Meeting the Challenges of the 2030 Agenda: Alternative forms of Development Cooperation and the United Nations

Rahul Chandran and Hannah Cooper

Series Editors: Rahul Chandran and Hannah Cooper, UNU Centre for Policy Research
Context

The 2030 Agenda for Sustainable Development calls for “a revitalized Global Partnership.”

A strengthened partnership is critical to overcome two key challenges for the 2030 Agenda:

(a) The reality that by 2025, the locus of global poverty will overwhelmingly be in fragile, mainly low-income and African, states; and simultaneously

(b) The difficulty in ensuring and extending the gains found in middle-income countries with both growth and low poverty rates, to reach their most marginalized citizens who remain in poverty.

To deliver on both counts, development cooperation will have to be able to stimulate and support sustainable development in middle-income countries as well as fragile and conflict affected states. To meet the breadth of the Sustainable Development Goals (SDGs), development cooperation will have to find new methods and new tools for delivery.

Yet given the scale of this challenge, international development cooperation, particularly in fragile countries, is often held to be “insufficient, and... imbalanced in favor of a supply-driven approach from a too limited number of countries.”

Fortunately, as shown by the nine papers in this series, development cooperation is rapidly evolving. New actors play a growing role in defining the structure of development cooperation, despite the fact that the volume of their cooperation still accounts for a relatively small percentage of recorded aid. In part, this is because analysts see a potential for growth in these forms of cooperation – often termed “a new aid agenda” – that they do not see for traditional donor finance. It is also because of the need for new solutions. Alternative forms of cooperation are not without controversy, however, and the papers also engage with concerns around fragmentation, governance, sustainability, competition, and the scramble for natural resources.

The reality is that these forms of cooperation exist, and are growing rapidly. And for the United Nations in particular, given the scale of the challenge of implementing the 2030 Agenda, “some kind of co-ordination and common understanding... [is] a prerequisite for putting the developing world into the position of fully benefiting from opportunities arising from the new donors.”

Much of the existing literature looks at South-South Cooperation too simply as an operational mechanism in development cooperation, and asks how South-South approaches can serve the UN agenda. Here, the authors have been asked to examine how the UN system can serve the South and developing countries’ priorities, with no assumptions as to the role of the UN. This series of papers therefore has three objectives:

1. To help policymakers develop a shared understanding of broad trends in development cooperation, going beyond the false dichotomy of “DAC or non-DAC”;

2. To begin to understand the role of alternative forms of cooperation in the context of the 2030 Agenda for Sustainable Development;

3. To stimulate the debate over the opportunities and limits for the United Nations in supporting alternative forms of cooperation.

The story that emerges is more complicated than a simple rejection of “Western donor-recipient models of assistance in favor of a South-South framework for cooperation that [underscores] a partnership among equals for mutual benefit.” The field of development is expanding – as it needs to.

An old idea brought to new scale

The idea captured by the term South-South Cooperation (SSC) is actually an old one. Its formal origins are in the 1955 Bandung Conference. The 1978 Buenos Aires Plan of Action for Promoting and Implementation Technical Cooperation among Developing Countries, adopted by the UN General Assembly, pointed to the increasing importance of what it called “technical cooperation among developing countries.” The Kuwait Fund for Arab Economic Development was established in the same year as USAID (1961) and China has been involved in international assistance since the 1950s. And more recent forms of development cooperation, like triangular cooperation, are by now so extensive that they, too, can no longer be called ‘new’: by early 2011 two thirds of OECD-DAC member countries had engaged in triangular cooperation projects.

The OECD-DAC, which has arguably been the standard-setter in international development since the 1960s, has struggled to come to terms with alternative models of cooperation. It only be-
gan to recognize the existence of other financing options for low-income countries about ten years ago. And although the DAC saw steps towards recognition as an effort at inclusion, it was also clear that they were “welcoming” other actors into its members’ club, but not inviting genuine challenges to its model of development.

What is new in recent years is the emergence of alternative forms of cooperation on a larger scale. The growing involvement in particular of the BRICS group as well as Indonesia, Turkey and Mexico – to name but a few – has brought increasing attention to these countries’ own priorities, focus, and methods of development cooperation. Their actions are challenging the DAC model of development.

**Typologies of alternative forms of development cooperation**

Non-DAC members engaged in development cooperation are generally and loosely divided into three broad categories:

1. Emerging donors, sometimes referred to as “DAC-model countries”;
2. Providers of South-South Cooperation, including most BRICS countries;
3. Arab/Gulf donors.

There are overlaps amongst these groups and these categorizations have limited utility. Mexico, for instance, is sometimes described as a DAC-model country. But as Lallande highlights in his paper, Mexico self-identifies as a source of South-South cooperation. Similarly, several Gulf countries report their aid volumes to the DAC on an annual basis, which could characterize them as DAC model countries, more than as a separate group.

The whole idea of SSC may also conceal as much as it reveals. The assumption within the SSC rhetoric of horizontal and equal interaction “neglects the existence of economic and power asymmetries as well as the possibilities of dependencies between the countries of the South themselves.” Accusations that alternative forms of cooperation reproduce the top-down approaches of traditional donors are not infrequent. Even the idea and terminology of SSC can be seen as a function of “old binaries of the development discourse” which separate the world into an industrialized and wealthy North and the underdeveloped South.

Newer mechanisms, such as the Fragile-to-Fragile modality outlined in Garassi’s paper, are also challenging these categories. This modality allows fragile and low-income countries with similar histories of conflict and challenges with institutional development to cooperate, and is both a pushback on and complement to both traditional DAC assistance and SSC.

Moreover, while there is some convergence towards certain DAC practices and standards – as highlighted by Tok and Lallande on Gulf and Mexican cooperation, respectively – there are equally frequent instances of countries keeping their distance, as explored in Gu’s paper on Chinese cooperation. This is also true as countries come together – such as in the Khaleeji mode of cooperation described by Tok for the Gulf – and begin to explore formal differentiation from the DAC.

Although the label South-South Cooperation continues to be used in both formal multilateral settings, and by a significant number of non-DAC members, much of the reality does not fit comfortably within this label. In order to capture the whole spectrum of actors that can usefully contribute to the 2030 Agenda, it may be useful to speak simply – as we have tried to do here – of alternative models of development cooperation. This may more accurately capture the diverse and evolving landscape.

**Trends in alternative forms of development cooperation**

The papers highlight key elements of different models of cooperation. Several characteristics emerge that could be useful for harnessing a collective effort towards the SDGs:

**Comparative advantage: Making better use of specific interests to share common but differentiated responsibilities**

Southern approaches towards development cooperation have been typified as a sector solidarity model, as opposed to the Northern development expert approach. Sector solidarity grows out of countries’ own experiences of institutional transformation, which then allow them to share their knowledge with other Southern countries. Such assistance, theoretically, is focused on a specific sector (or often twinned institutions), rather than on the delivery of a specific output.

The comparative advantage of southern actors in development cooperation goes beyond mere
technical competencies in specific industries and encompasses experience in dealing with a wide range of economic, political, and governance-related challenges during their own periods of transition. With its widely acclaimed constitution and smooth transition, South Africa, for example, has a particular influence and legitimacy on the continent. As Lucey explores, it has translated this into a deep and long-term engagement with countries emerging from conflict. Turkey, similarly, has used its experience of expanding services to rural regions over the last several decades as well as its cultural understanding of Muslim contexts to play an increasing role in Somalia.

These – and other stories that are emerging from increased cooperation – suggest that there may be a value to understanding which countries have sector-specific relevant expertise, and supporting these countries in developing partnerships. Examples might include expertise in rural electrification in difficult climates, where the Democratic Republic of the Congo has ongoing demands, or managing economic transitions after the withdrawal of peacekeeping operations, which will be an increasing issue in West Africa. This is also an area where decentralized cooperation – as discussed by Nganje – can play a critical role. It is easy to imagine that municipal exchanges between two cities in the global South experiencing similar flood-risks (Saint-Louis in Senegal and Cotonou in Benin, for example) could provide significant benefits.

**Partnership first: Using history and new forms of cooperation to build stronger, enduring partnerships based on mutual respect**

Linked to the idea of comparative advantage is a clear rejection of the idea of a transfer of expertise from a donor country to a less-developed recipient in favor of a partnership model. Of course, some partnerships are more equal than others, and the extent to which genuine partnerships are possible between middle-income countries and fragile, low-income countries must be questioned.

However, even the more developed and larger middle-income countries involved in South-South Cooperation can legitimately claim that their approach is different – in part because of history. Free of the tarnish of a colonial past – and indeed often associated, as in the cases of South Africa and India, with anticolonial movements – they can be accepted more favorably by the governments and populations of other developing countries. India, as explored in Aneja’s paper, envisions its development cooperation specifically in terms of mutual benefit and exchange between equal partners.

The issue of sovereignty is also a factor. It appears that countries see development cooperation as more of a partnership when there is “a more horizontal relationship where financial flows may be tied to commercial or diplomatic interests but not to political conditionalities.”

Nganje’s paper on decentralized cooperation illustrates the opportunity for collaborative relationships at the local and municipal levels. Such partnerships have the possibility of complementing state-to-state approaches to cooperation with subnational ones. This is becoming increasingly necessary in the context of the call to “leave no one behind” in implementing the 2030 Agenda for Sustainable Development. Decentralized cooperation has the potential to address the increasing disparity within countries and even within cities when it comes to development, due to the increasingly urban nature of crises and the particular challenges of addressing such urban challenges.

**Regional specificity and integrated approaches**

All countries link aid to foreign policy priorities. However, a major difference between southern actors and DAC donors is that the extent to which the former explicitly link aid to trade and other commercial tools. This avoids the artificial distinction promoted by the DAC, at least in their official development activities. In China, as highlighted in Gu’s paper, responsibility for external cooperation policy and practice is shared between the Ministry of Foreign Affairs and Ministry of Commerce. India, similarly, blends instruments such as grants and technical assistance with commercial instruments such as concessional loans, export credits, and trade and investment. This is not to say that Northern countries do not make similar decisions; but more that the DAC approach offers little room for recognition of integration.

The impact of integrated approaches are simply not known, however. There is little comparative evidence to assess, for example, the influence of the UK’s Department for International Develop-
meeting, with its ring-fenced budget and parliamentary protection against, say, Australia or Canada with their merged Departments for Foreign Affairs and Trade, or the Indian approach. One of our central contentions is that all of these approaches may have value, and could learn from each other. There is no right answer for development.

Further to this, it is notable that most of the actors studied in this series of papers focus their assistance on their own geographic sphere of influence. This could lead us to reason that greater coherence is possible at the regional level, where countries (generally) have deeper economic, social and cultural relationships. There is also a propensity to make use of bilateral, rather than multilateral aid, which could also be a result of this desire to sell the individual country’s ‘brand’ abroad. More explicit recognition of these factors could help the UN and Member States to work together to better understand the advantages and disadvantages of such approaches.

Broader measurement frameworks and more transparency

An often-cited concern with non-DAC donors is their reluctance to publish figures on development cooperation, thus avoiding external scrutiny. This is often attributed to their presumed reluctance to adhere to DAC-imposed principles of delivery.

Yet different ways of reporting on assistance “can reveal national governments’ views of what constitutes development cooperation and its objectives.” India, as noted, combines technical cooperation with various forms of foreign investment. Reporting the full extent of its engagement is impossible within the DAC framework. South Africa, similarly, defines as cooperation many activities that would not be included in ODA measurements. Even Mexico, which subscribes to some of the reporting standards of the OECD-DAC, is unwilling to measure its contributions to SSC in terms of ODA, seeing the two as intrinsically different.

This suggests that there is room for developing a broader set of criteria to understand the extent of alternative models of development assistance. Given the latent caution about the DAC framework, a useful policy approach would be one that does not place Member States into competition, or into scorecards, but that thinks about building more inclusive forms of reporting. Again, a deeper understanding of what is possible would help with struggles to implement the 2030 Agenda.

There is also a link to governance. The issues of transparency and governance became a frequently discussed issue around the creation of the Asian Infrastructure Investment Bank (AIIB) and the BRICS’ New Development Bank (NDB). But rather than building a “DAC vs. Other”-dynamic, the special legitimacy of the United Nations as a forum for all Member States could be used to facilitate more transparent self-reporting by all actors. Much work on this issue remains to be done, and it will be up to Member States to decide what support they need, and the UN to figure out how best they can offer such support.

The role of the UN and ways forward in the context of the 2030 agenda

To implement the 2030 Agenda, effective international cooperation is more crucial than ever. The absence of an inclusive institutional setting to discuss all models of cooperation which has broad, high-level support makes the sharing of experiences difficult. There is little evidence that the actors promoting the alternative models described in these papers have joined forces to create an organizational platform to advance a new aid agenda. And while it is possible that the AIIB and NDB, as discussed by Abdenur, may begin to provide a more clear platform, these are still in very early days.

Current initiatives to foster dialogue have had limited impact. The Global Partnership for Effective Development Cooperation (GPEDC), for instance, was launched at the Fourth High Level Forum on Aid Effectiveness in Busan in 2011 to bring together a wide range of actors in order to encourage “shared advice, shared learning and shared action” around effective development cooperation. Busan attempted to shift the rhetoric from ‘aid effectiveness’ to ‘development effectiveness’; some critics see this as a largely insincere shift given the continuing emphasis on the traditional donor agenda. Indeed, the OECD still leads the GPEDC and it is seen as a DAC-led process, “conceived by the OECD for the OECD.” Signaling their skepticism, India and China did not attend its first high-level meeting held in Mexico in April 2014, and Brazil was present only as an observer.

Numerous fora have also developed within the UN to advance the debate around South-South Cooperation and to improve implementation of South-South projects through sharing of experi-
ences and lessons learnt. These include UN entities such as the High-Level Committee on South-South Cooperation, the UN Development Group Task Team on South-South Cooperation, the UN Development Cooperation Forum (DCF), which includes SSC as one of its key areas of work, and the United Nations Office for South-South Cooperation (UNOSSC), hosted by UNDP.

This proliferation of fora suggests that the UN has a value in promoting alternative approaches to development cooperation. Indeed, providers of SSC have clearly expressed a preference for UN-led processes over those led by the DAC. The UNDCF, for example, has been identified as a useful forum for strengthening cooperation and bringing together a range of actors. Quadri tentatively identified the DCF as a "new window of opportunity for Southern countries to reflect their distinctive voices in development cooperation." However, since its inception in 2008, the DCF has made slow progress and has received limited acceptance as a facilitator of policy debates, with weak Member State ownership. It has received lukewarm support from DAC donors and Southern countries alike, affecting its ability to be a truly effective body. Its limited resources and capacity, in addition to an unclear mandate, which overlaps with those of the UN High-Level Political Forum, the Open Working Group on Sustainable Development Groups, and the Financing for Development process, also dilute its impact.

Moreover, whilst it is representative in terms of UN Member State participation, the DCF is an essentially inter-governmental forum, which means that the potential for local/municipal government, civil society, NGO and private sector involvement is limited. This is a considerable weakness when dealing with a shifting development environment that is expanding beyond the remit of national governments. Meanwhile, whilst the UNOSSC is seen by the G77 and China as a “neutral” forum, it seems inadequate to give such a small office the mandate of ensuring that the entire UN Development System embrace new and alternative forms of development cooperation.

The UN as enabler

All nine papers presented in this series strongly support the idea that the UN, with its unique global reach and in-country presence, could have a role in bringing together different actors involved in development cooperation. However, they urge caution in ensuring that southern actors are not coopted into prescriptive systems. SSC, along with other alternative models of development cooperation, has been happening for decades both with and without the UN. The need is for an enabling, rather than a coordinating, role. The UN and other established development actors must engage without coopting or trying to act as a watchdog. One of the most commonly cited lacunae in the debate around alternative development models is the absence of a common vision. Here, the SDGs and the 2030 Agenda provide a natural pathway to shared vision. This does not limit the potential of what countries choose to do. Rather, it provides a common language to build links where appropriate.

In order to do so, there is a need for:

1. A common space for discussions on how to integrate different forms of cooperation that share objectives. This could exist at the country-level, at the level of SDGs or specific targets – but the more inclusive the mechanism, and the more willing it is to embrace DAC cooperation as one of many forms, rather than the primary form, the more likely it will be to succeed.

2. Efforts to develop common language for reporting. Better statistics on alternative forms of cooperation are critical for building a shared understanding of what Member States are doing, and for enabling the whole to be greater than just the sum of all the parts.

3. A platform for deeper knowledge-sharing. As the volume of cooperation and the scale of efforts grow, and as the complexity of the challenge increases, all parties need to be able to learn from each other. India, China, and Turkey, for example, all play active roles in Afghanistan. There may be conflicting views on pathways to success; there may be major strategic differences on policy options. Yet, all parties have struggled to support national services and institutions. Knowledge-exchanges, brokered through the United Nations which through its neutrality may be able to transcend political differences, could help all parties be better partners to Afghanistan – and countless other countries.

a. Partnerships and exchanges, for instance, could be organized between Member State civil servants both at
a national and also a local level. This may include capacity building at the global public policy level, where gaps in Member State capacity are considerable. This could also involve South to North exchanges, where traditional donors learn best practice from southern partners in areas where the North has gaps, such as risk-taking and prioritizing donor-driven assistance.

4. Mainstreaming alternative models into the UN’s efforts. Currently, the UNOSSC acts as a kind of gatekeeper for South-South Cooperation, with some other UN entities (notably the ILO and UNCTAD) adopting such approaches in much of their programming. Other actors, particularly in the field of peacebuilding and peacekeeping, could better mainstream ideas emerging from alternative models of cooperation, particularly around the struggle to achieve Goal 16.

5. Supporting risk-taking in alternative models. Recognition that business-as-usual is insufficient to achieve the SDGs is a starting point. Alternative models of cooperation allow for innovation and experimentation in a way that can both improve their efforts and those of traditional cooperation. The use of mechanisms that allow for the mitigation and sharing of risk – notably, pooled funding – could help to ensure that approaches are flexible and less risk averse. Member States should ensure that their activities have the critical mass, and adequate resourcing, to actually make a difference.

Conclusion

This set of papers focuses on alternative models of cooperation, beyond the North-South/South-South binary in debates around development. The emergence and propagation of different forms of cooperation “does not automatically lead to better development outcomes.” Nor are all of the standards and practices put in place by the DAC irrelevant because of questions of the legitimacy of their source. The DAC has decades of hard-won experience in supporting development, and any country or actor wishing to support development would be strategic to learn from these experiences without being constrained by them.

The UN – and indeed the international development community at large – currently lack the means by which to fully engage with alternative models. To achieve the 2030 Agenda and the SDGs it is essential that the best of what exists in development cooperation is first understood, in order to imagine what might be. To do so, Member States will need to clearly articulate how they want the United Nations to engage with their efforts, and then be genuinely willing to open themselves to such engagement, and bear the accompanying transaction costs.

As early as 1974, the UN General Assembly recognized the “need to give international development co-operation a truly universal character and to enhance the over-all efficiency... by making a systematic and comprehensive effort to pool and utilize the capacities, experiences and resources of the developing countries.” The 2030 Agenda and a wide array of alternative forms of development cooperation that are growing in strength and scale provide an opportunity for Member States to implement their own desires.
Meeting the Challenges of the 2030 Agenda: Alternative forms of Development Cooperation and the United Nations

Endnotes

22 Farias (2015) “Triangular cooperation”, op cit. On China and India, for instance, Six says that “their political claim to speak ‘for the South’ is problematic as their representativeness is increasingly questionable.” He refers to South-East development cooperation in this case, rather than South-South.
24 For instance, Mexico and South Africa have participated as observers in the Peer Reviews of DAC members (see Zimmerman and Smith (2011) “More Actors, More Money”, op cit.).
27 See Jing Gu’s paper in this series.
29 Ibid.


Manning’s advice to the DAC not to “preach” to alternative providers is equally applicable here. See Manning (2006) “Will ‘Emerging Donors’ Change the Face of International Co-operation?”, op cit.


