rarely considered. These errors should be rectified in the future.

Also, when we talk about bringing in expertise, we must first ask what kind of expertise already exists, and utilize it. Foreign experts should be kept to a minimum; we must make use of domestic, local manpower and skills.

### **7. Topic : Aid implementation structure: domestic, international, sub-regional**

#### **Indonesia:**

We need a clear focal point for implementation and definition of needs. Presently, there are too many agencies involved in planning and execution. It makes it difficult to assess the impact of our actions.

Comparative advantages must be clearly identified or efforts will be perceived as donor driven. We must learn what needs and capacity to help exist in recipient countries.

**Thailand:**

I agree with the focal point issue. We also need dialogue between developing country partners. In our experience with neighboring countries, such as Laos and Cambodia, we have annual meetings to discuss direction, problems and future programs, and have found this to be a very useful system.

**the Philippines:**

There should be greater focus on domestic structure in implementation. We also need to ensure a systematic approach. Programs should be prioritized. Centralize policy; decentralize implementation of it. Avoid duplication between agencies. Complementation of activities is important.

South-South cooperation should be a win-win situation for all participants. But obstacles to that emerge. How do we achieve a balance of interests? Unifying themes need to be identified (APEC example: six unifying themes). Feedback is also vital to ensure "bang for our bucks."

**Tunisia:**

On a multilateral level, the implementation process has certain limitations. Cooperation is closely linked to economic interests. We must think about structures that take these complex economic interests into account, and work toward a situation in which mutual benefit exists. Perhaps the regional level is better suited for this challenge than the multilateral level. We must investigate areas of interest orientation or we may not progress. Technological cooperation means developing ourselves; we must catch up in science and technology.

**Egypt:**

Agrees with the importance of the focal point issue. Egypt has institutions to channel cooperation and gain experience in understanding partner needs.

We need know the comparative advantages and needs of our developing partners. To this extent, the TICAD NET mentioned by Tunisia is important. The D-8 group already has a similar idea in action with a databank network. Such an effort is cooperation, not aid. Egypt has taken on role of coordinating marketing among D-8, to market products to the outside world. That kind of activity isn't just aid; it has taken on a larger economic perspective.

**Indonesia:**

Existing implementation mechanisms include the G15, G77, D8, and tripartite arrangements. Asking for consensus within a group like G77 is never possible to implement. But we shouldn't let that stop the two or three who find agreement. Others may join in later on.

Developed countries tend to focus on trade liberalization, and seem to see no other way of bridging.

How do we manage liberalization-it is difficult. We need technical cooperation between developing countries. But developed nations always demand that we liberalize first. They tell us to open our economies, but they don't come to assist.

**Argentina:**

Centralize policymaking, but decentralize implementation of IDC, both in donors and recipient countries. We improved relations with universities and institutes, provinces, etc., and it helped greatly. This was an important step for Argentina in our implementation concept.

**Chairperson:**

Proposes merging points 3 and 4 in discussion: securing aid resources and public support/participation

**Japan:**

Securing aid is closely linked to question of general public support. As a donor, Japan requires taxpayer support. Information must be disseminated about the significance of development assistance.

How do we mobilize support for South-South cooperation among the public? This point is somewhat sensitive. Taxpayers expect funds to be used for Japanese technological cooperation. Donor countries must consider the national flag issue, Japan began a new modality with a three-country training course. We had to explain that the information being disseminated originated with Japan. We are not completely free of the question of why we fund South-South cooperation.

One solution is to channel assistance for it through international organizations (such as the so-called Japan Fund of the UNDP). There is also new agreement with some countries on cost sharing. We are moving ahead, but it is necessary to have public understanding to support both ODA and South-South cooperation.

**the Philippines:**

Agrees on importance of dialogue with private sector on imperative for ODA and South-South cooperation. Presently, we should go beyond that point. Given the current government difficulty in securing resources, can we create partnerships to involve the private sector? We must look into needs and comparative advantages, and tap resources. We all have different things to offer, in implementing aid structures, we should be demand-driven. But in this case, it is necessary to examine the situation from a supply-driven perspective.

**China:**

In 1970, the UN General Assembly pledged a commitment of 0.7 % of GNP to ODA. We can demand that developed countries fulfill this commitment. ODA can be allocated more toward promoting

South-South cooperation.

South-South cooperation is in economic interest of both sides. Most of the budget for it comes from government or national budgets, as it does in China's case. We should try to mobilize more funding from the private sector, through entrepreneurs and so forth. Such activities carry an economic interest that is essential to their sustainability. We should also think about how to explore resources and assistance from particular agencies; that will help ensure a bright future for South-South cooperation.

**Tunisia:**

There is a difficulty in explaining to the public the relevance of assistance to third countries. It is difficult if we cannot point to enjoying any benefit from this assistance ourselves. So it's important to link this technological cooperation to future trade that could stem from it. That way, we convince people that their money will promote more trade with that country and have an effect on wealth. In agriculture and industry, an investment perspective can create the conditions for an exchange of trade and other areas. If we cannot create this perspective, it is hard to secure resources.

**Kenya:**

The issue of public support in donor countries is right and just. Aid can be in grants or in loans. Loans must be repaid and there exists a burden of repayment. If funds are used properly to achieve mutually beneficial objectives, we have a success; a well-conceived project is satisfactory to both sides. In Kenya, however, we need to gather public support to repay loans. We face the issue of how to justify the burden of a loan: where is the visible benefit from it? Public support is really an issue on both sides.

**Indonesia:**

We need to improve quality and system to secure resources. Emphasize mutual benefit and assistance programs that really have important impact in developing countries, TCDC and ECDC. So far, programs are marginal. It is now very difficult for developing countries to share costs. To travel, program participants must look for financing. Participating third countries can contribute not money, but expertise. Cost sharing is only one part of participation.

**Egypt:**

Agrees with Indonesia. Assistance provides benefits for both sides. Dispatching experts, selling some products, etc. leads to economic interdependence. Opening new markets, and creating jobs are things that benefit developed countries. We must continue to secure resources.

## **8. Chairperson: Summary of ideas about securing resources:**

- Shared perception regarding insufficient funds;
- Mobilizing public support facilitates mobilization of resources;
- South-South cooperation can be a good investment in future;
- Cost sharing;
- Role of private sector;
- Financial crisis in Southeast Asia has impacted on funding; and
- Japan: short-term phenomenon of crisis requires flexibility.



## VI. *Workshop II : Building relations with recipients*

### 1. Introduction

Under the chairmanship of Mr. Eugenio Raymundo B. Inocentes III, Assistant Director, Public Investments Staff, National Economic and Development Authority, the Philippines, participating in Workshop 2: Building Relations With Recipients were representatives of Argentina, Brazil, Japan, Malaysia, Mexico, Singapore, Thailand, Tunisia and Turkey. The chairperson established points for discussion, including identifying areas of South-South Cooperation, the selection of appropriate modalities, and the need for building relations among the SSC participants. Mr. Marco Antonio Alcazar of Mexico made the first presentation, describing Mexico's experiences as an emerging contributing country in development. The second presentation, by Mr. Tuncay Urcan of Turkey gave specific details on procedures for the exchange of information and experts and for finding opportunities to improve technical knowledge, with emphasis on the exploration of mineral resources. Towards the end of the session, an extended discussion of the historical and procedural elements of bilateral and trilateral cooperation took place.

Mr. Inocentes brought up three points for discussion to be covered: identifying areas of South-South Cooperation; the selection of appropriate modalities for South-South Cooperation; and issues on and next steps for building relations both among the South-South Cooperation participants and with recipient countries. Some of the issues concern insuring that an appropriate match exists between recipients and the donor countries. There are restraints, and sensitivity to cultural differences and language barriers is essential in promoting cooperation.

### 2. Mexico

**Mr. Marco Antonio Alcazar**, *General Director, Mexican Committee for the Cooperation with Central-America, the Ministry of Foreign Affairs*

Countries such as Mexico have developed certain comparative advantages, yet this does not cancel the need for international cooperation before they themselves become net donors. It is important to note that this process will be a long-term transition. Mexico has long experience in the Central American region, with which it shares a deep regional identity. Sharing its experience and skills, its objectives there are to help economic and social development, strengthen bilateral ties, solve common problems, and obtain broader mutual knowledge.

To serve these purposes, in 1990 the Mexican government founded the Mexican Commission for Cooperation with Central America (CMCC), which promotes, coordinates and approves the programs, projects, and actions directed towards the region.

The Mexican Program for Cooperation with Central America is divided into three bilateral and regional spheres of cooperation: economic, educational, and technical-scientific. Programs within each of these spheres respond to a variety of requests for the exchange of experts and information, training, fact-finding missions, joint projects, and business cooperation. Mexico is analyzing its experience in these areas of cooperation to identify both positive and negative aspects, making improvements wherever possible.

Current issues with South-South cooperation between Mexico and Central America are primarily concerned with the lack of a clear comprehension of new forms to handle programs and projects with higher targets. Thus, Mexico is looking for opportunities with third partners possessing wide experience, such as Japan, to learn and encourage new modalities of cooperation. Mexico, like many other countries, is suffering budgetary shortages and cuts, and again the solution is looking for third partners such as Japan.

#### **Response to Questions on First Presentation**

A request was made for clarification on the type of programs and projects in the fields of economy, education and technology that Mexico offers to recipient countries in Central America. Mr. Alcazar noted that Mexico primarily establishes agreements to receive people for training or send specialists to Central American countries. Regarding the kinds of needs he saw in terms of priority in providing cooperation to Central America, Mr. Alcazar noted that Mexico is open to all proposals of requesting parties without any limitations. The requesting parties are aware of Mexico's level of development, and in turn Mexico realizes the nature of their requirements. While Mexico has certain areas with strong development, such as in the field of health, there are areas where Mexico can derive certain benefits from other Central American countries.

On the question of funding, costs are borne by both countries, as the host country provides for airfare and the visiting country pays for lodging and food expenses. Additionally, specialized funds deposited with Organization of American States (OAS) and in Central American Bank for Economic Integration (CABEI) that can be put at the service of projects. Private sector involvement is being sought, but attracting businesses is difficult as businesses are looking for earnings. Mexico is working hard to encourage these enterprises doing business in Central America to share some small part of the benefits they gain with the countries in terms of cooperation.

The mechanism for the promotion of projects by Mexico normally occurs through their embassies and through ministries and universities to show the possibilities of cooperation of Mexico. With the creation of the Mexican Institute for International Cooperation, efforts are now under way to hold conferences, seminars, and workshops to discuss cooperation between Central American countries and Mexico.

Mr. Inocentes related two points he had taken from the first presentation. The first pertains to an attempt to link South-South cooperation with macro-economic objectives. The second point concerns the role of the private sector: To what extent does the government subsidize, when it is normally the role of the private sector?

### **3. Turkey**

**Dr. Tuncay Ercan**, *Coordinator for International Activities & Chief of Publications & Review Board in General Directorate of Mineral Research & Exploration (MTA)*

The government of Japan provides cooperation to developing countries through JICA by various methods. One method is the third country training program, in operation since 1974. Within this framework, a government organization from the host country may organize a training program for other developing countries on specified subjects with assistance provided by Japan. For example, the Turkish program for underground mineral resources exploration was developed in Turkey for the first time through a JICA program. Through agreement between JICA and the Mineral Research & Exploration (MTA), the seminar on the Exploration and Evaluation of Underground Resources will take place from June 1st to 30th, 1998. The first two weeks of the program will consist of theoretical, technical and practical studies on mineral resources. The seminar marks the first activity between Japan and Turkey in terms of cooperation of Central Asian countries, with the participation of six countries from the region. In 1997, 18 trainees from countries of Central Asia participated in a program to expand their occupational knowledge and long-existing good relations with Turkey and Japan.

MTA, a governmental organization, was established in 1935 to execute scientific research and investigation in mineral reserves to meet the needs of the government institutions and to create companies in exploration and exploitation of a variety of mineral resources. The organization is involved in a wide range of geology-related fields, with headquarters in Ankara and 20 branch offices situated around the country. The objective of the MTA training program is to provide opportunities for participants to exchange their technical skills in order to continue to contribute more efficiently to their home countries and to meet with geologists from other participating countries. At the end of the program, participants are expected have increased ability to perform exploration. Participants are requested to prepare a report on the present situation of their own fields or study.

#### **Response to Questions on Second Presentation**

Mr. Inocentes commented that the presentation gave an example of a strong case where a concrete institution was involved that had to work with a partner organization. He noted that the participation should nurture those Japanese organizations involved in technical assistance and their counterpart institutions in the emerging donor countries in South-South Cooperation. The strength of the relationships between the Japanese government agency and emerging donor countries counterpoint should be spelled

out. The Turkish case provides some perceptions to develop great potential for South-South cooperation. Participants should see themselves not as competitors but as collaborators.

The presentation focused on the field of mining, but Mr. Ercan stated that it is possible to expand the program to a much greater extent with other countries. For Turkey and Mexico as well, a clustering in those areas near the source seems to occur, as a natural extension of providing cooperation to those in proximity before reaching out to other countries. Mexico has several recent trade agreements, with the goal of working toward one free trade agreement between Mexico and Central America. It appears that simple initiatives to provide cooperation with neighbors grow into instruments to achieve the target of regional integration. Of course, South-South cooperation can and does occur with countries far away, so the focus should not be on regional cooperation. Mexico is in fact involved in other cooperative actions internationally.

#### **4. Summary of Points Raised in Prior Discussions**

- a) Participants are in the position Japan once held, as both donors and recipients. One challenge concerns budgets, and the second involves the time necessary to mature through the process. Japan's experience in moving through this process should assist greatly in trying to plot the path required to move forward.
- b) South-South cooperation necessarily had to start regionally, with a point in time arising where countries could geographically extend to other countries and continents.
- c) Comments were made on the relevance of South-South cooperation to what is expected now. Mexico provides the example of using South-South cooperation for economic liberalization. To this extent it may help the situation that now concerns South-east Asian countries with the currency crisis.
- d) South-South cooperation can be used by different countries for different degrees of regional integration.
- e) Other actors also play a role beyond the national government, such as the private sector or NGOs, but national government plays a key roll in trying to define and create a framework within which all the actors can participate.

#### **5. Discussion on Forward Movement of South-South Cooperation**

- a) Not only geography, but also cultural and linguistic elements play a role in South-South cooperation. The question of language is basic to many cooperative arrangements, with language differences creating expensive barriers to relationships. Consequently, it is much easier to foster idiomatic links and to provide expertise in one's own language.

b) Two historical background reasons exist for the evolution of South-South, or horizontal, cooperation. First is the evolution of regional horizontal cooperation by the countries themselves; the sharing of experiences is naturally useful to cooperating countries. Another historical reason is found within the framework of the UN. TCDC and ECDC were established to supplement the traditional North-South cooperation. It is recognized that horizontal cooperation among developing countries is critical, and Japan would like to encourage that movement.

The second background area concerns the emergence of new donor countries among developing countries, an occurrence welcomed by Japan. Those developing countries successful in their own development can share their success stories, technology and the like, something quite useful and effective to other developing countries.

Japan respects the ownership of those countries wanting to provide cooperation to other countries, and encourages it. A cooperative network could be developed among developing countries and between developing countries and traditional donors.

In the future, a much firmer arrangement of South-South cooperation and the ability to provide assistance on a net-donor basis will be contingent upon how involved countries are set up administratively. Internal strengthening must necessarily be undertaken to be prepared for the challenges of South-South cooperation. Forums, meetings and training should take place, with follow-ups, based on available resources, to provide for quality control. As well, it is worthwhile to develop an action plan on what participant countries should be doing now. Techniques for the transferal of knowledge must be learned.

c) Ms. Nascimbene commented that while Argentina is an emerging donor, even to this extent, it is still possible to assess what is being done. Reports filed by experts on the conditions in the recipient country can determine worthiness of continuing actions. At the same time, Argentina also requires a report from the requesting institution. It is preferable to send experts to the country rather than trainees as the former case assures a multiplying effect with less chance of migration to the private sector.

For a network among South-South cooperation countries, a kind of database with information on persons and institutions might be envisioned. Such a database would provide information on the potential of each country in areas of technology or even economies, areas where the distinction between the two is sometimes unclear. A networked database would provide consistency here. A second function of a network would be to facilitate online interaction and operate as a business center or forum, allowing rapid responses to questions. Some constraints may exist, as the governments of some developing countries are not yet connected to the internet, limiting the ability to reach intended individuals. It can be expected, however, that conditions will steadily improve in this realm as the technology diffuses.

Cooperative networks expand the horizon for the process of cooperation internationally, a very useful process, as on the donor side, increasing need exists to use financial and personnel resources more efficiently. In Japan, financial constraints drive the concern for effectiveness and efficiency of ODA. New frontiers have arisen for providing cooperation with the eligibility of CIS countries. Opportunities in certain fields have been expanding as well, such as with support of the market economy or the environment.

d) Brazil is aware of the new frontiers that the Japanese government is attempting to implement. So in the last bilateral meeting, both governments decided to join in force towards South-South cooperation based on equal coordination. As Brazil has experience in Portuguese-speaking countries, they would present a good project, and suggest how Japan would participate. Then the three countries would decide how this project would be done. This approach would be very new for the three countries, and perhaps give impetus for the other countries. It is important to realize that other arrangements may exist for donor countries outside those that are generally known. Each country has its own ways and must live within its means. The challenge is to find other mechanisms that are capable of producing intended results.

e) Ms. Faizah of Malaysia commented on the economic and financial crisis in the Asian region, stating that it has presented problems, such as how to manage cooperation programs with less resources. Countries must constantly review and reprioritize things and hope this crisis is a short-term phenomenon. Nonetheless, commitment still remains for South-South cooperation.

f) Mr. Alcazar suggested that quality of cooperation is directly related to the selection of projects. The greatest effort is put into the stage of selection and planning to obtain the best results. Also, to become a net donor is not a matter of will; it is a complex process involving economic, social and political issues in each country.

On the issue of fact-finding missions, the point was raised that the process is often both money- and time-consuming and frequently raises the expectations of the recipient country. The question becomes how to best discover the needs of recipients in the most cost-effective way.

While Japan has great experience with the fact-finding process, it is out of the question for some countries, as it is both very time-consuming and costly. Additionally, failure to answer to the expectations of the recipient nation is worse than sending the mission. Continuity, clear communication, and avoiding unrealistic expectations are key elements. Malaysia has found that for fact-finding missions, the requests do not tally with what was actually found on the mission. So, there is this incongruity, plus the expense of the trip itself, resulting in a waste of resources rather than identifying any real needs on the part of the recipient. Does this subsequently affect the behavior of the donor nation towards the

recipient and how can the situation be resolved? If additional missions are sent, it can lead to an expensive spiraling effect. To this end, for any mission, the recipient country should be required to prioritize the areas or projects in which they want cooperation.

g) Mr. Kojima provided two comments, first discussing the issue of the fact-finding mission. Japan carries out cooperation programs on a request basis only. Therefore, little danger exists of raising expectations Japan cannot fulfill. Appropriate follow-up was made after the missions. It is extremely important for any donors to determine the needs and priorities of the recipient countries, and try to examine the governance there prior to the implementation of any projects, in particular the capabilities of the counterpart organization that are critical to the project's success. Specification of which counterpart will carry out the management must be decided. Identifying the needs, priorities and capabilities of the counterpart is of extreme importance.

Mr. Kojima's second comment involved making the South-South cooperation more cost-effective. On Japan's part, the South-South cooperation is one way to inexpensively accomplish cost-effectiveness, supplementing vertical cooperation. Cost-sharing also is helpful in conserving financial resources. Yet, in the case of the participants here today, what is the most cost-effective way to carry out South-South cooperation?

In approaching a program academically, the country would want to identify the risks, unbundle them, and then find institutions able to handle the risks best. What does Japan think, based in its experience, is a component of that cooperation program that could be unloaded from the donor's standpoint, and then be assumed by the recipients themselves? It is a two-way question of what the emerging donor countries can also at the same time shoulder.

Identification of needs of recipient countries is not difficult as the first theme for developing countries to improve the human resources, areas set forth in international organizations: eradication poverty, education, and health; these are the main areas and are easily identified. On the question of the governability of the counterparts, if when working with them it can be seen that the recipients are not serious and/or capable, simply stopping further cooperation with such institutions may be a simple solution. Embassies and experts can provide valuable information on recipient countries. Emerging donor nations can also complement countries such as Japan with their expertise at less expense and might, for example, hold consultations with Japan about projects in Central America.

h) Japan has several instruments to support South-South cooperation in developing countries.

(1) Third country training program. Provides financial resources and personnel for technical assistance from Japan.

- (2) Third country expert program. Sends experts from a third country to a developing country, selecting those individuals with links to Japanese cooperative efforts.
- (3) Tripartite cooperation. Sends Japanese experts at Japanese expense as well as experts from neighboring countries. Cambodia is an example of this program in action.
- (4) Support to new donors. Type of on-the-job training. Promotes partnership programs with certain countries such as Singapore and Thailand currently, with certain costs shared by partners.
- (5) Liaison advisor in promotion of South-South cooperation. Determines best approach to South-South cooperation for certain countries, and provides help to that end.

i) As mentioned before, Brazil is planning a new approach in which the program is truly tripartite, with joint creation in conjunction with Japan and the recipient country. This may serve other countries as one of the models for developing the joint projects. Singapore dispatches experts but does not supply equipment in many cases. In such circumstances, it could be useful to look for co-execution with a third country with the financial resources and appropriate technology, such as Japan, to complement each other.

j) The efficiency of training needs consideration. There must be appropriate procedures in the process of training. The employment of trained individuals in the appropriate sector is most important upon return to their country. The choice of the individual to be trained is also crucial; an incorrect choice can lead to inefficiency in the project. Necessarily, this problem can only be solved by the recipient country. Most industrialized countries employ institutional mechanisms to increase efficiency in implementation with the recipient country, whereas least developed countries lack them.

k) Bilateral relations sometimes advance to tripartite arrangement. This can occur when the two countries reach a point where constraints of the donor country prevent further progress. At this time, a third country without such constraints can come in to help the activity. Participants from Brazil, Singapore, Malaysia and Mexico all gave clear examples of the benefits of trilateral cooperation. Indeed, trilateral arrangements may well have existed long before the term or the mechanisms existed. Even without the formalities, the process with three actors works.

People have often asked what exactly South-South cooperation is, and perhaps it is not to be defined in the traditional sense, but rather by the actual programs and activities being undertaken at this time. Many initiatives have taken place outside of the framework of South-South cooperation, and will continue regardless of the outcome of whatever formal actions may be undertaken. Additionally, South-South cooperation can take the form of activities between regions, not simply between countries.

In this working session, participants have seen various ways of addressing the concerns of South-South cooperation, looking for creative ways to accomplish their goals in the face of budgetary concerns. In



affirming those arrangements existing now, and by adding information to that list, South-South cooperation can be further investigated and promoted.

## VII. *Session III & IV: Wrap-up of the workshops and Summary of Ideal Orientation for Future Cooperation between Japan and Development Partners*

### 1. Wrap-up of the workshops

Mr. Hideaki Domichi, the Conference Chairperson, began the session by requesting that the workshop chairpersons present their summaries of the proceedings from their sessions on 20 May. Mr. Soon Taik Hwang offered his observations and summation of Workshop I, "Reinforcing Implementing Mechanisms." Comments and proposals for revision of Mr. Hwang's summary were duly noted and incorporated into the final version. For Workshop II, Mr. Eugenio Raymundo Inocentes III presented his summary on the topic of "Building Relations with Participants" which was received with interest by the delegates.

### 2. Summary of Ideal Orientation

The Chairperson then provided a summary of "Ideal Coordination for South-South Cooperation between Japan and Development Partners." He noted that Japan will stress the need for South-South Cooperation to assume an increasingly important role in regional development, in addition to traditional ODA programs. Japan will vigorously express support for the future direction of this process.

He summarized the significance and opportunities of South-South Cooperation that have grown amidst the heightening interdependence in the world economy, as confirmed in workshop discussions. Easily understandable basic principles and the promotion of participatory-type assistance are conducive to a stronger sense of solidarity and self-reliance in enhancing South-South Cooperation. Japan plans to host a NGO's workshop to share experience in the participatory aid approach to development.

Enhancing South-South Cooperation increases the aid resources that can be mobilized for development, and Japan will support this endeavor so that Development Partners can demonstrate their ownership related to South-South Cooperation. Strengthening aid implementation systems among the Development Partners is indispensable in order to deal with more aid resources, and JICA is prepared to transfer its know-how on this subject.

The Chairperson noted that various participants had given clear examples of the benefits of trilateral cooperation.

Perhaps South-South Cooperation is best defined not in the traditional sense, but in terms of the

actual programs and activities being undertaken. South-South cooperation can take place on several levels, not just between countries, but also regions.

In looking for creative ways to address development goals in the face of budget concerns, participants have identified various approaches through South-South Cooperation. In affirming existing arrangements and by adding information to that list, South-South Cooperation can be further explored and promoted.

Conference delegates offered their suggestions for fine-tuning the Chairperson's summary document, and their comments were incorporated according to the consensus achieved on discussion of these points.

The Chairperson stated that the second conference will be convened next year, and hoped that many participants will return to report on their progress.

Participants expressed their appreciation to Ministry of Foreign Affairs of Japan and JICA for their initiative in the organization and hosting of this conference. Thanks was also voiced for the fine work by support staff and the excellent service offered by the conference facilities.

## VIII. *Chairperson's Summary of "Conference on Promoting South-South Cooperation"*

The "Conference on Promoting South-South Cooperation" was held in Okinawa on 20-21 May 1998, under the auspices of the Government of Japan and Japan International Cooperation Agency (JICA). Representatives of the Governments and aid organizations of emerging contributing countries in development (hereinafter referred to as "Development Partners") from Argentina, Brazil, Chile, China, Egypt, Indonesia, Kenya, Korea, Malaysia, Mexico, the Philippines, Singapore, Thailand, Tunisia and Turkey participated in the Conference (the List of the Participants attached).

### 1. Background

The importance of South-South Cooperation, i.e. assistance by "Development Partners" to other developing countries, has gained increasing recognition by both industrialized and developing countries.

South-South Cooperation promotes cooperation between developing countries. While there is an element of truth that the cooperation is an instrument of foreign policy on the part of Development Partners, South-South Cooperation unequivocally promotes cooperation between the developing countries in the regions and serves as a vehicle to improve the economic as well as social welfare in the region. Conducted by Development Partners, whose social, cultural and in some instances economic conditions are not dissimilar to those of recipient countries, South-South Cooperation has a comparative advantage in transferring appropriate technology best suited to the needs of neighboring developing countries.

There is no doubt that this assistance provided by Development Partners adds to the pool of resources available for the developing countries.

At a time when resources from traditional donors are not increasing, the growth of assistance by Development Partners is valuable.

Development Partners have been particularly active in their preparedness to extend South-South Cooperation, actually contributing to the development of their respective regions. Some of these Development Partners are even promoting South-South Cooperation beyond the immediate neighborhood to more distant regions.

Korea has already joined OECD. Some of Development Partners are expected to be graduating from the status of recipients of ODA, and active interaction between Asia and Africa in the field of human capacity building has recently been developed.

Japan, on its part, has underscored the importance of supporting South-South Cooperation not only in the international fora including G8, but also in its bilateral cooperation with each of the participating Development Partners, utilizing such schemes as Third country training programs, Third country expert dispatch and any other forms of JICA technical cooperation schemes. Based upon these

experiences of cooperation, Japan has developed a medium-term cooperation scheme (Partnership Program) with Singapore and Thailand respectively to support other developing countries.

On the other hand, South-South Cooperation by Development Partners will continue to be developed in both in terms of scope and organization and implementation mechanism.

## 2. The objectives of the Conference

This is the first international conference bringing together Development Partners from the various regions of the world to identify common issues which they face, and to discuss any steps necessary to strengthen their capabilities to carry out South-South Cooperation. Experiences and know-how built up at each country are exchanged and through such exercise it is hoped that the networks of Development Partners will be broadened even encompassing the region in which they are located.

This Conference also provides a valuable opportunity for Japan and interested Development Partners to promote better understanding of the mechanism of cooperation and in developing the existing cooperation into eventual partnership.

## 3. Summary of the Conference

All of the 15 Development Partners made presentation about the current situation of South-South Cooperation in their countries. It was acknowledged that their assistance to other developing countries are basically technical cooperation and very active, though mostly confined to the region in which they are located. There was also strong willingness to broaden the scope of assistance.

Also at the Conference the participants discussed the issues like, "how to improve donor structure," or , "how to build relations with recipient nations," - both of which points are relevant in consolidating the bases to further expand South-South Cooperation. It was discussed whether;

- (a) in further expanding South-South Cooperation and for traditional donors to collaborate with it more effectively, it is desirable that traditional donors and Development Partners share basic principles concerning their foreign assistance,
- (b) although the assistance has been provided based on the expertise and experience of Development Partners, current methods of project identification and formulation appear to be insufficient in some cases and needed to be strengthened, and
- (c) it is desirable that the clearer division of responsibilities be established between aid policy-making authorities and implementing agencies.

It was also pointed out that in the view of the fact that Development Partners are still the recipients of aid from the developed countries, continued assistance to them from the donors is necessary. Japan, on its part, expressed its willingness to continue providing support.

- (a) JICA has announced its preparedness to assist the Development Partners like it has been carrying out with the Korea International Cooperation Agency or the Technical Cooperation Directorate of the Singapore Ministry of Foreign Affairs, to train the officials working for the development assistance. Recognizing that NGO's have played a recognizable role in Development Partners, JICA has called upon the participants of the Conference to participate in the NGO workshop, which is now planned to be held in Okinawa this fiscal year.
- (b) Relating to the Second Tokyo International Conference on African Development (TICAD II) to be held in Tokyo this October, Japan has appealed a wider participation from Development Partners who are providing assistance scheme to Africa. Acknowledging the success of Asia-Africa Forum which was held in 1994, 1997 after TICAD I, further progress through the Third country training programs for African recipients, making use of existing Japan-Singapore Partnership Program and Japan-France-Malaysia triangle Cooperation scheme were suggested. Indonesia has also offered the use of newly established the Non-Alliance Center for South-South Technical Cooperation. As a follow-up of the TICAD II, it was also emphasized by Tunisia that some sort of interactive network for assessing the progress be established, and that Asia-African Voluntary Corps be created. It was agreed to pursue these proposals in the preparatory committee of the TICAD II.

Based on the successful partnership program formulated with Singapore and Thailand, Japan has expressed her willingness to consider the possibility of formulating Partnership Program with any interested Development Partner, based on the principle of appropriate cost sharing between the two sides. It was noted that a number of negotiations are being held in this regard. The significance of strategic partnership was also emphasized.

The conference was a success, as it provided the first opportunity to discuss on the issues that Development Partners are facing in their implementation and to share the experience and know-how of the respective countries. The participants recognized the importance of reinforcing the network among Development Partners and agreed to hold a similar conference next year to follow-up the success of this conference.

The participants expressed their appreciation for the initiative of the Ministry of Foreign Affairs of Japan and JICA in organizing the first international conference with Development Partners.



