

남남협력의 효과성과 과제: HLF4 및 글로벌 차원의 정책방안을 중심으로

IMPACTS AND CHALLENGES OF SOUTH-SOUTH COOPERATION : RECOMMENDATIONS FOR HLF-4 AND BEYOND

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* 본문은 KOICA, JICA, 브루킹스가 공동으로 추진 중인 국제공동연구 ‘Catalyzing Development: A New Vision for Aid’ 중 남남협력 부분 초안을 발췌, 요약한 것임

I. Introduction

The last decade has witnessed an upsurge of South-South exchanges in development cooperation. According to an assessment by the United Nations Economic and Social Council (UN ECOSOC), the global volume of South-South cooperation (SSC)¹⁾ would be around USD 9.5 billion to 12.1 billion in 2006. It corresponds to 7.8% to 9.8% of total official development assistance (ODA) flow, and an increase from 5% in the 1990s. (UN 2008: 9-11) Leading emerging donors as China, India, Brazil and South Africa became power players in development cooperation, often outweighing many traditional donors in terms of scale.

Yet, the significance of SSC is not limited to the bulk of assistance provided. Another key implication lies in the value of Southern knowledge for development and growth in the developing world, and its subsequent implications for the evolving dynamics of global development cooperation. As the successful case of Bangladesh's knowledge transfer in microfinance to the Philippines outlines, traditional distinctions that separated aid providers from recipients have hence lost relevance, leaving tremendous impacts to global aid architecture and development agendas. As now the international community is moving forward to the Fourth High Level Forum on Aid Effectiveness (HLF-4), SSC emerges at the very center of global agendas.

At this momentum, reviewing the impacts of SSC on the ground and what actually works would be worthwhile. This paper intends to analyze the impacts of SSC at the country

1) At least at this stage, there is no universal definition as to what SSC means. Although there are a handful of widely accepted definitions, terms and usages still differ from organization to organization. In parallel, it is extremely controversial, if not contradictory, to describe what actually demarcates the South and the North, because, being derived from a hybrid composite of geographic, historic, political and socioeconomic backgrounds, the distinction has been usually connotative than logical, and has constantly shifted according to the changing global political environment throughout history. Exclusively for the usage of this paper, SSC refers to "developing countries working together to foster sustainable development and growth." Therefore, SSC in this paper entails both technical cooperation and financial assistance, either in the form of grants or loans. The definition of triangular development cooperation (TDC) follows UN ECOSOC's "OECD/DAC donors or multilateral institutions providing development assistance to Southern governments to execute projects/programs with the aim of assisting other developing countries" (UN 2008a: 3). In addition, the reference criteria defining the South and the North will be membership in the Organisation of Economic Co-operation and Development's Development Assistance Committee (OECD/DAC). The North, therefore, will exclusively be applied to the members of the OECD/DAC as of the dates as indicated, whereas the rest of countries, regardless of income groups or status as aid provider, will be attributed to as the South.

level, with a case study of Lao PDR, and identify challenges and constraints. Building on this analytic work, practical ideas will be suggested for not only empowering the discussions at the HLF-4, but also promoting South-South exchange in a broader sense of development effectiveness.

II. What Works in South–South Cooperation? : A Case Study of Lao PDR

1. Complementary Financing for Development

General impacts of SSC on global aid architecture have been quite well known. Yet, the most immediate and tangible will have resonance at the recipient country level. While SSC would make up 7.8% to 9.8% of global ODA volume, the account would outweigh global average in some countries. In Lao PDR, for instance, Southern aid recorded USD 88.85 million, or 20.5% of all ODA provided to the country in FY 2006/07²⁾. It is actually 37.9% of bilateral share. Furthermore, China, the Republic of Korea and Thailand were ranked among the top five bilateral donors. Strong positioning of Southern aid has been constant over the years, with average proportions over 15% of overall ODA and over 30% of bilateral share. From individual country perspective, SSC is apparently more than a mere “add-on” to existing resources.

2. Division of Labor

Yet the actual implication of Southern aid explains better through distribution across sectors and de facto division of labors with traditional donors. In the case of Lao PDR, the most relevant example is around transportation infrastructure.

In Lao PDR, transportation infrastructure has long been national priority for economic development and poverty reduction. Its particular correlations with social development in rural households have been articulated in previous studies by de Walle (2001), Warr (2005),

2) Source: Lao Ministry of Planning and Investment, Department of International Cooperation.

World Bank (2006 and 2007) and Asia Development Bank (2009 and 2010)³⁾. Following the government's strong commitment, a massive investment from Northern bilateral donors and multilateral organizations brought in a considerable progress in the 1990s and the first half of 2000s. Nevertheless, from rural connectivity to road maintenance, remaining issues are of scale. The objectives spilled out throughout the current sixth (2006~2010) and the draft seventh (2011~2015) National Socio-Economic Development Plans (NSEDPs)⁴⁾ reflect the urgency of the matter⁵⁾.

In regard to this, an interesting drift of game has taken course in the past years. If the majority of resources to road construction in the 1990s were provided by the group of bilateral donors from the North and multilateral organizations, current contribution increasingly comes from partners from the South. In FY 2005/06 alone, USD 44 million of overall sector budget USD 91.3 million was provided by the South. The amount was nearly double the funding from multilaterals (USD 26.3 million) or from the North (USD 21 million). Thailand and China largely outweigh other bilateral donors from the North. A de facto division of labor has thereby settled in, with Southern donors dominantly filling the funding gaps in the sector while Northern donors increasingly pull off from the sector and turn toward health, education, governance and other social sectors alike.

In view of current account, the hypothetical absence of Southern aid in transportation would have dire consequences for the sector. But it also would risk compromising nationwide endeavors to eradicate poverty and achieve the national development objectives, given the tremendous implication of transportation infrastructure in Lao PDR. Overall, the complementary division of labor between the South and the North seems to work effectively for the country's growth and development.

3) de Walle (2001) showed that investment toward rural roads helps reduce poverty in developing countries, whereas Warr (2005) suggested that the provision of all-weather road access to rural households would reduced the incidence of rural poverty by about 7% in Lao PDR. In addition, an analysis by the Lao Ministry of Public Works and Transportation (MPWT) also offers that households with all-year road access have 50% more consumption power than those deprived of the access, and even those with limited access only during the dry season would have 33% more than those with no road access.

4) The National Socio-Economic Development Plan (NSED) is a 5-year term implementation plan for NGPES.

5) In the NSEDs, transportation infrastructures' catalytic role in subregional connectivity and market access has been increasingly acknowledged. The Plans highlights improving domestic and regional accessibility would improve access to social services and economic activities, and shift Lao PDR from a landlocked to a land-linked country, thereby increasing chances to achieve the goal of graduating from the LDC status by 2020.

3. Regional Dimensions

South-South exchange also has strong regional dimension and plays a crucial role in shaping regional perspectives of development cooperation. Originally, regional perspective has been a key driving force scaling up South-South exchange at this scale to date. A great deal of commonality in terms of history, language, culture and ethnicity has been the main forces, in addition to deepened intra-regional trade relationship that has speeded up in the course of the past decade. Further, the growing need and widened conscience to address cross-border issues, i.e., climate change, disaster reduction and pandemics, through regional or subregional cooperation have led to deepening relations among countries in a whole range of aspects, including politics, economy, science and technology, and of course, development cooperation.

Driven by such strong regional backgrounds, SSC has naturally embedded intensive regional dimension. In ASEAN region, for instance, the utmost evidence element lies in the Southern donors' preference for transportation infrastructure. Infrastructure is a primarily domestic asset, but it has a dimension that goes beyond a single country, as it connects the country with the neighbors. Previous studies by Brooks (2008), De (2008) and Willoughby (2004) provide empirical analysis on a wider regional dimension of transportation infrastructure, and its positive impacts in facilitating the movement of commodities and people across countries.

Since the 1990s a range of initiatives has taken place to improve road connectivity in ASEAN region. Noteworthy is the Greater Mekong Subregion (GMS) transportation infrastructure initiative, for which traditional donors have provided decade-long assistance to build the East-West Corridor (linking Thailand and Vietnam), the North-South Economic Corridor (linking China and Cambodia via Lao PDR) and the Northern Economic Corridor (linking Northern Thailand to China).

〈Box 1〉 Greater Mekong Subregion (GMS)

The GMS is an informal institution established at the ministerial level, comprising Cambodia, the People's Republic of China, Lao PDR, Myanmar, Thailand and Vietnam. Detailed works are carried out by sectoral working groups handling both the hardware and software issues of regional infrastructure development. ADB serves as the de facto secretariat and provides technical, administrative, financial and logistical support. GMS operates under a 10-year strategic framework (2002~2012) aiming to enhance regional connectivity and market competitiveness of the subregion. 11 flagship programs comprising East-West, North-South, Northern and Southern Corridors cover energy, telecommunications and transportation sectors. ADB, Japan, Australia and the World Bank are main funders.

In the process of leveraging regional connectivity through improved transportation infrastructure, the significance of South-South aid is explained through several aspects. Firstly, again, Southern donors are actively engaged in this transportation infrastructure, which has not only national but also tremendous regional implications. China is known to have provided more than USD 20 billion to the ASEAN region, with the majority of the budget going to regional transportation and communications infrastructures. Additionally, the volume of Thai aid to transportation infrastructure may surpass USD 250 million per annum. Secondly, Southern aid has specifically played a greater role in providing “missing links” crossing borders with major axes in neighboring countries and the supposedly national roads previously built as a part of GMS initiative, thereby complementing the existing efforts for enhancing subregion-wide connectivity⁶⁾.

6) China is known to have provided loans to build Road No. 1-b, which is located at the Lao-Chinese border, as an earlier agreed follow-up to the construction of Road No. 1-a with assistance from the World Bank. China has also been engaged with Thailand to improve connectivity from Chiang Rai (Thailand) to Kunming (China) through Road No. 3 in Northern Laos. Thailand's involvement has been multiple: A road improvement project between Huay Kon/Muang Ngoen to Pakbeng road and railway construction from Friendship Bridge (Nong Khai) to Thanaleng are already completed the improvement project of Road No. 11, alongside the Lao-Thai border, the second railway project between Thanaleng to Vientiane, and the rehabilitation of Thai section of Road No. 3 are expected to be cleared for approval by the end of 2010. Vietnam has a rather limited portfolio, but still with a similar approach: the construction of Road No. 18 that would link Vietnam with Lao PDR's Road No. 13; and the Lao-Vietnam cross-border segment of Road No. 9. Therefore, by linking the landlocked Lao PDR with neighbors, Southern aid to infrastructure has significantly contributed to improving road connectivity at the subregional level.

Increased subregion-wide connectivity and trade potentials have been complemented by technical cooperation for infrastructure management, trade facilitation, income generating activities and market economy, which have been priority sectors for South-South activities in this subregion, carried out under different, the South-driven frameworks as the IAI and the Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy (ACMECS)⁷⁾. Overall, it would not only consolidate region-wide cooperation initiatives in different areas, but also, most significantly, boost the implementation and optimize the effect of the current regional integration framework under AFTA. As a key leverage to regional cooperation and integration, the role of SSC seems to be fundamental.

4. Innovative Knowledge Exchange

The impact of SSC also explains through innovative exchange of knowledge and skills among for the benefit of development and growth in poverty-stricken countries as Lao PDR. An analysis⁸⁾ on Southern technical assistance to Lao PDR provides a full view on the distinctive strengths and value of South-South technical cooperation and its attribution to building capacities and addressing development challenges in recipient countries, in terms of three different dimensions -contents, delivery and organizational aspect.

In terms of the contents, evidences show SSC goes beyond a traditional, vertical transfer of knowledge and skills. First, the levels of training were perceived to be effectively responsive to the recipients' needs. Second, knowledge and skills acquired were deemed immediately applicable to the routine work of trainees. The trainees responded that they had received materials and documents they could use for their work, acquired skills that they could use most directly in their daily works, and gained technical knowledge which is sufficient for them to perform their daily work smoothly. This particularly has a pivotal value in Lao PDR, where the lack of skilled manpower has been the most serious strain to growth and development.

7) The Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy (ACMECS) was established in 2003 as a Thai assistance framework for subregional development and cooperation. It has leveraged more than 200 projects and technical cooperation activities among Thailand and CMLV, in the field of trade, investment facilitation, agriculture, industry, transport, tourism and human resource development..

8) Fully taken into account the availability of reliable data, three South-South segments within triangular and trilateral cooperation projects in Lao PDR undertaken by Japan, Germany and ADB were analyzed. Performance monitoring results and post evaluation papers were used, alongside interviews with project managers

In addition, there is an aspect pertaining to the co-creation of knowledge and problem-solving skills. In the case of the Lao-Vietnam-Japan local administration reform program, a better understanding on analogous experience in Vietnam, with which Lao PDR shares a close sociopolitical background and single-party governance structure, has been reported to enable the Lao government to come up with regenerated solutions fully in accordance with the Lao context.

Lessons were as numerous on the delivery side. Foremost, Linguistic commonality, as distinctively outlined in cooperation between Thailand and Lao, whose languages are mutually comprehensive, has effectively facilitated knowledge transfer, made training interactive and also contributed to building confidence among trainees. In South-South training, equipment and support materials were perceived as appropriate, as well.

On the organizational side, cost advantage has a significant value, which also could be a particularly incentivizing value for triangular and trilateral cooperation. The flexibility of training organizations was also the key asset of those South-South activities. Invitational training, study visits, and on-the-job training were applied with flexible lengths, ranging from several days to a couple of months.

The overall outcomes for these South-South activities in Lao PDR have been successful, even ‘overachieving’ the targets. Also, there has been a considerable level of positive spillovers in terms of mutual learning and partnership building. In the overall process of preparation and training, providers from the South have reported that they learned how to fit into the trainees’ levels and needs, and the improvement in didactics.

Lessons drawn above clearly indicate that South-South exchange works as an effective response to capacity gaps, language barriers, background knowledge deficiency and technical discrepancies, and thereby has great potentiality in terms of the operational effectiveness of technical cooperation.

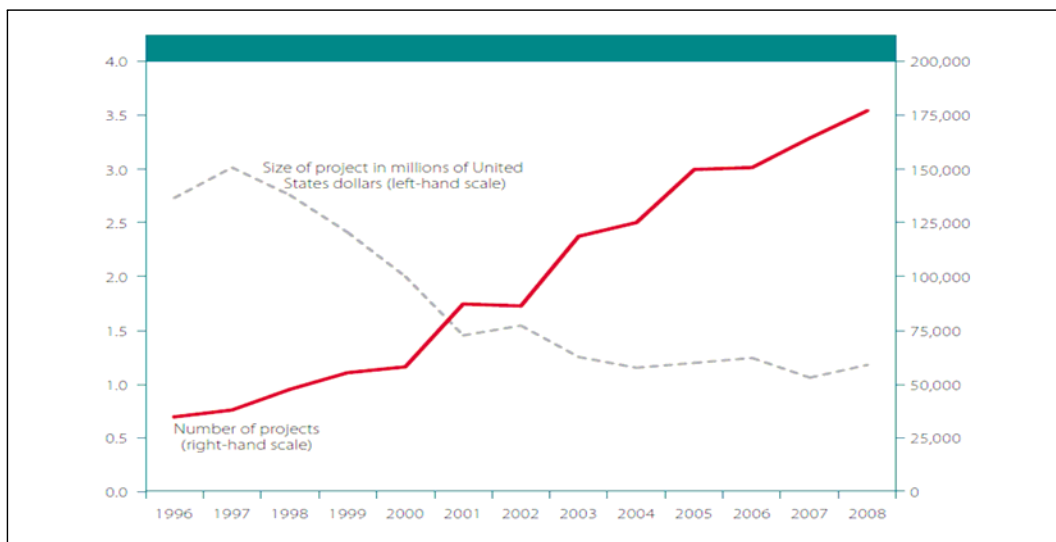
III. What are the Challenges and Constraints?

As seen throughout the earlier chapter, SSC has effectively worked in addressing the particular needs of the recipient country. From then on, promoting such functionalities of South-South exchange and optimizing its potentials are of obvious imperative. However, some recurrent issues are serious strain to the effectiveness, while others hinder further growth.

1. Risk of Fragmentation

The upsurge of SSC has evidently increased the absolute number of donors and projects, which has subsequently raised the risks of fragmentation at the country level. Despite intensive efforts in the last few years, the results around the globe are still modest. A report by the United Nations Economic Commission for Africa (UNECA) and the OECD (2008) suggests a decline in donor coordination of missions in Africa. The World Bank (2007) estimated that in 2006 the number of ongoing projects was over 60,000 worldwide, with some recipient countries engaging in 1,000 donor-funded activities and hosting over 1,000 missions each year. Figure 1 clearly demonstrates that the aid proliferation in low-income countries has been nothing but improved. SSC adds to this proliferation of donors and projects.

〈Figure 1〉 Number and Average Size of Aid Projects in Low-Income Countries, 1997~2008



Source : UN 2010: 54

To this worrisome trend, Southern donors' work pattern is an additional concern. Despite increasing commitment in recent years, the actual participation of Southern donors in in-country aid harmonization frameworks remains limited. In the case of Lao PDR, although roundtable meetings have been increasingly attended by Southern donors, their involvement in a more practical level of coordination through Sector Working Group (SWG) is far from offering effective ground for in-country harmonization. Few Southern donors attend SWGs on infrastructure, in which Southern aid surpasses assistance from traditional donors or multilateral institutions. In addition, a majority are absent in SWGs in education and agriculture, despite increasing assistance to the sectors from Southern donors. The issue risks being a serious impediment to aid effectiveness in sectors and countries where the proportions of Southern aid are significant and the government's coordination capacities are weak.

2. Top-Down Decision Making

South-South aid is usually identified, formulated and implemented at the headquarters level, with a rather obscure process of mirroring actual priorities on the ground. A mutual process is hardly the case. In addition, as Southern aid is often associated with subsequent spillovers of various kinds, it often follows the logics of the broader political deals or commercial transactions, not necessarily taking into account what is needed on the ground. Some Southern donors suggest that such a procedural distinctiveness has enabled the reduction of time-consuming project formulation processes, and therefore prompted rapid implementations. However, such a vertically descending top-down approach entails risks of causing an abundance of unaligned aid and obstructs country ownership in development.

3. Lack of Monitoring and Evaluation

The lack of evaluation and monitoring is also a serious concern. Despite recent efforts, weak M&E remains rampant across Southern donors. The achievements of South-South technical cooperation so far have tended to be narrowly measured by the number of trained participants and budget volumes, and not necessarily highlighting the performance of operations and the achievement of objectives. Donors involved in infrastructure projects have rarely undertaken progress monitoring, social and environment impact assessments or ex-post impact evaluations. The case of technical cooperation is not much better. Most technical cooperation

programs do not include a systematic M&E process, while the outputs of a few evaluations have been heard to exist, but hardly made available externally, even to the closest stakeholders.

The absence of systematic M&E would have tremendous consequences. Foremost, as project performance is immeasurable, clear targeting and deployment of appropriate measures are difficult, if not impossible. Subsequently blurred value-for-money affects not only the target beneficiaries in recipient countries, but also to taxpayers of donor countries, because a considerable portion of Southern aid often comes at the expense of own social needs, and in some cases, to the detriment of a still thick layer of a vulnerable population in Southern donor countries. Also, the vacuum of environment impact assessments may have dire consequences on the recipient countries' environment, given the fact that Southern aid has heavily focused on infrastructure development, which involves environmentally damaging operations.

4. Weak Regional Coordination

Development at large and SSC in particular, often remain weakly managed to fully harness the potentials at the regional level. For instance, in the particular case of Southeast Asian subregion, a handful of mechanisms and frameworks – ASEAN-IAI, GMS, ACMECS and the Mekong River Commission (MRC) – exist. However, the existing structures are fragmented and do not have clear mandate, adequate policy framework, sufficient financial and human resources capacities. Further, sector-based working groups and dialogue channels exist for some of highly regional issues as transportation, energy, communications and trade, but remain outside a formal and permanent sphere and without clear policy and institutional frameworks.

5. Lack of Mutual Knowledge and Resources

Although there is a high level of recognition of the value of SSC and commitment for further promoting the exchange, the lack of capacity to assess own needs and explore South-South opportunities is substantial obstacle. Problems seem to persist as to the practical knowledge on how to identify the demand and the potential supply, and match them properly to development projects. It tends to be more problematic in case of inter-regional

exchanges. The lack of financial resources is another constraining factor. Donors from the South, with a handful of exceptions, are mostly middle-income countries with limited financial and human resources. Therefore, third-party funding, supposedly from the North would be needed to quench the resource needs.

IV. Moving Forward

1. Capacity Development for Better Aid Management

In order to make the best of SSC, as seen throughout the first part of this paper, as much as in the case of ODA in general, capacity development for Southern countries is the foremost priority. The issue does not only touch upon the recipient countries, but also the donors from the South. For recipients, overall capacity building for better aid management is needed so that Southern countries ensure solid grounds for fully exercising country ownership over development agendas. More specifically in relation to SSC, three points must be addressed. Firstly, countries' capacities to assess own needs, identify each partners' strengths and comparative advantages and address eventual matching with feasible and effective projectization, should be uplifted. Secondly, the aid coordination capacities of recipient governments need to be further enhanced, in a way to fully optimize the current complementary functions of Southern and Northern aid at the country level. Thirdly, M&E should be seriously enhanced, with a view to ensuring performance and accountability vis-à-vis the populations of both recipient and donor countries.

The capacity issue also concerns Southern donors. Although Southern countries have gained significant knowhow while providing assistance for decades, challenges remain from the recipient country's perspective. For years, Southern countries have suggested that SSC should not be regarded as the same as North-South aid, and therefore not be applied to the same standards as to the North, for the motivations, premises and conditions are different⁹⁾. But,

9) See the statements from Southern countries, notably that made by Ambassador Munir Akram, the Permanent Representative of Pakistan to the United Nations and the Chairman of G-77 and China during the fifteenth session of United Nations High-Level Committee on South-South Cooperation, held in New York, May 29 to June 1, 2007. (Source: <http://www.g77.org>) Similar positions were echoed at the interventions at the 3rd UN Development Cooperation Forum held in New York, June 29 to 30, 2010.

from the perspective their actions take effect on the recipient countries' development and growth, and come across with similar assistance activities provided by donors from the North, there is a minimum of principles required for all development actors regardless of the South or the North. However, translating the principles actions are not as simple as understanding its values. For the Republic of Korea, for instance, it has taken years of intensive research and subsequent organizational and strategic adjustment to finally have a Country Assistance Strategy (CAS)-based, field-oriented and integrative country assistance framework, as well as an adequate M&E system and an increasing level of untied aid. Being a veritable donor, not just an aid provider, requires a considerable amount of policy commitment and operational know-how. Therefore, transformative capacity building for Southern donors should be of consideration in actions forward.

2. Enhanced Region-wide Coordination

Notwithstanding the tremendousness of the implications, current frameworks and mechanisms for region- or subregion-wide coordination of SSC seem to remain at an insufficient level, particularly around highly regional sectors. At the very least, issues pertaining to regional public goods (RPGs), including environment and infrastructure would need to be grasped at the regional level. Such regional or subregional coordination must be inclusive of all development activities both from the South and the North. It also should be fully incorporated within the existing regional cooperation and integration frameworks and agendas. Aid coordination has to be considered not only at the country level, but also at the regional level.

3. Matching Resources with Needs

Fully harnessing potentials of South-South knowledge exchange and promoting the paradigm at the global level imply an effective matching of resources with needs, which has a two-fold dimension. The first set is technical matching of the demand from recipient country with the supply from Southern donor. The aforementioned capacity development enabling to assess own needs and others' strengths, and explore strategically appropriate options for cooperation has full implications in this process. The second dimension is the matching of available resources with the needs of SSC, as complementary to the technical part of matching.

V. Recommendations for the HLF-4 and Beyond

1. HLF-4 and the Paris Declaration

As much as the extent of interest across the globe, South-South and triangular development cooperation is expected to be addressed at the HLF-4 with unprecedented gravity. This event will attempt to shape the post-PD global framework on aid effectiveness, and many upheavals in global aid architecture with, inter alia, the upsurge of emerging donors and South-South exchange will have to be fully considered.

Foremost, in regard to SSC, the HLF-4 must offer an opportunity for quenching the normative issues conditioning all subsequent discussions and actions. Universally-accepted definitions of what the South means and what SSC and triangular development cooperation entail need to be clarified. It is a prerequisite of any further actions.

Secondly, the HLF-4 should be able to offer opportunities for the South and the North to reach on certain degree of common grounds across the issues, and thereby embark on a new consensus. To do this, abstractions on some particular features on SSC in the AAA need to be further elaborated, while offering a full spectrum of opportunities and issues for improvement. Its complementary nature to North-South cooperation must be further recognized in a way to highlight an imperative of aid harmonization. Also, the value of Southern knowledge should be further recognized, and its implication as an effective means of capacity development would have to be more clarified. Capacity issues must be responsive not only in regard to recipient countries, but also to Southern countries providing aid.

Thirdly, the universality of key principles of aid effectiveness must be affirmed for SSC, as much as for the North-South cooperation. Subsequently, the post-PD framework will have to be able to include Southern countries as fully liable actors. Nevertheless, a differential and gradual approach would be necessary for emerging donors, for the gaps with traditional donors in terms of advancement of notional and operational compliance are considerable. It should enable Southern donors to get into the framework with realistic timeframes and gradual approaches, so as to eventually address the issues pertaining to country ownership,

alignment to national strategies, aid untying, in-country harmonization and results-based management.

Fourthly and lastly, the regional dimension of cooperation is worth being fully explored. There are key roles regionally-grown organizations and entities can do for harnessing efforts for making the best of SSC for service of sustainable development and growth at the regional level.

2. Actions at the Country Level

At the country level, current efforts to enhance recipient governments' capacity for better aid management and coordination must be sustained and steered in a way that the governments can have a full grasp of situations and effectively exercise ownership over all matters pertaining to development cooperation within countries. UNDP has been especially active for this particular task, and there needs to be a continuous and strengthened focus on uplifting the governments' capacities.

Three key areas should be covered. Firstly, information and data systems must be at a level that permits effective targeting and progress monitoring. Information availability issues, which are still questionable in many of countries, are also to be improved. Secondly, current in-country harmonization frameworks should be strengthened and inclusive of Southern donors. Options for incentivizing will have to be explored in the country context. Thirdly, issues pertaining to the M&E mechanisms and procedures need to be addressed so as to enable the governments to measure the progress and evaluate impacts on a comprehensive list of assistance activities. A country-led system would therefore have to be strongly recommended. With assistance from multilateral institutions, such as UNICEF and the World Bank, such systems have been already set up and effectively functional in a number of countries, mostly in the Latin America and Caribbean region. Further efforts should follow in other regions and entail a broader network of academia and non-governmental organizations (NGOs).

Actions at the Southern donor level have to include the establishment of policy framework and practical measures to translate it into concrete actions. Understanding the aid effectiveness

principles, not simply as rhetoric but as guidance for future actions, would be the first step. Strategies development and the implementation of practical measures should be subsequently followed.

As for Northern donors, further commitments are strongly needed to support South-South exchange through triangular and trilateral cooperation frameworks. Such efforts necessarily outline the urgent need to figure out ways to overcome some administrative burdens and visibility concerns alike within the donor countries. Particularly, trilateral cooperation has been widely perceived among donors as being associated with high transaction costs, time consuming process and weak quality control. However, the successful examples of trilateral projects by GTZ and ADB have demonstrated that when accompanied by mutual understanding, a clear mandate, appropriate division of labor and robust strategies and discipline, those shortcomings are easily challengeable.

With regard to the visibility issues, indeed, donor agencies from the North, are never free from high level of public accountability and internal pressure to strengthen the ODA industry in their own countries. The prerequisite, therefore, is the quality of potential South-South activities, which must be persuasive, attractive and relevant enough with regard to the different stakeholders in the North, whereby the significance of an effective “technical” matching between supply and demand gains pivotal relevance. To complement should also be a strong commitment, translated into concrete strategies and further actions aiming to not only enhance the performance of South-South operations on the ground but also secure public consent on the benefits of such initiatives in their own countries.

3. Actions at the Regional Level

A region or subregion-wide mechanism needs to be put in place to coordinate development projects from all stakeholders regardless of the South or the North, to cover the RPGs issues at firsthand, and a widened range of development issues for the future. Such a mechanism would have to be a formal and permanent institution with clear mandate, adequate funding resources, appropriate manpower and proper institutional positioning within the existing regional cooperation frameworks, so as to harmonize different stakeholders' actions and mainstream these into wider regional integration agendas.

4. Actions at the Global Level

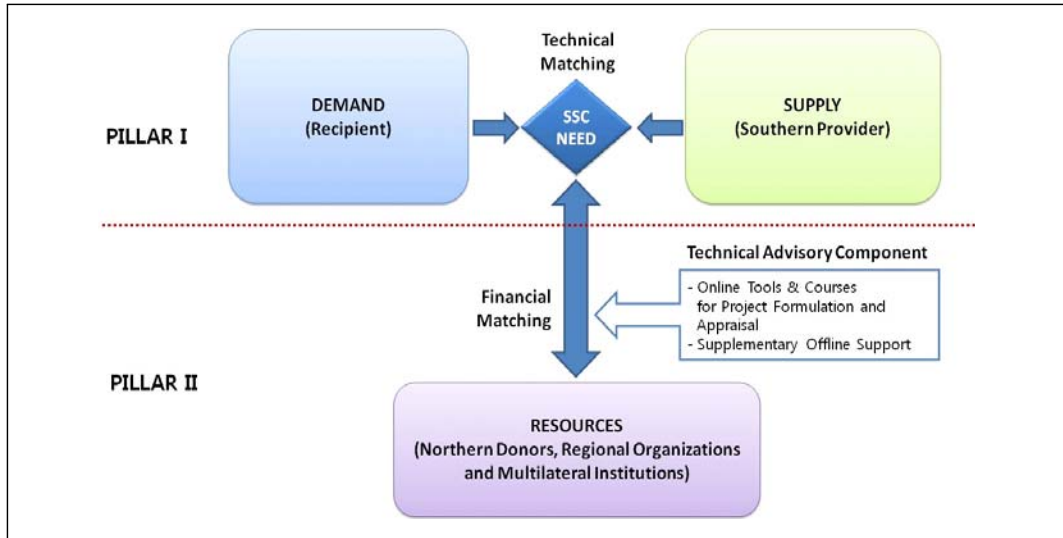
Finally, at the global level, a global platform is recommended to be set up to facilitate matching the demands and the supply of knowledge sharing, and further matching with available resources from Northern donors and multilateral organizations and financial institutions.

Offline mechanisms and frameworks already exist across the globe. In the form of trust funds, the World Bank Institute maintains the South-South Trust Fund (SSTF), while the UNDP Special Unit on South-South Cooperation has funds for South-South exchange, upon agreement of key supporting donors such as Japan and the Republic of Korea. As a subregion-wide structure, Japan-supported Japan-Southeast Asia Meeting for South-South Cooperation (J-SEAM) has contributed to deepening dialogues between assistance providers and recipients in the region, and provided tangible financial and technical assistance to put the discussions into practice. As a sector-specific framework, the Global Facility for Disaster Risk Reduction (GFDRR) operates a South-South program, which basically has similar configurations as trust funds. A recently inaugurated Alliance for Financial Inclusion (AFI), co-funded by the Bill and Melinda Gates Foundation and GTZ, specifically aims to bring out all actors from the South and the North in the field of micro-finance and financial inclusion to exchange knowledge and lessons learned from past practices.

Though highly successful in harnessing dialogues for promoting South-South exchange, those mechanisms, have often been of limited financial capacity, activity scope and promptness of exchanges. What is needed now is an interactive platform covering a comprehensive list of sectors, which could serve as a one-stop-shop global knowledge warehouse and a functional “trigger” enabling more deepened dialogue onwards. It must also enable a prompt leverage of South-South exchange with financial resources from traditional donors and multilateral institutions, beyond a budget-restrained trust fund type financing mechanism.

Therefore, the Platform, as suggested to be named the Global Platform for South-South Cooperation (GPSSC), would be Web-based and must entail two intertwined pillars: A technical pillar aiming to match supply and demand and a financial pillar of matching resources with needs.

〈Figure 2〉 Structure of the Global Platform for South-South Cooperation



Pillar I should offer a comprehensive range of information per provider and sector, including cooperating institutions, possible areas of cooperation and available types of assistance. Making available the information on procedural matters and prototype of project request documents could be complementary. At the recipient side, available information should contain sectors/subsectors in need of Southern knowledge, as well as the timeline, scope and type of activities desired. Information would be updated promptly by donors and recipients by means of registered-user access system.

Pillar II would have to provide a list of Northern donors, regional and multilateral institutions willing to support South-South interaction, as well as sectors/subsectors, regions of focus and types of assistance which would be possible for eventual funding and technical assistance. As the pre-matched South-South projects in the Pillar I need to be feasible and strategically interesting enough to obtain the resources, a component of online tools, manuals and courses for project formulation and appraisal would need to be available through the Platform, with supplementary offline support to the extent feasible.

The Platform would not unrealistically attempt to attain substantive discussions on the Web. Rather, it will focus on brokering South-South exchange, by providing substantive information on the web, which will further leverage streamlined discussions onwards on a more formal

and official basis. It would expectedly subdue SSC's certain shortcomings, including the top-down approach and country ownership issues, and discharge the biggest constraints impeding South-South exchange – lack of mutual knowledge and resources.

VI. Conclusion

Though SSC has long been part of global development cooperation, it has only recently received global-scale attention. As such, a tremendous amount of tasks is ahead, across normative and operational dimensions. As part of the endeavor, this paper attempted to highlight what actually works in SSC, and suggested how the positives can further promoted, with detailed action items to be undertaken at the country, regional and global levels.

The list of action items proposed is long. The implementation part, in parallel, will require considerable amounts of effort from all stakeholder sides. Recipient countries should develop a stronger sense of ownership over development, whereas Southern donors must gradually move forward to comply with aid effectiveness principles. Traditional donors should further commit to support South-South exchange by means of technical assistance and financial resources. Regional organizations would have regional coordination responsibility to bolster Southern aid and optimize the potentials. In addition, multilateral institutions would have to be effectively responsive to capacity development calls for aid management and coordination, and facilitate South-South exchanges at the global level. Only a commitment and willingness for concerted efforts will make these colossal, yet imperative tasks work.

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