DEVELOPING COUNTRY PERSPECTIVES ON THE ROLE OF THE DEVELOPMENT COOPERATION FORUM: BUILDING STRATEGIC APPROACHES TO ENHANCING MULTILATERAL DEVELOPMENT COOPERATION

SYNOPSIS

This Analytical Note follows up the study on stakeholder perspectives on the Development Cooperation Forum (DCF) prepared by the South Centre entitled “Reshaping the International Development Cooperation Architecture: Perspectives on a Strategic Development Role for the Development Cooperation Forum” (SC/GGDP/AN/GEG/9, October 2008), and provides more in-depth developing country perspectives on the DCF on the basis of four country papers prepared by research partners based in Brazil, China, India, and South Africa.
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I. Introduction

1. This study is a follow up to the initial paper on stakeholder perspectives with respect to the Development Cooperation Forum (DCF) prepared by the South Centre entitled “Reshaping the International Development Cooperation Architecture: perspectives on a Strategic Development Role for the Development Cooperation Forum.” The initial paper undertook a survey of various developing country governmental, intergovernmental, and civil society stakeholders involved in the DCF processes to generate perspectives on the role of the DCF.

A. Previous South Centre Research Conclusions

2. The first study by the South Centre on stakeholder perspectives on the DCF concluded with four main recommendations concerning the role of the DCF, as follows:

(1) Strengthening ECOSOC should be a key institutional objective of the DCF

☐ By providing the intergovernmental oversight mechanism of ECOSOC with respect to the implementation of existing sector-specific and institutional aid programmes that use public sector financing with a view towards promoting coherent approaches and healthy competition among ODA providers;

☐ By enabling ECOSOC to exercise oversight over the implementation by UN Members States of their international development cooperation commitments -- in particular of ensuring that aid is demand-driven and unencumbered by Washington Consensus-based conditionalities

(2) Enhancing development cooperation transparency through the sharing of ideas, information, and best practices

* This study was commissioned by the German Development Institute (DIE), Bonn, with funds provided by the German Ministry for Economic Cooperation and Development (BMZ). The study is built around four country studies commissioned by the South Centre from its developing country research partners: Fundacao Getulio Vargas (Brazil), the Institute of World Economics and Politics - Chinese Academy of Social Sciences (China), the Research and Information Systems for Developing Countries and the Non-Aligned Movement (India), and the South African Institute for International Affairs (South Africa). The study does not necessarily reflect the views of DIE or BMZ, nor of those of its research partners.
By being the intergovernmental yet multi-stakeholder forum for sharing best practices in development cooperation and assistance;

By establishing an information-sharing system for effective, viable, sustainable, and development-relevant ideas in development cooperation and ODA delivery;

By being the venue through which traditional and new ODA providers can multilateralize (through biennial reporting, for example) the provision of information regarding the availability, priorities, implementation, and development outcomes of their respective ODA programmes so as to make it easier for developing countries to identify the best possible development partners consistent with their development needs, priorities, and ownership.

(3) Providing a strategic intergovernmental policy, operational oversight, and accountability mechanism that can link development cooperation to the broader international economic and financial architecture

By being the primary intergovernmental political oversight forum for strengthening aid effectiveness and aid accountability, with mechanisms to encourage strong developing country government and civil society participation and voice in its processes. It should address ODA architecture-, effectiveness-, and implementation-related issues. The implementation of initiatives such as the OECD’s Paris Declaration on Aid Effectiveness, and the ODA-relevant programmes of the BWIs, UN agencies, and other multilateral agencies should be reported to the DCF. It could also take the lead in serving as the forum for considering new suggestions on the international ODA architecture;

By serving as the primary intergovernmental dialogue mechanism between existing and new ODA providers, as well as non-governmental aid providers, to ensure that overall development assistance supports sustained and sustainable development in the South in the context of rapidly changing global economic, environmental, and political circumstances;

By serving as the intergovernmental mechanism through which a financial needs assessment could be undertaken to identify the country-specific and global ODA requirements for achieving the MDGs;

By providing the intergovernmental forum for coherence and coordination discussions with non-governmental aid providers;

By encouraging improved South-South development cooperation;

By providing the political opportunity for the creation of a developing country-only permanent mechanism wherein developing country ODA recipients could discuss their interests, needs and priorities, on the basis of information on ODA flows, sources, and procedures submitted to the DCF.
(4) Shaping development cooperation approaches to meet the twin development and climate change challenge

By including in its agenda a results-oriented discussion on how ODA can help support on-going climate change mitigation and adaptation efforts of developing countries in ways that are development-friendly, including in particular through meeting and going beyond the developed countries’ existing commitments to provide financial resources and technology transfer to developing countries under the UN Framework Convention on Climate Change.

3. The initial paper stressed that the international development cooperation discourse cannot be separated from the broader global power discourse and the systemic imbalances that reflect the current state of such discourse. Hence, the DCF should play a role in shaping a fairer and more equitable global economic system, in which the development policy space and prospects of developing countries are placed at the centre of global action.

4. In another paper prepared by the Executive Director of the South Centre for the Commonwealth Secretariat in May 2008 to provide an alternative viewpoint on the purpose of the DCF, the following points were further stressed:

9.1. DCF is a new institution; it cannot afford to load itself with onerous responsibilities. Nevertheless, in the present situation, there is no institution at the international level that has the credibility or legitimacy to discuss, let alone, plan and advise on “development cooperation.” The DCF can fill that role.

9.2. DCF should act like a “gardener”, preparing the soil, carefully selecting the plants to grow, and keeping out wild and poisonous plants. In the above, text, we have indicated which plants need to be kept out [e.g. the DCF should keep its distance from the BWIs and the DAC/OECD], and which might still be salvaged for careful nurturing [e.g. embedding the Paris Declaration framework into the UN system and bring into it the UN’s evaluative criteria on “aid effectiveness” such as those related, for example, to IADGs, MDGs and ILO’s “decent work”; the “mutual accountability” principle; and the creation of an exit strategy on aid]

9.3. DCF should provide an alternative to OECD-DAC and the World Bank, not in any “coordinating” function (because that would be impractical if not impossible) but in terms of providing conceptual clarity on issues related to development, one that goes beyond its diminutive “aid” definition. DCF should link aid with broader issues of Finance for Development, and put aid into perspective (e.g. in relation to mobilisation of domestic resources, trade, investments, Diaspora remittances, brain drain, and the large systemic issues of financial
architecture). DCF should feed into the Doha process and be proactive in influencing its outcome.

9.4. DCF should facilitate debate and discourse on governance aspects of international development cooperation which is presently asymmetrical and largely donor-driven (question of national democratic ownership; issue of domination of the value systems of the North). It must address three kinds of asymmetries – power asymmetry, economic asymmetry and knowledge asymmetry – in relation to development cooperation.

9.5. DCF should encourage “new donors” (a term not acceptable to South “partners”) to be more active in conversation on aid in its normative (issues of governance, human rights and rule of law, etc.), as well as operational dimensions (harmonization, accountability, division of labour, etc.).

9.6. Finally, aid is not the route to development for the developing countries. It creates dependency and erosion of a sense of self-reliance. The DCF should encourage a study on how the developing countries can exit out of aid dependency.

Above all, the DCF can provide continuity. It is a permanent component of governance framework within the UN system. It can provide strategic focus, rigorous analysis. As we argued in the first study by the South Centre “… meeting every two years, the DCF may provide continuity and build up a shared body of knowledge, both of which are currently lacking in development cooperation.”

B. Follow-On Study Research Questions and Methodology

5. The present follow-on study is intended to complement the initial South Centre paper and addresses the following research questions:

1. What are the major systemic architectural issues that the DCF and other development cooperation-related initiatives will need to consider with respect to development cooperation and ensuring a genuine partnership on development cooperation?

2. What are promising recommendations for a focused agenda for the July 2008 DCF meeting (in particular with respect to the links between the DCF and other development cooperation-related initiatives such as the OECD’s 2008 Accra conference on aid effectiveness, the UN’s 2008 Doha FfD conference, and the UN’s 2009 conference on South-South cooperation in Argentina)?

3. What are useful suggestions with regard to the DCF’s operational modalities, including participation of all stakeholders, during the biennial meetings and in between such meetings?
4. What are medium- to long-term perspectives on the role of the DCF with respect to enhancing multilateral development cooperation?

6. For this follow-on study, the South Centre engaged research partners in Brazil, China, India and South Africa\(^1\) to obtain qualitative data and responses with respect to the research questions above through targeted interviews of key development cooperation-relevant policymakers in these countries. All interviews were conducted under the Chatham House rule – i.e. no personal attribution or direct attribution to a country, and all data to be aggregated, to protect the confidentiality of the interviewees.\(^2\) But generally, respondents for the four country papers came from the following institutions of each country:

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<th>Brazil</th>
<th>China</th>
<th>India</th>
<th>South Africa</th>
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<tr>
<td>Brazilian Cooperation Agency</td>
<td>Institute of Agricultural Development – Chinese Academy of Social Sciences</td>
<td>Research and Information System (RIS)</td>
<td>Department of Foreign Affairs</td>
</tr>
<tr>
<td>Ministry of Planning, Budget and Management</td>
<td>Ministry of Foreign Affairs</td>
<td>Ministry of Foreign Affairs</td>
<td>South African Institute for International Affairs</td>
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<td>Ministry of Commerce</td>
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<td>Ministry of Finance</td>
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<td>Institute for Democracy in South Africa</td>
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<td>Institute of Latin American Studies – Chinese Academy of Social Sciences</td>
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7. The research partners were requested to set out their findings and conclusions in a 5,000-10,000 words country paper (see Annexes A to D hereof).

**II. Findings**

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\(^1\) These are: Dr. Maria Lucia L.M. Padua Lima, Ms. Ieda Miyuki K. Dias de Lima, and Ms. Michelle Ratton Sanchez of the Fundacao Getulio Vargas (Brazil); Dr. Song Hong of the Institute of World Economics and Politics, Chinese Academy of Social Sciences (China); Dr. Sachin Chaturvedi of the Research and Information System for Developing Countries (India); and Dr. Elizabeth Sidiropolous and Mr. Wolfe Braude of the South African Institute for International Affairs (South Africa).

\(^2\) The determination of who would be a “relevant” policymaker was up to the research partners. Some indicative guidelines for such determination were as follows: (ii) he/she/they must have a major policy-shaping or -influencing role in his/her/their government’s development cooperation and assistance institution; and (ii) he/she/they must be knowledgeable about the development cooperation and assistance framework, institutions, policies, and approaches of the country.
8. The follow-on study integrates the findings of the four country papers and is structured according to the research questions that the research partners were to ask their selected respondents.

A. Agenda for the DCF in 2008

9. Respondents from the four countries commonly saw the DCF as a forum in which broader issues relating to development cooperation should be included on its agenda. These issues which should be reflected in the DCF’s agenda in 2008 and its future meetings include:

   o Looking at the conceptual definitions and basis of development cooperation and financing;
   o overall cooperation and coordination of multilateral development cooperation activities, including strengthening the ECOSOC and contributing to the 2008 FFD process;
   o looking at the predictability, quantity, quality and impact of development cooperation financing flows (including meeting the 0.7% of GNI target for ODA from OECD-DAC countries;
   o looking at the level and practices of South-South and triangular development cooperation;
   o enhancing the role of the DCF as a mechanism through which the international community can monitor and assess the level of achievement relating to the Millennium Development Goals (MDGs);
   o clarifying the DCF’s role in the international development cooperation architecture.

1. Defining development cooperation

10. South African respondents noted that the DCF should examine the various definitions of development assistance or aid being used by the OECD-DAC countries “with a view to their being broadened” so that they can include other forms of development cooperation and financing that non-OECD-DAC countries are undertaking with other developing countries. The Chinese respondents suggested that the relationship between “political standards of aid and economic development … need to be discussed and studied” in the DCF.

2. Contributing to other processes on development financing
11. Chinese respondents highlighted the need for the DCF to include in its agenda its potential contributions to other multilateral processes and “work for progress”, especially on financing for development (FFD) and the WTO’s on-going round of Doha trade negotiations. They stressed that the DCF should, as a major item of its work, “strengthen cooperation with the follow up mechanism to the financing for development conference to avoid repetition” and that, with respect to the WTO negotiations, the DCF could look at the role of trade in development financing and “get developed members, major trading nations in particular, to demonstrate political sincerity and greater flexibility to facilitate comprehensive and balanced outcomes of the talks.” Additionally, they also suggested that the DCF should have a workshop to identify the obstacles, find feasible approaches and put forward a statement to the UN’s 2008 Doha FfD conference” with respect to the meeting of the 0.7% ODA flows target.

12. The theme of contributing to the FFD process was also echoed by South African respondents who pointed out that “the various events occurring during 2008 and 2009 ... are not occurring in isolation, but are all interlinked and clearly connected. In essence they all comprise building blocks for creating a better world, and it makes a lot of sense for the DCF to be the ‘glue’ between them, and the instrument for breaking down any compartmentalisation. Officials from different departments believe that the DCF will play an important role in the FfD conference and that elements of the DCF decisions should be taken into the FfD conference.” They further pointed out that “closer collaboration was needed between the DCF and these fora. Participants will need to be clear on what role these various fora will play in terms of aid effectiveness, and specific to current events, what role the DCF itself will play at the September Accra Aid Effectiveness meeting. Such fora should not only be parallel but also integrated into a coherent interlinked architecture.” They highlighted the point that having multiple fora discussing approximately the same issues but without any integration, coordination, or collaboration could increase the transaction costs for developing countries.

3. Assessing the achievement of the 0.7% of GNI target for developed countries as ODA flows and the quality and quantity of OECD-DAC aid

13. Respondents from Brazil also noted that the DCF “may contribute especially in what concerns:

a) The increase of predictability of amount of resources for the UN bodies;

b) To unable the imposition of new conditionalities;

c) The respect to diversity of countries, as well as to the ownership of receptor countries in the cooperation process;
d) Differential treatment for the receptor countries (one size does not fit all);

e) Reduction of transaction costs, as well as of cost of administration. Harmonization of accounting practices for the different programs of planning, monitoring and evaluation by the ODA providers;

f) To increase the coordination with Breton Woods organizations;

g) Strengthening the Economic and Social Council (ECOSOC).”

14. Chinese respondents also stressed that “iniatives should urge developed countries to honor their commitment of earmarking 0.7% of their gross national income as ODA to developing countries as early as possible and encourage the setting up of more innovative mechanisms for financing.” The South African respondents echoed this point as well in saying that the DCF should be a vehicle for “monitoring … aid commitments.” The Brazilian respondents stressed that “the current capital [i.e. ODA] available is below the promised amount.”

15. Chinese respondents also suggested that the DCF “should set up a set of survey and statistics system gradually, and edit foreign aid guide and/or world foreign aid report” to provide clear information with respect to ODA flows.

16. The South African respondents also suggested that discussions relating to “endorsement” by developing countries (whether explicitly or implicitly through, for example, the DCF) of the OECD’s Paris Declaration on Aid Effectiveness should not be “smuggled’ onto the DCF agenda” (nor indeed into the OECD’s High-Level Forum on Aid Effectiveness that will take place in Accra). They pointed out that the Declaration “does not have universal approval within the developing world, e.g. not all G77 countries are signatories or support it. Even its annexes since 2005 were described by the respondent as suffering a lack of such comprehensive legitimacy, i.e. they were not universally designed or approved. … [and] that as a result the Paris Declaration must not be endorsed in its current format, due to its origins and the fact that developing countries believe that it needs to be improved.” But given that the Paris Declaration is already being used as the basis for OECD-driven discussions relating to aid effectiveness, the DCF could discuss the Paris Declaration but only with respect to how it should be changed to make it more responsive to ODA recipients’ development needs, concerns and perspectives, taking the perspective that “the Paris Declaration itself is not regarded as a finished product” that can be endorsed by developing countries in its current form.

4. Addressing and understanding South-South development cooperation
17. The Brazilian respondents also pointed out that the DCF should include in its agenda a discussion of South-South cooperation, examining such actions “according to their specificities with respect to their elaboration, supervision and evaluation of results. This is important to develop a theoretical and realistic framework, based on successful empirical evidences.” This was echoed by South African respondents who pointed out that the DCF should discuss how it will “address the phenomenon of emerging ‘donors’ and how their policies on ‘development cooperation’ are evolving.”

18. Chinese respondents stressed that the DCF “should do more in uniting developing countries such as coordination positions; help each other in infrastructure building, and sharing information in social governance and economic operation. The DCF should serve as the important stage for cooperation among developing countries.” They pointed out that global challenges such as the food and energy crises, financial instability and economic fragility, means that the DCF should explore the relationship between “poverty reduction and mutual aid/cooperation among developing countries.”

19. The China paper also stressed that “Economic cooperation could be a promising area in which developing countries could find complementary benefit and help each other with their special resources endowments … South-South cooperation should also be development-oriented but not aid-oriented. The developing countries have to have such a strategically long-term target that economic development is based upon domestic resources, enterprises and market. Any aid could be a big help in the short term but not in the long term. Aid just could be a stimulus for utilizing domestic resources and take a complementary role for domestic resources to promote employment and income.”

5. Contributing to the achievement of MDGs and broader development goals

20. Chinese respondents suggested that the DCF should put in place “an MDG assessment and monitoring mechanism … The DCF should advocate a fair, reasonable and effective framework for MDG progress evaluation, under which timely assessment of progress in various countries and international cooperation and in the implementation of ODA commitment can be made.” This point of having the DCF monitor the achievement of MDGs was also made by South African respondents.

21. In this regard, Indian respondents suggested that the DCF could “encourage and channelise development cooperation for creation of global

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3 They noted that “the problems concerning the means of implementation like funding, technology, capacity-building and market access are the biggest obstacles to achieving the MDGs.”
public goods. This may help in achieving wider developmental objectives at the global level.” They pointed out that in that “it would be important to prioritise the global concerns in various areas of development. There are several discussions about poverty eradication measures and global environmental governance and issues emanating from debates on climate change. These debates have sharply focused on creation of avenues for transfer of technology. The DCF, at the multilateral level may ensure adequate measures in this regard.”

22. The Indian country paper noted and reiterated the initial submission from the G-77 and China stating that “joint work by all the members for developing agreed criteria and benchmarks to measure the implementation, effectiveness and results of development cooperation, may be the basis for initiating substantive work programme for DCF.” This would then include having the DCF work closely in the context of the ECOSOC’s Annual Ministerial Review (AMR) “to undertake comprehensive review of development policies of different member countries, which if linked with the Annual Ministerial Review (AMR) mechanism, may be of great significance in terms of achieving the global development goals.” The paper pointed out that in the context of the AMR’s work on reviewing progress in achieving the IADGs, the DCF “would provide the details about the national strategies and action plans.”

6. The DCF’s role in the international development cooperation architecture

23. South African respondents also suggested that the DCF should include on its agenda a clarification of its role and that, therefore, delegates participating in the DCF should seek to “map out a process to get to a point where the DCF can play a meaningful role rather than be a talk-shop.”

24. The South Africans also stressed the role of the DCF in the context of the international development cooperation architecture, pointing out that the DCF agenda should also look at how it can become “a legitimate vehicle for the international aid architecture, monitoring MDG and aid commitments, and aid effectiveness from a recipients perspective.”

25. The issue of architectural coherence with respect to development cooperation was also raised by the Brazilian respondents, who pointed out “the (lack of) coordination of the UN agencies and the (lack of) coherence of the system as a whole.”
26. Indian respondents stressed that the “creation of a biennial DCF and an AMR are to be structured in such a way that they provide stronger support to ECOSOC.”

B. Suggestions on Operational Modalities for the DCF

27. The research partners were also requested to seek responses and suggestions with respect to operational modalities for the DCF.

Research Question:

What are useful suggestions with regard to the DCF’s operational modalities, including participation of all stakeholders, during the biennial meetings and in between such meetings?

28. In general, the respondents of the four country studies were positive about opening up DCF processes to a wide range of stakeholders, including civil society. The point about ensuring adequate representation and participation of developing countries in DCF processes was also stressed by several respondents. Many respondents noted that need for the DCF to be active in between its sessions, and that it should be equipped to undertake its own policy-oriented research and analytical work.

1. Participation of civil society and other stakeholders

29. Brazilian respondents, for example, noted that while the fact that the DCF is a body of the ECOSOC means that civil society participation is implicit, the interests that they represent should “reflect a balanced perspective of developed and developing countries” and that their participation should “not create any new conditionality for developing countries.” Furthermore, civil society participation should dilute the essential intergovernmental nature of the DCF, according to some Brazilian respondents, who pointed out that while NGO participation is important, such should not “prevent the action by governmental officials in charge of executing public policies.”

30. Chinese respondents noted that the DCF “should bring together stakeholders in the government, private sector and civil society and works on thematic and cross-cutting issues at national, regional and international levels. It should use this advantage to promote closer partnership among the stakeholders on international development and forge synergy through encouraging them to enhance coordination and supplement and reinforce each other’s work, with a view to contributing to the international development cause.”

31. South African respondents also suggested that existing networks of contacts in both developed and developing countries involved in development cooperation issues be tapped by the DCF.
2. Ensuring effective participation of developing countries

32. South African respondents stressed that the DCF should ensure that “the right players are participating in such meetings, and also those of other global initiatives noted in this report, i.e. not only foreign affairs officials, but finance and development officials too. In many countries there is a split between those participating in the UN processes and those participating in World Bank/IMF, OECD processes. This created unnecessary duplication and compounded issues of limited capacity and expertise.” This comment stems from the common recognition in many international forums (such as in the WTO and the BWIs) of the human resource and other constraints that many if not most developing countries face when it comes to ensuring their effective and full participation.

3. Making the DCF work in-between sessions

33. On the format of the DCF’s meetings in between its biennial sessions, Brazilian respondents suggested that “informal debates in the interim of the meetings, for instance, are important to promote the discussion about topics of interest and specific studies in depth.”

34. Indian respondents suggest that the DCF, in undertaking reviews of the development policies of UN member States, could release the results of such reviews after joint discussion within the AMR and the DCF “through national reports” which could then “provide policy guidance for member states and international organisations and other actors … [and] may help them in evolving their work programmes accordingly.” Indian respondents also suggested that various options with respect to when the DCF should hold its biennial meetings could be looked at, particularly on “whether DCF should take place in alternate years to the HLD of the High-Level Segment and also how it should be linked with High Level Dialogue on Financing for Development (FfD)” and so also look at “whether subsuming various initiatives under DCF within specific sub-groups” could be an option. They also suggested that “instead of posing DCF as an alternative to DAC, initiatives may be launched to tap on synergies between the two organisations, particularly in terms of reporting, analysing and publication of development cooperation related details which may take form of substantive national reports.”

35. This could be linked to issue raised in the South African country paper about the DCF’s enforcement capacity, where a respondent noted that “giving the DCF enforcement capacity will make it dangerous for some stakeholders and will chase them away, and that the South may be better served by allowing the DCF to utilise pressure to bring about compliance.
‘Name and shame’ tactics can be very effective, the key is consistent pressure.”

36. The Chinese respondents suggested four tasks which the DCF and its stakeholders could do in between the DCF sessions:

“1) to implement the existing commitments;
2) to do surveys that help understand the present situation and prepare in-depth research and review for the next meeting, some of them could be incorporated in Foreign aid report and/or Foreign Aid Guide;
3) for DCF to organize experience-sharing, view-exchanging and other capacity-building activities;
4) for DCF to dispatch expert groups to check up on those ongoing projects; etc.”

37. Finally, on the operational aspect of the DCF itself in between its sessions, South African respondents suggested that “it would also be useful to establish a small secretariat to assist the flow of information between the bi-annual DCF meetings.”

C. Role of the DCF in Enhancing Multilateral Development Cooperation

38. The research partners were also requested to obtain responses with respect to the role of the DCF in enhancing multilateral development cooperation.

39. The respondents all basically take the view that the DCF is a good idea whose time has come in terms of enhancing multilateral approaches towards development cooperation. It serves as the multilateral forum for dealing with development cooperation issues in ways that other forums such as the OECD or the Bretton Woods institutions are not able to do. The DCF, for these respondents, is a way in which the UN system could be further strengthened and made more relevant to development cooperation, and in which developing country perspectives on development cooperation could be further highlighted and addressed.

1. Serving as the neutral multilateral forum for development cooperation with emphasis on addressing developing country concerns

40. As pointed out by respondents in the Brazil country paper, “one of the DCF advantages is to bring to the multilateral scope the debates over
cooperation efficiency and effectiveness, which were almost exclusive OECD themes. This organization [the OECD] still reflects the North perspectives, i.e., despite the Paris Declaration principles subscribed by developed and developing countries, OECD still adopts the perspective of the donors.”

41. Support for multilateral approaches through the UN to development cooperation, under which developing country perspectives on development cooperation could be fully aired and addressed, continues to be very high for the respondents, with the Brazilian paper for example noting that “international community participation, through United Nations, is the key factor to economic and social development progress, and emphasizes the importance of the “non-indifference” as an aspect of the solidarity among nations. The Brazilian government understands that development is a fundamental element for the promotion of world peace and security and it must follow the Millennium Development Goals commitments. Multilateralism is a legitimate way, and at the same time, it creates legitimacy for overcoming international challenges. In this way, the United Nations system should be reinforced and the resources for technical and financial international cooperation should be increased.” They also noted that “the DCF has conditions, in the medium to long term, to strength the multilateral cooperation mechanisms, turning it more extensive and efficient. The strengthening of these mechanisms is fundamental for a fair and prosperous international order.”

42. The Indian paper notes that “the DCF may provide opportunity to enhance the global partnership for development in accordance with international commitments set out in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation” while Chinese respondents stressed that “in the medium and long term, the DCF should make contribution to enhance the capability of the UN to address development issues. UN is the most critical multilateral organization and the DCF could take on the practical responsibility of development cooperation of the UN.” South African respondents noted that “the DCF as a new structure creates the space for developing countries to speak with a strong voice regarding development issues. It should aim for equality between the developed and developing world and should be a forum that addresses real issues for developing countries.”

43. The issue of bias with respect to development cooperation perspectives in the work of other institutions such as the OECD was a major point that was raised by the country papers, including the India, Brazil, and South Africa papers.

44. For example, Brazilian respondents noted that the OECD’s work on development cooperation efficiency and effectiveness “still reflects the
North perspectives and … the perspective of the donors.” As pointed out in the South Africa paper, “a respondent noted that often the issues are framed according to a developed country interpretation of what is important for developing countries. In theory the DCF can allow developing countries to query developed countries’ commitments to reform of aid, quantity of aid and increased aid effectiveness. Although trade is more important than aid to the developing world in the long term, ODA is still very important if it is not ‘handouts’ or implemented only according to developed country priorities.”

45. The South African paper also noted that the OECD-DAC “is seen as obviously designed for and established by ‘donors’ and although it contains various instruments, the problem is that it is an agency of the established donors and thus its rules and instruments have been devised not by both recipients and donors or even by established and emerging donors, but rather by one group only. This means that the structures, rules and instruments of the DAC should not be recycled for use within the DCF.”

2. Providing a forum for sharing South-South experiences in development cooperation

46. Another issue that some respondents have raised is the role of the DCF vis-à-vis “emerging countries” or “emerging donors”\(^4\) and their participation (as well as of other developing countries) in multilateral discussions on development cooperation in a context that is perceived to be neutral or non-biased. As the Indian paper pointed out, the DCF “is likely to have greater participation of members where emerging economies may also splay an equal role, viz. a viz. others and the institution is also likely to have neutrality in its character.”

47. The South African paper noted that “a very useful aspect of the DCF is the fact that it provides a (perhaps neutral) forum for emerging ‘donors’ to pool their political capital, and share practical experiences. It provides a forum for engagement at a period when many of the emerging ‘donors’ are experimenting with structures and processes.” In particular, South African respondents pointed out that the DCF could be a forum where countries could “speak with a strong voice regarding development issues.” They pointed out that the DCF “should aim for equality between the developed and developing world and should be a forum that addresses real issues for developing countries.”

\(^4\) Note that generally, those developing countries that are often described in ODA literature as “emerging donors” do not view themselves as “donors” but rather as “partners” in the development process of their other developing country partners.
3. Jumping board for addressing other challenges to development cooperation

48. The China paper noted respondents who also suggested that the DCF should also be conscious of and seek to address challenges to development that may not necessarily be within the traditional scope of development cooperation per se. These include energy and climate change, to wit: “in the areas of energy security and climate change, the DCF should keep abreast of latest developments and study and respond to new trends and issues in international development cooperation. On the issue of climate change, the DCF should encourage the stakeholders to remain committed to the UN Framework Convention on Climate Change and the Kyoto Protocol and the principle of ‘common but differentiated responsibilities’ and work for progress in international cooperation on climate change. On energy security, the DCF should promote focused cooperation in the international community in raising energy efficiency and developing and applying clean energy and renewable energy and in safeguarding energy security.”

D. Systemic Architectural Issues on Development Cooperation

49. Among the major research questions that respondents were asked about in the country papers was for them to identify major systemic architectural issues relating to development cooperation that the DCF will need to address.

50. The systemic architectural issues relevant to the DCF identified by the respondents from Brazil, China, India and South Africa can be grouped into six, as follows:

- clarifying concepts and definitions of aid, development assistance and development cooperation;
- multilateral governance of international development cooperation under the UN system;
- role of the OECD-DAC Paris Declaration on aid effectiveness in international development cooperation;
- the quantity and quality of OECD-DAC countries’ ODA and other development financing flows;
role of the South’s “emerging powers” in international development cooperation; and
- South-South development cooperation.

1. Clarifying concepts and definitions of aid, development assistance, and development cooperation

51. Some of the respondents stressed that the DCF needs to be at the forefront in redefining and reshaping the conceptualisation of development cooperation. The DCF should move such conceptualisation away from current concepts and definitions that are overly donor-provided-aid focused to a conceptualisation that is broader and more inclusive of the wide range of development cooperation activities, including development financing (of which donor-provided aid is only a part).

52. Hence, for example, the Indian country paper pointed out that “definitional issues related to the concept of development cooperation” need to be resolved and that the “contours of development cooperation to capture various activities in a relevant framework” be defined. It pointed out that the existing OECD-DAC definition of aid and development assistance “seems to be extremely limited when analysis of development aid from Southern countries is taken into account, for instance sizeable amount of assistance is provided by major developing countries in supporting peace keeping operations across the world particularly in their own region. The efforts by these countries, in providing access to regional public goods which are extremely essential for the neighbouring countries, would also be missed out, if focus is limited to the DAC definition alone. There may also be conceptual differences when aid flows from emerging economies are to be analysed.” The South African paper, like the Indian paper, also raised definitional issues in pointing out that its respondents noted that “the Paris Declaration and the DAC definitions might need to be broadened to encompass a wider range of activities, for example with regard to support for ‘peace keeping’. … Although the DAC definitions may not be broad enough to cover South Africa’s development activities in Africa and other similar developing country activities, it was noted that these activities do fit within the G77 and South-South definitions of solidarity and complementarity. Such definitions are inherently political and won’t work in the DAC environment.” The South African paper stressed that “the problem is not the definitions themselves, but the clarity of the OECD/DAC definitions and how the DAC donors

5 The Indian paper also noted that the “current framework of DAC for capturing aid flows focus only on supply side statistics and overlooks the demand side responses. Moreover, this also needs to be extended further for incorporating elements of enabling policies and disabling policies as adopted by various national governments” and that, furthermore, in relation to South-South development cooperation, “at times it is difficult to state clearly the precise financial expenditure incurred. As most of the cooperation is ‘in kind’, there is no standard accounting framework to capture this flow.”
use them in practice, e.g. definitions are needed that identify debt relief and tied aid.”

53. The need for the DCF to contribute to the creation of terminology that does not reflect the current OECD-DAC donor-biased terminology being used in the development cooperation discourse was also highlighted by respondents. Indian respondents stressed that developing countries that partner with other developing countries in the pursuit of development may prefer terminologies which are different from those used to refer to OECD-DAC-related aid in referring to their collaborative efforts and also “may not want to use terms like ‘donor’ and ‘recipient’ instead may prefer ‘development partner’. … The context is also different as ‘partnership’ which is largely on equal footing while in DAC approach, one is on high pedestal of donating and the other is a recipient.” South African respondents also echoed the points raised in the Indian country paper with respect to the current terminology being used in development cooperation discussions. They pointed out that “as it stands, most of the terminology and underlying rationales are obviously focused on a developed country providing aid to a developing country. As such the whole language system of aid appears unable to accommodate the new donors …. Ironically, some DAC donors have started referring to themselves as ‘development partners’ and referring to the relevant Southern countries as ‘donors.’”

2. Multilateral governance of international development cooperation under the UN system

54. Respondents were also very conscious of the need for the DCF to enhance its ability to contribute towards strengthening the UN’s role in promoting development, including in the multilateral governance of development cooperation.

55. The Brazil country paper, for example, suggested that the DCF could contribute to the on-going discourse relating to the “One UN” initiative started by then-UN Secretary-General Kofi Annan and continued by current UN Secretary-General Ban Ki-Moon that is intended to enhance the UN’s coherence and effective in the development field. The paper’s respondents also noted that given the “new dynamics in international financing”, multilateral organizations such as the Bretton Woods institution “need to change” and so the DCF should “promote the discussion about the revision of the role of these organizations in … international financing.” The Brazilian respondents suggested that the DCF could also look into the linkage between the trade and development agendas and “the UN relationship with medium-income emerging countries,” while stressing that discussion and monitoring of international
development cooperation “must be part of a more open and balanced multilateral process.”

56. Indian respondents looked at the role of the DCF in overall terms as part of the UN’s effort to promote a clear development agenda in many areas, and pointed out that its establishment “raises many expectations, largely in terms of evolving a broader consensus for a global strategy for addressing global challenges. … The question is how far DCF, being part of ECOSOC, can go to translate these concerns into policy actions, particularly, when there is wider disappointment, with the role of the UN agencies in advancing the development agenda in the areas of trade, finance, debt and technology.” The India paper also suggested that the DCF could be a bridge in addressing “a major institutional gap in identifying the potential of triangular cooperation in which resources from the South as well as the North are jointly used to support third countries without burdening them for (‘donor’ specific) additional accounting formalities” but that “South-South cooperation is not exclusive …. It is purely voluntary in nature and should not be viewed as an instrument for replacing any existing arrangements.”

57. South African respondents focused on the need to ensure that the DCF does not end up being simply a “talk-shop” about development cooperation. They recognized that any multilateral policy discussion on development cooperation can take place only within the UN system, pointing out that “it is unlikely that a process such as the DCF could exist outside of the UN, and it certainly could not be located within structures such as the DAC, WTO, IMF or World Bank as they are all dominated (and their rules largely determined) by the developed world.” But this means that the DCF should really focus on clarifying its role in shaping the discourse on multilateral development cooperation. There was some debate about whether or not the DCF, in order to prevent it from being just an “expensive side-show” to the ECOSOC meetings, should have monitoring and enforcement powers that would be used to generate increased compliance with development cooperation commitments that may be agreed to in the DCF, with some respondents viewing it positively while others view DCF enforcement as lying more in the realm of “naming and shaming” rather than actual enforcement-type actions. They also suggested that the DCF and its stakeholders should be open to having the UN play a more important role in development cooperation due to the changes to development cooperation “being introduced by the presence of new ‘donors.’” In this regard, they suggested that perhaps the DCF could study and learn from OECD-DAC experience (“including their mistakes”) with respect to developed countries’ development assistance activities.

58. The China paper pointed out that “in terms of long-term perspective, the role of the DCF could serve as the major mechanism for multilateral
economic and political cooperation …” They suggested that vis-à-vis
development cooperation, “the DCF should do more in coordination and
strategy making. Most of the existing mechanism only deals with the
functional part of developmental aid, such as developmental financing,
South-South cooperation, and aid effectiveness, etc. and, ODA involves
itself in too much political conditions and other factors of the benefactors.”
They in fact highlighted the high-level nature of the DCF in pointing out
that “there have been many initiatives which deal with development
cooperation, but there is no one to have such a high stature as the DCF
which could call the leaders from major developed and developing
countries together and find an acceptable solution.”

59. Finally, South African respondents also noted that the DCF’s relevance
and potential with respect to some issues “may not be resolved until the
broader issues of the role and governance of the UN system as a whole are
addressed.”

3. The role of the OECD-DAC Paris Declaration on aid effectiveness in
international development cooperation

60. Views were expressed by country paper respondents that were nuanced in
their appreciation of the role, value and utility of the OECD-DAC’s Paris
Declaration on Aid Effectiveness. Brazilian respondents, for example,
expressed apprehension that “the declaration was designed taking into account
a North-South perspective, not contemplating the South-South cooperation
approach.” South African respondents were more explicit, stating that “the
Declaration does not have universal approval within the developing world, e.g.
not all G77 countries are signatories or support it. Even its annexes since
2005 were described by the respondent as suffering a lack of such
comprehensive legitimacy, i.e. they were not universally designed or
approved. The respondents state that as a result the Paris Declaration must not
be endorsed in its current format, due to its origins and the fact that developing
countries believe that it needs to be improved.” They recognized the
possibility that the Paris Declaration itself may be discussed in the DCF, but
are generally opposed to the idea of having the DCF – and by extension
developing countries through the DCF – extend multilateral endorsement to
the Paris Declaration.

61. The South African respondents also stressed that with respect to the Paris
Declaration, any discussion thereon should also include the issue of autonomy
for (developing) countries that are seeking to align their development
cooperation-related actions to the principles of the Paris Declaration as
recipients. Any discussion of the Paris Declaration, whether within the DCF or
outside of it, should not be based on a perception that the Paris Declaration is a
“done deal”(which it is not) over which the only concern is getting more
countries to sign on to it, but rather should be based on the perception that the
Paris Declaration is only “the starting point” and that much more needs to be
done to make it more appropriate and responsive to developing countries’ concerns about aid effectiveness and development cooperation. The following excerpted passages from the South African country paper are particularly interesting:

This means that although emerging ‘donors’ may not object to the Paris Declaration principles, and may agree with them, they do not wish to see their flows monitored under the Paris Declaration, or the DAC, or be forced to report to the DAC or Paris Club, especially if they have had no say in crafting such monitoring.

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The majority of respondents raised two key points: that the emerging donors do not want to pulled in under the DAC or Paris Club, and that the Paris Declaration is seen as compromised by its ties to the DAC.

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The drawback with the Paris Declaration is that the DAC is currently the custodian of it, but the DAC does not represent the developing world. The Paris Declaration would therefore need to be rehoused within another body if some of the issues of legitimacy are to be addressed. One respondent commented that the DCF or even the G77 might be a better home for the Paris Declaration, if the UN mandated one of them to play this role. The Paris Declaration would also need champions from the South to increase its legitimacy. The DCF could embrace the Paris Declaration and give it its own brand of legitimacy. The DCF therefore can play a role in trying to find common ground between the developed and developing world when it comes to development cooperation. In this respect the DCF is a natural bridge between the two. However, a proposal to have the Paris Declaration under the umbrella of the G77 is also not feasible, as it would not significantly address the issue of a body that brings the two sides together. The DCF should aim to create conditions for equal participation between the developed and developing world.

4. Quantity and quality of OECD-DAC ODA and other financing flows

62. All of the country papers’ respondents were virtually unanimous in recognizing the aggregate failure of OECD-DAC countries to fulfil their obligation to meet the 0.7% of GNI target for ODA flows to developing countries. The quality of existing aid flows from the OECD-DAC countries in terms of their delivery on development was also identified as a major systemic issue that the DCF needs to address. The responses implicitly call into question the ability of the OECD-DAC framework for aid delivery – in both quality and quantity terms – to effectively deliver support to the development process of developing countries in a way that helps establish the fundamental conditions needed for such countries to become developmentally self-reliant and independent. However, the respondents also recognize that ODA should still be provided by developed countries.
to developing countries as a matter of international solidarity for development – as a Brazilian respondent stressed: “There is an important point to be considered here: ODA is not charity. ODA is a concerted effort, ruled by international agreements aiming [at] the creation of conditions for the implementation of the Millennium Development Goals. Therefore, it is set that the donors have to comply with the commitment of offering 0.7% of their GDP.”

63. Both the Brazil and South African papers essentially called for the DCF to play a strong role in monitoring developed country compliance with this target and for the DCF to assess why there are compliance failures. For example, the Brazilian respondents suggested that the DCF should “investigate the financing. The discussion about the quality of the financial support shall not be a tool to disguise the fact that the commitment of 0.7% of the GDP has been constantly violated.” South African respondents pointed out that “many developing countries still see aid sufficiency as a key issue, i.e. the amount of aid given. Specifically, are donors making progress towards reaching the target of 0.7% of GDP being allocated for development assistance?” The Chinese country paper suggested that initiatives such as the DCF “should urge developed countries to honor their commitment of earmarking 0.7% of their gross national income as ODA to developing countries as early as possible and encourage the setting up of more innovative mechanisms for financing.” The Indian paper stressed that the DCF “assumes importance in light of the fact that aid flows so far have been highly concentrated among few countries only. … DCF is expected to take measures for stabilising aid flows and reduce volatility in aid flows” and called for “an improved systemic coordination between donors, international institutions and recipient countries”.

64. Additionally, some respondents generally stressed the need for the DCF to also look at other new and innovative forms of development financing to provide funds which are new and additional to funds that may be disbursed as ODA in compliance with the 0.7% ODA target. As Brazilian respondents pointed out, “the DCF might be part of the discussion about New Financial Mechanisms .. [citing as an example the UNITAID drug purchase facility established by Brazil, France, Chile, Norway and the UK in September 2006 to provide financing to support access to high quality drugs and diagnostics for HIV/AIDS, malaria and tuberculosis] … The funds obtained over these New Financial Mechanisms are complementary and supplementary to those derived from official cooperation. These new amounts, though, should not be taken out of the funds allocated for cooperation, neither be registered as part of the 0.7% of the GDP duty.”

65. Finally, other respondents stressed the need for the DCF to also be active in looking at OECD-DAC aid effectiveness and quality issues. Chinese
respondents, for example, suggested that “in terms of aid effectiveness, the DCF should do more survey and study in various experiences, not only in different countries but also in different cases in the same country. Although there are diverting views on aid effectiveness, for one thing, the methodology for academic research has more room to improve; for another thing, the field survey should be paid more attention to.”

66. The Indian country paper identified some issues that need to be considered in any evaluation about international development aid and cooperation, e.g. “the increase of resources and its predictability, conditionalities, ownership, lower costs of transaction and administration.” It also raised questions with respect to aid conditionalities and their role in any future multilateral policy environment based on development cooperation and partnership, particularly, when donors are concerned that they need to respond to the priorities as identified by their tax payers and the recipients feel that the design of programmes do not match their national requirements. For most of the developing countries, neutral conditionality is an opportunity but that is unlikely to take off due to lack of capacity for managing development cooperation which makes implementation of ‘neutral conditionalities’ further more difficult.” It also pointed out that the DCF “would have a major challenge in terms of developing aid quality framework for alignment and harmonisation of various development cooperation initiatives.”

5. Role of the South’s “emerging powers” in international development cooperation

67. Another major systemic architectural issue that came for many of the respondents for the country papers was the role of the South’s emerging powers in international development cooperation. This was particularly referred to by the Indian and South African papers.

68. As the Indian paper noted, while the entry of emerging powers “into the realm of development cooperation is in the framework for South-South Cooperation, however, it is largely being perceived as a threat to the dominance of traditional donors as development support from Southern donors is free from many conditionalities generally imposed by the traditional donors. It is important to realise that though South-South cooperation has assumed an important role but is not intended to replace North-South cooperation.”
69. South African respondents noted that “the emergence of ‘new donors’ also forces the traditional or established donors to accommodate a broader or even new agenda for development cooperation, so as to not lose control of the development cooperation agenda.” They further noted that while the entry of emerging powers as prominent development cooperation actors may provide additional sources of development financing for other developing countries, OECD-DAC country-sourced ODA will remain a major source of development financing from the North to the South. What this means, according to South African respondents, is that emerging powers (including South Africa) “do not wish to see their flows monitored under the Paris Declaration, or the DAC, or be forced to report to the DAC or Paris Club, especially if they have had no say in crafting such monitoring.”

6. South-South development cooperation

70. Finally, the issue of South-South development cooperation were raised and recognized by respondents to be a systemic issue relating to development cooperation. All of the country papers stress that for each of the countries represented, South-South development cooperation is a very important aspect of the international development cooperation architecture, and that it is quite distinct and separate from existing modes and frameworks relating to North-South development cooperation. South-South development cooperation is, for these respondents, a manifestation of South-South political and economic solidarity in addressing common development challenges, and a way for developing countries to help each other move away from the aid dependency created by existing aid frameworks towards a situation where developing countries will exit from requiring aid to improve their own development prospects.

71. Brazilian respondents, for example, stressed that “South-South cooperation is distinct, requiring specific standards of measurement, supervision, accounting evaluation. … it is important that the DCF promotes studies about the South-South cooperation and triangulated cooperation. … South-South cooperation programs and triangulated ones [should] be examined according to their specificities with respect to their elaboration, supervision and evaluation of results. This is important to develop a theoretical and realistic framework, based on successful empirical evidences.” The respondents noted that “Brazil puts South-South cooperation as a priority” and looks for “synergies that will lead to

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6 The South African paper notes the difficulties involved in the use of the term “emerging donors” or “new donors” when referring to developing countries providing development financing support to other development countries, as follows: “the problem with the label ‘emerging donor’ is that it disregards what these developing countries have been doing for decades. For example, technical co-operation between developing countries has been ongoing since the 1970’s. In recent decades it has increased significantly, covering trade, environment, education, health, scientific co-operation and development in general.”
the development of cooperating partners in a solid and equal basis.” They also pointed out that “Brazil expects to keep answering, within its technical and financial possibilities, the demands from developing countries. In support of this South-South bilateral agenda, Brazil has been establishing triangular partnerships with foreign governments and international organizations. Brazil does not seek to have a different status in the realm of developing countries, for if this happened, it would reproduce the North-South model within South-South cooperation.”

72. Chinese respondents viewed South-South development cooperation generally as developing countries helping each other and uniting with each other, and that the DCF should encourage this, to wit: “in terms of … South-South cooperation, developing countries should, on the basis of equality and mutual benefit, actively develop external economic and trade, scientific and technological and cultural cooperation to accelerate their own development. Only through uniting themselves, can the developing countries elevate their position in the South-North dialogue and preserve their own interests to the fullest possible extent in the process of globalization…. South-South cooperation has to find new approaches or new directions to proceed. The DCF should do more on uniting developing countries such as coordinating positions, help each other in infrastructure building, and sharing information in social governance and economic operation. The DCF should serve as the important stage for cooperation among developing countries.” In this regard, they suggested that the DCF “should have the resources and position to serve as a coordination and study center” with respect to South-South cooperation.

73. The Indian country paper stressed that “South-South cooperation should be viewed from the perspective of political solidarity of the South, utilisation of complementarities between developing countries and direct cooperation between larger developing countries and other countries in the South.”

74. The South African respondents stressed that South-South development cooperation need not only be bilateral but can also be trilateral and would go beyond finance transfer – i.e. “where two emerging ‘donors’ jointly provide assistance to another developing country. It is likely that this would build on existing cooperation that has been occurring for decades. Further cooperation might comprise technical assistance, technology transfers, and support for innovation.” They also stressed that “South-South co-operation is conceptually and ideologically different to North-South co-operation or North-South aid. South-South co-operation is driven by other principles, such as equality, solidarity, mutual development and complementarity. The principles underpinning South-South interaction are different, so the rules are different. However, they
argue that attempts by the established donors to co-opt these Southern development partners ignore this reality. The respondents noted that the developed countries have increasingly paid attention to South-South interaction due to the rise of China, India and Brazil, and thus their desire to co-opt the developing countries into the DAC or a related aid management structure has apparently grown. The problem is that the Northern countries refuse to accept that the co-operation processes of North and South can be complementary and they are focused on co-option alone. The solution is for the North to acknowledge the fundamental differences that underpin the two systems and assess how the two processes can complement each other.”

III. Conclusions

75. The four country papers from Brazil, China, India and South Africa were all remarkably consistent in presenting a common perspective on the DCF, its role, and the various issues relating to international development cooperation and ODA. Drawing on the discussion above, as well as the first study conducted by the South Centre and other work since developed, the following conclusions can be generalized with respect to what the DCF should do and can be:

(a) Governance of the international development cooperation architecture – The DCF’s governance role in the international development cooperation architecture is going to be crucial because it is the sole virtually universal multilateral forum with the mandate, legitimacy and authority to discuss international development cooperation approaches and policy. No other institution or forum, including neither the OECD-DAC nor the BWIs, can match the DCF as a neutral forum where development cooperation issues could be discussed with a focus on developing country concerns and where multilateral approaches to enhance the effectiveness of development cooperation could be developed.

In this regard, one should note that as a body of the UN ECOSOC, all UN Member States may participate in the work of the DCF which therefore forms the basis for it serving as the universal forum for the discussion of development cooperation issues. Realizing the DCF’s potential for becoming the governance institution with respect to multilateral development cooperation may require adroitness in terms of understanding the political and economic interests of countries or groups of countries that may be promoted or affected by having the DCF be such a governance institution, and harnessing such interests in ways that can allow the DCF to obtain positive and practical policy-oriented outcomes that can effectively development cooperation
policies of UN Member States. Developing countries in general are interested in a much deeper and substantive policy dialogue on multilateral development cooperation that would take place under conditions of equal, full and effective participation. In such dialogue, the conceptual framework for such cooperation should be based on enhancing developing countries’ development prospects through, inter alia, the promotion of development policy space and flexibility in different policy areas and the provision of development-oriented aid in the short-term leading towards a broad development-based aid exit strategy.

There can, of course, be different approaches to addressing the problems that currently exist with respect to the international development cooperation architecture. The creation of the DCF is a response to these problems, as are the activities of the OECD-DAC, those of non-DAC countries, and the domestic-level initiatives undertaken by developing countries themselves. The difference is that the DCF, as a result of its UN General Assembly-derived mandate, is in fact the sole multilateral forum agreed upon by the international community within which to discuss issues relating to multilateral development cooperation. Systemic problems in the international aid architecture will also necessarily require systemic solutions, and the DCF provides the vehicle for the discussion of such solutions – a vehicle that is perceived to be neutral and whose agenda can still be shaped by those whom development cooperation is supposed to benefit – the developing countries. However, it should not be forgotten that aid will have to be delivered on the ground, and therefore the practical on-the-ground (rather than those due to systemic causes) problems of aid delivery and effectiveness might be better approached through country-owned and -based approaches that match the development priorities of the recipient countries;

(b) Conceptual leadership with respect to development cooperation issues -- The DCF should take the lead in working on clarifying and broadening the conceptual foundation and definitions of development cooperation beyond the current OECD-DAC framework of looking primarily at ODA flows to take into account the wider range of activities that would be required by developing countries and are being undertaken by them in South-South development cooperation activities.

In practical terms, this would imply that the DCF should have secretariat support in between sessions that has the capacity to undertake the policy research and information gathering activities suggested above. Such support could come, for example, in the form of appropriately coordinated activities from UN DESA’s various units
(including the Development Cooperation Policy Branch, the Financing for Development Office, and the Development Policy and Analysis Division) as well as other UN agencies such as UNCTAD. To avoid having the DCF’s policy research and information-gathering and -generation activities in between its sessions becoming donor-driven, the UN agencies concerned should ensure that these activities are supported from their regular budgets. Of course, countries which are interested in supporting such activities should be free to provide such additional resources as they may wish to provide, so long as such resources are consistent with the overall policy research and information-gather and –generation programme specified by the DCF.

(c) **Contribute to other development initiatives** -- The DCF should play a major role in contributing its perspectives and analytical input into other international initiatives on development – including but not limited to the Financing for Development process – as well as contribute towards enhancing the role of the UN system in development cooperation;

(d) **Assess the achievement of development goals** -- The DCF should have a major role in assessing the extent to which the MDGs and other internationally agreed development goals are being met by the actions of UN Member States. The DCF should also be able to contribute to multilateral approaches for addressing other development challenges such as energy and climate change;

(e) **Evaluate the quality and quantity of ODA with a view to encouraging development-based aid exit strategies** -- The DCF should be bold enough to undertake as a major part of its agenda to redefine “development aid”, and to undertake a rigorous assessment of whether the development goals are being met without constraining the policy space of developing countries. Corollary to this is the need for the DCF to take the lead in assessing the quality and quantity of OECD-DAC aid flows and such flows’ ability to effectively deliver on their stated development objectives.

The critique of the current aid framework reflected in the respondents’ statements implies a need for the DCF to be more innovative and broad in its approach towards aid. It implies that the DCF should encourage improvements in the quality and quantity of aid that would result in the establishment of development conditions in recipient countries allowing such countries to move out of their dependence on externally-provided development assistance. In this regard, the ability to effectively deliver on long-term and sustainable development conditions – e.g. meeting the MDGs, other IADGs, and other country-prioritized development objectives – in the recipient country that
allows it to eventually exit from needing aid then becomes the primary
criteria by which the quality, quantity, direction and effectiveness of
ODA should be gauged. Hence, any proposals relating to independent
assessment, monitoring and evaluation of the delivery of aid flows
should be based on this criteria of effective delivery of development
objectives;

(f) **Develop its own framework on development cooperation** -- At the
same time as the DCF must lead in reshaping the quality and quantity
of aid so as to eventually encourage appropriate aid exit strategies by
recipient countries, the DCF should ensure that it does not become the
vehicle for multilateral endorsement of the OECD-DAC’s aid
framework (such as the Paris Declaration on Aid Effectiveness) and
neither should the OECD-DAC’s framework be the framework to be
used by the DCF in dealing with development cooperation issues.
Developing countries have been generally critical of the Paris
Declaration and consider it to be primarily reflective of the interests of
donors.

In this regard, the activities undertaken through the OECD-DAC’s
processes could feed into the DCF process but should not serve as the
starting point for DCF discussions. The issue is not so much of
complementarity or rivalry but rather about being able to contribute to
a better and more effective multilateral and universal policy dialogue
and governance mechanism for multilateral development cooperation.
In this light, the question for both developed and developing countries
is not about choosing between the OECD-DAC or the DCF. Rather, it is
about how the OECD-DAC should contribute towards making the
DCF become the multilateral governance forum for development
cooperation in which developing countries’ development needs and
aspirations are the focus of and the basis for any initiatives on
multilateral development cooperation.

Having an effective DCF is as much in the interests of developed
countries as it is in developing countries not least because it has the
potential to ensure development-oriented coherence in the delivery of
development cooperation, thereby leading to improved development
outcomes and more stable, sustainable and equitable global economic
arrangements;

(g) **Encourage and support South-South development cooperation** -- The
DCF should undertake work to encourage and support increased
South-South development cooperation. This could include
encouraging South-South initiatives to develop their own frameworks
for development cooperation. But the DCF should not be used to make
South-South development cooperation become subject, implicitly or
explicitly, directly or indirectly, to OECD-DAC-based aid frameworks and criteria;

76. These conclusions from the follow-on study involving country papers from Brazil, China, India and South Africa track very closely the key conclusions generated from the initial study conducted by the South Centre in late 2007, and furthermore coincide to a large extent with the points that were also raised in another South Centre paper prepared for the Commonwealth Secretariat.
Annex A – Brazil Country Paper

The first part of the Brazil country paper described the internal procedures within official agencies in Brazil to obtain external aid resources as “rather complex.” The research partner then interviewed relevant officials in light of the research questions previously identified. Below are verbatim texts from the country paper with respect to these questions:

5.1. What are the major systemic architectural issues that the DCF and other development cooperation-related initiatives will need to consider with respect to development cooperation and ensuring a genuine partnership on development cooperation?

Brazilian official in charge of conceding the authorization to obtain credits from international organizations/agencies

“Generally speaking, the current scenario to obtain external financing is positive. In what concerns the private sector, we have convertibility and low interest rates in the international market. Even the current financial crisis is not limiting the access of developing countries to foreign capital. Albeit there was an impact and there is the possibility of larger losses which may limit the offer of credits.

Specifically concerning multilateral organizations, the amount of money for financing is much better today, as the emerging countries are experiencing positive results in their external accounts. This fact has allowed such countries to reallocate the resources which before were mainly used to support exchange rate regimes, due to the private sector lack of confidence in their markets. Organizations, such as the IDB and the World Bank, have today a large amount of money allocated to project financing.

With respect to the bilateral agencies, on the other hand, the amount of money allocated to Official Development Aid (ODA) is particularly lower than the goal of 0.7% of the GDP promised by the developed countries. The amount of US$103.7 billions of ODA, in 2007, corresponds to less than 0.28% of the GDP in those countries. Certain ODA providers – mainly those that are not complying with the amounts initially promised – only publish information about the variation from one year to another or by sector, with the purpose of drawing attention to restricted increase in certain areas. However, they never address the fact that they are not complying with their commitments. There are even countries that use the debt-relief, as those recently given to Iraq and Nigeria, to calculate their contribution to the ODA1.

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1 Information about ODA is available at http://www.oecd.org/document/8/0,3343,en_2649_33721_40381960_1_1_1_1,00.html (lat visit May 2008).
There is an important point to be considered here: ODA is not charity. ODA is a concerted effort, ruled by international agreements aiming the creation of conditions for the implementation of the Millennium Development Goals. Therefore, it is set that the donors have to comply with the commitment of offering 0.7% of their GDP.

In what concerns the flow of funds, there are governments taking that money out of their budgets. This is the reason why negotiation with domestic parliaments have being settled, there is the pressure of the public opinion, and general critics that such money is object of corruption and only benefit the elite of recipient countries. It is necessary to develop programs aiming to clarify to the domestic public opinion, to render more accountability of the financed projects, to promote transparency in the accounting proceedings and the report of positive outcomes of the aid.

Another point to take into account is the lack of predictability in the transfer of resources. This creates problems of management and implementation of the project, besides the fact that in some cases it results in losing the resources, if we consider that most part of the programs are of medium and short term.

The Development and Cooperation Forum (DCF) shall, first, investigate the financing. The discussion about the quality of the financial support shall not be a tool to disguise the fact that the commitment of 0.7% of the GDP has been constantly violated. According to the OECD, currently only Norway, Sweden, Luxembourg, Denmark and the Netherlands overcome that goal.

A second point to be examined by the DCF is connected to the coherence and effectiveness of the United Nations system in the development field, among others. A UN High Level Panel prepared a report, circulated on November 2006, examining the alternatives to strengthen the coordination of several agencies operational activities and development programs. Since July 2007, consultations have been promoted in the UN General Assembly about the proposals presented by the Panel report. The DCF is part of this debate and might bring an important contribution to its advancement.

From the point-of view of Brazil, the DCF work may contribute especially in what concerns:

a) The increase of predictability of amount of resources for the UN bodies;
b) To unable the imposition of new conditionalities;
c) The respect to diversity of countries, as well as to the ownership of receptor countries in the cooperation process;
d) Differential treatment for the receptor countries (one size does not fits all);
e) Reduction of transaction costs, as well as of cost of administration. Harmonization of accounting practices for the different programs of planning, monitoring and evaluation by the ODA providers;
f) To increase the coordination with Breton Woods organizations;
g) Strengthening the Economic and Social Council (ECOSOC).

Even though, the UN High Level Panel makes reference to the coherence of the UN system specifically, the DCF shall take into account that the difficulties of coordination of the UN system may be – and probably are – similar to those faced in bilateral and regional programs of cooperation. Therefore, some points such as the increase of resources and its predictability, conditionalities, ownership, lower costs of transaction and administration are fundamental in any evaluation about the cooperation and international aid.

A third point is to increase the purpose of the Declaration of Paris, taking into account its experience, and incorporating in it the South-South cooperation issue. The Declaration of Paris was signed in 2005, by 91 countries, in a meeting organized by the OECD. This declaration intends to define the rights and duties of developed and developing countries, as well as the goals to be pursued in order to reach a more efficient and effective system of cooperation. The declaration also defines principles such as harmonization, alignment, ownership, mutual accountability and a result-based management. Brazil has signed the declaration with the condition that any commitment to its principles would be further confirmed – and this confirmation has not happened yet. Brazil is apprehensive that the declaration was designed taking into account a North-South perspective, not contemplating the South-South cooperation approach. The main concerns here for Brazil is that South-South cooperation is distinct, requiring specific standards of measurement, supervision, accounting evaluation. Brazil, on that sense, has been against the Declaration of Paris as a binding document. Therefore, in order to make the purposed of the Declaration wider, it is important that the DCF promotes studies about the South-South cooperation and triangulated cooperation.”

Representative of a recipient body inside the Brazilian government

“One point to be stressed about the proceedings to obtain resources from international organizations is that there are limits from both sides: from the organizations themselves and from the Governments. The Government justify the bureaucracy in order to emphasize the control over the debt resulted by the IMF, for example. This is a consequence of the period of external debt, but it has been kept after the end of this problem.

The domestic complexity and low speed of procedure are relevant limits for the implementation of development policies. The bureaucratic process, besides being lengthy – what may result in tragic consequences, such as the increase of infant mortality – is under politic pressures. For example, the request analyzed by SEAIN/MP takes time with no guarantee that the request will be analyzed. I do not disregard the fact that the Central Government approval is a requirement of the international organizations, but there was a recent change on this. Such international organizations are increasingly accepting the loan concession
without the Central Governmental approval. Examples of this change are the loans granted to companies based in Chile and South Africa.

From my point-of-view, companies providing basic public services are in great advantage compared to other companies. The reason is that they are monopolistic and they have a safety position in the market. Therefore, it is important to be sure that these companies are efficient and able to provide services in a good price and with quality. The perspective of international officials should, then, be that such companies or providers of public services have a good administration.

Another change has been the fact that it is not anymore necessary to compete for loans before international organizations, due to the fact that, even not so costly, they are in disadvantage compared to others. They are long-term loans with better interest rate that those of the International Financial Market, however the advantage of the later is that the market do not request any project neither the approval of the Central Government. It counts then with a degree of flexibility and it is very expeditious – characteristics that compensate any gain in rates and terms.

Water and sanitation projects, as an example, are definitely lengthy projects. They comprise expropriation of large areas, and they normally have an environmental impact and technological questions involved. For this reason, most of these projects have to be amendment during its implementation process. These are cases in which time is of the essence. The possibility of having a prompt answer when taking the financial resources, as well as the flexibility for implementing the project are crucial for the effectiveness of the sanitation policy, for instance.

Resources from international organizations, as currently managed, are getting less and less interesting. Multilateral organizations need to change in order to attend the new dynamics of the international financing. This comprises amendments to the design proposed after the Second World War, for instance. Here it is a relevant work for the DCF: to promote the discussion about the revision of the role of these organizations in the international financing.

Nowadays, we have a question on the table: what is the role of the IDB and the World Bank in financing development projects to countries that have access to the international financial market? When these organizations were created, there were no alternatives for development financing. However they became so complex and costly that a reform is urgently needed.

I suppose that traditional format of financing by these multilateral organizations has kept interesting only for least developed countries and underprivileged sectors of developing countries. Considering that these are situation in which there are few chances to obtain external financing in the private market.
There is no doubt that the international organizations are aware of these challenges in keeping that mode of work, considering the delays and suspension of many approved projects. The lengthy and the excessive control of the projects and their implementation process have caused problems that enlighten problems in such organizations mode of operation and in their methods for granting loans. This is why the IDB current president is considering the possibility to grant loans based on programs and not in projects anymore. And, this was exactly one of the main suggestions of change by Brazilian applicants (for loan). When the loan is approved to a program, it is possible to have the necessary flexibility to implement the improvement on the services rendered by the applicants. This is an important progress.

Furthermore, considering the evolution of the International Financial Market, there is a new role for the official institutions previously created for financing development: to guarantee the loans taken in the private market (replacing their previous role as direct lenders). For developing and least developed countries with access to the International Financial Market it would be of great value to have those organizations performing such role. This new design would favor the leverage of funds available in that market, as well as the reduction of costs to by developing countries in obtaining this money in the market. On the other hand, this is something that may stimulate public agents performing development policies to look for that money in the International Financial Market.”

5.2. What are promising recommendations for a focused agenda for the July 2008 DCF meeting (in particular with respect to the links between the DCF and other development cooperation-related initiatives such as the OECD’s 2008 Accra conference on aid effectiveness, the UN’s 2008 Doha FfD conference, and the UN’s 2009 conference on South-South cooperation in Argentina)?

**Brazilian official in charge of conceding the authorization to obtain credits from international organizations/agencies**

“I would like to stress the following points that have to be taken into account in those meetings: the current capital available is below the promised amount, the (lack of) coordination of the UN agencies and the (lack of) coherence of the system as a whole. South-South cooperation programs and triangled ones shall be examined according to their specificities with respect to their elaboration, supervision and evaluation of results. This is important to develop a theoretical and realistic framework, based on successful empirical evidences.

The linkage between the trade and development agendas shall be discussed, as well as the UN relationship with medium-income emerging countries. These
countries, very often, as a consequence of their economic development, assume a higher level of classification under the income criteria, however domestically they have high inequality problems, with a large number of poor people. The contradiction is that when assuming a high income per capita classification, they are automatically blocked from specific programs and benefits granted to lower income countries. Though these specificities have to be discussed and taken into account, the Brazilian government is apprehensive in having any subjective criteria reclassifying the countries.

Finally, taking into account that this is a priority issue in the foreign policy agenda of Brazil, the DCF might be part of the discussion about New Financial Mechanisms. As an example, part of the current UNITAID\(^2\) budget comes from contribution over ticket flights sold in some countries. This is not the case for Brazil yet, where the contributions are from the Ministry of Foreign Affairs budget. However, there are ongoing studies about promoting mechanisms like a humanitarian lottery or credit cards solidarity to finance works related to nutrition and the training of public officials on this field. The funds obtained over these New Financial Mechanisms are complementary and supplementary to those derived from official cooperation. These new amounts, though, should not be taken out of the funds allocated for cooperation, neither be registered as part of the 0.7% of the GDP duty.”

**Representative of a recipient body inside the Brazilian government**

“The Forum shall be concerned about domestic issues and concerns of each sector in the recipient countries – this is a central issue, from my point-of-view. The funds from IDB or any other institution, for instance, might not be considered available if domestic institutions have bureaucratic diligences for the approval and the implementation of the project. This is definitely an unnecessary burden that holds back the development of the country.

I believe that this issue concerns the Forum because it may allocate the pressure to the international organizations, leaving more space for the States themselves to better plan the allocation strategy of the funds.

Secondly, the identification of the peculiarities of the several financing sources, as well as its impact on the development level of the country – understanding the differences among them and in their domestic bureaucracy. In order to reduce inequality among countries differential treatment shall be considered.”

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\(^2\) UNITAID- International Drug Purchase Facility being established by Brazil, France, Chile, Norway and the United Kingdom in September 2006. The UNITAID was created in order to provide access to high-quality drugs and diagnostics for HIV/AIDS, malaria and tuberculosis in countries with a high burden of disease.
5.3. What are useful suggestions with regard to the DCF’s operational modalities, including participation of all stakeholders, during the biennial meetings and in between such meetings?

**Brazilian official in charge of conceding the authorization to obtain credits from international organizations/agencies**

“The creation of the DCF inside the ECOSOC presumes the participation of civil society representatives in its works. However, the acquiescence of the presence of groups of interest shall reflect a balanced perspective of developed and developing countries. Civil society claims shall not create any new conditionality for developing countries.

Informal debates in the interim of the meetings, for instance, are important to promote the discussion about topics of interest and specific studies in depth. For example, during the preparatory dialogues for the Doha Conference on International Cooperation and Aid, in between the official meetings there was a presentation of EURODAD about case studies on the Declaration of Paris. This was an opportunity for fruitful debates on that issue. On the same track, another NGO promoted a discussion about the experience on investment of New Financial Mechanisms – an issue that has a strong support from Brazil – giving details on the current status of UNITAID and offering suggestions for other similar mechanisms. These are examples of pro-active participation that promotes the diffusion of knowledge and improve the comprehension of aspects about financial cooperation. This is the kind of participation that has to be stimulated.”

**Representative of a recipient body inside the Brazilian government**

“The participation of NGOs is important, but it shall not prevent the action by governmental officials in charge of executing public policies. Environmental groups, for example, sometimes assume too radical positions that are not committed to appoint alternative solutions. They do not even care about the impacts of suspension or annulment of governmental projects. The participation of these groups, on the other hand, may be an opportunity to commit them to effective solutions to the problems faced by contemporary societies.

With respect to the environment, we can present the discussion about the construction of conducting submarine emissaries of sewer for littoral cities: many environmentalist groups were against both the creation of these emissaries and the construction of sewer treatment unities, because they might enhance the deforestation process in the region. In this case, the alternative would be to keep the fragile system of septic tank that, as known, contaminates the groundwater. The participation of these groups means a new possibility of dialog, persuasion and accountability in respect of the eventual taken decisions.

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3 EURODAD-Network of European development NGOs working for national economic and international financing policies that achieve poverty eradication.
Therefore, DCF initiatives of inclusion of other actors are very important for the discussions about development financing and the organizations reform.”

5.4 What are medium-to long-term perspectives on the role of the DCF with respect to enhancing multilateral development cooperation?

**Brazilian official in charge of conceding the authorization to obtain credits from international organizations/agencies**

“Brazil believes that the international community participation, through United Nations, is the key factor to economic and social development progress, and emphasizes the importance of the “non-indifference” as an aspect of the solidarity among nations. The Brazilian government understands that development is a fundamental element for the promotion of world peace and security and it must follow the Millennium Development Goals commitments. Multilateralism is a legitimate way, and at the same time, it creates legitimacy for overcoming international challenges. In this way, the United Nations system should be reinforced and the resources for technical and financial international cooperation should be increased.

In this sense, one of the DCF advantages is to bring to the multilateral scope the debates over cooperation efficiency and effectiveness, which were almost exclusive OECD themes. This organization still reflects the North perspectives, i.e., despite the Paris Declaration principles subscribed by developed and developing countries, OECD still adopts the perspective of the donors.

Although Brazil is in a processes of enhanced engagement with OECD (which does not mean, by any possible way, that the country has taken any position that would indicate its interest in join the organization in the future), the government understands that the international cooperation discussion and monitoring must be part of a more open and balanced multilateral process. Therefore, the DCF has conditions, in the medium to long term, to strength the multilateral cooperation mechanisms, turning it more extensive and efficient. The strengthening of these mechanisms is fundamental for a fair and prosperous international order”.

**Representative of a recipient body inside the Brazilian government**

In case DCF is successful in developing answers to the first three questions, it will have reached its goal. It is a fact that these questions will not be solved exclusively within the Forum’s scope, but the thinking on the major problems that are related to development financing today, through organizations created decades ago, is in itself something relevant and essential.

It should be emphasized that analyzing the differences between the many plaintiffs of loans granted and also the need to update the concession model of these loans is the DCF’s central role. For example: if we are able to bring to the
discussion the convenience of changing the criteria from projects to programs, using result pointers for evaluation, an important part of the Forum’s objectives will have been fulfilled.

5.5 From your point-of-view, what is the role that Brazil should play with respect to South-South cooperation?

**Brazilian official in charge of conceeding the authorization to obtain credits from international organizations/agencies**

Brazil puts South-South cooperation as a priority. We search for synergies that will lead to the development of cooperating partners in a solid and equal basis. Brazil expects to keep answering, within its technical and financial possibilities, the demands from developing countries. In support of this South-South bilateral agenda, Brazil has been establishing triangular partnerships with foreign governments and international organizations. Brazil does not seek to have a different status in the realm of developing countries, for if this happened, it would reproduce the North-South model within South-South cooperation.

**Representative of a recipient body inside the Brazilian government**

Brazil is now in condition to deepen technical cooperation with developing and less developed countries, for it has a bigger sensibility when it comes to these countries’ specific realities. This technical cooperation can be more important and essential than a financial cooperation stricto sensu. Efforts are being made in this direction and they should be extended.
Annex B – China Country Paper

Following is a verbatim reproduction of the China country paper as received from the research paper:

We interviewed several officials and one researcher involved into Development Cooperation Forum (DCF) in China. Their responses to our research questions are as followings:

Research Questions

1. What are the major systemic architectural issues that the DCF and other development cooperation-related initiatives will need to consider with respect to development cooperation and ensuring a genuine partnership on development cooperation?

No matter it is the DCF or other initiatives should always focus on promoting development. It should call to pay more attention to development cooperation.

Firstly, what is the difference between promoting development and development cooperation lies in that the former focuses on the specific economic and social development in one country which pays little attention to mutual efforts and therefore mutual benefits among developing economies, especially to how developing economies among themselves or with developed economies cooperate to promote development. Economic and social development in a country has not only to do with this country, but also with foreign relations and external conditions of it, especially in most cases, some aspects of development, such as sustainable resources allocation, development experience-sharing, financial surveillance mechanism building, etc. are more like public goods, in which collective coordination would benefit all parties effectively.

Secondly, the partnership in development cooperation is much more important.

We usually talk more on the partnership in one country among government, enterprises, and academic circle, but here the partnership between developing economies and developed economies, among developing economies themselves, and government organization and non-government organization has to be stressed with more enthusiasms.

There are some misunderstanding between developing economies and developed economies in terms of development aid. Until mid-1990s, we saw an upward trend in the aid from developed economies to developing economies; however, after then, developed countries in some sense lost the momentum. Developed countries doubt their aids have not been utilized properly and effectively but brought about corruption and poverty. On the other hand,
developing economies argue that there have been no balanced positions in aid and have felt disappointed about the prospects of foreign aid.

Although there have been some forums and conferences to make efforts in making up the gap in understanding between developed and developing economies, they are not in the proper position to deal with this issue thoroughly. Political willing and partnership from leaders could help to understand each other better.

Governmental organizations and non-governmental organizations complements with each other in serving the welfare of developing economies. However there are some questions here: what are the different roles of governmental and non-governmental organization? How can they cooperate and avoid resource-wasting? In the past, government organization and non-governmental organizations have been doing their duty separately and in their own way. An international coordination mechanism is so necessary to bring them together to discuss their different roles and preferences. On the one hand, the boundary of government intervene has to be clarified; on the other hand, non-governmental organizations and even private enterprises have to be activated.

Among developing economies themselves, it could be find that south-south cooperation has lagged behind due to the innate weakness of cooperation mechanism, for instance, weak technology basis, limited market scale, and poor industrial system, etc. In this case, what we have to think about is that how to make best use of their different advantages and complementarities to help each other. Who can be the strategy maker for south-south cooperation? The DCF should have the resources and position to serve as a coordination and study center.

Thirdly, as for the different roles for the DCF and other development cooperation mechanism, as we discussed before, the DCF should do more in coordination and strategy making. Most of the existing mechanism only deals with the functional part of developmental aid, such as developmental financing, south-south cooperation, and aid effectiveness, etc. And, ODA involves itself in too much political conditions and other factors of the benefactors.

At the current stage, such cooperation oriented on development should set priority on two issues, financing for development and the Doha Round of trade talks and work for progress on both of them. The Doha round now stands at a critical juncture, and there is no sign of convergence of different positions. These initiatives should shore up the political will of various parties and get developed members, major trading nations in particular, to demonstrate political sincerity and greater flexibility to facilitate comprehensive and balanced outcomes of the talks.
There have been many initiatives which deal with development cooperation, but there is no one to have such a high statue as the DCF which could call the leaders from major developed and developing countries together and find an acceptable solution.

2. What are promising recommendations for a focused agenda for the July 2008 DCF meeting (in particular with respect to the links between the DCF and other development cooperation-related initiatives such as the OECD’s 2008 Accra conference on aid effectiveness, the UN’s 2008 Doha FfD conference, and the UN’s 2009 conference on South-South cooperation in Argentina)?

Firstly, some of strategic issues could be stressed, for instance, the DCF should work for putting in place an MDG assessment and monitoring mechanism.

The process of achieving the MDGs is already half-way through. The next few years will be critical for realizing these goals. The DCF should advocate a fair, reasonable and effective framework for MDG progress evaluation, under which timely assessment of progress in various countries and international cooperation and in the implementation of ODA commitment can be made. The problems concerning the means of implementation like funding, technology, capacity-building and market access are the biggest obstacles to achieving the MDGs. It is therefore necessary for the DCF to set priority on these areas as soon as possible.

Secondly, on the financial issue, initiatives should urge developed countries to honor their commitment of earmarking 0.7% of their gross national income as ODA to developing countries as early as possible and encourage the setting up of more innovative mechanisms for financing.

At the present time, some developed economies have already reached or gone beyond the benchmark, but majority of developed economies are still hesitate to contribute more to development aid. One of the reasons which the US and other developed countries put forward is that their non-government organizations have already given a lot of financial or personnel help to developing economies but these aids are not shown up in official statistics. Here we found more necessity to have general information and in-depth study about the aids no matter which is official or not.

We suggest that there will be a workshop in the DCF to identify the obstacles, find feasible approaches and put forward a statement to the UN’S 2008 Doha FfD conference.

In the middle term, the DCF should set up a set of survey and statistics system gradually, and edit foreign aid guide and/or world foreign aid report, which would help more people in official and non-official organizations to understand the present situation and make correct strategy.
As for the financing for development, one of these important issues is to provide aid to those financial service which aims to lend small amount of money to the poor groups in developing countries. Those local-located financial services oriented to the poor farmers, craftsmen and others have already accumulated a wealth of good experiences worldwide. It is time for the DCF to call for more attention to this field.

Thirdly, in terms of aid effectiveness, based on more survey and study in various experiences, the DCF should make some guidelines for donor and recipient countries to refer, which should be development-oriented but not politics or security-oriented.

Aid effectiveness is one of the major concerns which developed economies have in recent years. A lot of academic literatures and policy briefings have touched on this issue, but there has been no clear conclusion yet. Although there are diverting views on aid effectiveness, for one thing, the methodology for academic research has more room to improve; for another thing, the field survey should be paid more attention. The DCF should finance and organize these activities and form a final report to the 2008 Accra conference or later conference.

There are so many complicated reasons for aid ineffectiveness. Although some organizations (for instance, OECD) have already stipulated their own requirements or standards for aid effectiveness, these principles have been made totally from the position of the donor country, but not from that of the recipient country. The DCF could take this responsibility to be a stage for both developed countries and developing countries to discuss fully, let both parties’ views be expressed and make some progress on this issue.

Fourthly, in terms of the South-South cooperation, developing countries should, on the basis of equality and mutual benefit, actively develop external economic and trade, scientific and technological and cultural cooperation to accelerate their own development.

Only through uniting themselves, can the developing countries elevate their position in the South-North dialogue and preserve their own interests to the fullest possible extent in the process of globalization. It is encouraging that in some international cases recently, the developing countries have begun to give their opinion in one voice (such as in the WTO, and more recent G5 dialogue with G8, etc.), however, in the field of aid, the developing recipients have not coordinated to ask for a more balanced situation. Furthermore, due to relatively low economic development, it seems more difficult for the cooperation among developing countries. South-South cooperation has to find new approaches or new directions to proceed. Economic cooperation could be a promising area in which developing countries could find complementary benefit and help each other with their special resources endowments. Of this process, technology cooperation and capability building are both indispensable part.
South-south cooperation should also be development-oriented but not aid-oriented. The developing countries have to have such a strategically long-term target that economic development is based upon domestic resources, enterprises and market. Any aid could be a big help in the short term but not in the long term. Aid just could be a stimulus for utilizing domestic resources and take a complementary role for domestic resources to promote employment and income.

The DCF should do more in uniting developing countries such as coordinating positions; help each other in infrastructure building, and sharing information in social governance and economic operation. The DCF should serve as the important stage for cooperation among developing countries.

Fifthly, recent economic trend and its implications to global aid should also be involved in this DCF meeting.

Due to the rising of food and oil price, financial instability and economic fragility in some countries (sub-prime crisis in the US and financial fluctuation in Vietnam, etc), poor people in these countries and other countries have been influenced adversely. Recently natural disasters happened severely in some countries, which also have impacts on the global aid trend. The issue of poverty reduction and development aid in regional economic integration has to be stressed further. The relations between poverty reduction and mutual aid/cooperation among developing countries have to be explored. And the relations between political standards of aid and economic development also need to be discussed and studied.

3. What are useful suggestions with regard to the DCF’s operational modalities, including participation of all stakeholders, during the biennial meetings and in between such meetings?

The role of the stakeholders should be given full play. The DCF should bring together stakeholders in the government, private sector and civil society and works on thematic and cross-cutting issues at national, regional and international levels. It should use this advantage to promote closer partnership among the stakeholders on international development and forge synergy through encouraging them to enhance coordination and supplement and reinforce each other’s work, with a view to contributing to the international development cause.

During the biennial meetings, the main jobs for the stakeholders should be on:

1) to review the progress in development cooperation in the last two years and avoid the repetition and consolidate those resources which are scattered among various organizations, at least to get know of how many resources have been allocated in the same place or on the same theme, which aspect these projects focus on, what should be done more.
2) to put forward suggestions in orientations and stresses in terms of DCF’s strategy for the next meeting and discuss the possible initiatives;

3) to publish *foreign aid report* and *foreign aid guide* for the next two years.

**In between such meetings, the main job for the stakeholders should be on:**

1) to implement the existing commitments;

2) to do surveys that help understand the present situation and prepare in-depth research and review for the next meeting, some of them could be incorporated in *the Foreign aid report* and /or *Foreign Aid Guide*;

3) for DCF to organize experience-sharing, view-exchanging and other capacity building activities;

4) for DCF to dispatch expert groups to check up on those on-going projects; etc.

**4. What are medium- to long-term perspectives on the role of the DCF with respect to enhancing multilateral development cooperation?**

In the medium and long term, the DCF should make contribution to enhance the capability of the UN to address development issues. UN is the most critical multilateral organization and the DCF could take on the practical responsibility of development cooperation of the UN. Therefore, the DCF should keep the same pace with the UN. At the present time, the international community is faced with both traditional and non-traditional security challenges such as regional conflicts, public health, environment and sustainable development, which are the UN and also the DCF have to deal with. In the areas of energy security and climate change, the DCF should keep abreast of latest developments and study and respond to new trends and issues in international development cooperation. On the issue of climate change, the DCF should encourage the stakeholders to remain committed to the UN Framework Convention on Climate Change and the Kyoto Protocol and the principle of “common but differentiated responsibilities” and work for progress in international cooperation on climate change. On energy security, the DCF should promote focused cooperation in the international community in raising energy efficiency and developing and applying clean energy and renewable energy and in safeguarding energy security.

What the DCF have to do in this regard recently could be:

A. setting the priorities for medium and long-term work plan;

B. in terms of medium perspective, the role of the DCF mainly lies in help the UN finish the assessment and implementation of existing mechanism;
C. in terms of long-term perspective, the role of the DCF could serve as the major mechanism for multilateral economic and political cooperation mechanism.
Annex C – India Country Paper

Below is a verbatim reproduction of the India country paper as received from the research partner:

I Introduction

In the recent past, the role of development assistance has re-emerged as an important policy tool as part of poverty reduction strategy (PRS), overcoming the prescriptions of neo-liberal orthodoxy of market forces suggesting a sort of back off for the State. After a major decline of early nineties, almost all the traditional donors have increased their bilateral assistance programmes. This process has further been catalysed by the emergence of large developing economies, which have many times multiplied their contributions for development cooperation. It is being expected that the emergence of new actors at the global economic horizon may transform the way development assistance has been approached so far. The international dynamics of the aid flows is likely to undergo a major change with marked entry of emerging economies from the developing world. At this point the global assistance from DAC is around US $ 116 billion, non-DAC is around US $ 9 billion and that from private foundations is around US $ 58-68 billion.¹

Though, entry of emerging economies into the realm of development cooperation is in the framework for South-South Cooperation, however, it is largely being perceived as a threat to the dominance of traditional donors² as development support from Southern donors is free from many conditionalities generally imposed by the traditional donors. It is important to realise that though South-South cooperation has assumed an important role but is not intended to replace North-South cooperation. However, there are important questions which should be looked into, like why is China more popular in Africa than EU or US or even Paris Declaration. The important fact is that China focused more on infrastructure which has directly benefited the recipient countries or to put it differently the aid from China has deeper impact, which is long lasting. The question remains as to what place conditionalities have in an aid environment based on the global partnership for development, particularly, when donors are concerned that they need to respond to the priorities as identified by their tax payers and the recipients feel that the design of programmes do not match their national requirements.³ For most of the developing countries, neutral conditionality is an opportunity but that is unlikely to take off due to lack of capacity for managing development cooperation which makes implementation of ‘neutral conditionalities’ further more difficult. The plethora of agencies, with varying demands makes the preposition further more difficult. At this point, there are 24 International Development Banks (IDBs), 250 aid agencies and 30 units of various UN agencies working on aid.

¹ Kharas (2007) but it is not very clear whether these are stock or flows. Also see Serageldin (1995).
² Chahoud (2007); Jobelius (2007).
³ Zukang, Sha (2008).
In this context, emergence of Development Cooperation Forum (DCF) raises many expectations, largely in terms of evolving a broader consensus for a global strategy for addressing global challenges. They are committed to make the development agenda more inclusive by bringing in trilateral cooperation at the centre stage and by making aid flows to be more efficient, responsible and development friendly. At various fora, all most all the countries have dedicated themselves to support the extension of further debt relief to HIPCs (Highly indebted poor countries) and low income countries facing problems of inadequate resources even for financing Millennium Development Goals. The question is how far DCF, being part of ECOSOC, can go to translate these concerns into policy actions, particularly, when there is wider disappointment, with the role of the UN agencies in advancing the development agenda in the areas of trade, finance, debt and technology.

This paper attempts to look into some of these issues. Section II explores the various emerging dimensions of the DCF while section III presents India’s linkages with the UN system, both as recipient and as development partner. The last section attempts to delineate points for an actionable agenda for DCF.

II DCF: Emerging Dimensions

Since the launching of DCF on July 5th 2007 by the UN Secretary-General Ban Ki-Moon, different views have been expressed on the possible role for DCF. In the concerned high level segment itself few developed countries suggested to exclude emerging economies from the ‘South’, as economically they are quite advanced now and South can not be regarded as a monolithic group. At the meeting India, being part of G-77, expressed the position that South-South cooperation should be viewed from the perspective of political solidarity of the South, utilisation of complementarities between developing countries and direct cooperation between larger developing countries and other countries in the South. Though at that meeting it did not further precipitate but the issue is still unsettled and is often being raised at different fora, for instance, was also raised at the High Level Symposium at Cairo in January 2008. However, at the same fora, the Indian Ambassador in his brief presentation expressed that the DCF may provide opportunity to enhance the global partnership for development in accordance with international commitments set out in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation.

The DCF assumes importance in light of the fact that aid flows so far have been highly concentrated among few countries only. It has come out very clearly in the study that top 20 recipients of aid receive more than 50 per cent of net bilateral ODA. In context of DAC, less than 50 per cent of aid recipient received 90 per

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4 Tayob K Riaz (2007).
5 Schneider, Benu (2007).
cent of all aid from DAC member countries. DCf is expected to take measures for stabilising aid flows and reduce volatility in aid flows. This can only be achieved through an improved systemic coordination between donors, international institutions and recipient countries, all of which are likely to be part of various mechanisms being established at DAC. The draft report from Secretary General makes it clear that one of the major challenges is to ensure that allocations are based on transparent assessments of needs, results or country vulnerability to exogenous shocks.7

III Trends in India’s Multilateral Cooperation

In the realm of development cooperation, India has long standing relations with various UN institutions.8 Under the new institutional arrangement the various programmes are being clubbed under an umbrella arrangement being called as UN Development Cooperation Framework (UNDAF). This was an outcome of the Common Country Assessment (CCA), launched in 1999, as part of wider UN Reforms initiated by the Secretary General. India was included in this programme along with 18 pilot countries. the CCA and UNDAF are seen by the UN Country Team as a common strategic assessment of priority country needs in the social and closely-related sectors, and an overall programming umbrella for joint initiatives in critical areas bringing together all UN entities involved in development operations in the country.9

The UN System in India examines national development challenges from thematic and cross-cutting perspectives through various UNDAF workshops at different points of time. Greater efforts have been made by the UNDAF to harmonise developmental priorities and consolidate action plans. The current plan priority for the period 2008-12 is to focus at promoting social, economic and political inclusion for the most disadvantaged, especially women and girls. This gels well with the Eleventh Five Year Plan (2007-2012) of India.10 The Five-Year Plans provide the overall development framework within which priority areas of co-operation are identified jointly for UN system support.11 Even though financial assistance is relatively limited, the main contribution of the UN system has been in supporting innovative projects, in disseminating lessons learned for wider adoption, in supporting action research in critical areas of human development, and in advocating for change backed by documentation and public interaction12

As is clear from Table 1, India has been contributing to several UN agencies for various purposes. The budget has expanded over the years and several new

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6 ibid.
7 ECOSOC (2008).
8 Kumar (1987)
9 UN (1998).
10 UN (2008).
11 UN (2000).
12 ibid..
heads have been added. In certain categories, like for instance, assistance for Afghanistan has gone in from both direct contributions as well as via the UN led initiatives. India has contributed to the

Table 1: Contributions by India to Different International Agencies (Rs. Million)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UNIDO</td>
<td>MoCI</td>
<td>76.7</td>
<td>88</td>
<td>85</td>
<td>90</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>UNO</td>
<td>MoEF</td>
<td>75.7</td>
<td>6.2</td>
<td>3.39</td>
<td>10</td>
<td>10</td>
<td>26.9</td>
</tr>
<tr>
<td>African Development Fund/bank</td>
<td>MoF</td>
<td>136.5</td>
<td>155.5</td>
<td>128.1</td>
<td>90.3</td>
<td>90.8</td>
<td>90.8</td>
</tr>
<tr>
<td>IFAD</td>
<td>MoF</td>
<td>280.1</td>
<td>556</td>
<td>218.1</td>
<td>227.4</td>
<td>184</td>
<td>197.3</td>
</tr>
<tr>
<td>Afghan Reconstruction Trust Fund</td>
<td>MoF</td>
<td>8.4</td>
<td>9.5</td>
<td>9</td>
<td>9.5</td>
<td>9.4</td>
<td>9.9</td>
</tr>
<tr>
<td>Contribution to Multi-Donor Technical Assistance</td>
<td>MoF</td>
<td>6.8</td>
<td>4.5</td>
<td>9</td>
<td>5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHO; PPD Dhaka; ICOMP Kuala Lumpur and other international agencies</td>
<td>MoH</td>
<td>18.9</td>
<td>15.4</td>
<td>17</td>
<td>12.5</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>UNESCO</td>
<td>MoHRD</td>
<td>159.5</td>
<td>118.6</td>
<td>116.1</td>
<td>97.3</td>
<td>123.5</td>
<td>100.4</td>
</tr>
<tr>
<td>UNPD Programmes</td>
<td>DST</td>
<td>6.0</td>
<td>74.5</td>
<td>77.5</td>
<td>10</td>
<td>37.4</td>
<td>100</td>
</tr>
<tr>
<td>International Cooperation</td>
<td>DBT</td>
<td>145.0</td>
<td>100</td>
<td>48</td>
<td>90</td>
<td>70</td>
<td>60</td>
</tr>
<tr>
<td>ICGEB</td>
<td>DBT</td>
<td>128.0</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td><strong>1034.8</strong></td>
<td><strong>1205.5</strong></td>
<td><strong>781.7</strong></td>
<td><strong>721.0</strong></td>
<td><strong>695.6</strong></td>
<td><strong>776.3</strong></td>
</tr>
</tbody>
</table>


Note: Though care is taken to bring in Ministry wise allocations for UN Agencies but it would be appropriate to mention that ‘total’, is just an indicative number as it may not cover many indirect and other direct contributions as might be included under separate heads of Indian budget.
UN consortium for reconstruction of Afghanistan. The Table 1 makes it clear that there is excessive focus on UN agencies dealing with agriculture and technology. India’s contribution to International Fund for Agricultural Development (IFAD) has consistently been very high. In fact, in 2006-07 it was almost 46 per cent of the total multilateral contributions from India. Agriculture is followed by contribution to science related multilateral programmes to which Indian agencies like Department of Biotechnology and Department of Science and Technology have been contributing consistently very high, though over the years, it has hovered around 26 per cent. There are certain agencies like UNIDO, UNESCO, etc. which were given relatively low but consistent allocations. There are certain multilateral programmes like various development initiatives in Africa, initiative related to development and reconstruction in Afghanistan which have been supported from time to time.

IV Possible Work Agenda for DCF

There would be a great challenge before DCF to balance between the two different positions taken by member countries viz. position of the countries that they must have their own policy space to decide upon their priorities and the other that there should be greater harmonisation in the aid policies. In this regard, clarity from the beginning is sine qua none for the success of DCF. The initial submission from G-77 and China stating that joint work by all the members for developing agreed criteria and benchmarks to measure the implementation, effectiveness and results of development cooperation, may be the basis for initiating substantive work programme for DCF. One of the key challenge before DCF would be to focus on capacity building at various levels including in the government and civil society organisation so as to inculcate mutual accountability approaches. However, there are following important issues which should also be taken into account while deciding on the work agenda for DCF:

Linkages with Other Modalities

The DCF provides an important opportunity to undertake comprehensive review of development policies of different member countries, which if linked with the Annual Ministerial Review (AMR) mechanism, may be of great significance in terms of achieving the global development goals. As is clear, the AMR is designed to review the progress in implementation of the entire range of internationally agreed development goals (IADGs), such as the MDGs etc. The DCF would provide the details about the national strategies and action plans, however, joint discussion on AMR and DCF, which may be released through national reports, may provide policy guidance for member states and international organisations and other actors. This may help them in evolving their work programmes accordingly. It has to be very clear that creation of a biennial DCF and an AMR are to be structured in such a way that they provide

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13 G77/China (2007).
stronger support to ECOSOC. There is need to have detailed discussion about the EU submission that the DCF should focus on dialogue and review trends in international development cooperation only and the task of review be undertaken at the AMR. This would bring in the question of whether DCF should take place in alternate years to the HLD of the High-Level Segment and also how it should be linked with High Level Dialogue on Financing for Development (FfD). In this context it may be explored whether subsuming various initiatives under DCF within specific sub-groups is an option. The reports from the sub-groups may be opened for civil society and other stake-holders for ensuring wider participation.

Definition of Development Cooperation

However, before this exercise is undertaken, it is important to resolve the definitional issues related to the concept of development cooperation. In last several years, Development Assistance Committee (DAC) of OECD has worked extensively on developing and defining various concepts related to development assistance. The official development assistance (ODA) comprises of grants or loans provided by the official sector for promotion of economic development and welfare. In this context, a concessional loan is considered welfare enhancing if it has a 25 per cent of grant as a component. Apart from financial flows, ODA also include technical cooperation and export credits.

The assistance of multilateral organisation is also accounted separately as part of the overall development assistance. In most of the DAC publications a distinction is drawn between tied aid and untied aid. All the official grants or loans where procurement of goods and services involved is confined to donor country is classified as tied aid. However, it is important to define contours of development cooperation to capture various activities in a relevant framework. On the basis of various DAC reports few key elements for capturing aid flow are identified in Table 2. As discussed they cover both bilateral loans and bilateral grants. As part of bilateral grants, activities such as technical cooperation, developmental food aid, humanitarian assistance, debt relief grants, aid to NGOs, and project and programme specific support. Aid to multilateral institutions particularly to UN are captured.

<table>
<thead>
<tr>
<th>Bilateral Grants</th>
<th>Contributions to Multilateral Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Cooperation</td>
<td>UN and Others</td>
</tr>
<tr>
<td>Developmental Food Aid</td>
<td></td>
</tr>
<tr>
<td>Humanitarian Aid</td>
<td></td>
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<tr>
<td>Debt Relief Grants</td>
<td></td>
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<tr>
<td>Aid to NGOs</td>
<td></td>
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<tr>
<td>Administrative Costs</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>The Private Sector</td>
</tr>
<tr>
<td></td>
<td>Preferential Access to Markets</td>
</tr>
<tr>
<td></td>
<td>Export Credits</td>
</tr>
</tbody>
</table>

Table 2: DAC Concept of Development Aid Flow

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14 This section is based on Chaturvedi (2007) and Chaturvedi (2008).
15 OECD (2007).
16 Ibid.
However, this approach seems to be extremely limited when analysis of development aid from Southern countries is taken into account for instance sizeable amount of assistance is provided by major developing countries in supporting peace keeping operations across the world particularly in their own region. South Africa is engaged in similar efforts alongside African Union (AU). Similarly, China and India have taken intensive measures for promoting production and trade from least developed countries (LDCs) which are not accounted for if DAC definition is followed. The efforts by these countries, in providing access to regional public goods which are extremely essential for the neighbouring countries, would also be missed out, if focus is limited to the DAC definition alone. There may also be conceptual differences when aid flows from emerging economies are to be analysed. Some of these countries may stress on usage of specific terminology which may be completely different from the DAC terminology. For instance, many of them may not want to use terms like ‘donor’ and ‘recipient’ instead may prefer ‘development partner’. This goes beyond semantics as most of these economies are with limited additional resources and they are keen to share the resource burden (for development) but may need it back or expect some return on the allocation made. The context is also different as ‘partnership’ which is largely on equal footing while in DAC approach, one is on high pedestal of donating and the other is a recipient.

The current framework of DAC for capturing aid flows focus only on supply side statistics and overlooks the demand side responses. Moreover, this also needs to be extended further for incorporating elements of enabling policies and disabling policies as adopted by various national governments. For instance, in case of the Netherlands, the policy coherence unit within the Ministry of Foreign Affairs and DGIS scans all national policy documents and international negotiations by the Netherlands’s government for ensuring compliance with development aid policy objectives. This is extremely essential as mere account of numbers without policy indicators may not be useful for aid receiving countries. These indicators may help in capturing demand side responses.

As most of the emerging economies from South, collaborate with their fellow members under their South-South Cooperation policies, at times it is difficult to state clearly the precise financial expenditure incurred. As most of the cooperation is ‘in kind’, there is no standard accounting framework to capture this flow. The accounting problem becomes all the more acute when there are more than one focal points within various government departments with different modalities and mechanisms.

\[17\text{ Li (2007).}\]
Response to ECOSOC

There have been debates in India about the utility and relevance of ECOSOC, including on issues like what reforms are exactly needed at the Economic and Social Council (ECOSOC) and who could be the drivers of change. This debate has co-evolved along with the wider debate on UN reforms. In context of proposed Development Cooperation Forum (DCF), India may consider a clearly defined policy not only about placing support with DCF but also identifying precise work agenda for DCF. The UN led institution DCF is likely to have greater participation of members where emerging economies may also splay an equal role, viz. a viz. others and the institution is also likely to have neutrality in its character. It is important to ensure that instead of posing DCF as an alternative to DAC, initiatives may be launched to tap on synergies between the two organisations, particularly in terms of reporting, analysing and publication of development cooperation related details which may take form of substantive national reports.

There are already some efforts to tap on strengths of DAC and potential gains from DCF. Special unit for South-South Cooperation in UNDP and OECD/ DAC organised in February 2005 a meeting between DAC and 15 emerging economies to discuss aid efficiency and effectiveness. Similarly, OECD also launched Global Forum on Development 2008 to improve the dialogue further. During the 2006-09, the Forum would address issues related to architecture and functioning of international development finance system.

Aid Quality Framework

The DCF would have a major challenge in terms of developing aid quality framework for alignment and harmonisation of various development cooperation initiatives. This can only bring in equal and comprehensive ownership of various programmes aimed at achieving global objectives. For instance, DCF may encourage and channelise development cooperation for creation of global public goods. This may help in achieving wider developmental objectives at the global level. For example, cooperation between Brazil and Cuba could lead to the development of vaccines for meningitis is a case in point. This could provide an option for African economies to buy vaccine for mass immunisation in Africa at cost effective prices. Similarly, India announced setting up of pan-African e-network for improving connectivity in various parts of Africa. South Africa and Brazil have joined other major economies to support the International Finance Facility for Immunisation (IFFIm), which was established in 2006 to accelerate the availability of funds to be used for health and immunisation programmes through the GAVI Alliance (formerly the Global Alliance for Vaccines and

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18 For instance see Dubey (2006)
19 Das et.al (2008).
Immunisation) in 70 of the poorest countries around the world. South Africa has pledged a total of US$20 million over 20 years and Brazil has announced that it will also pay $20 million over 20 years.

**Prioritising the Issues**

In the above context, it would be important to prioritise the global concerns in various areas of development. There are several discussions about poverty eradication measures and global environmental governance and issues emanating from debates on climate change. These debates have sharply focused on creation of avenues for transfer of technology. The DCF, at the multilateral level may ensure adequate measures in this regard.

At the recently held Conference of Parties (CoP) of Convention of Biological Diversity (CBD) expressed concerns about growing genetic erosion across various developed and developing countries. The Executive Secretary expressed concerns about future food security due to this erosion. Germany, which took over the Chair of CoP asked for urgent actions to be taken to grant developing countries greater protection for their genetic resources and traditional knowledge and fair compensation for their exploitation by others under an appropriate access and benefit sharing regime.

**Acknowledging Relevance of South-South Cooperation**

The reservations about South-South cooperation are completely misplaced in context of development cooperation. It is important to realise that the new economic might with these countries may bring South-South cooperation out of its rhetorics to the more substantive operation level. This is likely to place South-South cooperation in a different context altogether, hitherto largely confined to dissenting voices or group formations at the international negotiations. It is important to acknowledge here that, precisely because of these reasons the emerging economies may not prefer to be called as ‘donors’, since they see themselves as ‘development partners.’

In this context, DCF may also help in bridging a major institutional gap in identifying the potential of triangular cooperation in which resources from the South as well as the North are jointly used to support third countries without burdening them for (‘donor’ specific) additional accounting formalities. It is also important to point out here that South-South cooperation is not exclusive in itself. It is purely voluntary in nature and should not be viewed as an instrument for replacing any existing arrangements. The Heiligendamm Process initiated during

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21 IFFIm has been designed By investing the majority of resources up front—“frontloading”—this innovative funding programme will increase significantly the flow of aid to ensure reliable and predictable funding flows for immunisation programmes and health system development during the years up to and including 2015.

22 Though it is not very clear when flows between developing countries be looked as ‘south-south cooperation’ and when it falls in the category of ‘development assistance’.
the German Presidency of G-8, to include emerging economies in global decision-making structures, may play an important role in further strengthening such existing mechanisms.

References


Tayob K Riaz (2007). N-S Differences in ECOSOC Panel on S-S Cooperation, South-North Development Monitor (SUNS) #6288 Monday 9 July Geneva


Zukang, Sha (2008). Address at the Cairo High-Level Symposium on Development Cooperation Forum, January 19, Cairo.
Annex D – South Africa Country Paper

Below is a verbatim reproduction of the South Africa country paper as received from the research partner:

Introduction

This study follows on from an initial paper on stakeholder perspectives with respect to the Development Cooperation Forum (DCF) prepared by the South Centre. Four country-level studies were conducted, in Brazil, China, India, and South Africa. These follow-on country studies seek to address the following research questions:

- What are the major systemic architectural issues that the DCF and other development cooperation-related initiatives will need to consider with respect to development cooperation and ensuring a genuine partnership on development cooperation?

- What are promising recommendations for a focused agenda for the July 2008 DCF meeting (in particular with respect to the links between the DCF and other development cooperation-related initiatives such as the OECD’s 2008 Accra conference on aid effectiveness, the UN’s 2008 Doha FfD conference, and the UN’s 2009 conference on South-South cooperation in Argentina)?

- What are useful suggestions with regard to the DCF’s operational modalities, including participation of all stakeholders, during the biennial meetings and in between such meetings?

- What are medium- to long-term perspectives on the role of the DCF with respect to enhancing multilateral development cooperation?

This paper therefore comprises the South African country study. The country papers will be incorporated into the initial report produced by the South Centre for the meeting of the Development Cooperation Forum to be held in New York on 30 June 2008. The report’s recommendations will address member states (industrialized countries, G77/China) and other stakeholders. Policy proposals will outline key steps to be taken in the immediate future (for DCF 2008) as well in the medium- and long-term.

Research Methodology

The research methodology utilised for the compilation of the study consisted primarily of qualitative data, obtained through targeted interviews of key
development cooperation-relevant policymakers in South Africa. A number of relevant government policymakers were therefore interviewed in order to obtain their responses with respect to the research questions. Finally the head of a key policy institute was interviewed as well. However the information captured was in a few cases limited by the availability of key stakeholders. The Terms of Reference were restricted to qualitative data obtained from interviews, and therefore analysis of the processes and events leading up to formation of the DCF are not analysed. Where possible the exact language of the respondents/interviewees was utilised to convey accurately their intention.

The study also briefly captures perspectives from a ‘Roundtable on Emerging Powers and their Development Aid Policies’, which was held by SAIIA in Johannesburg on 29th October 2007. The intention of this closed brainstorming session was to explore the evolving development aid policies of the emerging powers while extracting lessons from the European development experience. These points are included as they may be useful from a content perspective in the discussions surrounding the DCF, and have not as yet been published.

Key issues for the DCF and other development cooperation initiatives

This section examines stakeholder perspectives concerning the major issues that the DCF and other development cooperation related initiatives will need to consider with respect to both development cooperation and ensuring a genuine partnership on development cooperation.

The DCF has the potential to be ‘custodian’ of aid; the key questions though will be how it will get here, and how long this process will take.

Respondents noted that efforts at alignment with the Paris Declaration (Paris Declaration) were ongoing, and needed to be maintained and monitored. The successful alignment of development cooperation efforts to the Paris Declaration is still seen as a necessary focus. Another issue raised was the fact that countries should still be allowed autonomy within the alignment process to explore their own processes towards attainment of the Paris Declaration goals. Related to this was the perspective that no benefit would be gained from ‘China bashing’, i.e. that participating countries should guard against the debates around aid

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32 All interviews were conducted under the Chatham House rule – i.e. no personal attribution or direct attribution to a country, and all data to be aggregated, to protect the confidentiality of the interviewees.  
33 The determination of who would be a “relevant” policymaker was up to the country research partner. Some indicative guidelines for such determination were as follows: (ii) he/she/they must have a major policy-shaping or –influencing role in his/her/their government’s development cooperation and assistance institution; and (ii) he/she/they must be knowledgeable about the development cooperation and assistance framework, institutions, policies, and approaches of the country.
effectiveness being used to isolate or denigrate Chinese or other ‘emerging donor’ particular views\textsuperscript{34} on development cooperation.

The language of development cooperation will also have to be altered. As it stands, most of the terminology and underlying rationales are obviously focused on a developed country providing aid to a developing country. As such the whole language system of aid appears unable to accommodate the new donors, although it was noted that any such changes should still be in line with the principles of the Paris Declaration. Ironically, some DAC donors have started referring to themselves as ‘development partners’ and referring to the relevant Southern countries as ‘donors’.

An interesting issue is that of the ambit or scope of the Paris Declaration. Respondents noted that the Paris Declaration and the DAC definitions might need to be broadened to encompass a wider range of activities, for example with regard to support for ‘peace keeping’. Can this count as a development cooperation activity? This is of particular interest to South Africa, as a significant percentage of its assistance to other African states is in the form of peace keeping operations, for example in the DRC, and Burundi. The only danger would be that traditional forms of ODA from established DAC donors might gravitate to such broader activities. The reason peacekeeping has not been part of development cooperation in the past is so that funds meant for assisting in development or likewise humanitarian emergencies are not channelled into peacekeeping or military affairs, i.e. that funding for these should not come out of the funding envelope meant for development. However, given the challenges that Africa and its security architecture faces\textsuperscript{35}, and the evolving discourse that it is difficult to separate development from conflict resolution, there is very real value to re-examining definitions of development and how to contribute to the prerequisites that need to be in place. The key would presumably be to not reduce existing funding but to create a structure that allows such broader activities to be eligible for additional funding.

Although the DAC definitions may not be broad enough to cover South Africa’s development activities in Africa and other similar developing country activities, it was noted that these activities do fit within the G77 and South-South definitions of solidarity and complementarity. Such definitions are inherently political and won’t work in the DAC environment.

\textsuperscript{34} One of the respondents noted that the term ‘emerging donor’ is not universally accepted as a suitable label for such new donors as China, India etc. It has however been utilised here in this study because it is a term that has emerged in some of the literature. In a similar fashion, it should be noted that South Africa does not favour the term ‘donor’ but rather refers to itself as a ‘development partner’ when engaged in support of other developing countries. See Section 7 for further perspectives on this from the respondents.

\textsuperscript{35} It was noted by a respondent that the AU operations have been constrained by a lack of equipment and airlift capabilities rather than personnel.
Another respondent contributed a slightly different position, commenting that much of South Africa’s current partnership activities in Africa could conceivably fall under the DAC definitions, given that in some areas South Africa actually defines its actions according to seemingly stricter definitions than those of the OECD. The respondent observed that the problem is not the definitions themselves, but the clarity of the OECD/DAC definitions and how the DAC donors use them in practice, e.g. definitions are needed that identify debt relief and tied aid. Tied aid should be identified and subtracted from aid flows. There needs to be consensus on what the definitions mean.

Although respondents have raised new concepts, nonetheless a respondent observed that many developing countries still see aid sufficiency as a key issue, i.e. the amount of aid given. Specifically, are donors making progress towards reaching the target of 0.7% of GDP being allocated for development assistance?

South-South co-operation in respect of development assistance was an interesting point raised. As South-South economic relationships continue to grow, it is likely that we will see the emergence of South-South tri-lateral cooperation, where two emerging ‘donors’ jointly provide assistance to another developing country. It is likely that this would build on existing cooperation that has been occurring for decades. Further cooperation might comprise technical assistance, technology transfers, and support for innovation. Although many emerging donors see the Paris Declaration as a step forward, the South-South co-operation that occurs is still influenced by the North-South divisions.

Although the UN and ECOSOC have their own limitations, with some countries regarding ECOSOC as unproductive, it is unlikely that a process such as the DCF could exist outside of the UN, and it certainly could not be located within structures such as the DAC, WTO, IMF or World Bank as they are all dominated (and their rules largely determined) by the developed world. In other words, how do you mitigate the ineffectiveness of elements of the UN system whilst still benefiting from its legitimacy? Government and civil society respondents noted that ECOSOC has traditionally been unable to overcome the ‘lowest common denominator syndrome’, and is seen largely as a talk shop. There are attempts to try to reform it but this too would be a challenge.

The broader debates underpinning aid effectiveness and FfD are very important. In that they are part of a process of bringing the Bretton Woods institutions under the UN umbrella. Given the changes in global socio-political power, it is important to do this, and the various initiatives noted in this study will assist in consolidating the process.

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36 Recent research by this author for SAIIA estimates South Africa’s current activities as a development partner (mostly in Africa) to comprise 0.18% of its 2006 GDP. If its contribution to the Southern African Customs Union (SACU) Revenue Sharing Formula development component was included, then this figure rises to 0.29% of GDP for 2006, and if the broader SACU transfers not directly accounted for by actual trade flows are included, this percentage could be in the range of 0.8% of GDP for 2006 (Braude, 2008: 25).
Recommendations for the agenda of the July 2008 DCF meeting & links to related initiatives

In this section, stakeholder recommendations are noted for the agenda of the July 2008 DCF meeting (in particular with respect to the links between the DCF and other development cooperation related initiatives such as the OECD’s 2008 Accra conference on aid effectiveness, the UN’s 2008 Financing for Development (FfD) conference (to be held from November 29 to December 2, 2008 in Doha, Qatar), and the UN’s upcoming conference on South-South cooperation, to be held in Argentina in the first half of 2009.

Government officials remark that the various events occurring during 2008 and 2009 noted in this paper are not occurring in isolation, but are all interlinked and clearly connected. In essence they all comprise building blocks for creating a better world, and it makes a lot of sense for the DCF to be the ‘glue’ between them, and the instrument for breaking down any compartmentalisation. Officials from different departments believe that the DCF will play an important role in the FfD conference and that elements of the DCF decisions should be taken into the FfD conference. With all three conferences occurring within a few months of each other, the next 12 month period is an opportunity for change in the nature, governance and structures of aid.

There is a possibility that developing countries may be called to endorse the Paris Declaration as it stands, during the 2008 DCF meeting. This however is not seen as likely to succeed, unless it is in the sense of the Paris Declaration being taken on board by the developing countries to be discussed and changed. Respondents note that the Declaration does not have universal approval within the developing world, e.g. not all G77 countries are signatories or support it. Even its annexes since 2005 were described by the respondent as suffering a lack of such comprehensive legitimacy, i.e. they were not universally designed or approved. The respondents state that as a result the Paris Declaration must not be endorsed in its current format, due to its origins and the fact that developing countries believe that it needs to be improved. Nonetheless it is believed that the DAC would like to obtain approval for the Paris Declaration in its current form and so developing countries have to be vigilant that an attempt for such endorsement is not ‘smuggled’ into the DCF agenda for the upcoming meeting. Even the HLF-3 meeting in Accra is not seen as a suitable forum for endorsing or amending the Paris Declaration. The key point here is that the developed countries see the Paris Declaration as a ‘done deal’ but developing countries want to see it changed and strengthened.

As noted in the previous section, officials observed that the agenda of the June DCF meeting could include an examination of the DAC definitions, with a view to their being broadened.
A further area for discussion is that of enforcement and monitoring of the implementation of the Paris Declaration. Although the Paris Declaration was signed by a number of key emerging ‘donors’ such as South Africa and Saudi Arabia, problems may arise in discussions over enforcement protocols as such signatories are both providers of assistance and yet still recipients of the same. They have signed the Paris Declaration as recipients rather than as donors, so when talking about the DCF and related instruments, SA’s interests for example may conceivably be two-fold: firstly, how to make the DCF a legitimate vehicle for the international aid architecture, monitoring MDG and aid commitments, and aid effectiveness from a recipients perspective; and secondly, how will the DCF address the phenomenon of emerging ‘donors’ and how their policies on ‘development cooperation’ are evolving? However, a government respondent also noted clearly that the Paris Declaration itself is not regarded as a finished product, but a starting point, and as such will need to be revisited and discussed at the upcoming DCF meeting and other fora mentioned in the introduction.

The DCF’s role needs to be clarified, so this is a potential item for discussion as well, and linked to this, delegates need to map out a process to get to a point where the DCF can play a meaningful role rather than be a talk-shop.

An overall point made here is that the emergence of ‘new donors’ also forces the traditional or established donors to accommodate a broader or even new agenda for development cooperation, so as to not lose control of the development cooperation agenda.

In terms of the DCF’s links to other development cooperation related initiatives such as the OECD’s 2008 Accra conference on aid effectiveness, the UN’s 2008 FfD conference in Qatar, and the UN’s 2009 conference on South-South cooperation in Argentina, a government respondent noted closer collaboration was needed between the DCF and these fora. Participants will need to be clear on what role these various fora will play in terms of aid effectiveness, and specific to current events, what role the DCF itself will play at the September Accra Aid Effectiveness meeting. Such fora should not only be parallel but also integrated into a coherent interlinked architecture. It is also important to make the point that as there are multiple fora, it also raises the transaction costs for participating nations. In order to be heard, nations seemingly have to participate in all the events. Ensuring greater complementarity and integration may help to minimise such transaction costs, which are particularly acute for developing countries.

**DCF operational modalities and stakeholder participation**

Respondents were further asked for suggestions with regard to the DCF’s operational modalities, including participation of all stakeholders during the biennial meetings and in between such meetings.
Efforts should be made to ensure that the right players are participating in such meetings, and also those of other global initiatives noted in this report, i.e. not only foreign affairs officials, but finance and development officials too. In many countries there is a split between those participating in the UN processes and those participating in World Bank/IMF, OECD processes. This created unnecessary duplication and compounded issues of limited capacity and expertise.

Related to the point above, a potential challenge for the DCF is that the skills profile of most UN officials is not the same as that of officials within DAC development structures and international development organisations. DAC has established a network of development officials globally at government and civil society level. It may be of benefit to the DCF to identify the nodal points related to this network and make use of the OECD Paris Declaration network of key officials where useful. In many cases these contacts are not DAC staffers, but located within national bureaucracies and civil society networks. It would also be useful to establish a small secretariat to assist the flow of information between the bi-annual DCF meetings.

Should the UN assume the monitoring role in relation to the DCF, it should also have teeth to enforce compliance with commitments made. This point was picked up by some respondents, who commented that the DCF and related bodies would require enforcement capabilities and consensus around these for them to be able to effect meaningful change.

Medium to long-term role of the DCF

The final question posed to the respondents dealt with their medium-to long-term perspective on the role of the DCF with respect to enhancing multilateral development cooperation.

The DCF as a new structure creates the space for developing countries to speak with a strong voice regarding development issues. It should aim for equality between the developed and developing world and should be a forum that addresses real issues for developing countries. A respondent noted that often the issues are framed according to a developed country interpretation of what is important for developing countries. In theory the DCF can allow developing countries to query developed countries’ commitments to reform of aid, quantity of aid and increased aid effectiveness. Although trade is more important than aid to the developing world in the long term, ODA is still very important if it is not ‘handouts’ or implemented only according to developed country priorities. The concepts embodied in the Monterrey Consensus need therefore to be bolstered at the FfD review in Qatar this year.

Similar to the perspective expressed in the previous section, some respondents noted that unless some practical targets for Paris Declaration and ODA
implementation and an enforcement process are agreed to, the DCF runs the risk of becoming “an expensive side-show”. The DCF provides an opportunity to create new mechanisms to monitor and enforce such compliance. The DAC itself is seen as obviously designed for and established by ‘donors’ and although it contains various instruments, the problem is that it is an agency of the established donors and thus its rules and instruments have been devised not by both recipients and donors or even by established and emerging donors, but rather by one group only. This means that the structures, rules and instruments of the DAC should not be recycled for use within the DCF.

However, a different perspective was also raised, namely that due to the nature of the UN as a marketplace of ideas, it cannot at the same time ‘have teeth’, as the two processes are not complementary, either theoretically or practically. The respondent noted that giving the DCF enforcement capacity will make it dangerous for some stakeholders and will chase them away, and that the South may be better served by allowing the DCF to utilise pressure to bring about compliance. ‘Name and shame’ tactics can be very effective, the key is consistent pressure. For example, debt relief originated in the UN and is now generally accepted. Binding measures and enforcement, as are found in the WTO, can lead to stalemate as the stakes are much higher and so any opposition is much higher too. Enforcement instruments may thus have the effect of making the body less inclusive as some of the bigger traditional players in development cooperation may prefer not to have to navigate the ‘rapids of G77 politics’ and some of the bigger Southern countries may not wish to be constrained by such instruments. Very few global bodies have enforcement instruments and it may be impractical to try and make the DCF inclusive to as great a number of countries as possible whilst giving it enforcement authority.

With the changes to development cooperation being introduced by the presence of new ‘donors’, there is a role for the UN to play, and stakeholders noted that much could be learned from the OECD-DAC (including their mistakes). However, some of the issues around the DCF’s relevance and potential may not be resolved until the broader issues of the role and governance of the UN system as a whole are addressed.

Key to the long-term viability of the DCF is the question of its mission, i.e. what is the DCF doing that is new? And can it do it better? What can be done to ensure that the DCF introduces new thinking and processes into development cooperation?

Some of the bigger emerging ‘donors’, such as China, are becoming significant providers of finance and assistance broadly, to other developing countries, for example China’s provision of over USD5 billion in infrastructure assistance to the DRC in return for access to natural resources. In this context, ODA is becoming a shrinking, although still dominant, component of global financial flows between sovereign states. This means that although emerging ‘donors’ may not object to
the Paris Declaration principles, and may agree with them, they do not wish to see their flows monitored under the Paris Declaration, or the DAC, or be forced to report to the DAC or Paris Club, especially if they have had no say in crafting such monitoring.

The majority of respondents raised two key points: that the emerging donors do not want to pulled in under the DAC or Paris Club, and that the Paris Declaration is seen as compromised by its ties to the DAC.

The drawback with the Paris Declaration is that the DAC is currently the custodian of it, but the DAC does not represent the developing world. The Paris Declaration would therefore need to be rehoused within another body if some of the issues of legitimacy are to be addressed. One respondent commented that the DCF or even the G77 might be a better home for the Paris Declaration, if the UN mandated one of them to play this role. The Paris Declaration would also need champions from the South to increase its legitimacy. The DCF could embrace the Paris Declaration and give it its own brand of legitimacy. The DCF therefore can play a role in trying to find common ground between the developed and developing world when it comes to development cooperation. In this respect the DCF is a natural bridge between the two. However, a proposal to have the Paris Declaration under the umbrella of the G77 is also not feasible, as it would not significantly address the issue of a body that brings the two sides together. The DCF should aim to create conditions for equal participation between the developed and developing world.

Indeed, South Africa argues that the assistance it provides in Africa is cooperation, and not aid in the way in which the North may do. China also makes the point that the assistance it provides is one characterised by cooperation among developing countries, and has noted that its support to African states dates back to the 1950’s. Southern states have a different understanding of development cooperation vis-à-vis the North’s. For as long as ODA remains a North-South issue in its framing and execution, opposition to supervision of ODA will also likely remain, leading to a two-track system of development funding and assistance. Related to this, South African stakeholders interviewed were also asked if they thought South Africa would sign on to the Paris Declaration as a ‘donor’, rather than as a ‘recipient’, and some respondents noted that South Africa, along with other emerging ‘donors’, was still busy establishing for itself what the logic and parameters of its development cooperation programme was, and thus would probably need to work these elements out first.

A very useful aspect of the DCF is the fact that it provides a (perhaps neutral) forum for emerging ‘donors’ to pool their political capital, and share practical experiences. It provides a forum for engagement at a period when many of the emerging ‘donors’ are experimenting with structures and processes.
Additional stakeholder perspectives

This section contains comment by officials who were interviewed, but which fell outside of the formal questionnaire.

The emergence of the new ‘donors’ may allow recipient countries to play new and old donors off against each other, due to the fact that they are not operating according to standardised modalities. From a ‘recipient’ perspective this is not necessarily negative, as it provides greater leverage for them in their engagement with external actors. Admittedly even across the traditional donors the modalities are not standardised, but the overall principles and parameters fall within the DAC.

Although the new ‘donors’ appear determined not to be seen as supporting the Western aid norms or agendas, it needs to be asked to what practical extent they themselves are engaging with their recipients as equals and not imposing conditionalities on such recipients. Linked to this, Southern countries which are increasing their development assistance significantly should not be aiming to achieve the ‘status’ of contributing 0,7% of their GDP. Once status becomes the aim, then equality between the Southern parties concerned is lost. For example South Africa’s neighbours in the Southern African Customs Union would feel far more uncomfortable than they do at present, if South Africa boasted about the funds it transfers to them within the SACU Revenue Sharing Framework.37 (Indeed, they would argue that South Africa has an obligation to transfer funds because their proximity to it has locked in a high-cost economic model.)

Respondents were divided as to whether there are benefits for emerging ‘donors’ of joining the DAC. One noted the benefits of technical engagement, sharing of information and experience, and thus the opportunity to implement regulatory reforms related to development cooperation. Others felt that such benefits do not outweigh the political disadvantages.

South Africa has apparently been under a lot of pressure from different stakeholders with regard to taking a decision on DAC membership. Government officials noted that the decision was more political than technical, tied in to questions such as – what image does South Africa want to project, and how does South Africa view itself globally? There is a position in government that it is presumptuous for South Africa to call itself a ‘donor’. However, what is clear is that the DAC is tied closely to the OECD and thus membership of the DAC would require South Africa to identify itself with the OECD. Officials noted (as

37 A respondent noted that South Africa at the same time is aware of its size in Africa, and to use an analogy, is like an elephant in a crowd of other animals - it must look around very carefully before it sits down so that it doesn’t hurt anyone by sitting on them. South Africa is caught between this stance and nevertheless acknowledging that there is a difference in economic size between itself and the economies of many other African countries. The official noted that sometimes South Africa pretends that this difference does not exist at all, which can also be problematic.
in the sections above), that there is a perception amongst the emerging ‘donors’
that established donors want to tie emerging donors to the rules and regulations
of the DAC. As a result South Africa won’t rush to join DAC due to the
conditionalities involved, not least of which is that it would have to leave the G77
and would open itself up to political attacks from its partners in the South and
indeed its geographical neighbours in Africa.

The problem with the label ‘emerging donor’ is that it disregards what these
developing countries have been doing for decades. For example, technical co-
operation between developing countries has been ongoing since the 1970’s. In
recent decades it has increased significantly, covering trade, environment,
education, health, scientific co-operation and development in general.
Respondents noted that the SACU transfers are a form of co-operation as well
(see footnote in Section 3). However respondents were at pains to point out that
South-South co-operation is conceptually and ideologically different to North-
South co-operation or North-South aid. South-South co-operation is driven by
other principles, such as equality, solidarity, mutual development and
complementarity. The principles underpinning South-South interaction are
different, so the rules are different. However, they argue that attempts by the
established donors to co-opt these Southern development partners ignore this
reality. The respondents noted that the developed countries have increasingly
paid attention to South-South interaction due to the rise of China, India and
Brazil, and thus their desire to co-opt the developing countries into the DAC or a
related aid management structure has apparently grown. The problem is that the
Northern countries refuse to accept that the co-operation processes of North and
South can be complementary and they are focused on co-option alone. The
solution is for the North to acknowledge the fundamental differences that
underpin the two systems and assess how the two processes can complement
each other.

South African CSO perspectives

SAIIA ‘Emerging Donor’ Roundtable

A Roundtable on Emerging Powers and their Development Aid Policies was held
by SAIIA in Johannesburg on 29th October 2007. The intention of this closed
brainstorming session was to explore the evolving development aid policies of
the emerging powers while extracting lessons from the European development
experience. The sessions included a critical analysis of the European
development experience. It then moved onto a panel discussion by
representatives from key emerging economies, namely India, China, South
Africa, and Brazil. The following key points on aid and aid effectiveness were
raised by South African participants to the Roundtable, including this author,
and may be useful from a content perspective in the discussions surrounding the
DCF:
- Is there a point to the delivery of aid if at the end there is no economic sustainability? Emerging donors are starting at a point of questioning the basic assumptions of aid, which is useful. Established donors are trapped within existing funding flows. Aid in its current manifestation is addressing ‘items lacking’ but not the underlying causes of poverty.
- Profit is an ultimate indicator for the private sector. What is a similar indicator for aid?
- Systems for capturing aid statistics and measuring the impact of aid will have to be improved, as good statistics are necessary to target aid effectiveness. Even technical support is difficult to measure.
- The language of diplomacy is intertwined with aid. Close linkages with diplomacy are probably destructive for aid, but also realistically unavoidable.
- Aid breaks the links between states and citizens, i.e. it removes the sense of obligation found in normal socio-economic contexts between the two parties.
- Not enough attention is paid by donors to the development of market capacity and business competence, for example even Botswana, which is fairly developed has never been able to fully utilise its beef export quotas.
- South Africa does not have a good record of participating in aid effectiveness structures in Africa, it is seemingly not prioritised.
- South African development assistance in Africa is not well known outside of government-to-government circles. However within Africa governments are positioning themselves to request such assistance. South Africa does not appear to try to use its assistance to open markets for its private sector, which is the case with other actors.
- South African parastatals are very active in Africa, however many of them have been partly privatised or commercialised although the SA government is still the biggest shareholder or sometimes only shareholder. Where is the line between commercial and development objectives in these cases? Does this count as aid?
- China sees Africa as equal, yet have African experts been invited to China to give advice similar to the Chinese technical visits to Africa?
- Where does the debate on human rights fit in? China and Africa continue to argue that there is no such thing as a universal set of human rights, only relative rights, when they participate in UN structures? Is an approach that ignores human rights then focused on ‘government well-being’ at the expense of ‘human well-being’? Can ignoring human rights undermine the effectiveness of aid, due to recurring social instability and cycles of repression in the recipient countries?
- Can a non-democratic state participate in aid activities or processes that include governance components without compromising or contradicting itself?
- South Africa, Brazil, India and China all place great emphasis on multilateralism in these discussions; hence, the value of a DCF.
- Tri-lateral aid can be very useful, but can also raise dangers for developing countries like South Africa, in that they can be perceived as aligning
themselves too closely to the ‘donors’, and implementing Northern aid policies. Furthermore, as a new area, it requires the development of more precise definitions and operational guidelines that are more uniform than currently, and therein lies a potential important element that the DCF can begin tackling.38.

Annex 1 – DCF Study Questionnaire

The Development Cooperation Forum – South African perspectives

1. What are the major issues that the DCF and other development cooperation (enhancement & coordination) related initiatives will need to consider with respect to both development cooperation and ensuring a genuine partnership on development cooperation?

2. What recommendations would you make for the agenda of the July 2008 DCF meeting (in particular with respect to the links between the DCF and other development cooperation (enhancement & coordination) related initiatives such as the OECD’s 2008 Accra conference on aid effectiveness, the UN’s 2008 Doha FfD conference, and the UN’s 2009 conference on South-South cooperation in Argentina)?

3. Would we see rise of South-South development cooperation and what forms do you think this would take?

4. What suggestions would you make with regard to the DCF’s operational modalities, including participation of all stakeholders during the biennial meetings and in between such meetings?

5. What is your medium-to long-term perspective on the role of the DCF with respect to enhancing multilateral development cooperation?

6. Is the OECD definition sufficient to capture development initiatives in South Africa or should one look at alternative or modified definitions?

7. Would SA sign on the Paris Declaration as a donor?

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38 Tri-lateral co-operation in Africa is a new area for both South Africa and Northern donors in Africa. To support the formalization of trilateral partnerships, the South African National Treasury has recently appointed a dedicated trilateral assistance division that would establish the principles, criteria, and guidelines of such cooperation. A draft agreement has been produced and is currently being discussed with a number of development partners.
READERSHIP SURVEY QUESTIONNAIRE
South Centre Analytical Note

DEVELOPING COUNTRY PERSPECTIVES ON
THE ROLE OF THE DEVELOPMENT COOPERATION FORUM:
BUILDING STRATEGIC APPROACHES TO ENHANCING MULTILATERAL
DEVELOPMENT COOPERATION

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