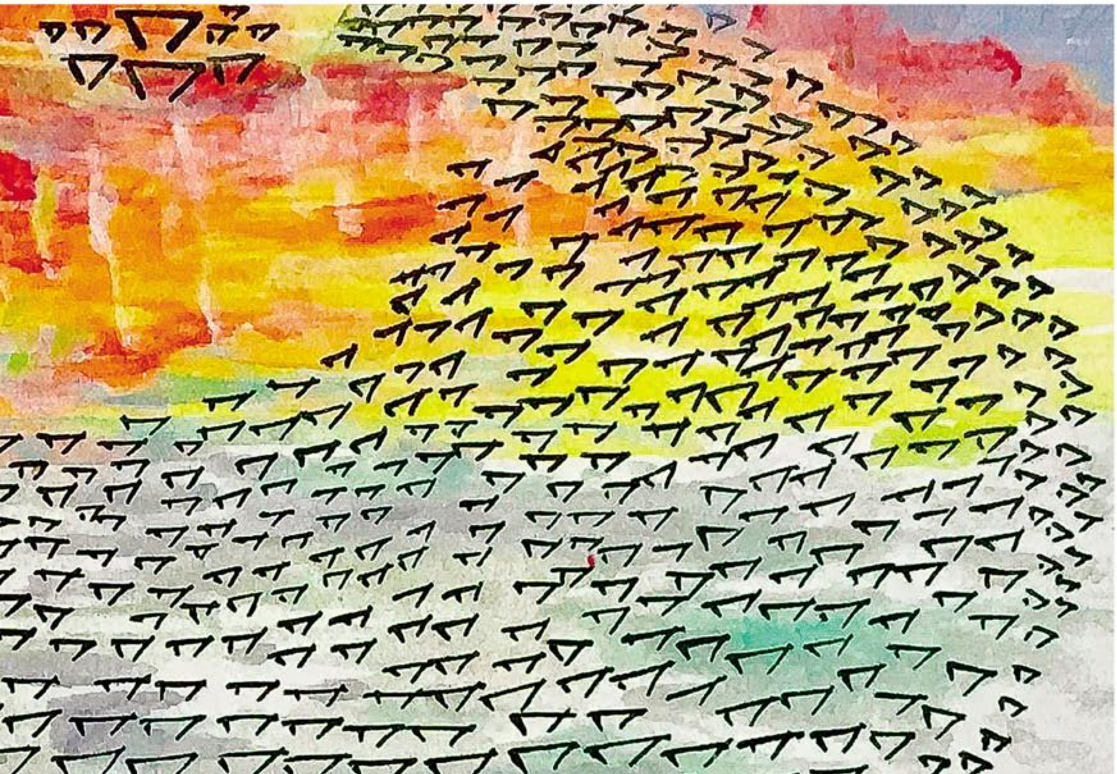
Innovating South-South Cooperation

Policies, Challenges, and Prospects



Edited by Hany Gamil Besada, M. Evren Tok, and Leah McMillan Polonenko

University of Ottawa Press

INNOVATING SOUTH-SOUTH COOPERATION

INNOVATING SOUTH-SOUTH COOPERATION
Policies, Challenges, and Prospects

EDITED BY

Hany Gamil Besada, M. Evren Tok,
and Leah McMillan Polonenko

University of Ottawa Press
2019

University of Ottawa **Press**
Les **Presses** de l'Université d'Ottawa

The University of Ottawa Press (UOP) is proud to be the oldest of the francophone university presses in Canada and the only bilingual university publisher in North America. Since 1936, UOP has been "enriching intellectual and cultural discourse" by producing peer-reviewed and award-winning books in the humanities and social sciences, in French or in English.

Library and Archives Canada Cataloguing in Publication

Title: Innovating south-south cooperation : policies, challenges, and prospects / edited by Hany Gamil Besada, M. Evren Tok and Leah McMillan Polonenko.
Names: Besada, Hany, editor. | Tok, M. Evren, editor. | Polonenko, Leah McMillan, 1982- editor.
Series: Studies in international development and globalization.
Description: Series statement: Studies in international development and globalization | Includes bibliographical references and index.
Identifiers: Canadiana (print) 2019011410X | Canadiana (ebook) 20190114118 | ISBN 9780776623191 (softcover) | ISBN 9780776623214 (PDF) | ISBN 9780776623207 (EPUB) | ISBN 9780776623221 (Kindle)
Subjects: LCSH: Economic assistance—International cooperation—Case studies. | LCGFT: Case studies.
Classification: LCC HC60 .I56 2019 | DDC 338.91—dc23

Legal Deposit: Second Quarter 2019
Library and Archives Canada

Printed and bound in Canada

Copy editing: Michael Waldin and Susan James
Proofreading: Colborne Communications, Toronto
Typesetting: Édiscript enr.
Cover design: Édiscript enr.

This publication was made possible in part by NPRP grant #10-1203-160007 from the Qatar National Research Fund, entitled Localizing Entrepreneurship Education in Qatar.

The University of Ottawa Press gratefully acknowledges the support extended to its publishing list by the Government of Canada, the Canada Council for the Arts, the Ontario Arts Council, and the Federation for the Humanities and Social Sciences through the Awards to Scholarly Publications Program and by the University of Ottawa.

ONTARIO ARTS COUNCIL
CONSEIL DES ARTS DE L'ONTARIO
an Ontario government agency
un organisme du gouvernement de l'Ontario

Canada Council for the Arts
Conseil des arts du Canada

Canada

uOttawa

Table of Contents

List of Figures and Tables

Page left blank intentionally

Acknowledgements

The editors would like to acknowledge and sincerely thank Annalise Mathers, Ajarat Bada and Vahid Suljic, the book project coordinators for their research and program assistance throughout the preparation of the manuscript.

Abbreviations and Acronyms

AAAA	Addis Ababa Action Agenda
ABC	Agricultural Bank of China
ABC	Brazilian Cooperation Agency
ACBF	African Capacity Building Foundation
ADF	Allied Democratic Forces
ADF	Asian Development Fund
AECID	Agencia Española de Cooperación Internacional para el Desarrollo (Spanish International Cooperation Agency for Development)
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
AKP	Justice and Development Party
AMA	Agricultural Market Access
AMEXCID	Mexican International Agency for Development Cooperation
ASEAN	Association of Southeast Asian Nations
ATO/ITTO	African Timber Organization / International Tropical Timber Organization
AU	African Union
BAPPENAS	(Indonesian) Ministry of Planning
BMZ	Federal Ministry for International Cooperation
BOP	Balance of Payment
BRICS	Brazil, Russia, India, China, and South Africa
CADF	China-Africa Development Fund
CAR	Central African Republic
CARICOM	Caribbean Community
CBBT	Capacity Building for BioTrade
CBFP	Congo Basin Forest Partnership
CBD	Convention on Biological Diversity
CET	Common External Tariff
CFA	Communauté française d'Afrique
CFS	Conflict-Free Smelter
CFTA	Continental Free Trade Area
CGE	Computable General Equilibrium
CIC	China Investment Corporation

CIDA	Canadian International Development Agency
CIVETS	Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa
CLETC	China Light Industrial Cooperation for Economic and Technical Cooperation
CNPC	China National Petroleum Corporation
COMESA	Common Market for Eastern and Southern Africa
COMIFAC	Commission des Forêts d'Afrique Centrale
COMUNIDEC	Communities and Development in Ecuador Foundation
COFCO	China National Cereals, Oils and Foodstuffs Import and Export Corporation
CPEIR	Climate Public Expenditure and Institutional Review
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CSFAC	China State Farms Agribusiness Corporation
DAC	Development Assistance Committee
DEİK	Turkish Foreign Economic Relations Board
DRC	Democratic Republic of the Congo
DSSC	Decentralized SSC
EAC	East African Community
EAOPS	East Africa Organic Products Standard
EAP	East African Community
EBA	"Everything but Arms" initiative
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of West African States
EICC-GeSI	Electronic Industry Citizenship Coalition-Global e-Sustainability Initiative
EITI	Extractive Industries Transparency Initiative
EMBRAPA	Brazil Agricultural Research Corporation
EXIM	Export-Import
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FDLR	Forces Démocratiques de Libération du Rwanda
FOCAC	Forum on China-Africa Cooperation
GATE	Global Assets and Technology Exchange
GATT	General Agreement of Tariffs and Trade

GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GIZ	German Agency for International Cooperation
GLISPA	Global Island Partnership
GLU	Global Labour University
GSP	Generalized System of Preferences
GSSD	Global South-South Development
GSTP	Generalized System of Trade Preferences
GTAP	Global Trade Analysis Project
GTZ	German Society for Technical Cooperation
GURN	Global Union Research Network
GVC	Global Value Chains
IADB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IBSA	India-Brazil-South Africa
ICBC	Industrial and Commercial Bank of China
ICLEI	International Council for Local Environmental Initiatives
IDPS	International Dialogue on Peacebuilding and Statebuilding
IDA	International Development Association
IDRG	International Development Research Centre
ICGLR	International Conference on the Great Lakes Region
IETC	International Environmental Technology Centre
IHH	Humanitarian Aid Foundation
IMF	International Monetary Fund
ILO	International Labour Organization
ISI	Import Substitution Industrialization
ISWMP	Integrated Solid Waste Management Plan
JICA	Japanese International Cooperation Agency
KP	Kimberley Process
LAC	Latin America and the Caribbean
LDC	Least-Developed Countries
LIC	Low-income Countries
LLDC	Landlocked Developing Countries
MAcMap-HS6	Market Access Map at Harmonized System 6-digit level
MDG	Millennium Development Goals
MENA	Middle East and North Africa

MEND	Movement for the Emancipation of the Niger Delta
MERCOSUR	Mercado Comun del Sur
Mercosul	Mercado Comum do Sul
MFN	Most-Favored Nation
MIIST	Mexico, Indonesia, India, South Korea, Turkey
MINT	Mexico, Indonesia, Nigeria, Turkey
MOFCOM	Ministry of Commerce PRC
MRTA	Mega-Regional Trade Agreements
MÜSİAD	Independent Industrialists' and Businessmen's Association
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organization
NCEF	National Climate and Environment Fund
NGT	Network Governance Theory
NIEO	New International Economic Order
NSC	North-South Cooperation
OAU	Organization of African Union
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	Development Assistance Committee of the Organization for Economic Cooperation and Development
OHRLLS	Landlocked Developing Countries and Small Island Developing States
PAFRA	Pan-Arab Free Trade Area
PDIF	Fund for Development Initiative ProSAVANA
PEI	Poverty-Environment Initiative
PP	Partnership Program
PPER	Public Environment Expenditure Review
PRC	People's Republic of China
PSG	Peacebuilding and Statebuilding Goals
PTA	Preferential trade agreements
QIP	Quick Impact Projects
RCEP	Regional Comprehensive Economic Partnership
RCM	Regional Certification Mechanism
RECs	Regional Economic Communities
REEEP	Renewable Energy and Energy Efficiency Partnership
RTA	Regional trade agreements

SADC	South African Development Community
SCE	Singapore Cooperation Enterprise
SDG	Sustainable Development Goal
SDSI	Single Database for Social Security Institutions
SEKNEG	(Indonesian) Ministry of State Secretariat
SIDS	Small Island Developing States
SINOPEC	China Petroleum and Chemical Corporation
SME	Small- and Medium-sized Enterprise
SOE	State-owned Enterprises
SPFS	Special Programme for Food Security
SSC	South-South Cooperation
SS-Gate	South-South Global Assets and Technology Exchange
SSKE	South-South Knowledge Exchange
SST	South-South Trade
SU/SSC	United Nations Special Unit for SSC
SWAps	Sector-Wide Approaches
TCDC	Technical Cooperation among Developing Countries
TFA	Trade Facilitation Agreement
TICAD	Tokyo International Conference of Africa's Development
TİKA	Turkish International Cooperation and Development Agency
TNC	Transnational Companies
TrC	Triangular Cooperation
TRF	Turkish Religious Foundation
TOBB	Union of Chambers and Commodity Exchangers of Turkey
TPP	Trans-Pacific Partnership
TTIP	Trans-Atlantic Trade and Investment Partnership
TUSKON	Turkish Confederation of Businessmen and Industrialists
TWRF	Turkish World Research Foundation
UNASUR	Union of South American Nations
UNCT	United Nations Country Teams
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Frameworks
UNDP	United Nations Development Programme

UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNFCCC	UN Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNORCAC	Union de Campesinos e Indeginas de Cotacachi (Union of Peasants and Indigenous People of Cotacachi)
UNOSSC	United Nations Office for South-South Cooperation
USDOL	Unites States Department of Labor
USITC	United States International Trade Commission
VACSERA	The name of a pharmaceutical company
VISTA	Vietnam, Indonesia, South Africa, Turkey and Argentina
WTO	World Trade Organization

Foreword

Perceptions and experiences of globalization wax and wane. The trade opportunities generated by increasing global connectivity have both been heralded for their unparalleled benefits and condemned for their risks. Globalization's intricate web of financial arrangements has both been hailed for facilitating capital flows and deprecated for its systemic hazards, grotesque income inequality, and the practices revealed by the Panama Papers.

Whatever may be said about globalization, it cannot be denied that the global economy that emerged over the last three decades brought about an unprecedented appetite and opportunity for a growing network of ties, connections, and engagements throughout the world. A specific expression of this phenomenon is its manifestation between the people and countries of Africa, Asia, Latin America, and the Pacific. Metaphorically referred to as the South—but not necessarily geographically accurate—this South-South Cooperation (SSC) is played out through financial flows, trade, investment, supply and production chains, knowledge sharing, capacity development, and myriad social and cultural exchanges. It is curious that cooperation is the term favoured to describe these activities. The ostensible foundational principles of SSC are solidarity, integration, and convergence. Deconstructed, its ideological roots are clear: With other global configurations of cooperation tainted by an exploitative colonial legacy or the realism of mutual interests, SSC purports to be above self- or national interests.

This is clearly not so. To the credit of the authors who collaborated on this landmark volume, designed to fill a gap in the academic and policy literature, the connecting thread between the chapters highlights the historical as well as contemporary challenges, realities, and opportunities of SSC. From this solid ground, several of the chapters speculate on the prospects for SSC even as the new global context is upending the post-Second World War global order, including the optimal functioning of such institutional arrangements as the Bretton Woods agencies and the General Agreement on Tariffs and Trade, which evolved into the World Trade Organization. Three themes stand out: China, economic integration, and convergence.

Three of the twelve substantive chapters of the book specifically focus on China; almost all of the others reference China in one way or the other. This is not surprising given the sheer weight of China in the world economy and overwhelming influence on SSC. Here, also, the assessment of the authors is measured, identifying both pitfalls and where gains could be mutually beneficial.

A ubiquitous manifestation of SCC is the explicit schemes of economic integration, particularly at the regional level. All the regions of the South have them. The mega-regional variety has also appeared as if in confirmation of the birth pangs of a new global order—one in which geography and regionalism do not necessarily go together. Several of the authors, through various lenses, throw light on regionalism's current realities and possible future directions.

Convergence is the grand prize of SSC. Whether IBSA, BRICS, MIST, MINT, or any similar configuration, the development trajectory is to escape from the frontier to the emerging economy and beyond. SSC as well as other global engagements are among the strategies to be followed to make this happen. The insights of the authors are helpful in processing how SSC impacts the pursuit of convergence.

This volume's appearance is timely. I commend it to all who want to understand SSC better.

David Luke
Coordinator, African Trade Policy Centre
UN Economic Commission for Africa
Addis Ababa, Ethiopia

INTRODUCTION

Conceptual Foundations of South-South Cooperation

Leah McMillan Polonenko, Hany Besada, M. Evren Tok, and Ajarat Bada

South-South Cooperation (SSC) is both an old concept and a new idea, an old analysis and a new policy directive. Although the notion has existed for decades, it has grown in importance and function, especially since the early 2000s. It has transformed global economic structures, forcing us to redefine traditionally understood words, most notably "region" and "development." It has manufactured new alliances, new trading partners, and new methods for economic development, especially for emerging countries. Most recently, it has been recognized as such an important concept that the United Nations (UN) has added SSC to its observance days—September 12 will now mark the international recognition of the importance of this concept, which has been gaining in momentum. At the sixty-second session of the General Assembly (A/62/295), the UN Secretary-General called on the international development community, including the UN, to help scale up the impact of SSC by (a) optimizing the use of South-South approaches in achieving the internationally agreed development goals, including the Millennium Development Goals; (b) intensifying multilateral support for South-South initiatives to address common development challenges; (c) fostering inclusive partnerships for SSC, including triangular and public–private partnerships; (d) improving the coherence of UN system support for such cooperation; and (e) encouraging innovative financing for South-South and Triangular Cooperation. Two years prior, at the 2005 G8 summit in Gleneagles, the emergence of new economies and the significance of their trade with each other, including Brazil, China, India, and Malaysia, were both noted and explored.

Since these meetings, SSC has grown in both significance and magnitude. Emerging and middle-income countries especially have experienced a significant increase in trading relationships between trading partners in similar economic positions. Najam and Thrasher assert that “the global financial downturn and stalled multilateral trade negotiations” have spurred the growth of these forms of cooperation (Najam and Thrasher 2012, 1). The UN Office for SSC is continually researching and drafting policies that address the peculiarities of SSC as both a policy measure and a practice. Yet, in spite of the important role these forms of cooperation play in global trading affairs, and in turn socio-political realities, a critical study of SSC is lacking in scholarship. The concept has been gaining momentum faster than academic literature has been able to keep up.

This volume arose out of an evident lack of literature on SSC, both in academia and the policy world. Current forms, mechanisms, and dynamics of international affairs, including development assistance, trade, and regional social policy, are creating linkages across borders in new and exciting ways. For example, the shifting dominance of emerging southern countries such as India, China, Nigeria, and Turkey is in part owing to the increasing importance of groupings such as BRICS (Brazil, Russia, India, China, and South Africa) and MINT (Mexico, Indonesia, Nigeria, Turkey). The chapters in this book highlight historical as well as contemporary challenges, realities, and opportunities for SSC and shed light on prospects.

SSC and Its Discontents

South-South Cooperation (SSC) is in essence any form of cooperation, though normally it refers to trade and socio-economic policy frameworks between two or more countries or regions that are situated in the Global South. The term “Global South” is much more nuanced than a geographical description. Although these countries are predominantly located in the southern hemisphere, the term refers to their conceptualization as developing or middle-income countries rather than their geographical location. For example, Turkey is technically in the northern hemisphere but is regarded as southern given its emerging income status; Australia and New Zealand are technically southern but are not referred to as part of the Global South. The United Nations (UN) Office for SSC defines South-South Cooperation as "a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, subregional or interregional basis" (UNSSC 2014). This volume is predicated on this definition; in sum, SSC is any form of cooperation between countries or regions defined as being located in the Global South. This shifts traditional vertical forms of cooperation (top-down or north-south) to ones that are horizontal in scope.

Although SSC is emerging as a new concept in the academic and policy fields, the idea has historical precedence that must be considered if we are to have a robust understanding of the term. The genesis of SSC dates back to the post–Second World War era during the liberation of Asian and African countries (Modi 2011), when countries in these regions began gaining independence and creating linkages with former colonies. The 1960s and 1970s ushered in the Non-Aligned Movement, Organization of African Union, Group of 77, and UN Conference on Trade and Development. These each uniquely indicated the global recognition that southern policies and economies mattered, and necessitated attention. Despite these examples of SSC at this time, north-south forms of cooperation dominated the post-Second World War era through to the 1990s. The importance placed on international development assistance and the dominance of the United States and USSR as a result of the Cold War largely explains this focus on North-South cooperation.

This call to action spurred on the establishment of the UN Development Programme's Special Unit for SSC by the UN General Assembly in 1978. Its mandate is to promote, coordinate, and support SSC and cooperation within the UN by focusing on policy dialogue, policy development, public–private partnerships, and southern development exchange. Another body, the United Nations Office for SSC, has four main arms with which it encourages and enables SSC. The Global South-South Development (GSSD) policy section sets directions, the GSSD Academy produces solutions, the GSSD Expo showcases solutions, and the South-South Global Assets and Technology Exchange transfers solutions. Previously, the GSSD Expo was held at the UN's European headquarters, but for the first time in 2013, it was held at the United Nations Environment Programme headquarters in Nairobi, Kenya—the first Southern country to host the prestigious event. Regional South-South development expos are also picking up steam, with the first Arab States Regional South-South Development Expo taking place from February 18 to 20, 2014.

The guiding principles of SSC are solidarity among peoples and countries of the South in order to improve their well-being, self-reliance, and attainment of internationally agreed development goals such as the Millennium Development Goals. All SSC initiatives must be decided by the South countries themselves with deference to national ownership and sovereignty, non-conditionality, mutual benefit as equal partners, and non-interference in other domestic affairs. SSC facilitates knowledge sharing, skills training, expertise exchange, and resource distribution in order to achieve development goals together. SSC reaches across different sectors (such as health and education). Stemming from this initial framework, SSC has also driven increased South-South trade, foreign direct investment between South countries, and other forms of exchanges.

In the ever-changing arena of global development governance, SSC entails diverse forms of cooperation among developing countries. The evolving aid architecture and mounting development challenges, caused by recent food, financial, and energy crises, demand an urgent and critical review of existing aid modalities, policymaking, and forums for international cooperation. An important question in this context is to what extent the changing global order and the rise of emerging powers is transforming the nature of development cooperation. Increasing the role and visibility of emerging powers and their institutional establishments such as BRICS (Brazil, Russia, India, China, and South Africa), IBSA (India-Brazil-South Africa), G20, Regional Economic Economies, and regional development banks, as well as the increasing importance of emerging economies on the global stage will require a new understanding of what constitutes development assistance, good governance, transparency, ownership, and accountability that will promote equitable broad-based economic growth and lead to poverty alleviation. A goal of this book is to begin to break down the divide between traditional and emerging development partners. We argue that SSC is a fertile area to study these changes and transformations at this critical juncture.

As many chapters will reveal, the future of SSC depends on many factors, such as improving means of communication and sharing of knowledge among partner countries and adopting a more analytical approach to define emerging modalities and practices of SSC. Thereby, this volume brings together an array of studies, focused on the various regions, to examine the concepts, analyses, and distinctions that shape the forms and functions of South-South Cooperation. Despite SSC now existing as an important component in understanding global economic relationships and functions, there still remains limited scholarship in the area of SSC. This publication fills this gap in the literature, addressing both SSC as a concept and providing several regional and international examples of these forms of cooperation and their importance. We understand that SSC is not a new term, rather one that has become increasingly relevant in recent history. This opening chapter discusses the history of SSC and its relevance for actors, policies, and constructions in the global economic system. We argue that SSC can best be understood by examining its three areas of influence: policy, institutions, and regional focus. These areas, presented by theme, are not only indicative of isolated characteristics of SSC, but also illustrate why and how modalities, policies, and prospects pertaining to SSC are crucial in understanding major development challenges in today's world.

Despite the momentum of SSC, the concept is not without its critics or skeptics. Cheru (2016) places the analysts of SSC into four broad categories: alarmists, skeptics, critics of new imperialism, and cheerleaders. The latter involves those who are proponents of SSC, who recognize the possibilities that have not been otherwise available to Southern states. As SSC has expanded the number of actors from which Southern countries can choose for aid and trade, opportunities are exponentially increased (Abdenur and Da Fonseca 2013). This volume recognizes the opportunities that SSC brings the Global South, and thus falls within this category.

However, the other categories, as conceptualized by Cheru, need mentioning. The alarmists contend that these new forms are threatening global and national security of traditional Northern partners, especially the United States and its allies. Post–Cold War development cooperation has shifted to include dimensions of human security and, more recently, international terrorism (Thede 2013). Consequently, changes to the North-South hierarchy are scrutinized for their ability to increase power to states that are perceived to be a threat—the so-called rogue donors (Mawdsley 2012, 1). Countries actively involved as SSC donors with poor human rights and democracy records are especially treated with caution.

The skeptics regard traditional forms of development assistance as playing a central role in the development agenda and are more critical of new forms taking over. Skeptics still critique the traditional North-South nature of development but fear the removal of this construct altogether. Abdenur and Da Fonseca have noted that SSC is sometimes at odds with the very "norms, values, and practices" of the Organisation for Economic Cooperation and Development Development Assistance Committee (Abdenur and Da Fonseca 2013, 1475). This provides evidence that the new agenda may be too much of a contrast from old systems of development. Mawdsley (2012, 1) notes that those "within the 'mainstream' aid community now welcome the specific expertise and additional resources that the (re-)emerging development partners provide, but also express concerns that the fragile gains made by the so-called traditional donor community" with respect to the good governance agenda will be "undermined."

Cheru's third category, the critics of new imperialism, place critiques of imperialism upon the new actors involved as the most powerful players in SSC. Readers familiar with the imperialism critique will undoubtedly recognize its main assertion—another form of imperialism is emerging as new powers threaten local livelihoods, politics, culture, and so on. Three major threats to the SSC agenda can be conceptualized in this category: imports and exports from these emerging powers presenting unfair competition to local markets; the importation of labour that fails to create jobs; and limited knowledge in these industries in their country of focus (Cheru 2016). Gudynas (2016, 724) analyzes the experience of Latin American states, recognizing that examples of SSC, including Southern Common Market [*trans.*] (MERCOSUR) and Union of South American Nations [*trans.*], (UNASUR) are "limited and focused on conventional assistance." Within his analysis, he contends that SSC is nothing more than a means "to reinforce conventional varieties of development" (Gudynas 2016, 721). China even "endorses a revised but still similar myth of the stages of development, just like the strategies of the western industrialized countries" (Gudynas 2016, 724). To some, then, SSSC can be perceived as a recanted traditional concept rather than an entirely new position.

What is the way forward? Some authors contend that it is the lens of SSC that needs strengthening in order to see the possibilities the concept brings. For example, Cheru (2016, 594) asserts that "countries can negotiate from a position of strength only if committed political leaders with long-term vision are prepared to act, regardless of the risks involved" in SSC. Quadir (2013, 321) emphasizes a need for "a unified platform based on a shared development vision" as key to proper SSC enactment. DeHart (2012, 1360) expertly reminds us that it is "not just *who* does development, but *how* it is done and to what ends" that are equally imperative to calculate. De Renzio and Seifert (2014, 1867) observe that SSC is not one unified new idea; that Brazil and China are the "SSC leaders" but Mexico, Indonesia, and Turkey are part of a so-called second wave of SSC actors, who need to be analyzed for the new contributions they bring to SSC. Esteves and Assunção (2014) view SSC as altering international development, through both new agents and new practices, as was especially noted following the 2011 High Level Forum on Aid Effectiveness in Busan.

Despite the skepticism and critics regarding South-South Cooperation, the authors of this book argue that these forms of cooperation can, do, and will have profound influences and opportunities for the Global South, especially in terms of social and economic significance.

A Socio-Economic Analysis of SSC

While academic literature examining South-South Cooperation (SSC) is quite limited, these small volumes have done well to greatly enhance our understanding of SSC and its implications, particularly for the Global South. Our volume adds to this scholarship, but also touches on the socio-economic dimensions of SSC. This is a significant addition to current SSC research, which has done well to examine economic implications. Using a socio-economic lens, this volume attempts to enhance understanding of both the economic and social effects of SSC.

It is important to recognize that SSC takes both its name and its analysis from the much more closely studied forms of North-South Cooperation (NSC), which have been under scrutiny since our current understanding of international development first began materializing in the aftermath of the Second World War. The first forms of development policy underpinned by modernization theory focused on purely economic pushes for development; the role that infrastructure played in a country's development was of particular consideration. Dependency theory criticized the downfalls of modernization theory, especially the assumptions that development would follow Rostow's stages of growth if modernization was conceptualized. First coined in Latin America, this theory also recognized the inequalities that the development system, and the global economic system at large, perpetuated. In order for the most developed countries (called the "core") to continue to flourish, there always needed to be the "periphery," which revolved around the core's policies, ideals, and wants. By the 1970s, then, international development began to focus on more social indicators for development: women in development (then women and development and now gender and development), education, and health concerns were a particular focus. And although development policy has still been criticized for focusing on economic growth, often this is contrasted with the lack of focus on social indicators. For example, the United Nations Children's Fund report entitled *Adjustment with a Human Face*, issued in 1985, criticized the lack of human indicators evident within the International Monetary Fund's structural adjustment programs. The report was developed further and published as a book in two volumes, using the same title (Cornia et al. 1987).

This focus on social indicators has been criticized. World Bank (2013) data reveal that since the 1970s, Africa's percentage of exports worldwide has declined by over 60 percent. Calderisi (2007) argues that this is a dominant reason for perpetual underdevelopment—that African nations have not been contenders in the global market largely because development policy has focused on social indicators. One needs to only glance at the Millennium Development Goals, which have framed development policy over the last two decades, to see the focus on social rather than economic indicators—education, health, food, and climate change are all mentioned; job creation and economic advancement are not.

International development has supporters, critics, and those completely opposed to the practices, including Moyo and Easterly. Indeed, NSC is "exposed to global scrutiny" (Chaturvedi et al. 2012, 23), with measures including the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action as examples of attempts to overcome the critics. Yet, both SSC and NSC are underpinned by "the balance of self-interest and humanitarian concern" (Chaturvedi et al. 2012, 245). What is different, according to these authors, is that SSC countries have yet to receive the mass amount of scrutiny and critique as NSC attempts. In fact, unlike NSC relationships, which must show the developed countries behaving in an altruistic, unselfish manner, SSC relationships are premised on the understanding that the form of cooperation is *mutually beneficial* to both countries. In addition, while

Northern powers focus on human rights and governance measures within their recipient countries while creating cooperation objectives, SSC relationships are premised on sovereignty—a fact that has made SSC relationships so appealing to some countries. For example, whereas the West withholds aid when countries are thought to be committing human rights abuses, Southern countries such as China come in without facing any scrutiny (Alden 2007).

Recognizing the social impact of policies and realities has been paramount to analyses of North-South Cooperation. In recognizing that SSC takes its name and its analysis from NSC, we contend that it is through a socio-economic analysis that we can best understand SSC as a concept and recognize its implications. Thus, this publication uses this approach; it also includes chapters that look at more social-specific issues, such as gender.

The Regional Focus of SSC

Analyzing SSC from within its regional focus is important for understanding the variances of the cooperation by region. While SSC is exercised globally, regional ties do exist that create alliances within countries, either geographically or for other socio-cultural and economic reasons. One of the most interesting and influential components of SSC is the way in which it has redefined traditional notions of regionalism. One can look to Katzenstein's (2005) concept of "porous regions" to examine the idea of regions not being geographically bound. SSC has created regions that transcend not just borders, but also continents.

While there are countless examples of SSC, we have chosen to concentrate on nine key areas, namely for their integral importance in understanding and viewing the growing SSC dialogue: IBSA (India, Brazil, South Africa); BRICS (Brazil, Russia, India, China, South Africa); MIIST (Mexico, Indonesia, India, South Korea, Turkey); MINT (Mexico, Indonesia, Nigeria, Turkey); China and Africa; continental Africa; Middle East and North Africa (MENA); Latin America and the Caribbean (LAC), including Small Island Developing States (SIDS); and the Association of Southeast Asian Nations (ASEAN). Although our contributing chapters do not investigate all of these regions in detail, they are important to mention in an introductory chapter as they exemplify the shift from country-to-country regionalism toward regional blocs as an important development in SSC.

IBSA: India, Brazil, South Africa

IBSA is a unique forum that brings together India, Brazil, and South Africa, three large democracies and major economies from three different continents with similar challenges. All three countries are developing pluralistic, multicultural, multi-ethnic, multilingual, and multireligious nations. The idea of establishing IBSA was discussed at a meeting between the then prime minister of India and the then presidents of Brazil and South Africa in Evian on June 2, 2003, prior to the G8 summit. The grouping was formalized and named the IBSA Dialogue Forum when the foreign ministers of the three countries met in Brasilia on June 6, 2003, to issue the Brasilia Declaration.

BRICS: Brazil, Russia, India, China, South Africa

Brazil, Russia, India, China and, later, South Africa are the countries that formed BRICS, which was the first newly emerging regional bloc to be identified as a collective group shifting from an impoverished to a growing economy. These five countries demonstrate that regionalism in SSC is not limited to regions of geography. In contrast, BRICS comprises numerous global geographical regions and is crafted as a global region because of these countries' thriving economies. In addition, the five countries share common challenges. They are the economic powerhouses within their poor geographical regions yet have the economic prowess to improve their national development. For example, both Brazil and South Africa are the largest economies in South America and Africa. However, in the absence of having neighbouring states with similarly large economies, it proved difficult to bolster their necessary trade relations. In 2001, Jim O'Neill, retiring chairman of Goldman Sachs Asset Management, recognized these countries' similarities. Interestingly, it was not until after O'Neill's analysis regarding these countries that they began to trade with one another (O'Neill 2011).

At present, the five BRICS countries have grown into a powerful and well-recognized economic bloc, garnering the attention of numerous countries and institutions, including the International Monetary Fund. The ability of these large economies to trade with one another has enabled them to live up to their growth potential. Indeed, BRICS is a quintessential example of SSC at its finest—cooperation that extends beyond geographical borders and even traditional regions determined solely by geography.

MIIST: Mexico, India, Indonesia, South Korea, Turkey

MIIST is the latest agglomeration identified by Goldman Sachs and comprises the emerging economies of Mexico, India, Indonesia, South Korea, and Turkey. These nations are the biggest markets in Goldman Sachs, N-11 Equity Fund, and share similarities such as big economies at 1 percent of global GDP each, a large population and labour market, and membership in the G20. While South Korea is significantly richer than the rest, Turkey has the most growth potential due to its geographic proximity to Central Asia, Russia, the Middle East, and Europe. It might even to be to its long-term advantage if Turkey does not become a European Union member. Indonesia is Southeast Asia's second largest economy and has shown strong resilience even in the midst of global debt problems. Mexico has the benefit of controlled and stable inflation as well as economic improvement due to its ties to the United States.

MINT: Mexico, Indonesia, Nigeria, Turkey

The MINT countries of Mexico, Indonesia, Nigeria, and Turkey are projected to be the next BRICS, demonstrating that emerging Southern markets are critical to the global economic landscape. Economic growth between 2009 and 2012 for these countries averages 4.7 percent and is projected by the International Monetary Fund to grow at a rate of 5.2 percent until 2018 (Rice, 2013). Interestingly, MINTs share more commonalities than simply their relative rate of economic growth. They have large and growing populations with plentiful supplies of young workers, which Elliot (2014) argues is in contrast to many other countries where aging populations will make job security and efficacy questionable, including in China. The production of commodities, especially in Mexico, Indonesia, and Nigeria, is essential for the needs of industrializing economies, especially throughout Asia. It is predicted that MINT will continue to grow through their ability to provide much-needed resources for industrializing economies.

Geography is another attractive feature of the MINT countries. Each country enables access to an increasingly important trade route. For SSC, the opening trade regions that these countries offer have the potential to increase SSC through better economic practices within these geographies. For example, the growing industries in Southeast Asia and increased production in Indonesia make trade within this bloc a perfect recipe for growth of SSC in the region.

MINT is a new concept with very little scholarship. What does exist is more in terms of projections and an emphasis on why MINT was coined as a collection of newly emerging powerhouses by Jim O'Neill. However, its recent coinage is indicative of the ever-expanding importance, and existence, of SSC, and the way in which the global economic sphere is increasingly creating opportunities.

Sino-African Relations

China is an important member of BRICS, but independently it has become a major player in the story of SSC in Africa over the last decade. The 2006 China's African Policy demonstrates that the Government of the People's Republic of China was establishing a very strategic means for securing its relationship with the continent.

The main imports from Africa to China are "oil, iron ore, cotton, diamonds, and logs" (Guerrero and Manji 2008, 2). Africa has increased its imports from China, particularly in the area of technology, clothing, and motorcycles (Zafar 2007). China's cooperation with Africa has led to not only increased goods, but also the elimination of trade barriers. Average tariff prices fell "from close to 25 percent in 1997 to less than 10 percent in 2005" (Zafar 2007, 117).

While China has done some work in more traditional development assistance, most notably in the form of infrastructure (for example, in the building of hospitals, schools, and roads), the Chinese distinguish their relationship with Africa from Western influence by being predominantly focused on trade, not aid. This system is seen to move away from the consequences of a very top-down system created by the West, with such repercussions as the decline of social development following structural adjustment programs in the 1980s (Moyo 2009). In contrast, the Chinese non-interference policy is intended to secure economic Sino-African relations without political or cultural conditions. As Zafar (2007, 106) notes, "China's pledge of noninterference in countries' internal affairs and lack of lending conditions on governance or fiscal management have elicited positive reactions from several governments." This non-interference has also received much criticism, especially when China works in countries in conflict, including Sudan, the Central African Republic, and the Democratic Republic of Congo.

What is particularly noteworthy for a discussion of the emergence of SSC is the fact that China's non-interference is in many ways grounded in the country's own history of control by Japan. China's insistence on a non-interference strategy displays an overarching commitment to securing economic ties without political interference. The fact that China shares a similar legacy with Africa with respect to colonialism, and shapes its policies in recognition of this legacy, demonstrates that a shared history can impact the form of SSC.

Continental Africa

Insomuch as Sino-African relations are shaping the economic trade on the continent, SSC also exists within countries across the continent, independent of other countries and regions. In recent years, several trade systems have opened up, particularly in major economic blocs, including the East African Community (EAC), the South African Development Community (SADC), the Economic Community of West African States (ECOWAS), and the Common Market for Eastern and Southern Africa (COMESA). The tripartite free trade area consisting of the EAC, COMESA, and SADC shows the opportunity for increased free trade across these areas.

Within their own jurisdictions, these trade blocs operate as prime examples of SSC. The EAC, comprising Kenya, Tanzania, Uganda, Burundi, and Rwanda, boasts the "elimination of internal tariffs" for the majority of products moving across these borders (exceptions include dental and medical services across Tanzania and telecommunications to Kenya). Trade across the EAC continues to rise—growing from US$79.9 billion in 2009 to US$84.7 billion in 2011 (EAC 2012, 1).

COMESA, comprising nineteen states across the southeastern African region, in contrast to SADC, comprising fifteen southern African states, has achieved 85 percent trade liberalization (Othieno and Shinyekwa 2011, 8). Both organizations have improved trade across their borders by promoting trade within these trading blocs. Trade within SADC has "more than doubled, with intra-SADC trade estimated to have grown from about US$13.2 billion in 2000 to about US$34 billion in 2009" (SADC 2012).

ECOWAS comprises fifteen West African states, including those that are further joined by the French Community of Africa [*trans.*] (CFA) common currency. ECOWAS has a trade liberalization scheme known as "aid for trade" that encourages trade within its borders to ensure economic advancement void of external economic assistance. This is particularly noteworthy, because it demonstrates that the academic scholarship that assumes a shift from traditional aid policies to economic trade is becoming a reality in economic blocs in Africa.

Middle East Trading Blocs

The Middle East and North Africa is an interesting example of regionalism because it demonstrates that regional blocs are not necessarily purely geographic and economic in nature. On the contrary, the countries in this region share not only a geographic proximity, but also, perhaps more importantly, a shared culture, particularly in their devotion to Islam. The importance of the region's socio-cultural realities is interesting given that MENA is, according to the World Bank, "an economically diverse region that includes both the oil-rich economies in the Gulf and countries that are resource-scarce in relation to population, such as Egypt, Morocco, and Yemen" (World Bank 2014).

According to the World Bank's overview of the region, the area is moving toward more of a focus on trade and private investment. The Pan-Arab Free Trade Area (PAFTA) and the Gulf Cooperation Council (GCC) are institutionalized free trade agreements that exist within the MENA area. While MENA is important, countries within PAFTA and the GCC still trade primarily with each other. This set-up ensures that the richer states can still benefit from trade relations with the richer countries, rather than simply providing economic freedom to the poorer countries.

Latin America and the Caribbean

Latin America and the Caribbean is such a large and diverse area that we hesitate to describe this as a region. However, for the purposes of a summary examination of SSC, it is an important area to discuss. First, two of the countries from the BRICS and MINT blocs, Brazil and Mexico, respectively, come from this region. Latin America and the Caribbean have typically been insular in focus; the dependency theory conceptualized by the *dependenistas* in the 1960s followed by import substitution industrialization are examples of policies that sought to benefit this region first and foremost (Rist 2003). Indeed, these countries—with a shared history, similar political system and culture, and, for the most part, intact language—have historically traded first with each other. Thus, Brazil and Mexico, two global economic powerhouses, have worked at ensuring their strength is felt by their Latin neighbours. The Union of South American Nations [*trans.*] (UNASUR), Caribbean Community (CARICOM), and the Southern Common Market [*trans.*] (Mercado Comun del Sur, MERCOSUR/ Mercado Comun do Sul, Mercosul) are the major economic blocs in the region. The separation between CARICOM and MERCOSUR/ MERCOSUL creates an important distinction between Caribbean and Latin American countries.

ASEAN: Association of Southeast Asian Nations

The Association of Southeast Asian Nations (ASEAN) is one of the most significant trade associations of the modern era. Since its inception in 1967, ASEAN has helped the Southeast Asian states gain both political and economic momentum, thanks to a particular focus on trade with each other and on securing relations with more advanced countries—for example, through the Asia-Pacific Trade Agreement. ASEAN Vision 2020, established in 1997, outlines measures to heighten collaboration and integration between countries within the region, and national policies have supported this mandate.

Policy Focus of SSC

South-South Cooperation (SSC) is not limited to these nine trading blocs, but their increasing relevance is noteworthy and demonstrates that SSC is not just about country-to-country trade but about regional cooperation. Moreover, it highlights the shifting conceptualization of the term "region" from a geographical term to one that encompasses economic, cultural, and political nuances.

SSC is unique in that it has outcomes beyond trade. States and regions are compelled to introduce or increase SSC for a variety of outcomes. The main reasons for the focus on SSC are research, training, and development; SSC as aid; SSC as trade; and the recognition of differences between SSC and North-South Cooperation. These varying policy foci are discussed below.

SSC in Research, Training, and Development

Current research and training in the area of SSC seeks to find ways to use the system to improve development issues. For example, Cruz (2010), and Chandiwana and Ornbjerg (2003) each argue that SSC has the ability to improve knowledge and research capabilities across Southern areas. Indeed, by providing a free flow of knowledge exchange, countries in the Global South would have a greater ability to learn from each other—particularly in areas necessitating research, such as health and nutrition. The International Policy Centre for Inclusive Growth (2012) indicates in a report that SSC can promote "inclusive and sustainable agricultural development." Research and training in SSC are quite small. However, as developing countries further embrace SSC as a concept and a practice, there will be a growing need for research that investigates non-economic outcomes of this cooperation.

SSC as Trade and Aid

SSC is best known as a form of trade between countries and regions of the developing world. Since the 1987 *Adjustment with a Human Face* United Nations Children's Fund report, which criticized the International Monetary Fund and World Bank for its social failures in structural adjustment programs, aid policies have come under the scrutiny of policymakers and activists alike. More recently, scholars such as Moyo (2012) have posited "trade, not aid" as the way forward for ensuring that Southern countries are empowered within themselves to develop. SSC is identified as a means for bottom-up development: South-South rather than North-South linkages that emphasize economic growth from within rather than continual reliance on foreign aid. It has been previously argued that the similar status of financial instability across the Global South has brought a form of cooperation through mutual understanding of financial status (Najam and Thrasher 2012). This volume focuses attention on the current structure of international aid cooperation with the emergence of SSC. As well, while North-South aid relationships were buried within notions of altruism, in fact inequality, policies, and conditionalities underlined these partnerships (Chaturvedi, Fues, and Sidiropoulos 2012). However, it should be noted that these authors recognize that these criticisms also exist in South-South partnerships.

In 1982, Shridath Ramphal wrote a piece that can be seen to almost foreshadow the current SSC existing in the Global South (Ramphal 1982). He argued that the dominance of Western powers in North-South countries meant that developing countries needed to shift to relationships that kept economic growth within their boundaries. He saw economic cooperation between developing countries as an even better opportunity for growth than shifting to the then-proposed Group of 77. Some thirty-six years later, Ramphal's paper bears much truth. The 1978 signing of the Buenos Aires Plan of Action, which adopted the instrument of technical cooperation among developing countries, further illustrates an emerging recognition of the need for SSC during this period. Indeed, SSC is used as a way to improve economic conditions in the developing world, recognizing that the traditional structure of development that shows Southern countries' reliance on Northern assistance has not been successful. However, present increases in SSC, and their benefits to the developing world, are noteworthy because of the sheer growth in these forms of cooperation. Much of this has to do with change to traditional development.

Scholars have recently argued that financial development assistance is not just ineffective but, damaging to economic growth prospects for the developing country (Bauer 2000; Easterly 2012; Moyo 2012; Coyne and Ryan 2009; Leeson 2008; Prokopijevic 2006). Easterly (2006, 4) explains that

> Over the past 42 years, $568 billion (in today's dollars) flowed into Africa, yet per capita growth of the median African nation has been close to zero. The top quarter of aid recipients . . . received 17 percent of their GDP in aid over those 42 years, yet they also had near-zero per capita growth. Successful cases of development due to a large inflow of aid and technical assistance have been hard to find.

In addition to the poor track record of aid effectiveness, the aggressive economic growth of non-aid recipient countries is also noteworthy, especially when examining the case of the so-called Four Asian Tigers, named because of their aggressive growth.

In many ways, SSC is an attempt to realize the mantra of trade, not aid. The Pacific countries, for example, have heightened their economic connectivity with one another and lessened their ties with Commonwealth states, including Australia and New Zealand; the latter may share geographic proximity, but their placement as developed countries removes them from attempts at collaboration between lesser-developed countries. Perhaps the attribute of SSC considered most attractive by lesser-developed states is the horizontal, rather than vertical, form of networking. Slaughter (2004) argued that the global structure is shifting such that relationships are more horizontal, rather than vertical, in scope. Glennie (2011) agrees, asserting that the shift to SSC, inherently a horizontal formation, is "the future of international development.".

At the first China-Africa ministerial conference, leaders "agreed on a broad program of SSC, based on equality and mutual benefit, that included provisions on trade, investment, debt relief, tourism, migration, health, education, and human resources development" (Kindornay 2011, 13). These goals are clearly comparable to those of international development, including the broad-based papers dealing with millennium development goals and poverty reduction strategy. Moreover, SSC has been highlighted as an important component for achieving the new sustainable development goals, expanding on the opportunities listed in the 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (UNDP 1978). The United Nations Development Programme (UNDP), for example, has committed to South-South and Triangular Cooperation within its Africa Regional Programme initiative (UNDP 2014).

What this shows, then, is that SSC is encouraging development, while at the same time seeking to promote economic relevance and support between Southern countries.

SSC and Its Institutional Forms

The United Nations (UN) has been very involved in efforts to establish SSC. The High-Level Committee on SSC is a sub-committee of the General Assembly, and the UN Office for SSC is embedded within the UNDP. Together, these bodies research, review, and propose policy to improve the experience and advance the scope of SSC. The existence and mandates of these bodies indicate the relevance and importance the UN system places on SSC as a whole. The most recent high-level committee meeting in April 2016 sought to promote "socio-economic transformation through infrastructure development, employment creation, social cohesion and transfer of technologies using SSC" (SSC 2012).

Indeed, the majority of the UN system that is interested in the developing world has institutionalized SSC: UNDP, as mentioned; United Nations Conference on Trade and Development, through its 2012 Multi-year Expert Meeting on International Cooperation: SSC and Regional Integration; and the UN Economics and Social Council, through its creation of background documents that seek to observe the importance of SSC. Even the latter case, where information is being collected rather than acted upon, showcases a clear recognition that SSC is an important component to the present story of the global system. To be sure, SSC matters.

The International Labour Organization recognized SSC as a potential contributor to labour partnerships in its 2010 publication *Partnerships for Decent Work: SSC* (ILO 2010). The Food and Agriculture Organization (FAO) has published a training guide for monitoring and evaluating SSC projects (FAO 2011). Undoubtedly, SSC has been institutionalized effectively. It is becoming an important component to an international understanding of the political and economic landscape of the Global South. At the UN level, one can certainly see an institutionalization of the concept into the major arms of the global system. With all Bretton Woods institutions recognizing the importance of SSC for future improvements of the developing world, SSC is becoming a major player in academic scholarship, policy indicators, and practice. Despite SSC clearly playing an important role in the current global economic landscape, scholarship has not kept pace with policy outcomes. It is our hope that this publication fills that gap, providing an overview of SSC and its most effective responses, namely institutions, regional focus, and policy outcomes.

Purpose and the Plan of the Book

The book brings together leading academics and respected practitioners from around the Global South and elsewhere who have been directly involved in issues relating to SSC and its modalities. In these chapters, they expand ideas and policy recommendations on the current and future structural elements of SSC. The book is divided into two parts: The first four chapters revolve around SSC policy and programs, while Part 2 includes seven chapters that make up case studies from China, Africa, Brazil, Indonesia, and Turkey.

In **Chapter 1**, *Fulfilling the Promise of South-South Cooperation,* Manmohan Agarwal shows that although there is an argument for the emergence of SSC in the developing world in the 1960s, few efforts came to fruition during this period. In contrast, globalization and current trends in Foreign Direct Investment (FDI) ensure that SSC has a sound platform for improving the economies of developing countries.

The chapter presents the argument that SSC has been, and will continue to be, a reality for South-South trade. It provides an analysis that is particularly helpful to emerging economies that can help one another boost their gross domestic product through intra-regional trade efforts. The chapter also looks to the need for institutional change, particularly at the G20, to further this potential. SSC is necessary to sustain high rates of growth in developing countries, further demonstrating that the future of SSC is effective for improving economic growth in the developing world through key advances.

In **Chapter 2**, *South-South Cooperation Blocs and Influence in Development Assistance*, Natasha Fernando introduces SSC as an agent for social progress for developing countries. She discusses the UN's efforts in coordinating and promoting SSC, including the aid trajectory of SSC blocs such as IBSA and BRICS. Examples of SSC good practices in areas such as the environment, nutrition and food security, health and social protection, education, gender equality, child labour, and water and sanitation hygiene are shared. The ultimate objective of the chapter is to demonstrate how the country blocs of SSC are collaborating, with or without the UN system, to deliver value-added, successful development initiatives that typical North-South arrangements have not achieved.

Chapter 3, *Triangular Cooperation: Another Option for South-South Cooperation?*, by Christina S. Lengfelder, introduces Triangular Cooperation as an additional form of SSC to the literature, identifying areas of cooperation and actors involved. The chapter discusses the potential to increase effectiveness and efficiency of SSC and North-South Cooperation (NSC) through Triangular Cooperation and presents four criteria for potentially successful projects. Finally, the chapter provides recommendations on how to proceed with this new cooperation modality without compromising the needs of developing countries. The aim of the chapter is therefore twofold: to familiarize the reader with a largely understudied development cooperation modality and to invite the reader to take a critical look at its purpose, considering the controversy around its potential to improve SSC and NSC.

Chapter 4, *Fragile-to-Fragile Cooperation: An Example of a New Trend in South-South Cooperation?*, by Karolina Werner, seeks to acknowledge the gaps in the aid and development policy architecture. In

2013, the G7 group of fragile states proposed a new system of cooperation between countries, labelled Fragile-to-Fragile (F2F) cooperation. F2F is focused primarily on peace- and state-building objectives and supports the implementation of the New Deal for Engagement of Fragile States. This chapter explores how the new framework of F2F cooperation can be understood within the context of South-South Cooperation. It discusses the origins of F2F cooperation, and analyzes its unique aspects, such as its focus on peace- and state-building, and the potential role it has in responding to the weaknesses of the current system. The author argues that F2F is a natural development that builds on the foundations provided by SSC, giving fragile states and international partners a framework within which to support the goals of the g7+ and increase the group's political influence.

Chapter 5, *South-South Cooperation with Chinese Characteristics*, by Ward Warmerdam and Arjan de Haan, captures the emergence of China as an important player in SSC. The first two sections of the chapter present Chinese definitions of SSC and its historical context. The next sections discuss the role of the UN system in China's SSC programs, how China views the North-South dialogue, and the Forum on China-Africa Cooperation (FOCAC). The chapter then discusses the role of China's Go Out policy in its SSC and provides three examples of SSC projects by Chinese practitioners. The final section concludes with an account of select problems of SSC as discussed by Chinese scholars and practitioners.

In **Chapter 6**, *China and Africa: Somewhere Between Economic Integration and Cooperative Exploitation,* Ariane Goetz assesses key characteristics of the Chinese presence in and cooperation with African countries. The author first highlights the significance that China-Africa Cooperation has gained during the last three decades in the areas of trade and investment. She then introduces the main institutions, instruments, and principles that facilitate this form of SSC and discusses the extent to which these are unique to China-Africa Cooperation, followed by an examination of the impact of the intensified relations between African countries and China with regard to China, African countries, and third parties. The chapter concludes with a look at the unique nature of Chinese cooperation with African countries—in view of international development, outcomes, and institutions—and considers the factors that would ensure these relations are mutually beneficial.

Chapter 7, *What Does the Evidence Say about Contemporary China-Africa Relations?*, by Barassou Diawara and Kobena T. Hanson, investigates China's interest in Africa under the guise of South-South Cooperation and in an era of economic globalization. Since the late 1990s through China's Go Out policy, Sino-African trade and cooperation has experienced unprecedented growth, which culminated in the establishment of the Forum on China-Africa Cooperation (FOCAC) to further enhance and advance China-Africa Cooperation. With the heightening of cooperation, trade has expanded rapidly, growing from approximately US$2 billion in 1999 to over US$200 billion in 2014. This chapter assesses the relationship between China and Africa post-2000, paying attention to the exchanges crucial to both regions in terms of investment, trade, and natural resources; and argues that while the relationship is generally mutually beneficial, if it is to be more strategic and sustainable, African countries need to have a clear and cohesive policy toward China. China also needs to ensure that accountability and monitoring frameworks are guaranteed, and both sides need to advance the transfer of technology and know-how as well as strengthen the cooperation process.

Chapter 8, *South-South Cooperation's Contribution to Local Development and Urban Planning in Africa*, by Cristina D'Alessandro, analyzes South-South Cooperation from a human geography perspective. Using the work of geographers such as Emma Mawdsley, it challenges common representations and interpretations of SSC, and goes beyond the most famous and numerous Sino-African experiences to focus on other case studies, like the Brazil Agricultural Research Corporation [*trans.*] (EMBPRAPA), an example of cooperation between Brazil and Africa related to agriculture. At the core of the chapter is a local perspective on SSC—what it brings to decentralization and local development. More specifically, in urban African contexts, examples from South Africa, Lesotho, and Mozambique, among others, are used to point out that SSC is an excellent tool to make city planning and development more sustainable. The conclusion summarizes the benefits of these approaches for the implementation of the post-2015 development agenda, within the finance for development requirements.

Chapter 9, *Natural Resource Governance in Africa: Insights from Governance Initiatives on Conflict-Prone Minerals and Sustainable Forestry*, by Andrew Grant, begins by emphasizing that South-South Cooperation is not a new concept, although developments in recent years have heightened its dialogue. Grant adds to the importance, showcasing new forms of natural resource governance in the African context, using, as examples, the International Conference on the Great Lakes Region, and la Commission des Forêts d'Afrique Centrale (the Central African Forests Commission). He combines network governance theory with the new regionalisms approach to argue that the stronger the network density, the greater the amount of authority and legitimacy available for natural resource governance initiatives. The chapter concludes with policy recommendations for African natural resource governance based on the analysis developed.

Chapter 10, *Emergence of Mega-Regional Trade Agreements and the Imperative for African Economies to Strategically Enhance Trade-Related South-South Cooperation*, by Simon Mevel, empirically assesses the implications which the conclusion of emerging mega-regional trade deals may have on Africa and its economies. Findings indicate that African countries would suffer from erosion of preferences and subsequent reduction in their exports towards members of major mega-regional blocks. Evidence further suggests that Africa's best response would be to effectively implement its own mega-regional trade agreement: the African Continental Free Trade Area (AfCFTA). Moreover, and with the AfCFTA in place, African countries would then be in better position to open-up vis-à-vis the rest of the world, starting with partners from Asia and the Middle East. Prioritizing such South-South Cooperation would offer invaluable opportunities for Africa to industrialize through trade and it would not just be in Africa's interest as South partners would also be expected to benefit from closer trade ties with African countries.

In **Chapter 11**, *Learning from Peers: How Brazil and Indonesia Are Structuring Institutional and Operational Models for South-South Knowledge Exchange,* Karin Costa Vazquez compares the process of structuring institutional and operational models for South-South knowledge exchange in Brazil and Indonesia. While Indonesia's knowledge hub established broader policy objectives and systematized the country's own knowledge, it has not clustered activity-based initiatives into more complex knowledge programs, nor has it embedded robust partnerships into its knowledge programs. Brazil's knowledge hub, created when the country was a recipient of aid, has managed to innovate in program design and partnerships. The chapter concludes by identifying lessons learned and recommends ways to advance the institutionalization of South-South knowledge exchange in both countries based on each other's experiences and practices.

Chapter 12, *An Emerging Donor in Retrospect: Understanding Turkey's Development Assistance Activism*, by Aylin Yardımcı, provides an account of the progression of Turkey's outlook on development cooperation and outlines the evolution of the country's experience in development assistance within a historical-political-economy perspective. The chapter opens with an overview of the changing dynamics of international development assistance and the current debates surrounding the non-traditional emerging donor countries. It then presents a brief outline of Turkey's history as a recipient of the United Nations Official Development Assistance program, followed by a closer look at its transition to a donor country in recent years. The chapter's overall aim is to emphasize the value added by Turkey's development assistance practices and policies to the wider context of SSC.

Final Remarks

The United Nations (UN) Day for South-South Cooperation (SSC) on September 12 celebrates the economic, social, and political developments made in recent years by regions and countries in the South and highlights the UN's efforts to work on technical cooperation among developing countries. "Developing countries have the primary responsibility for promoting and implementing SSC, not as a substitute for, but rather as a complement to North-South cooperation" (UNRIC 2012). As globalization has further permeated political, economic, and social systems, SSC has grown in significance. It has created regions where no geographical borders exist, shifted development from more top-down approaches, and created opportunities for socio-economic growth, especially in emerging economies.

SSC is growing in significance and form, and academic literature is slowly entering into the policy landscape, critiquing not only the assumptions of SSC, but also its very definition. This book intends to push this scholarship even further, noting the myriad ways in which SSC operates—from aid to trade—and recognizing the regional peculiarities of the concept. SSC is not a new form or even an alternative form of global relations; it is something much grander, encompassing socio-economic traits and shifting power, traditions, and lenses in the process. Our aim is to shed light on these very important concepts.

References

Abdenur, Adriana Erthal, and João Moura Estevão Marques Da Fonseca. 2013. "The North's Growing Role in South-South Cooperation: Keeping the Foothold." *Third World Quarterly* 34, no. 8: 1475–1491.

Alden, Chris. 2007. *China in Africa: Partner, Competitor, or Hegemon?* London: Zed Books.

Bauer, Peter T. 2000. *From Subsistence to Exchange and Other Essays*. Princeton: Princeton University Press.

Calderisi, Robert. 2006. *The Trouble with Africa: Why Foreign Aid Isn't Working.* New Haven: Palgrave Macmillan.

Chandiwana, S., and N. Ornbjerg. 2003. "Review of North-South and South-South Cooperation and Conditions Necessary to Sustain Research Capability in Developing Countries." *Journal of Health, Population, and Nutrition* 21, no. 3: 288–297.

Chaturvedi, Sachin, Thomas Fues, and Elizabeth Sidiropoulos, eds. 2012. *Development Cooperation and Emerging Powers: New Partners or Old Patterns?* London: Zed Books.

Cheru, Fantu. 2016. "Emerging Southern Powers and New Forms of South-South Cooperation: Ethiopia's Strategic Engagement with China and India." *Third World Quarterly* 37, no. 4: 592–610. DOI: 10.1080/01436597.2015.1116368.

Cornia, G.A., R. Jolly, and F. Stewart. 1987. *Adjustment with a Human Face.* 2 vols. Oxford: Clarendon Press.

Coyne, Christopher J., and Matt E. Ryan. 2009. "With Friends Like These, Who Needs Enemies? Aiding the World's Worst Dictators." *Independent Review* 14, no. 1: 26–44.

Cruz, Anabel. 2010. "South-South Cooperation and Knowledge Exchange: A Perspective from Civil Society." *Development Outreach, World Bank* 12, no. 2: 25–26.

DeHart, Monica. 2012. "Remodelling the Global Development Landscape: The China Model and South-South Cooperation in Latin America." *Third World Quarterly* 33, no. 7: 1359–1375.

De Renzio, Paolo, and Jurek Seifert. 2014. "South-South Cooperation and the Future of Development Assistance: Mapping Actors and Options." *Third World Quarterly* 35, no. 10: 1860–1875.

Easterly, William. 2006. *The White Man's Burden.* New York: Penguin Books.

———. 2007. "Was Development Assistance a Mistake?" American Economic Review 97, no. 2: 328–332.

Elliott, Larry. 2014. *Mint Condition: Countries Tipped as the Next Economic Powerhouses.* The Guardian. Accessed November 2, 2015. https://www.theguardian.com/business/2014/jan/09/mint-condition-countries-tipped-economic-powerhouses.

Esteves, Paulo, and Manaíra Assunção. 2014. "South-South Cooperation and the International Development Battlefield between the OECD and the UN." *Third World Quarterly* 3, no. 10: 1775–1790.

FAO (Food and Agriculture Organization of the United Nations). 2011. "Monitoring and Evaluation Toolkit for South-South Cooperation Projects." Rome: FAO. http://www.fao.org/fileadmin/templates/tc/spfs/pdf/M-E_Toolkit_SSC.pdf.

Glennie, Jonathan. 2011. "The Role of Aid to Middle-Income Countries: A Contribution to Evolving EU Development Policy." Working Paper 331. *ODI* Overseas Development Institute. Accessed November 2015. https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7189.pdf.

Guerrero, Dorothy-Grace, and Firoze Manji. 2008. *China's New Role in Africa and the South.* Cape Town: Fahamu Books.

Gudynas, Eduardo. 2016. "Beyond Varieties of Development: Disputes and Alternatives." *Third World Quarterly* 37, no. 4: 721–732. DOI: 10.1080/01436597.2015.1126504.

ILO–International Labour Organization. 2010. "Partnerships for Decent Work."

IPC–IG (International Policy Centre for Inclusive Growth). 2012. "The Role of South-South Cooperation in Inclusive and Sustainable Agriculture Development." Number 24. http://www.ipc-undp.org/pub/IPCPovertyInFocus24.pdf.

Katzenstein, Peter J. 2005. *A World of Regions: Asia and Europe in the American Imperium.* Ithaca: Cornell University Press.

Kindornay, Shannon. 2011. "From Aid to Development Effectiveness: A Working Paper." Ottawa: North-South Institute. Accessed June 2015. http://www.nsi-ins.ca/wp-content/uploads/2012/10/2011-From-aid-to-development-effectiveness.pdf.

Leeson, P.T. 2008. "Escaping Poverty: Foreign Aid, Private Property, and Economic Development." *Journal of Private Enterprise* 23, no. 2: 39–64.

Mawdsley, Emma. 2012. *From Recipients to Donors: Emerging Powers and the Changing Development Landscape.* New York: Zed Books.

Modi, Renu. 2011. *South-South Cooperation: Africa on the Centre Stage.* London: Palgrave Macmillan.

Moyo, Dambisa. 2009. *Dead Aid: Why Aid Is Not Working and How There Is Another Way for Africa.* London: Penguin Books.

———. 2012. *Winner Take All: China's Race for Resources and What It Means for the World.* New York: Basic Books.

Najam, Adil, and Rachel Thrasher, eds. 2012. *The Future of South-South Economic Relations.* London: Zed Books.

O'Neill, Jim. 2011. *The Growth Map: Economic Opportunity in the BRICs and Beyond.* London: Penguin Group.

Othieno, Lawrence, and Isaac Shinyekwa. 2011. "Prospects and Challenges in the Formation of the COMESA-EAC and SADC Tripartite Free Trade Area." Research Series No. 87. Kampala: Economic Policy Research Centre

Prokopijevic, Miroslav. 2006. "Why Foreign Aid Fails." *ICER Working Papers.* No. 19. Torino: International Centre for Economic Research

Quadir, Fahimul. 2013. "Rising Donors and the New Narrative of 'South-South' Cooperation: What Prospects for Changing the Landscape of Development Assistance Programmes?" *Third World Quarterly* 34, no. 2: 321–338.

Ramphal, Shridath. 1982. "South-South: Parameters and Pre-Conditions." *Third World Quarterly* 4, no. 3: 460–466. Based on a lecture given by Shridath Ramphal at the India International Centre on February 23, 1982.

Rice—Rice Outlook Catalogue. 2013.

Rist, Gilbert. 2003. *The History of Development: From Western Origins to Global Faith*. Zed Books: London.

SADC (Southern African Development Community). 2012. "Integration Milestones: Free Trade Area." https://www.sadc.int/about-sadc/integration-milestones/free-trade-area/

Slaughter, Anne-Marie. 2004. *A New World Order.* Princeton: Princeton University Press.

Thede, Nancy. 2013. "Policy Coherence for Development and Securitization: Competing Paradigms or Stabilising North-South Hierarchies?" *Third World Quarterly* 34, no. 5: 784–799.

UNDP. 1978. "Buenos Aires Plan of Action." https://drive.google.com/file/d/0B-buqyoV0jpSMm1OVEZYU2hNTWc/view.

———. 2014. "Africa Regional Programme." http://www.africa.undp.org/content/dam/rba/docs/Programme%20Documents/regional-programme-2014-2017.pdf.

UN-SSC. 2011. High-level Committee on South-South Cooperation. Draft Report. New York: UN Digital Library. https://digitallibrary.un.org/record/728510/files/SSC_17_L.4-EN.pdf

UNOSSC. 2014. "About: What Is South-South Cooperation?" http://unossc1.undp.org/sscexpo/content/ssc/about/what_is_ssc.htm.

UNRIC (United Nations Regional Information Centre) 2012. "United Nations Day for South-South Cooperation." https://www.unric.org/en/latest-un-buzz/27813-united-nations-day-for-south-south-cooperation.

World Bank. https://data.worldbank.org/indicator/NE.EXP.GNFS.ZS?end=2017&locations=BW&start=1976&view=chart.

Zafar, Ali. 2007. "The Growing Relationship Between China and Sub-Saharan Africa." *The World Bank Research Observer* 22, no. 1: 103–130.

Page left blank intentionally

PART 1

SOUTH-SOUTH COOPERATION: POLICIES AND PROGRAMS

CHAPTER 1

Fulfilling the Promise of South-South Cooperation[1]

Manmohan Agarwal

Introduction

Developing countries experienced rapid economic growth in the years immediately before the 2008 financial crisis. While this was a continuation of a long and stable trend in East and South Asia, it was a welcome new trajectory for countries in Latin America and Sub-Saharan Africa, where economic activity had stagnated for nearly a quarter of a century. The rapid growth was accompanied by rising investment levels and increasing integration with the world economy, as well as increased interaction among developing countries. A likely challenge in further developing South-South Trade (SST) would be to ascertain how to negotiate a preferential trade agreement (PTA) among developing countries. A network of PTAs for countries in the Association of Southeast Asian Nations (ASEAN)+6 could be the foundation for the establishment of a system of preferences among developing countries.[2] Alternatively, BRICS, a trade association made up of Brazil, Russia, India, China, and South Africa—the world's largest five emerging economies—could play a crucial role. Initial talks for collaboration by the BRICS countries began in September 2006, and the model with which it was developed, negotiated, and finalized could serve as the framework for other South-South Cooperation (SSC) trade agreements.[3]

A hallmark of SSC is that the developing countries initiate partnerships with the understanding that mutual benefit, equality, and non-conditionality inform technical cooperative agreements. For the purposes of this chapter, "technical cooperation" is defined as any action or policy by a developing country that privileges economic transactions with one or more developing countries. Privilege exists, for example, when imports from developing countries into another developing country face a lower import duty than similar goods from a developed country, or when rules of entry for banks are less stringent for banks in developing countries than those in developed countries. Although cooperation is more common and easier to introduce at the regional level, significant economic benefits accrue when SSC is inter-regional. To be effective, SSC requires that such policies encompass a significant portion of transactions, be they trade, investment, or financial.[4] SSC can also serve as an impetus for developing countries to harmonize their negotiating positions to bring about changes in international economic governance, whether through coordinated action at the G20 or United Nations (UN) level, by organizations such as the World Bank or by standard-setting bodies such as the International Organization of Securities Commissions.

The push for South-South Trade gained momentum in the 1960s, arising from the high costs of production that resulted from the establishment of small-scale plants under the import substitution industrialization (ISI) strategy adopted by most developing countries in the 1950s and 1960s. Due to their higher price, goods could not compete in world markets. The resulting stagnant exports combined with rising imports of intermediate goods for the new industries and of capital goods for investment put a brake on growth. PTAs—for example, the Latin American Free Trade Association agreement, Central American Common Market, Andean Pact, and East African Community between Kenya, Uganda, and Tanzania—were recommended by experts such as Prebisch (1959) to allow for industry specialization and establishment of production plants that benefited from economies of scale.

However, stemming from previous experience, the less industrialized members feared that most of the benefits would accrue to the more developed members of the PTA.[5] The failure to devise schemes that would result in a more appropriate and fair distribution of benefits between the more and the less developed countries in the PTA resulted in limited progress in implementing PTAs (Robson 1972; Agarwal 1989).

In order for more countries to benefit and therefore participate in trade agreements, from both a strategic and moral standpoint, SSC must encompass the entire production process. With the splintering of production processes, a product is no longer produced in its entirety in a single country. Raw materials are imported, different product parts are produced in different countries, and assembly takes place in yet another country. From the assembly line, the product is distributed internationally to customers.[6] The level of coordination, oversight, and management is staggering, making it necessary for some entity to coordinate the entire process to ensure that decisions are made in a timely manner and that parts are compatible. This coordination function is usually performed by transnational corporations (TNCs), which often establish satellite companies to produce the parts—providing capital and/or technology.

When a TNC first starts operations, it often encourages its suppliers in its home market to establish operations in the host country. This means that a larger proportion of the final price of the product accrues to the persons or entities involved in the design, technology, and marketing of the product than to the people providing the labour. As companies in developing countries mature, they themselves become TNCs—they are no longer a step in the production process governed by others. When this occurs, a greater percentage of the product price accrues to the companies in developing countries.[7] As a result, South-South transactions have spread from trade to outward flows of foreign direct investment (FDI), as well as to transference of technologies produced by developing countries—creating scope for cooperation in these areas.

With more and more developing countries able to break ground on innovative technologies, the scope for cooperation in science and technology has increased considerably. The huge pool of savings creates an opportunity for financial collaboration and optimizes financial allocation and investment among developing countries. Moreover, with many developing countries having large foreign exchange reserves,[8] the issue is whether these reserves can be beneficially pooled so that more of the savings can be invested rather than left stagnant and underutilized.

In brief, SSC must cover trade, finance (such as loans from national development banks, financial market development, and common rules for listing on stock exchanges), investment (FDI), and technology. Such a wide coverage is essential, even if it is to only take advantage of trade opportunities where the current state of splintered (or competitive) production means either building a global value chain or becoming part of one.[9]

Attempts to form preferential trading areas in the 1960s and 1970s failed in part due to fear by less industrialized countries that most of the benefits would go to the more industrialized countries. Today, similar fears exist that countries such as China, India, Brazil, and South Africa may be the major beneficiaries of any preferential agreement in manufacturing trade. The more sectors that are covered by SSC, the greater the probability that a country will gain a comparative advantage in an area, particularly if the technology sector is included.

Appropriate policy actions that are aligned with a country's domestic priorities and national agenda—for example, skills training exchanges, visiting scholar programs, and multilateral aid initiatives—can enhance and accelerate the development of SSC efforts. Such policy actions can help ensure that less developed countries benefit in terms of faster growth, faster technology development, or improved social outcomes (such as faster poverty reduction or falling mortality rates).

In previous years, opportunities for SSC were far from optimal, with the terms of engagement disadvantaging the developing country. While policies to foster SSC can correct this imbalance, cooperative and aid initiatives between developed and developing countries have their own benefits and merits. Reliance on the North-South mode of operation is projected to be unwise. With growth in the developed countries expected to remain low in the medium term,[10] SSC can contribute to maintaining high rates of growth in developing countries. Moreover, given that SSC is not meant to be altruistic or propagate a donor–recipient power imbalance and sense of superiority, it is expected that all participants will benefit equally, and that national ownership will uphold domestic economic and development priorities. The lesser asymmetries of power among developing countries and accountability that could be encouraged as a result of meetings of developing countries, including members of the G77, could ensure a more even distribution of the benefits from SSC.[11] However, the members of G77, a coalition of developing nations designed to promote its members' collective economic interests, have yet to play such a role. Moreover, it is uncertain whether they are in a position to do so, or even if they will be permitted to do so.

An argument can be made that SSC should be developed through a process similar to that of open regionalism—where countries would be free to join if they met certain conditions. The need for cumbersome negotiations when a new member wishes to join would be avoided, and countries would join only if they believed they would gain in both the short and long terms. They would also be free to propose adjustments that would improve their trade prospects—amendments that would be formally agreed to by the other member countries. While criticism that Chinese exports have led to deindustrialization in Sub-Saharan Africa highlights the fear of asymmetric benefits, it is difficult to substantiate that hypothesis (Table 1). There is also the fear that countries that face persistent disadvantages even among other developing countries could be stuck at the bottom of global value chains (GVCs) indefinitely. As it is, there is debate about whether China should continue to be classified as a developing country.

Recent Economic Performance

Growth and Investment

Growth of the world's gross domestic product (GDP), which had declined following oil price increases in 1973–74, started to pick up in the years immediately before the recent financial crisis (Table 1.1).[12] This improved performance mirrored the performance in the pre-1973–74 period—often called the "golden age of capitalism"—when the world economy experienced rapid growth (Marglin and Schor 1990), and was due entirely to more rapid growth in developing countries, most notably in Latin America and the Caribbean (LAC) and Sub-Saharan Africa. Per capita incomes declined in Sub-Saharan Africa for almost two decades from 1982, whereas incomes declined in LAC only in the 1980s after the 1982 debt crisis (Agarwal 2008).

The improved performance in developing countries was widely shared, with all developing countries experiencing faster growth (Table 1.1). Furthermore, in the 2006–07 period, developing countries performed even better than in the pre-1973–74 period, in contrast to developed countries, which fared far worse. This outcome suggests that economic performance in developing countries is less closely linked or entwined with that in developed countries. Indeed, in 2006–07, per capita incomes in developed countries grew by 1.5 percent, compared with a respective growth of 3.7, 3.4, 6.0, and 8.6 percent in Latin America, Sub-Saharan Africa, South Asia, and East Asia.[13]

Table 1.1 Growth of GDP (average annual percent)[14]

Region	1990–2000	2001–5	2006–7	2008–9	2010–11
World	2.9	2.8	4.0	–0.4	3.5
High-Income	2.7	2.2	2.8	–1.8	2.4
Middle-Income	3.8	5.4	8.4	4.2	7.1
Low-Income	2.3	4.8	6.3	5.2	6.0
Least-Developed Countries (LDCs)	3.4	6.0	7.8	5.8	4.9
EAP	8.4	8.4	11.6	8.0	9.0
ECA	–1.5	5.8	7.6	–1.1	5.8
LAC	3.2	2.6	5.9	1.4	5.5
MENA	3.9	4.1	5.7	4.2	4.2
South Asia	5.3	6.4	8.8	5.7	7.6
Sub-Saharan Africa	2.3	4.4	6.1	3.5	4.9
Argentina	4.7	2.3	8.6	3.8	5.1
Brazil	2.6	2.8	5.0	2.4	5.1
Mexico	3.5	1.9	4.2	–2.4	4.7
Russia	–3.6	6.1	8.3	–1.3	4.3
Saudi Arabia	3.3	3.8	2.6	2.2	5.7
South Africa	1.8	3.8	5.6	1.0	3.0
Turkey	3.7	4.7	5.8	–2.1	8.8
China	10.5	9.8	13.5	9.4	9.8
India	5.6	6.8	9.5	6.1	8.2
Indonesia	4.4	4.7	5.9	5.3	6.3
Korea	6.2	4.5	5.1	1.3	5.0

Sources: World Bank Data Bank, World Development Indicators, World Bank.

With the exception of South Korea and Saudi Arabia, the developing country member states of the G20 enjoyed better economic performance in the period 2006–07 than in the 1990s (Table 1.1).[15]

Economic growth among developing countries has been accompanied by rising investment levels and increasing integration with the world economy. While investment as a ratio of GDP increased in high-income developed countries in 2006–07, it was still lower than it had been in the period up until the 1980s. The current long-term steady decline in the investment ratio reflects the abundance of capital in these economies. Also, while there has been a reversal of the decline in investment ratios experienced by Sub-Saharan Africa and the LAC countries

(Table 1.2), these investment ratios still remain lower than the ratios achieved in the 1960s and 1970s. Furthermore, investment ratios in these regions remain substantially lower than those in Asia, where the ratios in South Asia are beginning to catch up with those in East Asia.

Table 1.2 Investment Rate in Developing Countries (percentage of GDP)

	1990–2000	2001–05	2006–07	2008–09	2010–11
All	23.4	23.6	26.1	27.3	27.4
EAP	31.7	33.6	35.5	38.1	39.9
China	32.9	38.3	39.9	43.4	45.6
Indonesia	26.1	20.9	24.5	29.4	32.1
Korea	35.1	29.0	28.6	29.2	27.9
ECA	21.6	19.5	22.4	22.2	21.7
Russia	20.4	18.3	19.7	22.1	21.5
Turkey	23.4	18.2	22.1	18.4	20.4
LAC	18.6	17.7	20.0	20.8	20.5
Argentina	17.6	16.4	23.8	22.1	22.3
Brazil	17.9	16.1	16.9	18.6	19.4
Mexico	19.2	19.6	21.0	21.7	20.9
MENA	23.1	22.3	23.8		
Saudi Arabia	19.3	17.6	19.0	21.6	19.8
South Asia	22.2	25.0	30.0	29.7	28.5
India	23.1	26.5	32.1	32.0	31.2
Sub-Saharan Africa	17.0	17.3	19.4	21.5	20.4
South Africa	16.2	15.1	19.3	22.7	19.2

Sources: World Bank Data Bank, World Development Indicators, World Bank.

Increasing Integration of Developing Countries with the World Economy

The increasing integration of developing countries with the world economy can be seen in the higher exports as a percentage of GDP (Table 1.3), as well as in the higher ratios of inward and outward flows of foreign direct investment (FDI) (Tables 1.4 and 1.5). The share of exports[16] has increased for all developing countries, as well as almost all developing country members of the G20, with the exception of Russia. The increase in export share is a result of a number of factors, including more realistic exchange rates and more relaxed trade regimes.

Table 1.3 Exports of Goods and Services (percentage of GDP)

	1990–2000	2001–05	2006–07	2008–09	2010–11
All	22.3	29.1	32.4	29.3	29.5
EAP	28.0	38.9	45.9	38.5	38.6
China	20.3	29.7	38.8	30.8	30.5
Indonesia	31.6	33.7	30.2	27.0	27.2
Korea	31.9	36.9	40.8	51.4	52.4
ECA	29.4	34.7	32.7	31.8	33.3
Russia	43.0	35.4	31.9	29.7	28.8
Turkey	19.0	24.2	22.3	23.6	21.2
LAC	17.3	22.6	24.0	22.3	22.8
Argentina	9.0	22.9	24.7	22.9	21.8
Brazil	8.6	14.6	13.9	12.3	11.4
Mexico	24.9	26.7	27.9	27.8	30.6
MENA	24.4	31.4	38.2		
Saudi Arabia	37.2	48.1	64.0	36.6	59.8
South Asia	11.5	16.3	20.3	20.8	21.7
India	10.3	15.6	20.8	21.9	23.7
Sub-Saharan Africa	27.6	31.7	33.9	33.0	32.4
South Africa	23.9	28.9	30.6	31.6	28.1

Sources: World Bank Data Bank, World Development Indicators, World Bank.

While the absolute amount of FDI flowing to developed countries differs significantly from the amount flowing to developing countries, as a percentage of GDP, the flows are similar. The importance of inward FDI is much less for South Asia, and in particular India, as the largest emerging economy in the region. This was because until the liberalization of policies started in 1991, there were stringent controls on FDI in India. Since the economic policy liberalization, FDI has been increasing rapidly, which in turn raises the inward FDI for South Asia. As a share of GDP, inward flows have quintupled from the 1990s to 2011 (Table 1.4).

While outward flows of FDI from developing countries are much smaller than those for developed countries, they have been increasing rapidly—quadrupling in the last fifteen years (Table 1.5). Outward FDI flows are becoming important for the larger developing countries, with the exception of Saudi Arabia and Turkey. Firms can choose to produce the product domestically and export or to license

Table 1.4 Inward Flows of FDI (percentage of GDP; average for the period)

	1990–2000	2001–05	2006–07	2008–11
World	1.6	2.1	3.9	2.5
High-Income	1.5	1.9	4.0	2.4
Middle-Income	2.0	2.6	3.7	3.0
Low-Income	0.9	2.2	2.6	3.4
EAP	3.3	3.0	4.2	3.2
ECA	1.0	2.5	5.1	3.7
LAC	2.2	3.0	2.9	2.7
MENA	0.7	2.0	3.9	2.5
South Asia	0.5	0.9	2.2	2.2
Sub-Saharan Africa	1.4	3.2	2.8	3.3
Argentina	2.7	2.0	2.5	1.9
Brazil	1.8	2.7	2.5	2.6
Mexico	2.3	3.4	2.6	2.0
Russia	0.8	1.6	3.6	3.3
Saudi Arabia	0.4	0.6	5.7	6.8
South Africa	0.6	2.2	1.0	1.8
Turkey	0.4	1.1	3.6	1.8
China	3.8	3.4	4.5	3.4
India	0.4	0.9	2.1	2.4
Indonesia	0.8	0.3	1.5	1.7
Korea	0.7	0.7	0.3	0.3

Sources: World Bank Data Bank, World Development Indicators, World Bank.

production in the host country. Depending on labour costs, it may be cheaper to produce in the host country. However, if the knowledge that the firm possesses is not transferable through a licence, the firm may opt for the FDI route (Dunning 2002). Outward flows of FDI suggest that most of the large developing economies have progressed sufficiently and that firms possess significant non-transferable knowledge, which is best exploited through FDI.

Table 1.5 Outward Flows of FDI (percentage of GDP; average for the period)

	1990–00	2001–05	2006–07	2008–11
World	1.7	2.2	3.8	2.9
High-Income	1.9	2.6	4.7	3.6
Middle-Income	0.3	0.4	1.1	1.1
Low-Income	0.0	0.0	0.0	0.0
EAP	0.3	0.4	0.9	1.1
ECA	0.3	0.8	1.7	2.0
LAC	0.4	0.5	1.0	0.6
MENA				0.4
South Asia	0.0	0.3	1.3	1.0
Sub-Saharan Africa		0.3	1.0	1.6
Argentina	0.6	0.2	0.8	0.3
Brazil	0.2	0.4	1.6	0.3
Mexico		0.5	0.7	0.9
Russia	0.6	1.6	2.9	3.5
Saudi Arabia		–0.1	0.0	0.7
South Africa	0.8	–0.4	1.6	–0.1
Turkey	0.1	0.2	0.2	0.3
China	0.4	0.3	0.7	0.9
India	0.0	0.3	1.4	1.2
Indonesia	0.2	1.2	0.9	0.7
Korea	0.7	0.6	1.5	2.1

Sources: World Bank Data Bank, World Development Indicators, World Bank.

South-South Trade and Investment Flows

Past Attempts to Foster Regional Preferential Trading Agreements

Many attempts have been made historically to foster South-South Trade. The import substitution strategy adopted by most developing countries in the 1950s and 1960s often resulted in balance of payments (BOP) deficits, as discussed below, making it necessary for countries to adopt contractionary fiscal and monetary policies that subsequently resulted in slower growth[17]—an outcome of the slow growth of exports relative to imports.[18] Manufacturers in developing countries could not compete in world markets because of the high cost of production, a result of small-capacity plants catering to small domestic markets and unable to practise economies of scale. Furthermore, the import substitution strategy often focused on the production side, and failed to take advantage of the low wage base. Exports stagnated, while imports of capital and intermediate goods for new industries rose. This resulted in the periodic BOP crises as these economies sought to accelerate growth with consequent interruptions of the growth process.[19]

Prebisch (1959), who was an early proponent of enhanced South-South Cooperation, argued that integrating the domestic markets of developing countries could help establish larger and more efficient plants, which would in turn increase competitiveness.

During the 1960s, many efforts were made by developing countries to negotiate preferential trade agreements (PTAs), such as the Andean Pact and East African Common Market.[20] In 1979, as part of the Tokyo Round of the General Agreement on Tariffs and Trade (GATT), the "enabling clause" was adopted in order to permit trading preferences targeted at developing and least developed countries. This clause exempted developing countries from the restrictions on regional trade agreements, outlined in GATT Article 24, which allows for the establishment of PTAs only so long as they cover a substantial part of the trade between the members and that the ultimate objective was to establish a free trade area or customs union. Negotiations for a Global System of Trade Preferences (GSTP) among developing countries were thus initiated.[21] Unfortunately, neither regional nor global preferential schemes prospered.[22]

In the long run, few proposed PTAs proved to be economically sustainable; some never reached fruition. There were concerns about uneven benefits among partners as well as loss of tariff revenues since import duty taxes were a major source of tax revenue. The less industrialized countries believed that the more industrialized countries would experience a larger increase in manufacturing exports, and thus a larger increase in output—therefore, they would benefit more from a PTA. For example, Uganda and Tanzania feared that Kenya would gain more from the East African Community agreement, which would put them at a disadvantage (Robson 1972; Agarwal 1989). As a result, countries sought to equalize benefits by allocating industries among countries. However, without an official, authorized, or agreed-upon mechanism to do so, each country sought to maintain as much flexibility as possible in its arrangements, and did not give up the right to establish specific industries. Other problems involved the inability of member countries to agree on the allocation of industries (for example, the Andean Pact negotiations) or how to compensate countries for a loss of tax revenues in the event of a reduction in import duties.

Recent Trends in South-South Trade

Recent years have seen a large increase in exports from developing countries, whether as a share of GDP (Table 1.3) or as a share of world exports (Table 1.6).

Table 1.6 Exports of Goods and Services (percentage of world exports)

	1991–2000	2001–07	2008–11
All*	18.2	25.6	32.7
EAP	6.4	10.7	14.5
LAC	4.7	5.5	5.8
South Asia	0.9	1.2	1.7
Sub-Saharan Africa	1.6	1.7	2.2
Argentina	0.4	0.4	0.5
Brazil	0.9	1.0	1.3
Mexico	1.7	2.2	1.9
Russia	1.0	2.1	2.8
Saudi Arabia	1.1	1.4	1.8
South Africa	0.6	0.5	0.6
Turkey	0.5	0.7	0.8
China	2.6	6.6	10.0
India	0.6	0.9	1.0
Indonesia	0.9	0.9	1.0
Korea	2.3	2.7	3.0

*"All" includes exports from ECA and MENA

Source: UNCTAD STAT.

Between 2000 and 2010, trade among Southern countries (South-South trade) grew faster than trade between Southern and Northern countries, or among Northern countries.

The share of exports destined by different regions to developing countries has been increasing due to a higher growth rate among developing economies compared with high-income economies, as well as stronger import demand. The growing proportion of exports destined for markets in developing countries also holds for the large emerging economies. While there is a strong element of regional bias in South-South trade given the importance of intra-regional trade, this bias has been decreasing in recent years for all regions (Agarwal 2013). This suggests there may be considerable scope for growth of South-South trade beyond its historic intra-regional focus.

South-South Capital Flows

In the 1950s and 1960s, almost all private capital flows were between developed countries, with much smaller flows to developing countries geared primarily toward natural resource sectors or the financing of imports of capital goods through suppliers' credits. From the 1970s to 1990s, private capital flows—in the form of bank loans—from developed to developing countries rose in importance. The rapid growth in the number of developing economies raised the demand for capital investment to a level that could not be met through aid initiatives. While the banks viewed these economies as more creditworthy, these loans resulted in many countries, particularly in Latin America, unable to service the debt. Bank loans also contributed to the 1997 Asian financial crisis.

As a result, countries are reluctant to borrow from banks and have come to depend more on FDI and portfolio equity investment, which do not generate debt issues. Of the private and official capital flows to developing countries in 2010, 61.2 percent were in the form of FDI, 14.7 percent in portfolio capital, 12.6 percent in bonds, 5.0 percent in bank loans, and 6.5 percent in bilateral and multilateral aid (World Bank 2012).

Between 1990 and 2009, FDI flows increased both from and to developing countries, with a sharp increase in flows from developing countries.

The increase in the number of greenfield projects—new industrial projects without any infrastructure yet—from developing countries as a share of all greenfield projects increased from 12.8 percent in 2004 to 16.3 percent in 2010, and have remained constant over the past decade, at just under 50 percent (UNCTAD 2012). Practically, all regions shared in this increase as did the three sectors of the economy: primary, manufacturing, and services.

Likewise, FDI flows to low- and middle-income countries increased significantly. However, portfolio flows to low-income countries were negligible, and while they increased substantially to middle-income countries, their importance compared to FDI was less (Table 1.7).

Table 1.7 FDI and Portfolio Flows to Developing Countries (percentage of GDP)

	FDI Inward Flows		Portfolio Equity Investment	
	1990	**2010**	**1990**	**2010**
Low-Income	0.4	3.4	0.1	…
Middle-Income	0.7	2.6	…	0.9

Source: World Bank, World Development Indicators, 2007, 2012.

In contrast, outward capital flows from developing countries have become important. Current estimates indicate there are about 21,500 transnational corporations (TNCs) from developing countries (UNCTAD 2009). The number of TNCs from Brazil, Russia, India, and China (BRICS countries) on the *Financial Times* 500 list has quadrupled between 2006 and 2008, rising from 15 to 62 (*Economist* 2010). In this latter year, Brazil's top 20 TNCs more than doubled their foreign assets, and companies in India have been acquiring foreign firms in order to have access to technology, broader markets, or brand names.

One major reason for this is that TNCs develop products for their domestic markets that are more appropriate for developing countries and available to their citizens. For example, General Electric in India developed an efficient, streamlined, hand-held electrocardiogram, featuring four buttons. It uses a printer that operates like a portable ticket machine and costs US$800, much less expensive than the US$2,000 price tag for a conventional machine (Prahalad and Mashelkar 2010; *Economist* 2010). The Chinese company Mindray has also developed a number of cheap medical devices. Godrej and Boyce, an Indian company, has developed a battery-operated refrigerator that costs only US$70. Smart phones are also being used as automatic teller machines (ATMs).

South-South trade is spearheading the development of more appropriate, lower-priced products to market, while FDI is helping to bring these technologies and products to other developing countries.

The Future of South-South Cooperation

South-South Cooperation is emerging as an important step for sustaining growth in developing countries. For instance, both the Asian Development Bank (2011) and UNCTAD (2011) have undertaken major exercises to explore how SSC can accelerate growth in developing countries.[23] Sandler (2013) has analyzed in detail how SSC can help provide regional public goods. The future of SSC lies in its ability to reduce poverty and improve opportunities for socioeconomic development. To more effectively realize the benefits from South-South trade, policies that foster preferential trade and economic cooperation for the benefit of all partners are needed. Such policies include tax preferences, intra-Southern financial transfers, less stringent banking conditions, and common listings on stock exchanges. There is also a need for institutional change, particularly at the G20 level.

South-South Trade Contributes to High Growth Rates in Developing Countries

Developed countries are likely to face a prolonged period of slow growth in the coming years due to the financial crises experienced in the United States and Europe. Governments in many European countries, including Greece, Ireland, Portugal, and Spain, are cutting expenditures and raising taxes to reduce their large deficits.[24] Deficit-cutting policies, which are being adopted by other developed countries, such as the United Kingdom and the United States, will slow down economic recovery. Furthermore, past experience suggests that large imbalances are corrected following a long period of slow growth (Adalat and Eichengreen 2007).

Prior to these financial crises, liberalization of trade and investment undertaken by many developing countries since the 1990s helped to accelerate economic growth. A continuation of the open trade regimes that these countries have adopted is necessary to ensure against counterproductive protectionism—making it imperative for a policy infrastructure that supports SSC.

The continuing stalemate in the Doha Round (see “The Doha Round” below) means that multilateral liberalization cannot be relied upon for export growth. In the past, major decisions at the GATT, the predecessor of the World Trade Organization (WTO), were taken by the United States, the European Union, Canada, and Japan, with developing

The Doha Round

The Doha Round, launched in November 2001, is the latest round of trade negotiations among the members of the WTO. Its aim is to achieve major reform of the international trading system through the introduction of lower trade barriers and revised trade rules.

countries playing little role in GATT negotiations.[25] Although they did negotiate during the Uruguay Round, the benefits from the final agreement were extremely lopsided; the Doha Round was supposed to correct this. But while coalitions of developing countries have been able to prevent the inclusion of subjects not in their interest—the so-called Singapore issues—these coalitions have not been powerful enough to get a pro-developing country agenda adopted.[26]

The response to the Doha Round by developing countries has been to negotiate PTAs among themselves, mostly on a bilateral basis. These PTAs go beyond trade in goods to encompass FDI. Developing countries are also entering into agreements for joint research and product development, mainly involving agricultural, health, and pharmaceutical products. An example of synergies between technology, FDI, and exports is the joint venture between Quality Chemicals in Uganda and Cipla Pharmaceuticals in India, which produces drugs for treating HIV/AIDS and malaria in neighbouring countries. VACSERA of Egypt and Dongbao of China have entered into a joint venture to produce recombinant insulin to address the insulin shortage in Egypt. Brazil's Embrapa, an agricultural research institute, has 78 bilateral agreements with 56 countries and 89 foreign agencies. One of its projects involves developing suitable cotton varieties in four West African cotton-growing countries; another involves helping Mali establish a laboratory for agricultural biotechnology.[27]

Fostering South-South Cooperation

While the increase in economic transactions among Southern entities is a direct response to market forces, an institutional framework that encourages firms to engage in more transactions with parties in developing countries will further support and enhance South-South

Cooperation. Engagement might include bound mutual preferences among Southern countries, tax preferences toward South-South FDI, and intra-South financial transfers; financial cooperation among banks in developing countries (freeing up conditions to enable banks to open branches and common regulatory regimes); joint listings of companies from different countries on stock exchanges. Overall cooperation among developing countries would all help to advance and foster mutually beneficial trade and economic cooperation.

There is considerable scope to expand trade among developing countries through tariff preferences, since tariffs remain much higher than in developed countries. Average tariff rates levied on primary products are 14.3 percent by low-income countries and 10.8 percent by middle-income countries; and on manufactured products, 12.3 percent and 8.2 percent by low- and high-income countries, respectively (World Bank 2012). It is also common to see higher tariffs on goods in which developing countries specialize (Erzan, Laird, and Yeats 1986). These rates provide scope for negotiated preferential tariff cuts.

South-South trade has numerous features that distinguish it from North-South trade. More sophisticated and complex products from developing countries are usually first exported to other developing countries. Exports to developed countries are usually less sophisticated than those to developing countries.[28] However, an important hurdle in achieving such an arrangement would likely be the perception of sharply unequal benefits to individual countries. China, for instance, would be seen as a large beneficiary, as would Brazil, India, and South Africa—four out of five major emerging countries that make up BRICS. One way that benefits might be widely distributed would be through a system of financial transfers agreed on when a country joins the system of preferences (Agarwal and Whalley 2014). These financial transfers to countries that benefit less would compensate them for the smaller benefits. These transfers might take the form of an upper bound of any tariff revenues lost from the Southern preferences and would be negotiated as a one-off side payment on accession to the scheme rather than an annual recurring renegotiated amount, in order to make them more acceptable to countries that are providing the transfers.

SST could also grow sequentially. As noted above, there are a large number of PTAs negotiated among the ASEAN+6, most of them bilateral. One option would be for these separate agreements to be combined into one umbrella agreement, which could incentivize other smaller developing countries to join the trade group. Another option would be to develop criteria for a potential member country, thus avoiding the need for time-consuming negotiations on a country-by-country basis. Alternatively, if BRICS were to become a PTA, it could serve as a model around which trade preferences could be built.

The opportunity to foster the growth of SST through explicitly bound Southern preferences might involve the creation of a new Southern trade organization where members agree to eliminate tariffs and remove other trade barriers, including a cessation of all anti-dumping and countervailing duty investigations and measures against each other.

As noted above, production processes have been splintering. As a consequence, mere trade liberalization among developing countries may not be sufficient to increase SST. Trade liberalization must be supplemented with agreements on capital and financial flows. Furthermore, whereas trade among developing countries in goods has been increasing, that has not been the case for trade in financial and information-related services. This has put developing countries at a disadvantage, as trade in this area has been growing much more rapidly than trade in goods.

Outward flows from developing countries are widespread, with most large developing countries engaging in outward FDI (Table 1.5). Outward FDI by firms in India, Korea, and Russia, for example, takes up a larger share of the respective countries' GDP than does outward FDI by firms in China. Also, developing countries have come to rely more on non-debt-creating forms of capital flows, particularly FDI, as large amounts of debt have historically resulted in debt crises and a period of slow growth.

Given that FDI flows among developing countries can play an important role in sustaining high levels of growth through increased investment and higher productivity through technology transfers, they could be enhanced through tax preferences, as well as technology transfer through joint research projects and student exchanges, partial or full exemption from intellectual property arrangements, and licensing subsidies.

Furthermore, while there is a large pool of savings in developing countries, there is no mechanism to allocate these efficiently among developing countries. Savings could be better used if the stock exchanges of developing countries were connected and banks established. Currently, few banks in developing countries have branches in other developing countries, although steps have been taken by developing countries, such as the New Development Bank set up by the NRICs and the Contingent Reserve Arrangement set up by BRICS. These are in addition to the earlier Chiang Mai Initiative among East Asian countries and also the Asian Infrastructure Investment Bank. But these are not sufficient to meet the financing needs of developing countries, particularly at a time when the World Bank seems to be reaching its lending limit and many developing countries are graduating from reliance on the International Development Association (IDA).

In brief, South-South Cooperation is likely to encourage trade, FDI and financial flows, and technology development that will help sustain growth.

South-South Involvement in Institutional Change: Developing Countries and the G20

The institutional structures to deal with economic issues that were present at the end of the Second World War are in need of reform if they are going to be effective in the emerging situation.[29] In addition to the stalemate in the Doha Round of trade negotiations, developing countries—the main borrowers from the International Monetary Fund (IMF)—ceased to borrow as they were unhappy with the IMF's loan terms and conditions. This resulted in the IMF suffering a financial loss prior to the 2008 financial crisis and thus retrenching. Increased private capital flows had reduced the importance of aid and effectively the World Bank. In the coming years, a number of important borrowers are going to graduate from their classification and will no longer be eligible for loans from the World Bank and its soft-aid arm, the IDA (Moss 2012).

All these institutions need to be reformed in order to make them more relevant to current political and economic realities. However, reform is difficult to achieve unless the developed and developing countries can reach a consensus. The G20 could be an avenue for negotiations between the developed and developing countries. But this may be difficult as it is not clear whether the larger emerging economies that are members of the G20 are viewed as legitimate by smaller developing countries. While numerous, individually they are still too small to have a major impact on the world economy (Agarwal 2010) and can affect outcomes only if they remain united.

It is difficult to judge how far developing countries can influence outcomes for changes in the governance of these institutions. For instance, while an agreement had been reached in 2009 in the G20 to raise the voting percentages of developing countries in the IMF, the agreement has yet to be implemented. Moreover, despite the fact that the heads of the World Bank and the IMF would be chosen on a more open basis, when vacancies arose in these institutions, the European Union and the United States were quick to get their nationals appointed as heads. Greater South-South Cooperation and a coordinated attempt by developing countries would help change this dynamic.

Conclusion

Developing countries have grown rapidly in recent years and have shown increasing and deepening integration with the world economy. Furthermore, trade and FDI flows between developing countries have been increasing. Therefore, continuation of a strategy of growth based on increasing integration with the world economy will have to rely on increased South-South trade.[30] However, the benefits would be much greater if integration was extended to capital flows and technology development and transfer. Indeed, these economic benefits would then trigger significant social gains in terms of poverty reduction and improved provision of education and health facilities.[31] There is scope for significantly increased development cooperation among developing countries.

A system of preferences, which is possible because of the significantly higher tariffs on goods traded among developing countries, can further the already substantial increase in South-South trade. However, the system of preferences would have to go significantly beyond previous attempts at Southern integration in having firm systems of bindings and other supportive arrangements to generate a new, mutually beneficial institutional structure. Financial transfers to some developing countries may be required to achieve an equitable distribution of benefits, as China, Brazil, India, and South Africa may be perceived to be the major beneficiaries even within the context of South-South Cooperation. It would not be difficult for these countries to make the financial transfers, as these could potentially come from the foreign exchange reserves that these countries have accumulated (the accumulation of foreign exchange reserves has been particularly large in the case of China).

FDI among developing countries has also been increasing, fuelled in part by production of products more suited to demand in the South, particularly by poorer consumers. Such FDI can again be encouraged by favourable tax treatment of South-South capital flows. The development of products and marketing strategies more suited to developing countries increases the scope for cooperation in the development of appropriate technologies and their diffusion to the global market. Changes in international property rights (IPR) that weaken IPR rules in the Uruguay Round may be necessary to encourage such technological interaction.[32] Efforts must be made to consider situations where there may or may not be a conflict of interest between intellectual property developers and regulators.

The system of international economic governance now includes developing countries, as they are now members of the G20. The UN has been a peripheral body (and will likely remain so) in the system of international economic governance, with the main institutional players being the IMF, World Bank, GATT/WTO, G7, and the Bank for International Settlements. The developed countries have preferred to act through the IMF or the World Bank or WTO rather than through the UN. Developing countries that are not members of the G20 can have their concerns addressed only through cooperation with the developing country members of the G20.

Coordination among developing countries in the above-mentioned areas may also require cooperation in other areas. For instance, developing countries may need to develop a strategy to collectively retaliate if developed countries as a group or as individual entities seek to tax exports from developing countries based on their effect on the environment, particularly if it is detrimental. Off-setting the carbon footprint is a major concern and, therefore, cooperation in this area could extend to development of new technologies that are low carbon emitters. Brazil and China are already leaders in some areas of development and the use of renewable energy, although China remains a large culprit when it comes to contributing to smoke or smog air pollution. Indeed, in the 1990s, China was exempted, alongside India and other developing countries, from the Kyoto Protocol, which was designed to curb greenhouse gas emissions. Furthermore, concessions in the area of climate change could be used to bargain on non-climate issues to enhance their growth prospects.

All of this, therefore, brings together several opportunities for the developing countries to think creatively of new forms of regional integration that go beyond those being currently discussed, and to form linkages across broad elements of global policy coordination.

Notes

1. An earlier version of the paper was prepared as a background document for the UN's High Level Panel on the Post-2015 Development Agenda.
2. ASEAN+6 consists of ASEAN plus China, Japan, Korea, Australia, India, and New Zealand.
3. Countries would be free to join the preferential system offered by BRICS. Countries that fear BRICS dominance need not join the system of cooperation built around BRICS; nothing stops them from forming their own system of cooperation. Furthermore, there is no evidence that Chinese exports are leading to deindustrialization in Sub-Saharan Africa (Agarwal 2013).
4. If only a limited set of transactions are covered, they would not have a significant effect on either the direction of world transactions or the development of developing countries. It is similar to the condition in the WTO agreement that accepts customs unions if they cover a substantial amount of trade among the partners.
5. It cannot be judged whether these fears were justified, as few schemes came to fruition or operated for any length of time.
6. For an analysis of these global value chains, see Elms and Low (2013) and Mattoo et al. (2013).
7. For a discussion of these processes and their analysis, see Elms and Low (2013) and Mattoo et al. (2013).
8. The IMF's monthly publication *International Finance Statistics* has the data on these reserves.
9. For a wider analysis covering FDI and technology, see Agarwal (2013).
10. For an analysis of prospects for the world economy, see various issues of the IMF's *World Economic Outlook* and the World Bank's *Global Economic Prospects*.
11. If G77 is not able to play such a role, then another body might be required. For a discussion of the lack of an institutional framework, see the introduction by the editors Sidiropoulos, Fues, and Chaturvedi (2012).
12. For a discussion of economic performance in the period before 1990, see Agarwal (2008).
13. Per capita incomes in the developed countries grew by 4.3 percent a year in the earlier period, whereas per capita incomes grew by 3.6, 2.3, 0.2, and 4.5 percent in Latin America, Sub-Saharan Africa, South Asia, and East Asia, respectively.
14. The regions are designated by the World Bank. EAP is East Asia and Pacific, ECA is Europe and Central Asia, LAC is Latin America and Caribbean, MENA is Middle East and North Africa, SA is South Asia, and SSA is Sub-Saharan Africa.
15. South Korea and Mexico are members of the Organisation for Economic Co-operation and Development and, until 2014, Russia was a member of the G8. However, their per capita incomes are much lower than those in the developed countries in North America and Western Europe, and so are included in the group of developing countries.
16. These are exports from these countries or regions to all other countries, namely to the world.
17. In the 1950s and 1960s, BOP crises resulted in stop-go development policies, which caused alternating periods of rapid and slow growth (Corbo 1974).
18. The effect of the adoption of import substitution policies on exports, the balance of payments, and growth are discussed in Little, Scitovsky, and Scott (1970) and also Bhagwati (1978) and Krueger (1978).
19. Prebisch's argument that industrialization was needed because earnings from exports of primary products would not cover the imports of capital goods

needed for faster growth applied to manufactures also, though of course for different reasons (Lewis 1969).

20. For a discussion of many of these schemes, see Robson (1972).
21. The Brasilia Ministerial Meeting of the G77, held in May 1986, launched the first round of GSTP negotiations. At the conclusion of the first round, in April in Belgrade, the GSTP agreement was signed on April 13, 1988. The agreement entered into force on April 19, 1989. Forty-four countries have ratified the agreement and have become participants. Currently, the third round of negotiations is being conducted among 23 countries. The coverage of the preferences has been limited in terms of the number of countries involved and the number of commodities covered as well as the extent of preferences.
22. The reasons for the failure are discussed in Agarwal (1989).
23. Earlier, in a previous period of slow growth in developed countries, Lewis (1980) had argued for SSC to maintain growth in developing countries. See also Najam and Thrasher (2012).
24. The effects of the crisis and of fiscal policies are extensively discussed by the IMF in various issues of its World Economic Outlook.
25. This was partly the way that the GATT negotiations were structured. In the first few rounds, requests were made by main suppliers to their major markets for tariff cuts and then reciprocal tariff cuts were negotiated. Since developing countries were neither major suppliers nor demanders, they effectively did not participate (Agarwal 2006).
26. The latest ministerial statement makes it very clear that the developed countries want to drop the term "development agenda" from the mandate of the Doha Round.
27. See the articles by Thorsteinsdóttir and Chaturvedi in Thorsteinsdóttir (2011).
28. One has to distinguish between the concept of more sophisticated products and less sophisticated products, based on varying degrees of quality and functionality to produce different versions of the same product. More sophisticated versions of the same product are exported to the developed countries; however, simpler products are exported to the developing countries, as developing countries cannot produce products higher in quality than the more sophisticated ones from developed countries.
29. These institutions were the IMF and the World Bank. The International Trade Organization was negotiated but never came to fruition. Instead, the General Agreement on Tariffs and Trade (GATT) was agreed upon and dealt mainly with tariffs on manufactures. A broader trade agreement along with the establishment of a permanent institution, the WTO, was accomplished only in 1995.
30. The Growth Commission considers openness to be essential for promoting sustained growth (Growth Commission 2008). See also Lewis (1980), who had argued for greater SSC as the way for trade to act as an engine of growth, as growth in the developed countries had slowed at that time.
31. Developing countries could learn from the experience of other developing countries on how to design and implement social projects so that they are successful. Best practices could spread.
32. Stronger IPR protection hinders technological innovation as well as imitation. Some of the ways in which the IPR regime was strengthened included lengthening the period of patents, allowing imports to be considered equivalent to working of the patent, and allowing product patents as well as process patents.

References

Adalet, M., and B. Eichengreen. 2007. "Current Account Reversals: Always a Problem?" In *G7 Current Account Imbalances: Sustainability and Adjustment*, edited by R. H. Clarida, 205–246. Chicago: The University of Chicago Press.

Agarwal, Manmohan. 1989. "South-South Trade: Building Block or Bargaining Chip." In *Developing Countries and the Global Trading System: Thematic Studies from a Ford Foundation Project*, edited by John Whalley. Vol. 1, 189–209. London: Macmillan.

———. 2006. "WTO and International Economic Governance." In *India, The European Union and the WTO*, edited by Rajendra K. Jain and Hartmut Elsenhans, Chapter 1. New Delhi: Radiant Publishers.

———. 2008. "The BRICSAM Countries and Changing World Economic Power: Scenarios to 2050." Working Paper no. 39. Waterloo, Canada: Centre for International Governance Innovation.

———. 2009. "Financial Crisis, Asia and Growth." Paper presented at a conference jointly organized by CIGI and the South Asia Centre. National University of Singapore, Singapore.

———. 2010. "Developing Countries—even China—Cannot Rescue the World Economy," Policy Brief no. 18. Waterloo, Canada: Centre for International Governance Innovation (CIGI).

———. 2013. "South-South Economic Cooperation: Emerging Trends and Future Challenges, Background Research." Paper submitted to the High-Level Panel on the Post-2015 Development Agenda. New York: United Nations.

Agarwal, Manmohan, and John Whalley. 2010. "South-South Trade and Economic Cooperation Organization." Mimeograph. Waterloo, Canada: Centre for International Governance Innovation.

Asian Development Bank. 2013. *Asian Economic Integration Monitor*. Mandaluyong City: Asian Development Bank.

Bhagwati, J. 1978. *Anatomy and Consequences of Exchange Control Regimes*. Cambridge, Massachusetts: Ballinger Publishing Company.

Bhagwati, J., and A. Panagariya, eds. 1996. *The Economics of Preferential Trade Agreements*. Washington D.C.: AEI Press.

Chaturvedi, Sachin. "India and Development Cooperation Policy." In *Emerging Asian Approaches to Development Cooperation*, 38–49. Korea Development Institute; Asia Foundation.

Chaturvedi, Sachin, Thomas Fues, and Elizabeth Sidiropoulos. 2012. *Development Cooperation and Emerging Powers: New Partners or Old Patterns*. London: Zed Books.

Dunning, J. H. 2002. *Global Capitalism, FDI, and Competitiveness: The Selected Essays of John H. Dunning*. 2 vols. Cheltenham: Edward Elgar Publishing.

Economist. 2010. "Special Report: The World Turned Upside Down." April 15, 2010: 17–23.

Elms, Deborah K., and Patrick Low, eds. 2013. *Global Value Chains in a Changing World*. Geneva: World Trade Organization.

Erzan, Refik, Sam Laird, and Alexander Yeats. 1986. *On the Potential for Expanding South-South Trade through the Extension of Mutual Preferences among Developing Countries*. Geneva: UNCTAD.

Growth Commission. 2008. "The Growth Report: Strategies for Sustained Growth and Inclusive Development." *Commission on Growth and Development*. World Bank, Washington D.C.

International Monetary Fund. *IMF World Economic Outlook*. Various issues. Washington D.C.: International Monetary Fund.

Krueger, Anne. 1978. *Foreign Trade and Economic Development: Liberalization Attempts and Consequences*. Cambridge, Massachusetts: Ballinger Publishing Company.

Lewis, W. A. 1969. "Aspects of Tropical Trade 1883–1965." *Wicksell Lectures.* Stockholm: Almqvist and Wicksell.

———. 1980. "The Slowing Down of the Engine of Growth," *American Economic Review* 70, no. 4: 555–564.

Little, Ian, T. Scitovsky, and M. F. G. Scott. 1970. *Industry and Trade in Some Developing Countries*. Oxford: Oxford University Press.

Marglin, S., and J. Schor. 1990. *The Golden Age of Capitalism: Reinterpreting the Postwar Experience*. Oxford: Oxford University Press.

Mattoo, Aaditya, Zhi Wang, and Shang-Jin Wei, eds. 2013. *Trade in Value Added: Developing New Measures of Cross-Border Trade*. Washington D.C.: World Bank.

Moss, Todd. 2012. *Soft Lending Without Poor Countries: Recommendations for a New IDA*. Washington D.C.: Center for Global Development.

Najam, Adil, and Rachel Thrasher, eds. 2012. "Introduction." *The Future of South-South Economic Relations*. New York and London: Zed Books.

Prahalad, C. K., and R. A. Mashelkar. 2010. "Innovation's Holy Grail." *Harvard Business Review* 88, no. 7–8 (July–August): 132–143.

Prebisch, Raùl. 1959. "Commercial Policy in the Underdeveloped Countries." *American Economic Review* 49, no. 2 (May): 251–273.

Robson, Peter, ed. 1972. *International Economic Integration: Selected Reading*. Harmondsworth: Penguin.

Sandler, Todd. 2013. "Public Goods and Regional Cooperation for Development: A New Look." *Integration and Trade Journal* 36, no. 17: 13–24.

Thorsteinsdóttir, Halla, ed. 2012. *South-South Collaboration in Health Biotechnology: Growing Partnerships Among Developing Countries.* New Delhi: Academic Foundation.

UNCTAD. 2007. "New and Dynamic Sectors of Trade: The South-South

Dimension." Background Note prepared by the UNCTAD Secretariat, TD/B/COM/EM34/2, August 2007. www.unctad.org.

———. 2012. *World Investment Report*. Geneva: UNCTAD.

UNCTASTAT. http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx

Whalley, J., and C. Perroni. 2000. "The New Regionalism: Trade Liberalization as Insurance." *Canadian Journal of Economics* 33, no. 1: 1–24.

World Bank. 2007. *World Development Indicators*. Washington D.C.: World Bank. http://documents.worldbank.org/curated/en/336241468138277212/pdf/541660WDI0200710Box345641B01PUBLIC1.pdf

———. 2012. *World Development Indicators*. Washington D.C.: World Bank. http://documents.worldbank.org/curated/en/553131468163740875/pdf/681720PUB0EPI004019020120Box367902B.pdf

———. 2018. "Global Economic Prospects." Washington D.C.: World Bank. http://www.worldbank.org/en/publication/global-economic-prospects#data

CHAPTER 2

South-South Cooperation Blocs and Influence in Development Assistance

Natasha Fernando

Introduction

South-South Cooperation (SSC) has always existed, but only in more recent decades has it become more legitimized, formalized, and recognized. The Bandung Conference might be considered the first defining instance that developing countries coalesced to challenge the North status quo of dominance and to subsequently bridge inequality gaps in all aspects between North and South countries (Robledo 2015). The impetus for this was planted in the reality that developing countries were subject to the technical cooperation or foreign aid terms outlined and presented by their developed donors (Haan 2009; Roy and Andrade 2010). SSC has begun to gradually turn the tide on this imbalance and inequality.

In 1986, the Harare Summit of the Non-Aligned Movement took place, and the decisions that were made resulted in the establishment of the South Commission the following year (Robledo 2015; Mukherjee 2012). Four SSC goals arising from the summit reflected the intent to

1. take advantage of existing complementarities within developing countries by developing direct cooperation (facilitating fuller use of installed capacities) and eliminating intermediaries from the North;

2. create new complementarities and interdependence (at various levels) through coordination of development planning and achieving better scale economies;
3. introduce major principles of the New International Economic Order (for example, mutual benefit and solidarity) into transactions among the cooperating partners of developing countries; and
4. strengthen the bargaining position of the South vis-à-vis the North through selective delinking and greater collective self-reliance (Robledo 2015).

These goals encapsulate SSC's intention to form partnerships that are equitable, of mutual benefit, and respectful of national ownership (Roy and Andrade 2010). By 1997, the Commission identified ten primary areas of SSC interest: finance, trade, industry and business, services, transport and infrastructure, food security, science and technology, environment, information and communication, and people-to-people contact (Chaturvedi 2012).

In 2001, while head of Goldman Sachs's global economics research division, Jim O'Neill wrote a paper entitled "Building Better Global Economic BRICs," which described how countries such as Brazil, Russia, India, and China symbolized the shift of power in the global economic system towards developing countries and away from the developed G7 countries (O'Neill 2001; Goldman Sachs 2003, 2005; McCormick 2008). Bearing in mind that Brazil, Russia, India, China, and South Africa (BRICS) had already been progressing on SSC trade half a decade before the report was published and did not truly recognize the report until 2007, the paper did serve to spark the collective attention of institutions and governments alike to new emerging country partnerships that were forming to take a greater space in the global arena. In particular, the stage was being set for SSC partnerships in terms of development assistance.

What sets SSC apart from usual foreign aid or North donors is its emphasis on the exchange of knowledge and experience, technology, and resources that support national development priorities (Roy and Andrade 2010). More than just financial contributions, it involves sending technical experts to the partner country to help design and implement development programs. It also hinges on the fact that South countries, typically neighbouring ones or those sharing histories, have faced similar problems. With this solidarity, solutions offered are therefore more appropriate and considerate of national or cultural priorities (Roy and Andrade 2010).

This chapter begins by introducing SSC as an agent for social progress for developing countries, and will cover formal agreements leading up to the Nairobi document as well as SSC mechanisms at the United Nations level.[1] UN bodies or forums that have headquarter-level responsibility for the coordination and promotion of SSC are also discussed, as well as the aid trajectory of SSC blocs such as IBSA (India, Brazil, South Africa) and BRICS. Following this, examples of SSC good practices that have been or are currently implemented in areas such as environment, nutrition and food security, health and social protection, education, gender equality, child labour, and water and sanitation hygiene are shared. The best practices noted in this chapter were chosen by selecting for the following characteristics: South-South Cooperation or Triangular Cooperation (TrC), innovation, adaptability or replicability, sustainability, and evidence of successful outcomes. The objective of this chapter is to demonstrate how the country blocs of SSC are collaborating, with or without the UN system, to deliver value-added development initiatives with successes that prioritize mutual benefit, national ownership, and equality.

South-South Cooperation and Cooperation Blocs

What is South-South Cooperation?

There is no carved-in-stone definition for SSC—and perhaps herein lies its beauty. Rather, SSC seeks to reflect a certain new ideal as the foundation for the way forward in the development cooperation arena, and permits developing countries to take more ownership and control in their national development progress in areas such as food security, employment, health, environment, education, and other social development causes. With its focus on aid, SSC is an innovative and alternative approach to development, particularly among developing countries of the Global South. Not restricting itself to just countries of the hemispheric South, it encompasses developing countries worldwide and how they can support and propel each other forward by way of knowledge sharing, skills training, reciprocal learning, and best practices for sustainable and equitable development.

While the importance of North-South (traditional) Cooperation (NSC) is not to be considered defunct or diminished in any way, it must be recognized that this traditional flow for financial development aid is slowing down and drying up due to financial economic crises such as the late-2000s global recession, 2008 global financial crisis, 2000s energy crisis, and European sovereign debt crisis, which have caused North countries to shift their attention and resources inward and to focus on domestic concerns (Haan 2009). This is where SSC comes into play, as it is less about the financial aid and more about the opportunity for sharing evidence-based best practices and knowledge in order to work together to elevate their developing country partners (Roy and Andrade 2010). Typically, developing countries—especially those within a region—share a similar history and physical geography, which in turn influences their similar specific needs, national interests, and development challenges. SSC is also more cost-effective, as developing countries tend to have similar economic standards and goals, societal composition and values, and sometimes even similar religious practices and guidelines.

While NSC and SSC run parallel in terms of helping developing countries achieve internationally agreed upon development goals, the ideals of SSC are quite different from North-South traditional partnerships. In SSC, the foundation of the partnership is non-conditionality, equality, mutual benefit, and national ownership. By contrast, in North-South partnerships, there tends to be the tinge of colonialism or donor–recipient that can be construed, whether intended or not, as an enforced power imbalance (Mawdsley 2012). Occasionally, with NSC, the recipient country does not have any say on how to utilize the donor resources or funding. Sometimes in NSC, the national priorities of the recipient country, whether appropriate or not, are disregarded in favour of the donor country's direction and funds allocation. A recent example of conditional aid involved the Swedish International Development Cooperation Agency, which cut aid to Uganda in light of its law condemning the lesbian, gay, bisexual, transgender (LGBT) community (Biryabarema and Nordenstam 2014). Financial aid was later resumed in July 2014. While the cause for suspending aid was reasonable and even laudable as a mark of support for the LGBT community, is it fair for those who do not share the oppressive government's anti-LGBT views yet must suffer the consequences of less aid? Did the removal of aid pressure the Ugandan government into markedly changing its stance against LGBT persons? Can a government with human rights violations not be trusted with delivering programs to its population with external aid? Is this indeed an instance of "social imperialism," as President Museveni said (Biryabarema and Nordenstam 2014)? If one cuts off funding for anti-LGBT laws, should funding not be similarly withheld from recipients whose national laws run contrary to those of their donors, such as permitted child marriages, forbidden religious freedom, or use of torture? Is condemnation by means of terminated aid more effective than compassion through continued support coupled with dialogue to encourage change and compromise?

These are difficult questions with no simple answer. In some conditional aid cases, the recipient country simply does not have the liberty, leverage, freedom, or scope to negotiate all-or-nothing terms of reference that might accompany traditional North-South donor-recipient agreements (Mawdsley 2012). The ideal partnership present in SSC is therefore more purely a partnership where both or all partners have their concerns and priorities addressed without bias or prejudice. The countries come together under a respectful and mutually beneficial agreement that balances each partner's strengths and weaknesses as well as comparative advantages.

The Rise of SSC and the Importance of SSC Blocs

As discussed in the Introduction, some countries have entered into South-South partnerships that were considered at their inception to be innovative and forward-thinking. Indeed, developing countries have not been complacent in seeking to gain great legitimacy and influence within global institutions. The Group of 77 (G77) is a case in point. More of a South-South coalition than cooperation, G77 at the UN was initially founded by 77 developing countries and has since grown to 134 member countries, as of 2013. First founded in 1964 at the United Nations Conference on Trade and Development (UNCTAD), the countries issued a joint declaration of the 77 countries with goals to promote members' collective economic interests and create an enhanced joint negotiating capacity within the UN (Group of 77 n.d.). Typically, these South-South blocs comprised the largest emerging economies in developing countries.

The blocs have been changing how aid programs are envisioned, deliberated, and delivered not just among bloc members but to non-bloc member states. What sets SSC apart from usual foreign aid or North donors is its focus on the exchange of knowledge and experience, technology, and resources that support national development priorities. More than just financial contributions, it involves sending technical experts to the partner country to help design and implement development programs. It also hinges on the fact that South countries, typically neighbouring ones or those sharing histories, have faced similar problems (Puri 2010). With this solidarity, solutions offered are therefore more appropriate and considerate of national or cultural priorities. Typically, the beneficiaries outside of the bloc membership reflect states that share similar histories, language, or colonial ties.

SSC development assistance is on the rise for a number of reasons. Admittedly, packaging assistance as SSC might be used as a form of self-legitimization (Vieira and Alden 2011). Countries that participate in SSC do not just partner due to a shared past or common challenges. Rather, they partner due to shared goals, such as advancing regional integration, consolidating leadership, acquiring self-sufficiency, obtaining non-alignment, preserving autonomy and sovereignty, promoting solidarity, and increasing their leverage within international organizations or institutions. It might even be about prestige, recognition, and respect (Vieira and Alden 2011). It is rare that the intentions are to maintain colonial influence or fortify military alliances. Invested foreign policy interests might be a second layer of some SSC partnerships despite descriptions of solidarity, altruism, or mutual benefit (Robledo 2015; Morazan, Perales, and Pino 2011; Cooper and Flemes 2013). SSC partners bring added value to the negotiation table and can positively impact the substantiveness of alliances and cooperation blocs as well as new development assistance paradigms, influence the global arena, and foster more inclusive collaboration between all partners, whether developed or developing (Robledo 2015).

Criticisms of SSC

A criticism of SSC aid is that it masks what might be considered neo-colonialism or soft-colonialism. Kwame Nkrumah's description of neo-colonialism is "that the State which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality its economic system and thus political policy is directed from the outside" (Nkrumah 1965). Occasionally, when aid is given as a gift, it can lend a sense of disparity between the so-called superior developed donor and the lacking undeveloped recipient. Furthermore, it implies that the recipient should aspire to accomplish and build upon what the donor has given as a gift, even if it does not fit with its own national priorities (Robledo 2015). Therefore, discussions on neo-colonialism within SSC should be focused on the implications and expectations within these disparities on a case-by-case basis. When potentially critiquing SSC, one should consider individual aspects of geostrategic allocations, weight of ideas, values and identity, impact of norms and regimes, influence of economic interests, desire of collaboration, and analysis of the current capitalist system (Robledo 2015; Burges 2012). Similarly, such considerations should be undertaken when analyzing all forms of cooperation or partnership such as North-South partnerships.

An interesting element is the role of the commodities boom, alongside China's rise to trade prominence, in the surge of SSC in the 2000s (Tull 2006). Academics have noted that Africa is an important stage for China to enhance its soft power and, in turn, to gain political support from African countries (Luo and Zhang 2009; Woods 2008; Tull 2006; Kragelund 2008). However, it must be noted that this pertains to financial foreign aid while SSC development assistance typically draws on other non-financial avenues of support, such as knowledge exchange or capacity building. Trade frictions and value differences in SSC partnerships present themselves particularly when the partnership might not seem equal or when the external parties impose their ideals on the recipient side. Opinion is split on the sincere intentions behind a particularly significant unilateral assistance project: the 1,860 km Tanzania–Zambia railroad built by China (Chen, Dollar, and Tang 2015). For some, China's participation represents solidarity for supporting African countries' national independence and liberation movements (Luo and Zhang 2009; Tull 2006). For others, it represents China's influence, which permits unsafe working conditions and natural resource exploitation (Chen, Dollar, and Tang 2015; Tull 2006).

While one might be skeptical of the intentions of SSC, it would not be unreasonable for one to recall the double standards that the North has placed on the South. For example, North countries demand green energy practices of low- and middle-income countries despite the fact that North countries utilized similarly detrimental environmental practices during the Industrial Revolution, which led to tremendous economic growth and cemented their developed nation status (Caselli 2004). Irony was not lost when, in February 2006, Foreign Secretary Jack Straw of former colonial power Britain criticized China for its "neo-colonialism" in Africa, labelling China together with poverty, regional conflict, terrorism, and so on as one of the ten greatest challenges facing Africa (Mohan and Power 2008). Humility is perhaps a rarity in international politics, but a former colonial power with its own hands in Africa's development challenges might graciously exercise some self-awareness and discretion (Bertocchi and Canova 2002; Nunn 2007; Lange 2004).

One can equally argue that the North has continually carried out neo-colonialism or soft colonialism when it provides conditional aid or enters into earmarked, project-based partnerships with South countries (Mukherjee 2012). One can argue that no partnership is truly equitable, despite best intentions, and consequently, elements (Haan 2009) of influence cannot be avoided. As such, what is the line of influence that then results in soft power? Just as there is no one-size-fits-all solution, there is no one line to protect all.

Social responsibility then becomes a key factor in SSC development partnerships. Is it fair to say that "foreign aid takes the shape of its container," as quoted by Hook (1995, 167; cited by Robledo 2015)? It is rather unfair to assume that the recipients have strong enough sovereignty in the face of donor relations to control their own trajectory or outcomes. For example, China has been criticized for not increasing local employment and building capacity for African countries where Chinese enterprises are based, as well as for not using sustainable practices (Moumouni 2006). Similarly, it is unclear what leverage the African host country has to ensure that their local staff are given safe working conditions and can benefit from employment training and that their natural resources are also protected (Manji and Marks 2007).

Leading and Emerging SSC Blocs

IBSA

IBSA, comprising India, Brazil, and South Africa, is one of the leading and original SSC blocs. The India–Brazil–South Africa Dialogue Forum (IBSA), founded by the Brasilia Declaration in 2003, serves as a coordinating mechanism between its member states. The declaration cited three major reasons as the basis for closer cooperation: shared democratic credentials, developing country status, and desire to act on a global scale (Mancheri and Shantanu 2011). All the countries have strong agricultural potential, industrialization, environmental biodiversity, and year-round tourism appeal. The three continents represented by IBSA—Asia, Latin America, and Africa—serve as focal points in order to best propel regional development and growth. The partnership is also strategic, as IBSA positions itself as a trading bloc that accomplishes multilateral trade negotiations and shapes the global economic governance system (Sharma 2011). For example, by acting together, the countries are building on $1.8 trillion GDP, a workforce of 1.2 billion people, and $600 billion of foreign trade (Puri 2007). They all produce both soft and hard commodities and are influential in their scope of international trade through leveraging comparative advantages in specific areas, having distinct specialization, and scaling up productive capacities (Puri 2007). One hallmark of IBSA is the lead it has taken in social protection, with each country developing successful social protection floor programs nationally. From this bloc, the IBSA Facility for Poverty and Hunger Alleviation (IBSA Fund) was established in 2004. Each of the three countries contributed US$1 million to the fund, which became operational in 2006. This trust fund is an example of how aid is manifested in these cooperation blocs. Admittedly, the trust fund is less financially substantive when compared to other funds, but the symbolism is noteworthy. SSC aid is revamped such that the developing countries' governments must have discussions with IBSA country-based focal points prior to requesting support from the fund. The influence and abilities of country blocs such as IBSA in the aid landscape is impressive. In fact, the IBSA Fund received the 2010 Millennium Development Goals award for South-South Cooperation by the NGO Millennium Development Goals Awards Committee (IBSA 2014). Later in 2012, the IBSA Fund won the UN South-South and Triangular Cooperation Champions Award in recognition of its innovative mechanisms (IBSA 2014). These awards speak to the impressive new paradigms of the fund instead of its financial size, which is comparatively small compared to other international funds. It has demonstrable success despite its small size, and proves that it is not necessarily the amount of financial assistance but rather the recipient-driven ownership that encourages sustainable success. What is remarkable about these blocs is that the aid is not only among member countries but extends to other states such as Haiti, Cambodia, Palestine, Lao PDR, Sierra Leone, Guinea-Bissau, Burundi, and Cape Verde. Projects range from increasing the Burundi government's capacity to combat HIV/AIDS, reforming and modernizing a public health centre in Cape Verde, implementing a Guinea-Bissau agricultural project, supporting a waste collection project in Haiti, and refurbishing a hospital in Gaza in 2012 (Stuenkel 2014).

BRIC/S

BRIC first comprised Brazil, Russia, India, and China, and in 2010 became BRICS when South Africa was included. All these countries represent major emerging national economies (Harris 2005). BRIC countries were unique in that they experienced positive economic growth in the midst of the global financial crisis (Gordon 2008). After the grouping inaugurated South Africa in 2010, the newly termed BRICS became more geopolitical in nature when it released its first formal declaration as a bloc after the Sanya BRICS summit in 2011 (BRICS 2011). South Africa's successful inclusion into the BRICS grouping was much more than a mere expansion of the emerging powers' club by one member. Rather, it signified a turning point by taking ownership to define and manifest what was previously a theoretical economic observation conceived by O'Neill (Stuenkel 2014).

Together, the four original BRIC countries comprise more than 2.8 billion people or 40 percent of the world's population, cover more than a quarter of the world's land area over three continents, and account for more than 25 percent of global GDP (O'Neill 2001). Based on figures from 2010, BRICS countries accounted for 3 billion people and a total nominal GDP of US$16.039 trillion. Since 2002, global spending on science research and development (R & D) has increased by 45 percent to more than US$1 trillion, with the BRICS countries of China, India, and Brazil accounting for much of the dramatic increase in science research investments and scientific publications (Harris 2005). From 2002 to 2007, these three countries more than doubled their spending on science research, raising their collective share of global R & D spending from 17 to 24 percent (Economist 2009). Along a similar vein to IBSA, the BRICS countries have potentially committed to seeding a new development bank with US$50 billion capital. This global network allows for any financial crisis faced by one of the BRICS countries to be absorbed by the other members, which stems the crisis from becoming global. While the finances are significant, these nations bring innovation, experience, and investment.

The BRICS countries—indeed, all developing countries—are tackling poverty, food insecurity, and disease domestically while continuing to address these issues through their external aid initiatives (Harris 2005). For example, India manufactures 80 percent of all donor-funded HIV therapies for developing countries. This is just one example of how the BRICS cooperation bloc focuses on aid in such a way that it "represents a potentially transformative source of new resources and innovation for global health and development" (quoted in Glennie 2012). Assistance from BRICS countries has been in terms of aid and technical cooperation for agriculture, education, health, debt relief, emergency assistance, infrastructure, energy development, and capacity building. This increased clout allows the BRICS countries to have a greater say on international development policy when dealing with lenders such as the World Bank (Rao 2012). BRICS countries, namely China, now see global health as a mutually beneficial tool within foreign assistance that has positive impacts as well as strengthening political or economic alliances (Rao 2012).

The BRICS partnership is unique in that these five countries have little in common with each other. India has a strong medical technology and software industry, but its population is relatively low-income (Harris 2005). China has strong manufacturing and is a middle-income country (Harris 2005). Brazil and Russia do share similarities as exporters of oil, energy, and primary product, while South Africa is a strong producer of raw material (Harris 2005). The unifying factor is their economics. Demographically speaking, Russia and China both have aging populations while India and Brazil have large populations suffering from poor employment and high inequality (Harris 2005). Perhaps what makes the BRICS partnership work is the reciprocity and complementary nature of the bloc members.

BASIC

The BASIC bloc, comprising Brazil, South Africa, India, and China, was formed in 2009 to enable these four countries to act jointly at the Copenhagen climate summit (Chaudhuri 2009). This included a possible walkout if their common minimum position was not met by developed countries. In particular, BASIC called for four pillars of negotiation—mitigation, adaptation, finance, and technology—to be the basis of the climate agreement as criteria for their acceptance of the global climate pact. On the contrary, developed countries only wished for the agreement to focus on emission reduction actions. This alliance, which reflects a power-play opportunity for developing countries at the negotiation table and was initiated and led by China, successfully brokered the final Copenhagen Accord alongside the United States.

What is interesting to note about these different blocs with similar members is that they unite over a particular cause. BRICS unites over shared economic goals and the ability to influence major trade accords. BASIC—BRICS without Russia—unites over shared climate goals and serves as a geopolitical alliance to support climate change negotiations. IBSA—a BRICS partnership without China and Russia—unites over shared ideologies.

Why Not Consolidate?

One might consider why IBSA exists when there is BRICS. For starters, India's Prime Minister Manmohan Singh, who served from 2004 to 2014, pointedly remarked in 2010 that "IBSA has a personality of its own" while "BRIC is a conception devised by Goldman Sachs" (quoted in Sharma 2011).

Analysts suggest that IBSA allows India to have a leadership platform where China is absent and, therefore, not in a position to domineer or influence its geographical neighbour. Similarly, South Africa has been thought to hope that India could counter China's strategic forays into Africa (Sharma 2011; McCormick 2008). Even in the transition of BRIC to BRICS, dynamics were changed, as the inclusion of South Africa resulted in ideological challenges to India (McCormick 2008). Furthermore, BRICS is more China-centric (in part due to China's significant presence in Africa) and this affects India's ideological leadership role in the Global South (Rowlands 2012). India, in turn, can find it difficult to accept China as a partner of the South. Evidence that India should be concerned lies in the fact that China lobbied for the inclusion of South Africa and consequent dissolution of IBSA (Sharma 2011). China also proposed a BRICS–IBSA joint summit in Sanya, which was rejected by India as IBSA priorities would run the risk of being steered by China's dominance and ideologies. The clash in ideologies within BRICS also arises because IBSA countries represent three multi-party democracies. Having such a political system allows India, Brazil, and South Africa to openly discuss challenging political reforms (Rowlands 2012). China and Russia do not, or cannot, require such discussions and likely see no need. IBSA also has greater sights set on effecting institutional responsibility such as striving to gain permanent seats on the UN Security Council (China and

Russia are members of the Council). While BRICS and IBSA countries certainly have a great deal of common ground and shared concerns, the difference in ideologies cannot be discounted. The occasional oil-and-water aspects of this grouping can result in certain hindrances. For example, Brazil was able to successfully include the "responsibility while protecting" clause in the 2011 IBSA summit, but this clause was subsequently excluded at the fourth BRICS summit due to opposition from China and Russia (R2P 2012). Moreover, one can be certain that IBSA meetings also allow for frank discussions on how to address the rise of China (R2P 2012).

The reason, however, that India remains in BRICS is that IBSA alone is insufficient in leverage and clout to express its concerns in the face of global institutional reforms. Furthermore, India recognizes that IBSA gives it an ideological advantage in its interactions with South Africa compared to China. While an IBSA bloc can and does exist within BRICS (Mancheri and Shantanu 2011), IBSA and BRICS need to work together and leverage advantages that they each possess in order to spread South-South influence and to gain a greater foothold in global institutions (Mancheri and Shantanu 2011).

CIVETS

The CIVETS coalition is being tipped to be the next BRICS. It comprises Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa. These six countries have geostrategic locations, natural resources, primary products, and steadily increasing foreign direct investment, which implies steady growth (Greenwood 2011). Although spread widely around the world, they share a number of similarities, such as young populations. Their economies are also perceived to have relatively sophisticated financial systems and to not be overly reliant on any one sector. Colombia is the third-largest exporter of oil to the U.S. and with its pro-business government, has used oil revenues to improve infrastructure (Greenwood 2011). Indonesia's primary attraction is its educated manpower, which results in the lowest unit labour costs in the Asia-Pacific region. It is a credible manufacturing hub with the ability to deliver infrastructure improvements more rapidly. Similarly, Vietnam is considered a potentially profitable new manufacturing hub in Asia, with foreign firms and investors focusing on its cheap labour (Greenwood 2011). Egypt's fast-growing ports on the Mediterranean and the Red Sea, joined by the Suez Canal, are seen as potentially important trade hubs to connect Europe and Africa. Turkey began accession talks with the European Union (EU) in 2005 and already benefits from strong trade and investment relations with the EU. South Africa is the most developed country in Africa, and foreign investors have long been attracted to its rich natural resources, such as gold (Greenwood 2011). As this is a relatively new grouping, there are limited resources on the impact that CIVETS has had on the aid landscape, whether internally among its members or externally.

Upcoming Cooperation Blocs

Due to their relatively new status, the role or influence of emerging cooperation blocs such as MIST (Mexico, Indonesia, South Korea, Turkey) and MINT (Mexico, Indonesia, Nigeria, Turkey) in the aid development landscape is uncharted. Other emerging market groups include the above-mentioned CIVETS, Next 11 (Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea, Turkey, and Vietnam), and EAGLEs (Emerging and growth-leading economies, comprising Brazil, China, Egypt, India, Indonesia, South Korea, Mexico, Russia, Taiwan, and Turkey). The basis of these blocs has been economic and mutual trade benefits. Certainly, there seems to be a momentum of overlapping membership—and engaging acronyms—but it remains to be seen how much of an impact these groups will have on the SSC aid development landscape and paradigms.

South-South Cooperation and the United Nations

In its more formal structure, South-South Cooperation (SSC) can be traced back as far as 1955, to the Afro-Asian conference held in Indonesia when the idea was first put forth. By 1964, the Group of 77 (G77) and the United Nations Conference on Trade and Development (UNCTAD) was solidified (JIU 2011). The value that the UN placed on technical development coordination was such that it became a permanent topic at every United Nations General Assembly.

The first United Nations Conference on Technical Cooperation among Developing Countries was held in Buenos Aires, Argentina, in 1978 (JIU 2011). It was at this conference that member countries made a commitment to promote and implement technical cooperation among developing countries. This commitment, known as the Buenos Aires Plan of Action (BAPA), became the model on which future approaches to technical development cooperation would be made and led the way for how more modern technical development cooperation should be carried out among developing countries. Perhaps more importantly and strikingly, it also turned the magnifying glass onto the United Nations to determine whether BAPA was conducive to and supportive of technical development cooperation among developing countries, and how shortcomings that might hinder this goal might be improved.

Recommendations for this re-evaluation became the basis for this new order of business in the UN development cooperation arena. It heralded a new way of cooperation, and tangibly demonstrated that the prior North-South Cooperation model was not the only feasible option. Above all else, it showed that developing countries of the South had their own voice and priorities, which needed to be respected in order for all to progress (JIU 2011). As a result of BAPA, all UN organizations were requested to integrate technical development cooperation into their programs. The United Nations Development Programme (UNDP) was requested to work more closely with regional commissions and associated development-centric agencies of the UN (JIU 2011).

With 2008 marking the thirtieth anniversary of the BAPA, the time was right within the UN system for the UNDP's Special Unit for South-South Cooperation to hold the first annual Global South-South Development (GSSD) Expo with the goal of sharing and exchanging evidence-based successful South-South best practices for development solutions. Furthermore, the United Nations General Assembly called for a high-level conference on SSC, to be held the following year in Nairobi. It was at this meeting that the pivotal 2009 Nairobi Outcome document was produced (JIU 2011). The document clearly stated that SSC priorities were to be set by the developing countries themselves, that the United Nations and regional commissions needed to be active and supportive partners in this process, and that more support—whether research, policy, or technical—needed to be given to developing countries. Other establishments now include the South-South Technology Transfer Facility for Landlocked Developing Countries (LLDCs), which is a joint initiative of the United Nations Office of the High Representative for the Least Developed Countries, the landlocked developing countries and Small Island Developing States (OHRLLS), and the South-South Global Assets and Technology Exchange (SS-GATE).

Support of South-South Development Cooperation

SSC partnerships are formed between governments; no single entity oversees SSC. While SSC is, in and of itself, more of an ideal and approach, it certainly still benefits from the formality of coordination frameworks for interagency cooperation at the headquarters, regional, and country levels. This is the niche that the Special Unit for South-South Cooperation—currently known as the United Nations Office for South-South Cooperation—fills. Within each UN agency, there is at least one SSC focal point high-level official. It is, therefore, in collaboration with all these SSC partners that SSC events, forums, meetings, agreements, and actions can be coordinated in a manner that is transparent, monitored, and results-based. However, regional commissions do not actually participate in UN meetings of SSC focal points.

Branching off from the headquarters level are the regional and country levels. As this is where actual development assistance is required, coordination is assumed by the United Nations Development Programme through United Nations Development Assistance Frameworks (UNDAFs) and United Nations Country Teams (UNCTs). UNDAFs serve as the strategic program frameworks that the UNCTs use to respond to national development priorities. As of 2010, preparation by UNDAFs included South-South Cooperation, with UN country teams including this in their work plans. However, at the regional level, there is still no formal support for SSC as found at the headquarters level. Developing countries initiate SSC at the regional level by engaging in direct country-to-country negotiations or knowledge-sharing forums such as the GSSD Expo and, most recently, events such as the Regional South-South Development Expo in Qatar (UNDP 2010). While SSC is still making its mark in the UNDAFs, the aid aspect of SSC is now making its way into the foreign policies of countries. For example, Morocco's foreign policy pledges to strengthen its position as a key player in SSC with respect to its relations with sub-Saharan countries (Morocco World News 2014; Cooper and Flemes 2013). In a statement at the opening session of the forty-eighth annual assembly of the African Development Bank, in 2013, King Mohammed VI emphasized the great ambitions he holds for both Morocco and across Africa, which he hopes to attain through strengthened cooperation and public–private partnerships. Studies on the influence of SSC are also being undertaken. For example, in

2012, the Institute for Global Dialogue started undertaking an impact assessment of SSC on South Africa's foreign policy identity and behaviour. Ultimately, studies such as these will contribute to a better understanding of the dynamics of SSC and opportunities for strengthening SSC (SAFPI 2012).

GSSD Expo

Under the auspices of the United Nations Office for South-South Cooperation, the annual GSSD Expo—the only expo solely from and for the South—is an opportunity for country representatives, civil society organizations, members of the private sector, and UN agencies to gather together and learn more about South-South best practices that will help achieve internationally agreed-upon development goals, such as the Millennium Development Goals, and national development priorities. This UN system-wide SSC platform demonstrates programs that have been supported under South-South, triangular, and public-private partnership arrangements.

Since its inception six years ago, each GSSD expo has showcased numerous best practices at its solution forum panels. At the 2013 expo, hosted by the Food and Agriculture Organization in Rome, one example that showcased best practices was Vietnam's support of aquaculture development in Namibia, with the Namibian Ministry of Fisheries and Marine Resources signing a tripartite agreement with the Socialist Republic of Vietnam and the United States Government Accountability Office (GAO). Under the terms of the agreement, Vietnam would provide Namibia with three aquaculture experts and nine technicians for five years, to boost aquaculture in rural areas (Namibian 2010). Interestingly, there was even further cooperation as the program was financed by a N$13 million grant from the Spanish Agency for International Development Cooperation *[trans.]*.

The theme or development focus for each GSSD expo, held annually since 2008 (UNOSSC 2013), is dictated by the host UN development agency, and the event takes place where the particular agency is based. For example, the 2011 expo, hosted by the Food and Agriculture Organization of the United Nations in Rome, focused on food security, agriculture, climate change, social protection, nutrition, agribusiness, and environment. In 2012, the expo was held at United Nations Industrial Development Organization in Vienna, Austria, and the theme was "investing in energy and climate change: inclusive partnerships for sustainable development." In 2013, the expo was held for the first time in a developing country, at the Nairobi headquarters of the United Nations Environment Programme, where the theme was "building inclusive green economies: South-South Cooperation for sustainable development and poverty eradication" (quoted in UNDP 2013).

The year 2014 was a landmark year in SSC, with the first regional SSC development expo—Arab States Regional South-South Development Expo—held in Doha, Qatar, in February (UNDP 2014). The theme was "solutions to action," with the expo showcasing successful best practices that were developed and tested with a strong evidence base by countries within the Arab region. Significant strides were made at the regional level thanks to this expo. For example, sixty-seven private-sector entities were mobilized by the SS-GATE, four working arrangements were established with businesswomen's associations that promote women empowerment, and even a memorandum of understanding was signed between the Islamic Development Bank Group Business Forum and SS-GATE (UNDP 2014). Of the more than a hundred SSC best practices showcased, some best practices included youth and women's employment in Arab States, industrial development, green solutions for sustainable growth, and economic regeneration in Somalia (UNDP 2014). In particular, the solutions exchanged on women's empowerment tackled issues that hold back women from participating as full-fledged citizens due to cultural norms or even political climates.

In 2016, the expo was held from October 31 to November 3 in Dubai, United Arab Emirates; in 2017, from November 27 to 30 in Antalya, Turkey; in 2018, from November 28 to 30 at the United Nations headquarters in New York. There was no expo in 2015.

Development Goals and Best Practices

South-South Cooperation (SSC) differs from traditional foreign aid because assistance is not purely financially based. Rather, SSC seeks to carry out equitable and ownership-based exchanges. This hallmark of SSC is promoted through the exchange of best practices between developing countries. SSC knowledge exchange tends to be possible between neighbouring countries due to geographic similarities, inter-regional cooperation as a result of identified common goals and unique situations, or even globally by bringing together countries from a number of regions that are seeking replicable and adaptable solutions. Triangular Cooperation also exists when a Northern partner enters the equation and typically helps to finance the SSC initiative or provide technical expertise that is otherwise absent among the Southern countries. While neither a criterion nor a necessity, the UN sometimes serves as a mediating party, third partner, or implementing body to help broker SSC partnerships.

In this section examples and insight are provided into a number of global, inter-regional, and regional SSC best practices. While the areas of technical cooperation vary from education to environment, the SSC initiatives highlighted here were selected due to their replicability, sustainability, success (including recognition by UN bodies as a good practice), and evaluation of lessons learned.

Global SSC

Capacity Building for BioTrade

Many beneficial health products have been found to be derived from natural resources in developing countries, and this has resulted in the rapid expansion of the BioTrade industry. Often, BioTrade (UNEP 2013) industries harvest these resources and do not compensate the associated tribe or region for either the resource or local knowledge. The Nagoya Protocol on Access and Benefit-Sharing was drafted primarily with the best interests of developing countries, and local populations, in mind. SSC has proven to play a part in ensuring the success of this protocol. Nepal, Namibia, and Peru partnered to develop the Capacity Building for BioTrade (CBBT) initiative (UNEO 2014), which was supported by United Nations Environment Programme (UNEP) technical expertise. These countries came together because they all identified common challenges such as the inability among local producers to comply with BioTrade quality and certification standards, which reduced interest and entry into international markets; the inability to keep up with ever-changing food safety import regulations; inefficient production capacities such as storage, transport, energy, and clean water, which in turn reduce the quality and price value of the products; and an overall lack of subsidies, credit, and grants for production (UNEP 2014). As a result of this SSC, the three countries were able to identify common problems and unsustainable practices despite their geographic differences and distances, while bearing in mind the similarity of rich biodiversity in Southern countries.

The three countries also highlighted common steps to take in order to safely and effectively promote the BioTrade sector. As it is, there has been a general increase in natural product sales, up to a growth rate of five times that of mainstream products. Recommendations included the development of a legal and policy framework for BioTrade, infrastructure development and capacity building for enterprises, BioTrade investment guarantees, improved production research and development, awareness-raising, and the facilitation of international cooperation around BioTrade initiatives (UNEP 2014). Support for BioTrade enterprises is critical because the export-led growth in this sector has the potential to result in significant job creation among the populations of the South. This has spurred large pharmaceutical and cosmetic firms to replace their synthetic or chemical ingredients with naturally derived ones and rebrand their image to be eco-friendlier. With growth in the BioTrade sector, the Nagoya Protocol on Access and Benefit-Sharing has also been upheld, thus ensuring price stability and sustainable biodiversity harvesting.

Global Labour University (GLU)

While exchange programs and international courses are the norm for education-based cooperation, the Global Labour University (GLU) represents a unique and truly international model of SSC. GLU is an educational network of the International Labour Organization (ILO), trade unions, civil society organizations, and universities from around the world (Global Labour University 2014). Founded in 2002, this initiative is actually a Triangular Cooperation as it was formed through a partnership between Germany, South Africa, Brazil, and India. Truly a North-South and South-South effort, GLU has campuses in Germany, South Africa, India, and Brazil, where labour officials and trade union workers gain postgraduate training as well as practical work experience. GLU serves as a hub for trade union and labour research and policy analysis. Students at GLU are trained to understand the evolving role of trade unions in light of globalization, how to best serve their members, and how to build ties with civil society bodies as well as implement the Decent Work Agenda (Global Labour University 2014). Modes of learning include workshops, online classrooms or working groups, publications, and conferences. Scholarships are also offered to students from developing countries in order to ensure wider global coverage and trade union representation. A distinguishing feature of

GLU is that it is not just about knowledge transfer but about active and ongoing international discussions and deliberations regarding trade unions at the national and global levels. Not only is the format of GLU sustainable, but, due to the training it provides, the alumni, primarily residents of the South, are putting into practice what they have learned in their respective organizations—and are thereby improving the landscape of trade unions and associated research. The success of GLU, to date, has encouraged countries such as the United States, Russia, Ghana, and Argentina to request participation (Global Labour University 2014). GLU has also catalyzed another innovative initiative, the Global Union Research Network, which is run by international trade unions, as a platform to share research, facilitate debate, and coordinate knowledge exchange (Global Union Research Network 2014).

Inter-regional SSC

Asia and Africa: Improving Public and Private Investment for Pro-poor Environment and Climate Outcomes

Africa and Asia are highly dependent on their agricultural industries, which are also typically the livelihoods of the poorer and more rural populations. With climate change and environmental factors having a direct impact on agricultural production and livelihoods, investment in these industries was recognized as critical. As a result, a regional workshop focused on improving public and private investment for pro-poor environment and climate outcomes was organized in Lao PDR in 2010 (UNDP 2010). This workshop brought together government officials, finance experts, local planning officials, and environmental representatives from the Asia-Pacific region. Workshop topics covered ways to reduce poverty through public and private investment, approaches for the sustainable management of natural resources, and mitigation measures for climate change. Results of this regional workshop helped countries develop their country programs as well as encouraged countries to join the UNDP-UNEP Poverty-Environment Initiative (PEI).

SSC came into play when the results of this regional workshop, with its commitment to shared goals, piqued the interest of Rwandan officials. A Rwanda delegation visited Lao PDR, Nepal, and Thailand to observe and understand possible opportunities to support the private sector, fiscal reform, the measurement of poverty-environment linkages, and the valuation of ecosystem services. In exchange, Rwanda shared its mechanism for financing environmental sustainability and climate resilience, which is currently known as the National Climate and Environment Fund (NCEF) (UNDP 2010). Interestingly, while Rwanda came to learn from Lao PDR, the Rwanda NCEF model was the catalyst for the creation of a Lao social and environmental investment impact monitoring and evaluation system, which is currently successfully operating through the Lao PDR Ministry of Natural Resources and Environment and the Ministry of Planning and Investment. Nepal also drew on Rwanda's experience in implementing a public environmental expenditure review (PEER), which enabled Nepal to develop its own climate change budget. This Climate Public Expenditure and Institutional Review (CPEIR) has since been replicated in other countries in the Asia region (UNDP 2010). Ultimately, all countries learned from this SSC initiative and developed practical ways to mainstream pro-poor poverty-environment concerns and approaches into private-sector investments.

Small Island Developing Countries: Global Island Partnership

While one might expect geographic similarities from within a single region, there are instances of this between regions. One strong example is the partnership of Small Island Developing States (SIDS), which not only share similar geographies and physical attributes but also environmental and societal concerns. This homogeneous foundation resulted in the formation of the Global Island Partnership (GLISPA), which serves as a global network among island countries intent on sustainably conserving and utilizing their national resources (GLISPA 2014). Founded during the 2005 Mauritius International Meeting under the leadership of the presidents of Palau and the Seychelles, GLISPA serves as a platform for SIDS to exchange knowledge and share innovative best practices around overlapping concerns. To date, GLISPA has over 60 SIDS members, including countries with islands or overseas territories and numerous organizations (GLISPA 2014).

The work of GLISPA focuses on furthering ecosystem adaptation mechanisms and commitments, facilitating dialogue and sharing best practices on relevant topics, integrating development with conservation and sustainable livelihoods, and expanding outreach. The success of the GLISPA mechanism has resulted in formal recognition by the Convention on Biological Diversity (CBD), with GLISPA working in partnership with CBD in order to reduce biodiversity loss and implement the Programme of Work on Island Biodiversity and Protected Areas.

The success of the GLISPA SSC initiative is evident in terms of its growth from an informal collaboration to a sixty-country strong SSC organization that has helped to raise over US$100 million for island conservation. Some of the commitments that have been launched at GLISPA events and that GLISPA continues to support are the Phoenix Islands Protected Area, Micronesia Challenge, Caribbean Challenge, Global Island Database, and the Government of New Zealand's activities on invasive species, in particular the Helping Islands Adapt workshop, which involved all the SIDS regions and others (GLISPA 2014). GLISPA is currently working with the Government of the Seychelles on a Western Indian Ocean Coastal Challenge, with the partnership enabling inter-regional and inter-island sharing of experiences.

Regional SSC

Africa: Regional Standard for Organic Agriculture

Within the East African Community (EAC), Burundi, Kenya, Rwanda, Tanzania, and Uganda all have an agricultural sector that employs up to 80 percent of the population and accounts for between 24 and 44 percent of their national economies (UNEP 2008). Furthermore, half of all certified organic land in Africa is in Kenya, Tanzania, and Uganda. Prior to 2005, the challenge for organic production was the lack of a uniform standard, which resulted in expensive compliance costs for local farmers (UNEP 2006). It also posed a barrier to the trading of organic goods such that demand was unmet due to products not adhering to international specifications. On the basis of this shared problem, the EAC member countries along with UNEP and UNCTAD formed a Triangular Cooperation on "promoting production and trading opportunities for organic agricultural products in East Africa," which called for the development of a regional organic standard (UNEP 2010). By 2007, the East African Organic Products Standard (EAOPS) was adopted, becoming the only other regional organic standard aside from the European Union. EAOPS has helped East African countries meet the growing demand for organic products and reduce certification costs. What made this SSC unique was that it involved the inclusive participation of national governments, public bodies, private entities, and NGOs throughout the East Africa region. This initiative was so successful and adaptable that it galvanized the African Union to adopt a decision on organic farming in 2011, develop a platform to share organic farming best practices, and provide guidance. It also extended to Pacific region stakeholders, which used the EAC model to develop and adopt the Pacific Organic Standard in 2008 (UNEP 2010).

South America: Combatting Child Labour

Labour inspection was a subject for SSC between Brazil, Bolivia, Ecuador, and Paraguay. In March 2009, the Complementary Agreement on Technical Cooperation with Latin American and African countries for the implementation of the ILO-Brazil Partnership Programme for the Promotion of South-South Cooperation was signed (ILO 2014). A key focus was combatting child labour, with an associated project involving Brazil, Bolivia, Ecuador, and Paraguay, which resulted in the labour inspection system being reorganized and new inspectors trained—in Paraguay from 2010 to 2011, in Bolivia from 2010 to 2012, and in Ecuador from 2010 to 2012 (ILO 2014). This was also a Triangular Cooperation due to funding provided by the United States Department of Labor (USDOL) as well as technical assistance from the ILO International Programme on the Elimination of Child Labour (IPEC).

This form of cooperation resulted in training programs for labour inspectors in Bolivia and Paraguay, translation of the *Self-Learning Manual on Health and Safety for Child and Youth Labour [trans.]* from Portuguese into Spanish to cater to Brazil's Spanish-speaking neighbours, and the establishment of a monitoring Child Labour and Health Observatory by the University of Brasilia and the Brazilian Ministry of Health. Stemming from this Brazilian model, Bolivia developed its own child labour monitoring system, with tools for data collection on inspection activities and information management. In Ecuador, the Technical Working Group received support to develop the "National Report on the Elimination of Child Labour in Garbage Dumps," which was shared with neighbouring countries (ILO 2013). Moreover, an agreement to implement a program to prevent and eliminate child labour among the indigenous population in the provinces of Chimborazo and Imbabura was adopted by the District Government of

Cotacachi, the Unión de Campesinos e Indígenas de Cotacachi (Union of Peasants and Indigenous People of Cotacachi, UNORCAC), and the Fundación Comunidades y Desarrollo en Ecuador (Communities and Development in Ecuador Foundation, COMUNIDEC) (ILO 2014). In Bolivia, the Gender, Generations, and Social Team developed a project to strengthen the capacity of the educational system to respond to the issue of child labour. The project was implemented with funds from the IPEC project on child labour and education financed by the Dutch government (ILO 2014). For their innovative characteristics, the Conditional Cash Transfer Programmes and Labour Inspection measures, with a focus on child labourers (ILO 2013), received the 2010 South-South Cooperation Award for Innovation.

The Initiative to Combat Child Labour in Brazil, Bolivia, Ecuador, and Paraguay ensured that the elimination of child labour is mainstreamed throughout the labour inspectorate system—for example, in Bolivia via the Monitoring System of Child Labour. It has resulted in concrete resolutions, agreements, campaigns, and studies that provide the basis for future activities related to the elimination of child labour. Moreover, the translation, systematization, and adaptation of models and experiences—as in the case of Paraguay, which adapted Brazil's *Self-Learning Handbook on Health and Safety of Children and the Youth*—facilitates the current and future transfer of Southern solutions at the regional and inter-regional level. Finally, initiatives such as Ecuador's "National Report on Elimination of Child Labour in Garbage Dumps" and a Protocol for the Prevention and Elimination of Child Labour in Garbage Dumps not only serve as inspiration but also represent a tool for other countries to adapt to their national context (ILO 2013).

Conclusion

South-South Cooperation has revolutionized the face of international development cooperation and aid. Developing countries are no longer treated as recipients without a say, but rather as equals within a mutually beneficial agreement. While SSC does not eliminate the need for North-South traditional aid flow or development cooperation, SSC helps to alleviate the challenges arising from decreased North aid and funding. SSC has proven to be successful and sustainable in various aspects of social development, ranging from the environment to food security, from employment to social protection, from disaster risk management to information and communication technologies, and from gender equality to education. The hallmarks of solidarity, mutual benefit, ownership, and non-conditionality are what make it unique and give it its strengths. These ideals are what seek to elevate the standards of developing countries and give them more of a voice in the global arena.

The reach of SSC is limitless, as are its benefits. It is an ideal approach to helping developing countries help themselves, alongside their North counterparts, in order to achieve internationally agreed-upon development goals as well as their own national development priorities in a sustainable and equitable manner.

As with any evolving entity, SSC sparks questions just as quickly as it comprehensively demonstrates answers. Is SSC more palatable due to its packaging, even when, in some cases, it might be no different from typical vested and interest-based foreign assistance? Does it matter when the outcomes are the same? Will the outcomes truly be the same when the intentions are not? Perhaps this is something that we can only proportionately and fairly assess as time goes by and as SSC grows more fully into its intentions. At the end of the day, if nothing else, the South has come together to demonstrate and prove its right and capability to steer its own development, identity, and power separate from traditional North constraints.

Note

1. In December 2009, the High-level UN Conference on South-South Cooperation was held in Nairobi. The Nairobi Outcome document called for countries and UN system organizations to give more political boost to South-South and Triangular Cooperation. It described the most comprehensive and encompassing definition of South-South and Triangular Cooperation within the UN system to date. This document was later endorsed by the UN General Assembly in 2010.

References

"About the Group of 77." The Group of 77 at the United Nations, 2015. http://www.g77.org/doc/.

Bertocchi, Graziella, and Fabio Canova. 2002. "Did Colonization Matter for Growth?: An Empirical Exploration into the Historical Causes of Africa's Underdevelopment." *European Economic Review* 46, no. 10 (December): 1851–1871. http://www.sciencedirect.com/science/article/pii/S0014292101001957.

Biryabarema, Elias, and Sven Nordenstam. 2014. "Sweden Resumes Aid to Uganda after Suspending It over Anti-gay Law." Reuters, July 28, 2014.

https://www.reuters.com/article/us-uganda-gay/sweden-resumes-aid-to-uganda-after-suspending-it-over-anti-gay-law-idUSKBN-0FX14Q20140728

BRICS. 2011. "Sanya Declaration of the BRICS Leaders meeting." http://www.gov.cn/misc/2011-04/14/content_1844551.htm

Burges, Sean. 2012. "Developing from the South: South-South Cooperation in the Global Development Game." *Austral: Brazilian Journal of Strategy and International Relations* 1, no. 2 (Jul–Dec): 225–249.

Caselli, M. 2004. "Some Reflections on Globalization, Development and the Less Developed Countries." Working Paper no. 152/04. Coventry: Centre for the Study of Globalization and Regionalization (CSGR). wrap.warwick.ac.uk/1964/1/WRAP_Caselli_wp15204.pdf.

Chaturvedi, Sachin, Tom Fues, and Elizabeth Sidiropoulos, eds. 2012. *Development Cooperation and Emerging Powers: New Partners or Old Patterns?* London: Zed Books.

Chaudhuri, Pramit Pal. 2009. "What Happened at the Copenhagen Summit: A BASIC Perspective." Aspenia Online, December 22, 2009. https://www.aspeninstitute.it/aspenia-online/article/what-happened-copenhagen-summit-basic-perspective.

Chen, Wenjie, David Dollar, and Heiwai Tang. 2015. "Why is China Investing in Africa? Evidence from the Firm Level." Brookings Institute, August 2015. https://www.brookings.edu/wp-content/uploads/2016/06/Why-is-China-investing-in-Africa.pdf

Chisholm, Linda, and Gita Steiner-Khamsi, eds. *South-South Cooperation in Education and Development*. New York: Teachers College Press, 2009.

Convention on Biological Diversity. 2010. *South-South Cooperation on Biodiversity Newsletter* 1, no. 1 (2010).

———. 2014. "Global Island Partnership (GLISPA)," http://www.cbd.int/island/glispa.shtml.

Cooper, Andrew F., and Daniel Flemes. 2013. "Foreign Policy Strategies of Emerging Powers in a Multipolar World: An Introductory Review." *Third World Quarterly* 34, no. 6 (July): 943–962.

Directorate General for International Cooperation. 2013. "South-South Cooperation Argentine Republic: Project Catalogue." *Ministry of Foreign Affairs and Worship*, Argentine Presidency.

Economist. 2009. "'BRICs and BICIs': The World in 2010." *The Economist,* November 26, 2009.

Food and Agriculture Organization of the United Nations. n.d. "FAO Steps Up Support to South-South Cooperation." http://www.fao.org/news/story/en/item/115538/icode/.

Glennie, Jonathan. 2012. "Aid from BRICS Countries Is Making a Bigger Splash." *The Guardian*. http://www.theguardian.com/global-development/poverty-matters/2012/mar/26/aid-brics-countries-china-india.

GLISPA (Global Island Partnership). 2010. "Helping Islands Adapt: A Workshop on Regional Action to Combat Invasive Species on Islands to Preserve Biodiversity and Adapt to Climate Change." (GLISPA brochure). Auckland, New Zealand, April 12-16. http://www.cbd.int/invasive/doc/workshop-helping-islands_en.pdf.

———. 2014. Convention on Biological Diversity. https://www.cbd.int/island/glispa.shtml.

Global Labour University. 2014. http://www.global-labour-university.org/.

Global Union Research Network (GURN). 2013. "International Labour Organization, 2014." http://www.ilo.org/actrav/projects/WCMS_112408/lang--en/index.htm.

Goldman Sachs. 2003. "Dreaming with BRICs: The Path to 2050." Global Economics Paper No. 99. October 2003. https://www.goldmansachs.com/insights/archive/archive-pdfs/brics-dream.pdf.

———. 2005. "How Solid Are the BRICs?" Global Economics Paper No. 134. December 2005. https://www.goldmansachs.com/insights/archive/archive-pdfs/how-solid.pdf.

Gordon, L. 2008. "BRIC Economies Withstand Global Financial Crisis." *Euromonitor International* (blog), November 7, 2008. https://blog.euromonitor.com/2008/11/bric-economies-withstand-global-financial-crisis.html.

Greenwood, John. 2011. "After BRICS, CIVETS?" *The Wall Street Journal*, September 19, 2011. https://www.wsj.com/articles/SB10001424053111904716604576546632573895382.

Group of 77. n.d. "Group of 77 at the United Nations." http://www.g77.org

Haan, Arjan De. 2009. *How the Aid Industry Works: An Introduction to International Development*. Sterling, VA: Kumarian Press.

Harris, Jerry. 2005. "Emerging Third World Powers: China, India and Brazil." *Race and Class* 46, no. 3: 7–27.

Hashemi, Arshia. "Conditional Aid—a Misleading Vision." *Trade, Development, and Immigration* (blog). *Institute of Economic Affairs*, May 30, 2014. http://www.iea.org.uk/blog/conditional-aid-a-misleading-vision.

Holden. 2009. "'Room for More Funding' Continued: Why Donation Restricting Isn't the Easy Answer." *The GiveWell Blog*, December 16, 2009. http://blog.givewell.org/2009/12/16/room-for-more-funding-continued-why-donation-restricting-isnt-the-easy-answer/.

Hook, S. W. 1995. "Foreign Policy and Systemic Adaption: Official Development Assistance Strategies of Four Major Donors 1980–1989." PhD thesis, University of South Carolina.

IBSA. 2015. "The IBSA Facility for the Alleviation of Poverty and Hunger (IBSA Fund)." IBSA Trilateral. https://www.unsouthsouth.org/partner-with-us/ibsa/.

ILO (International Labour Organization). 2013. *South-South Cooperation and Decent Work: Good Practices*. Geneva: International Labour Office, 2013.

———. 2014. "Brazil-ILO Annual Review Meeting 2014." International Labour Organization, June 9, 2014. http://www.ilo.org/pardev/south-south/WCMS_245514/lang--en/index.htm

JIU (Joint Inspection Unit). 2011. "South-South and Triangular Cooperation in the United Nations System." Geneva: JIU, United Nations.

Kararach, G., F. Léautier, and T. Luhanga. 2013. "South-South Cooperation: How Does Gender Equality Factor in the Emerging Multilateralism?" In *Multilateral Development Cooperation in a Changing Global Order*, edited by H. Besada and S. Kindornay. 241–270. London: Palgrave Macmillan.

"Key Demands from Women's Rights Organizations and Gender Equality Advocates: To the Fourth High Level Forum on Aid Effectiveness (Busan, Korea, 2011) and the Development Cooperation Forum (2012)." Association for Women's Rights in Development (AWID), 2011. http://www.un.org/en/ecosoc/newfunct/pdf/luxembourg_women's_key_demands_busan_updated_oct201.pd.

Kragelund, Peter. 2008. "The Return of Non-DAC Donors to Africa: New Prospects for African Development?" *Development Policy Review* 26, no. 5 (September): 555–584.

Lange, Matthew K. 2004. "British Colonial Legacies and Political Development." *World Development* 32, no. 6 (June): 905–922. http://www.sciencedirect.com/science/article/pii/S0305750X04000385.

Liu, Li, Simon Cousens, Joy E. Lawn, and Robert E. Black, et al. "Global, Regional, and National Causes of Child Mortality: An Updated Systematic Analysis for 2010 with Time Trends since 2000." *The Lancet* 379, no. 9832 (June 2012): 2151–61.

Luo, J.B., and X.M. Zhang. 2009. "China's African Policy and Its Soft Power." Victoria University of Wellington. https://www.victoria.ac.nz/chinaresearchcentre/programmes-and-projects/china-symposiums/chinese-soft-power-and-culture.

Mancheri, Nabeel A., and Shantanu S. 2011. "IBSA vs BRICS: China and India Courting Africa." East Asia Forum, September 2, 2011. http://www.eastasiaforum.org/2011/09/02/ibsa-vs-brics-china-and-india-courting-africa/.

Manji, Firoze, and Stephen Marks, eds. 2007. *African Perspectives on China in Africa*. Cape Town: Fahamu Pambazuka News.

Mawdsley, Emma. 2012. *From Recipients to Donors: Emerging Powers and the Changing Development Landscape*. London: Zed Books.

McCormick, Dorothy. 2008. "China and India as Africa's New Donors: The Impact of Aid on Development." *Review of African Political Economy* 35, no. 115 (October): 73–92.

Mohan, Giles, and Marcus Power. 2008. "New African Choices? The Politics of Chinese Engagement." *Review of African Political Economy* 35, no. 115 (October): 23–42.

Morazan, Pedro, Jose Antonio Sanahuja, and Bruno Ayllon. 2011. "A New European Union Development Cooperation Policy with Latin America." European Union Commission.

Morocco World News. 2014. "South-South Cooperation at the Forefront of Morocco's Foreign Policy." July 29, 2014.

Moumouni, Guillaume. 2006. "Domestic Transformations and Change in Sino-African Relations." Working Paper no. 21. Beijing: Peking University.

Mukherjee, Aditya. 2012. "Colonial Globalisation to Post-Colonial Globalisation: Non-alignment and South-South Cooperation." *Austral: Brazilian Journal of Strategy and International Relations* 1, no. 2 (July–Dec.): 251–272.

Namibian. 2010. "Vietnam Boosts Aquaculture in Namibia." *The Namibian*, March 23, 2010. http://www.namibian.com.na/indexx.php?archive_id=64095&page_type=archive_story_detail page=3099.

Nielsen, Christine. "The New Economic Potential in the MIST." Open Markets, October 25, 2012. http://openmarkets.cmegroup.com/4534/the-new-economic-potential-in-the-mist.

Nkrumah, Kwame. 1965. *Neo-Colonialism, the Last Stage of Imperialism*. London: Thomas Nelson and Sons.

Nunn, Nathan. 2007. "Historical Legacies: A Model Linking Africa's Past to Its Current Underdevelopment." *Journal of Development Economics* 83, no. 1 (May): 157–175. http://www.sciencedirect.com/science/article/pii/S0304387805001665.

O'Neill, Jim. 2001. "Building Better Global Economic BRICs." Goldman Sachs. *Global Economics Paper* no. 66, November 30, 2001. http://www.goldmansachs.com/our-thinking/archive/archive-pdfs/build-better-brics.pdf.

Partnership for Maternal, Newborn and Child Health. 2013. "Integrating WASH Interventions Across Sectors to Improve Health Outcomes." Strategy Brief for the Inter-Ministerial Conference on 'South-South Cooperation in Post ICPD and MDGs.' The Partnership for Maternal, Newborn and Child Health, Beijing, October 22–23, 2013. http://www.who.int/pmnch/knowledge/publications/strategybriefs/en/.

Puri, Hardeep Singh. 2010. "Rise of the Global South and Its Impact on South-South Cooperation." *Development Outreach* 12, no. 2 (October): 7–9.

Puri, Lakshmi. 2007. "IBSA: An Emerging Trinity in the New Geography of International Trade." Working Paper No. 35. New York: UNCTAD

Purushothaman, Chithra. n.d. "Foreign Aid and South-South Cooperation: Emerging Powers as Donors." Centre for International Politics, Organisation and Disarmament. Jawaharlal Nehru University, New Delhi.

R2P (Global Centre for the Responsibility to Protect). 2012. "Remarks to the UN General Assembly's Interactive Dialogue on 'Responsibility to Protect: Timely and Decisive Response.'" http://www.globalr2p.org.

Rao, Sujata. 2012. "BRICS: Future Aid Superpowers?" *Reuters* (blog), March 26, 2012. http://blogs.reuters.com/globalinvesting/2012/03/26/brics-future-aid-superpowers/.

Robledo, Carmen. 2015. "New Donors, Same Old Practices? South-South Cooperation of Latin American Emerging Donors." *Bandung: Journal of the Global South* 2, no. 3 (February). https://doi.org/10.1186/s40728-014-0008-0.

Rowlands, Dane. 2012. "Individual BRICS or a Collective Bloc: Convergence and Divergence Amongst 'Emerging Donor' Nations." *Cambridge Review of International Affairs* 25, no. 4: 629–649. https://doi.org/10.1080/09557571.2012.710578.

Roy, Rathin, and Melissa Andrade, eds. "South-South Cooperation: The Same Old Game or a New Paradigm?" *Poverty in Focus* 20. Brasilia: International Policy Centre for Inclusive Growth. http://www.ipc-undp.org/pub/IPCPovertyInFocus20.pdf.

SAFPI (South African Foreign Policy Initiative). 2012. "South Africa's Foreign Policy and South-South Cooperation: Opportunities and Challenges." Open Society Foundation for South Africa. Institute of Global Dialogue, 2012. http://www.safpi.org/funded_projects/south_africas_foreign_policy_and_south_south_cooperation_opportunities_and/.

Sethi, Rumina. 2011. *The Politics of Post-colonialism: Empire, Nation and Resistance*. London: Pluto Press.

Sharma, Rajeev. 2011. "BRIC vs IBSA = China vs India?" *The Diplomat*, March 2, 2011. http://thediplomat.com/2011/03/bric-vs-ibsa-china-vs-india/.

Stuenkel, Oliver. 2014. "South-South Cooperation: Does the IBSA Fund Matter?" *Post-Western World*. January 27, 2014. http://www.postwesternworld.com/2014/01/27/south-cooperation-matter//.

Tossounon, A. "High Level Forum 2013: An African Response to Water and Sanitation Challenges." High Level Forum on Water and Sanitation for All in Africa, 2013. https://www.washghana.net/node/428.

Tull, Denis M. 2006. "China's Engagement in Africa: Scope, Significance and Consequences." *Journal of Modern African Studies* 44, no. 3 (September): 459–479.

UN–Partnerships for the SDGs. 2005. "Programme for South-South Cooperation on Sustainable Development between Benin, Bhutan, and Costa Rica." https://sustainabledevelopment.un.org/partnership/?p=1634

UNDP. 2010. "Scaling Up Support for the MDGs at the Local Level: A Global Programme Partnership Proposal." New York: United Nations Development Programme. http://content-ext.undp.org/aplaws_assets/3157681/3157681.pdf

———. 2013. Poverty-Environment Initiative." United Nations Environment Programme, November 5, 2013. http://www.unpei.org/.

———. 2013. "South-South and Triangular Cooperation for Sustainable Human Development." United Nations Development Programme, Nairobi,

Kenya, no. 1 (December 2013). https://www.unpei.org/sites/default/files/SSCnewsletter1.pdf.
———. 2014. Arab States Regional South-South Development Expo. 2014. Doha, Qatar. http://doha.southsouthexpo.org/.
UNEP. 2012. "Green Economy and Trade Opportunities." United Nations Environment, 2012. https://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=658&menu=1515.Partners in Population and Development (PDD), 2013.
UNEP. 2013. "Building Inclusive Green Economies—Success Stories from South-South Cooperation." United Nations Environment Programme, 2013.
———. 2014. "UN General Assembly Informal Interactive Dialogue on the 'Responsibility While Protecting'." Green Economy Global Centre for the Responsibility to Protect. 2012. http://www.globalr2p.org/resources/344.
UNEP-UNCTAD. 2008. "Organic Agriculture and Food Security in Africa." United Nations Conference on Trade and Development: United Nations Environment Programme. UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development, 2008. http://unctad.org/en/docs/ditcted200715_en.pdf.
———. 2010. "Organic Agriculture: Opportunities for Promoting Trade, Protecting the Environment and Reducing Poverty." Case studies from East Africa. UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF), 2010. www.unep.ch/etb/publications/Organic%20Agriculture/OA%20Synthesis%20v2.pdf.
UNOSSC/UNDP (United Nations Office for South-South Cooperation). 2013. Global South-South Development Expo. http://www.expo.unsouthsouth.org/about-expo/
Vieira, M.A., and C. Alden. 2011. "India, Brazil and South Africa (IBSA): South-South Cooperation and the Paradox of Regional Leadership." *Global Governance: A Review of Multilateralism and International Organizations* 17, no. 4 (Oct–Dec): 507–528.
Weinberg, P.D. 2012. "South-South Cooperation: The Case of Vocational Training Institutions in Latin America and Caribbean Countries." NORRAG 44 (2012): 92–93. http://www.norrag.org/cn/publications/norrag-news/online-version/a-brave-new-world-of-emerging-non-dac-donors-and-their-differences-from-traditional-donors/detail/south-south-cooperation-the-case-of-vocational-training-institutions-in-latin-american-and-caribbea.html.
Woods, Ngaire. 2008. "Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance." *International Affairs* 84, no. 6: 1205–1221.

CHAPTER 3

Triangular Cooperation: Another Option for South-South Cooperation?

Christina S. Lengfelder

Introduction

Triangular cooperation is a relatively new form of South-South Cooperation (SSC). Such an arrangement typically includes two Southern actors along with one of the traditional Development Assistance Committee (DAC) donors—an arrangement that is expected to strengthen SSC. Of the two Southern countries, there is usually one that is considered the new provider given its recent overall developmental progress and the related capacity to take the lead in providing technical solutions to development problems.

There are two striking facts about triangular cooperation. First, after about a decade of implementation, it is still unclear whether this cooperation modality is more effective or efficient than traditional SSC and North-South Cooperation (NSC). This is mainly due to a dearth of evaluation studies about this modality. Second, in many cases, the implementation of the new modality is not explicitly demanded by recipient countries. Instead, the DAC donors and the new providers are the leading forces behind these projects. In the aftermath of the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008), in which DAC donors have committed themselves to providing the recipient countries with ownership of their projects while aligning with the recipients' national development strategies in order to make aid more effective, the implementation of triangular cooperation is thus questionable.

From the outset, it is unlikely that a cooperation modality that is initiated, funded, and administrated mainly by DAC donors (and partly by the new providers) provides ownership to the receiving countries. Apart from this, evaluations by tepid practitioners give reason to query the effectiveness and efficiency of triangular cooperation. High transaction costs boost expenditures, although it is questionable whether these additional costs can be compensated for by increased effectiveness. This gives reason to scrutinize the overall purpose of triangular cooperation—in other words, the motive for its implementation. The strategic interests of DAC donors may play a decisive role, considering that the attractiveness of new providers as cooperation partners is becoming increasingly important for international relations. Hence, rather than a tool for effective development cooperation, triangular cooperation may constitute a vehicle for fostering strategic partnerships with new protagonists that appear on the international stage.

This chapter introduces triangular cooperation as an additional form of SSC to the literature and identifies areas of cooperation and the actors involved. Special attention is paid to the characteristics of new providers, as these are essential for analyzing the DAC donors' possible strategic interests in triangular cooperation. The potential to increase the effectiveness or efficiency of SSC and NSC through this modality is also discussed. Apart from highlighting the lack of evaluation studies, one of the few independent evaluation reports will be reviewed in order to provide in-depth insight on some of the drawbacks of triangular cooperation. Drawing from this insight, four criteria for potentially successful triangular cooperation projects will be provided, along with recommendations on how to proceed with this new cooperation modality without compromising the needs of developing countries. The aim of the chapter is therefore twofold: to familiarize the reader with a largely under-studied development cooperation modality; and to invite the reader to take a critical look at its purpose in light of any controversy as to its potential to improve SSC and NSC.

What Is Triangular Cooperation and How Does It Relate to SSC?

Triangular cooperation encompasses training and expert advice from donor countries to recipient countries. During the 1970s, countries from the Global South started to arrange technical cooperation projects between two Southern countries—an activity that was given the name South-South Cooperation. SSC was expected to have several benefits, such as more familiarity with local circumstances, as well as culture and language similarities. However, these projects frequently faced administrative problems along with a lack of economic resources. As a possible response to these difficulties, DAC donors started to provide financial resources and administrative support, which resulted in the first triangular cooperation projects by the end of the 1990s.[1] Thus, triangular cooperation is a relatively new form of technical cooperation involving three actors: DAC donor, new provider, and recipient country.

In traditional NSC arrangements, DAC donors provide expert advice and professional training to developing countries. In triangular cooperation arrangements, this role is assumed by new providers, with the DAC donor covering the majority of the project costs and providing administrative support (CUTS-CITEE 2005; Ashoff 2009; ECOSOC 2008; Kumar 2008). One example is the *Japan-Egypt-Sub-Sahara Africa project ICCI story* on *Networking and Capacity Development for Combating Infectious Diseases*. This project, which was implemented to strengthen human resources and institutional capacities in the medical sector in Sub-Saharan African countries through expanding networks, was funded by the Japanese International Cooperation Agency (JICA), who covered 85 percent of overall project costs, and the Egyptian Fund for Technical Cooperation with Africa (EFTCA), providing the remaining 15 percent (Task Team on South-South Cooperation, 2013). Similar capacity development efforts have been implemented in agricultural development, the environmental sector, water and water resource management, and in infrastructure and education sectors. Additionally, there have been several projects on consumer protection, gender, local governance, and employment (Fordelone 2009; Pantoja 2009).

Since the beginning of the twenty-first century, triangular cooperation has attracted more and more attention. At present, out of twenty-three bilateral DAC donor countries, sixteen are involved in such projects: Belgium, Canada, Denmark, France, Germany, Ireland, Italy, the US, Japan, Korea, Luxembourg, Norway, Spain, Sweden, Great Britain, Switzerland, Australia, Austria, Greece, the Netherlands, New Zealand, Portugal, and Finland.[2]

While existing literature on development cooperation details the characters of a DAC donor and recipient country, little is known about the identity of new providers. The only evident feature shared by all new providers is that they are middle-income countries, as defined by the World Bank (World Bank 2010). However, out of the eighty-six middle-income countries, only seventeen have been frequently involved in triangular cooperation as new providers: Argentina, Brazil, Chile, China, Colombia, Costa Rica, Egypt, India, Indonesia, Malaysia, Morocco, Mexico, Russia, South Africa, Thailand, Tunisia, and Turkey (Fordelone 2009; Pantoja 2009; author's data base).[3]

The common feature shared by these countries is their increasing political importance for regional and international relations. In some cases, this is due to the size of their economies; in other cases, to their recent overall developmental progress. And in both cases, all of these countries have gained substantial economic or political power over the last two decades. Moreover, some countries are crucial in the provision of global public goods, such as environmental protection, public heath, financial stability, and international security, and are thus indispensable for international dialogues. This has altered the global power structures of the twenty-first century (see, for example, Stamm 2004; Stamm and Altenburg 2005; Humphrey and Messner 2006; Faust and Messner 2008).

Definitions for the terms "anchor" and "emerging" country groupings, provided by the Deutsches Institut für Entwicklungspolitik (German Development Institute, DIE), are used here to help us be more specific about these two cases. According to the DIE, anchor countries can be identified by their economic size relative to other countries in the same region (Stamm 2004).[4] They include China, Indonesia, Thailand, Argentina, Brazil, Mexico, Russia, Turkey, Egypt, Iran, Saudi Arabia, Pakistan, South Africa, and Nigeria. Most of these countries are highly influential politically. They play key roles with respect to security and the maintenance of peace and stability in their regions. Anchor countries usually take mediating positions in times of conflict and assume responsibility for regional peace missions, not least because they enjoy substantial diplomatic influence. In addition to their important position regarding security issues, some anchor countries (such as China) constitute powerful trading partners due to their rampant economic growth. Some, such as Argentina and Brazil in MERCOSUR, are also leaders in debates on regional integration processes or on the provision of regional and even global public goods (Stamm 2004; BMZ 2004; Masala 2008; Faust and Messner 2008; Kaul, Grunberg, and Stern 1999).

Emerging countries are those that have reached relatively high levels of overall development (measured by the Human Development Index), which they are expected to maintain or elevate even without continued Official Development Assistance (ODA) payments (Stamm 2004).[5] They include Brazil, Chile, Costa Rica, Mauritius, Mexico,[6] Uruguay, Malaysia, Trinidad, and Tobago. Notwithstanding that some countries are relatively small in size, they have all gained international importance due to their overall developmental progress and substantial economic growth—and have become important trading partners as a result. Given their success in advancing overall human development, emerging countries can therefore be considered Southern providers of potential solutions when it comes to development issues.

The DIE's concepts of anchor and emerging countries not only embrace large powers but also small countries that can provide assistance for development projects and programs. The significant fact about the new providers engaged in triangular cooperation is that all of them are either anchor or emerging countries—with the exception of Colombia, Morocco, and Tunisia[7]—which is an important consideration when it comes to analyzing DAC donor motivations for triangular cooperation.

An in-depth study of the characteristics of new providers can also constitute the foundation for defining triangular cooperation, which still lacks a commonly accepted working definition. The United Nations Special Unit for SSC (SU/SSC) defines it as an "initiative of one or more Southern countries that wish to co-operate with one another. In order to leverage additional financial, technical or logistical resources, such countries can ask for the support of a Northern donor as the third partner" (SU/SSC 2013). This definition varies from the form of triangular cooperation introduced in this chapter, where it is being defined as any type of SSC that is supported or funded by a Northern donor or an international organization, such as the United Nations Development Programme (UNDP).

However, given that this definition does take into account that in most triangular cooperation agreements involving DAC donors, one of the Southern actors is a middle-income country—that is, a new provider (anchor or emerging country). Triangular cooperation has been redefined here to comprise technical cooperation between at least one DAC donor, one new provider, and one recipient country. The new provider usually assumes the role of a capacity-building Southern partner that shares its own experience in fostering development initiatives. Funding comes from the ODA resources of the DAC donor, with occasional additional funding from the new provider. The two essential differences between this and the SU/SSC's definition lie in the role of the new provider and the inclusion of an international organization instead of a DAC donor. These two aspects are crucial, not only with regard to the structure, activities, and funding of triangular cooperation, but also for the study of possible strategic and/or political interests behind these arrangements. While this chapter recognizes the existence of arrangements of the type described by the SU/SSC (also including private foundations or other developmental institutions), it chooses to focus on triangular cooperation activities that are funded by DAC donors and include new providers.

International Attention

Over the last decade, triangular cooperation has attracted the attention of the most important international forums on development cooperation. The Monterrey Consensus on Development Financing (2002), which emerged from the UN-led International Conference on Financing for Development, suggested strengthening "triangular cooperation, including countries with economies in transition, and SSC, as delivery tools for assistance" (United Nations Department of Economic and Social Affairs 2003, 15). In early 2005, the Forum on Partnership for More Effective Development Cooperation, organized by the UNDP and the OECD, "agreed that South-South and triangular cooperation can improve the aid efficiency and effectiveness in emphasizing ownership and inclusive partnerships" (OECD/UNDP 2005). The reference to triangular cooperation's effectiveness is crucial, because during the same year, the DAC worked intensely on ways to improve the effectiveness of development cooperation. The results of these efforts were stipulated in the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008). The outcome document that emerged from these two high-level forums explicitly encouraged the "further development of triangular cooperation" (Development Assistance Committee 2008a). The chair's summary of the forum in Accra furthermore identified triangular cooperation as one of the "key forms" of development cooperation (Development Assistance Committee 2008b).

This official acknowledgement transformed triangular cooperation into an internationally recognized tool for development cooperation. In May 2009, the First International Symposium on Triangular Cooperation took place in Brasilia, where political decision makers and practitioners exchanged information on initial practical experiences (Pantoja 2009). Two years later, at the Fourth High Level Forum on Aid Effectiveness in Busan (2011), South-South and triangular cooperation were included in ten key thematic sessions (Development Assistance Committee 2011a). The report on the Busan Partnership for Effective Development Co-operation points out that "South-South and triangular co-operation have the potential to transform developing countries' policies and approaches to service delivery by bringing effective, locally owned solutions that are appropriate to country contexts" (Development Assistance Committee 2011, 9). The DAC recommended to make "fuller use of South-South and triangular co-operation, recognizing the success of these approaches to date and the synergies they offer" (ibid., 10).

In spite of such international attention, triangular cooperation's impact on the development of receiving countries, compared to NSC or SSC, is widely under-studied. The DAC's encouraging recommendations regarding triangular cooperation have generally not been supported by empirical evidence, such as impact evaluation studies. Neither the DAC as an institution nor the different donor countries have made available comprehensive evaluation reports that would demonstrate the modality's effectiveness. Moreover, the costs for relevant projects are not listed as a separate item on the DAC account, but are part of the general expenditure for technical cooperation. This hinders a straightforward analysis of the costs and benefits of triangular cooperation compared to NSC or SSC, thereby making it difficult to estimate the modality's efficiency. As a consequence, the potential for triangular cooperation to improve SSC or NSC is highly controversial. The next section reflects the ongoing debate regarding this controversy.

Triangular Cooperation: An Opportunity to Improve SSC or NSC?

The different forms of development cooperation can be assessed under two specific areas: effectiveness and efficiency. For this analysis, effectiveness is considered to be the degree of achievement of the desired or planned outcome of an initiative,[8] while efficiency focuses on the relationship between the costs and benefits of a development cooperation initiative—in other words, between the outcome and the costs to achieve it. The following sections assess the potential of triangular cooperation to improve the effectiveness and efficiency of SSC and NSC. The evidence presented is based on existing literature and interviews conducted with experts, researchers, and development cooperation practitioners in Germany, Canada, Chile, and the Netherlands in 2010. The practical focus is enriched with insights from international relations theory.

Effectiveness

Theoretically, the argument that triangular cooperation (and SSC) can improve the effectiveness of technical cooperation is based on the constructivist approach of international relations theory. Constructivists suggest a relation between the legitimacy of actors and an increase in the effectiveness of certain endeavours.[9] According to Michael Barnett, legitimacy is defined by "societal agreement regarding the proper procedures for [...] pursuing collectively acceptable goals" (Barnett 2006, 93). Adequate processes, inclusiveness, and fairness create the perception of legitimacy and determine the degree to which states accept and internalize new procedures (Raustiala and Slaughter 2006). Barnett (2008) argues that states can "convince others" more easily when they are perceived as legitimate actors. To a certain degree, this can be applied to development cooperation. Following these authors, the effectiveness of triangular cooperation and SSC compared to NSC depends, among others, on the degree of perceived legitimacy of the new providers. For example, when Costa Rican experts travel to Bolivia in order to share their experiences with a successful housing program and teach Bolivian policymakers how to implement such a program, it is essential that Bolivians perceive them to be legitimate experts on this subject.

Therefore, the question is whether recipient countries perceive new providers to be more legitimate as DAC donors. Many practitioners suggest they do, arguing that the vast experience that new providers have gained in developing and implementing social and economic development policies and poverty reduction programs, and in managing international cooperation funds, lends weight to and legitimizes the advice they give. New providers can also contribute lessons learned from projects or programs that have not worked as expected, and provide suggestions on how to improve shortcomings. Given that new providers usually share the same regional background, often speak the same language, and are generally familiar with the local circumstances of the recipient country, they can adjust projects and programs to local social, economic, political, climatic, and geographic conditions—thereby providing assistance that is tailored to the needs of that country (see, for example, Ashoff 2009; ECOSOC 2008; Kumar 2008; Pantoja 2009; Fordelone 2009).

Another way to increase the effectiveness of technical cooperation through triangular cooperation is to recycle former bilateral projects. New providers can reuse specific knowledge gained during NSC projects with DAC donors, and make use of established institutions and networks. One example of this is the youth labour project between Germany, Chile, and the Dominican Republic. Assistance to integrate young vulnerable people living in rural areas of the Dominican Republic into the labour market was based on Chile's experience with a similar NSC project with the Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation, GIZ). The intervention strategy, consisting of a methodology to train youth in entrepreneurship skills, had been developed by the bilateral project and could be replicated in the Dominican Republic. The established institutional network in Chile, which included the National Solidarity Fund FOSIS, National Youth Institute INJUV, and National Service of Vocational Training and Employment SENCE, could be used to provide expert advice to their Dominican Republican counterparts (Task Team on South-South Cooperation 2013).

However, the argument about increased effectiveness of SSC or triangular cooperation has been contested. Many of the interviewed practitioners suggest that experts from DAC donor countries are more culturally sensitive than other experts, given their long-standing experience with development work. A policy advisor for the Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ or Federal Ministry for International Cooperation), who prefers to remain anonymous, shared the following anecdote during an interview:

> An expert from a new provider country, which was geographically close to the receiving country had to interrupt his assignment due to severe cultural misunderstandings with the recipient counterpart, although both shared the regional background (Africa). The African expert was sent to InWEnT [Internationale Weiterbildung und Entwicklung gGmbH, or Capacity Building International]—a program that every German expert has to go through before starting to work in an African country!

Other interviewees observed that it can be problematic when two neighbouring countries are engaged in triangular cooperation as new providers and recipients. The former International Development Research Centre (IDRC) vice president Rohinton Medhora (2010), former vice president of programs at Canada's International Development Research Centre (IDRC), stated in a personal conversation that "there is a lot of wishful thinking around this. Regional neighbours come with a baggage just as everyone else does." This baggage can be much heavier when it includes antique (territorial) conflicts or current issues, such as large flows of economic migration that have caused distrust and antipathy. Medhora used examples such as Mexico and Guatemala, Chile and Peru, Indonesia and East Timor, and South Africa and some of its neighbours. Especially when the new provider is an anchor country, technical cooperation projects may be seen as an attempt to expand regional dominance, which can hinder productive cooperation (for example, China and its Asian partners). Another obstacle that was underlined by the majority of the interviewees is the lack of trust in regional capacities, especially in skills and institutions. It is assumed that some receiving countries prefer advice from the DAC donors because of their long history of successful economic performance and relatively well-functioning social and political institutions (CUTS-CITEE 2005; Ashoff 2009, 2010; AECID 2010).

Efficiency

There is also a debate on whether triangular cooperation is more or less cost-efficient than traditional NSC or SSC. It has been suggested that through more cost-efficient projects, development cooperation can be scaled up—meaning that more projects can be implemented with fewer economic resources. Some practitioners argue that the repetition of projects reduces the cost of design and implementation (Kumar 2008; Fordelone 2009). When NSC projects that formerly included DAC donors and recipient countries (today new providers) are replicated to include DAC donors, new providers, and recipients, planning, know-how, and infrastructure can be recycled, which is assumed to reduce the overall project costs.[10] This can be illustrated by the above-described project on youth entrepreneurship. The methodology developed for the NSC project between Germany and Chile had been financed from funds for the bilateral project. The same methodology was applied to the triangular cooperation project benefitting the

Dominican Republic, which saved, among others, the costs for designing the project and developing the methodology.

Another argument states that costs for the actual operation of the projects are lower. Given lower average wages in their home countries, experts from the new provider countries are expected to charge less than experts from the DAC countries, which reduces personnel costs and, thus, the operational costs of the project. Moreover, shorter distances between new provider and recipient countries are assumed to reduce travel costs. In cases where the new provider speaks the same language as the receiver, costs for translation can also be saved (Ashoff 2009; CUTS-CITEE 2005; Emmerling 2006; Rosseel et al. 2008).

As above, this initial assessment is contested. The counterargument suggests that "there are international market prices for international expertise," so personnel costs are unlikely to be lower, while most DAC experts have learned, or naturally speak, the language of the recipient countries (Policy Advisor of the Canadian International Development Agency [CIDA] 2010, personal conversation). Several interviewees have also observed that regional flights are almost as expensive as overseas flights, at least in Africa and most parts of Asia. This undermines the cost efficiency of SSC and triangular cooperation. The University of Ottawa's expert on Canada's development policies, Steven Brown, argues: "If you think about the CIDA project with Haiti, Canadians know a lot more about Haiti than Brazilians. They [Haitians] speak French. Why should the inclusion of Brazilians make cooperation more efficient?" (Brown 2010, personal conversation).

The decisive counterargument against the efficiency of triangular cooperation compared to NSC or SSC is, however, an increase in transaction costs when integrating an additional actor. Since cooperation between three actors is more time- and labour-consuming than bilateral cooperation, transaction costs for triangular cooperation are assumed to be extraordinarily high. Andreas Pfeil, head of the BMZ Unit Policy and Quality Control, underlines the importance of these costs, yet expresses doubts that they can be compensated for by increased benefits:

> It is always more time- and labour-consuming to coordinate with two instead of just one partner. If benefits were substantial, they might be able to compensate for these costs. However, this is a question that we have not yet answered—I doubt it. There is this

> argument that higher transaction costs only occur during the initiation of this cooperation modality. I don't think so. Personally, I believe that transaction costs are too high (Pfeil 2010, personal conversation; author's translation).

Additionally, some interviewees proposed that difficulties can arise when establishing procedures and standards that are to be applied by three parties accustomed to different organizational structures. Unclear division of roles and responsibilities at the beginning of a project require additional coordinative efforts. Finally, negotiation processes are said to be long and cumbersome (Wehnert 2010; Groth 2010; Grimm 2010; Fuertig 2010; Langendorf 2010; Altenburg 2010; Pfeil 2010; Kappel 2010; Gleichmann, 2010). Since these arguments are specifically related to the integration of a third actor, they only apply to triangular cooperation and not to SSC.

Evaluation Studies

The above discussions are initial assessments that are not based on any conclusive evidence from independent evaluations. The continued lack of evaluation studies on triangular cooperation more than a decade after its first implementation is astonishing. The report "Boosting South-South Cooperation in the Context of Aid Effectiveness" synthesizes 110 case studies on SSC and triangular cooperation, which are presented on the internet platform *South-South Opportunity*, established by the Task Team on South-South Cooperation (Task Team on South-South Cooperation 2013). However, the case studies do not properly evaluate projects. They merely constitute an overview on the areas of cooperation and actors and institutions involved, thus providing limited information on the outcomes of projects. And, most importantly, they hardly reflect the perspective of the recipient country. The DAC explains this dearth of evaluation is due to a "lack of time, experience, and expertise" of new providers (Development Assistance Committee 2010, 19). According to the task team's report, "most countries still struggle with building monitoring and evaluating systems and generating transparent, regular, and timely information. Learning how to be an effective Southern provider is still incipient" (Task Team on South-South Cooperation 2013). While this argument may explain a lack of evaluation of SSC, it does not explain why DAC donors have not evaluated their triangular cooperation projects.

Apart from the task team's report, the research undertaken for this chapter discovered three detailed but unpublished evaluation reports on two triangular cooperation projects, known as the NEWS program, that were piloted by the Dutch Ministry of Foreign Affairs (Ministerie van Buitenlandse Zaken, MINBUZA) in the 1990s (Brouwer 2010).[11] The projects included the Czech Republic and Slovakia as new providers and Nicaragua as the recipient country. The three reports that were elaborated by ACE Europe, an independent Belgium company, were highly critical of the new development cooperation modality. They support several of the above suggested counterarguments against the effectiveness and efficiency of triangular cooperation and, therefore, provide one of the few sources of lessons learned.

The reports highlight that the overall effectiveness and efficiency of projects in Nicaragua was extremely weak (Uyttendaele, Dhaene, and Bossuyt 2001). The administrative structure of the projects was cumbersome and communication was time-consuming and inefficient. "The long and complex procedures to reach the stage of approval and to start implementation caused serious delays" (Uyttendaele, Dhaene, and Bossuyt 2001, 31). The NEWS program thus affirms the argument for high transaction costs in projects that include three actors (triangular cooperation) instead of two (SSC and NSC). Moreover, the reports reveal that the Czech and Slovak expertise hardly matched the developmental needs in Nicaragua (Phlix, Mangas, and Uyttendaele 2001; Uyttendaele, Dhaene, and Bossuyt 2001). Rather, it seemed obligatory that "someone from the East had to be involved [...], although it was realized that the added value was rather limited in practice" (Phlix, Mangas, and Uyttendaele 2001, 74). This was supported by Peter Knip, the director of the International Cooperation Agency of the Association of Netherlands Municipalities (VNG), which implemented the projects, and by Nikol Hopman,[12] who was actively involved in their implementation. Both note that the integration of the new provider did not add any significant value to the projects, and that there was thus no reasonable pay-off for additional costs and efforts (Knip 2011; Hopman 2011, 2012). This provides information for the above-stated question on whether the possible benefits of triangular cooperation can compensate for the higher transaction costs implied in cooperative agreements between three countries. In the specific case of the NEWS program, they could not. However, this may partly be due to the selection of the partner countries. Regarding culture, language, geography, institutional, and economic structures, the Eastern European countries share very few similarities with Nicaragua. Although the English language was selected as the official program language, one of the reports states that encounters suffered from a lack of smooth and direct communication (Phlix, Mangas, and Uyttendaele 2001). Moreover, "the use of the English language as the official program language often caused delays in execution (e.g., translations)" (Phlix, Mangas, and Uyttendaele 2001, 54). In many cases, communication had to be facilitated through a Dutch resident, which "did not only facilitate the logistic of the collaboration but also communication on the content" (Phlix, Mangas, and Uyttendaele 2001, 54). However, this undermines the above suggested argument in support of the integration of a new provider, who was assumed to facilitate communication between the Northern and Southern actors.

Another example of the difficulties of the NEWS program is the deficient leadership of the new providers. One of the reports states that at the beginning of the projects, some Czech and Slovak coordinators "felt a bit lost" in their role as new providers (Uyttendaele, Dhaene, and Bossuyt 2001, 21). After some training, they "felt they understood better the Dutch way of handling projects" (Uyttendaele, Dhaene, and Bossuyt 2001, 21). This contradicts the original purpose of triangular cooperation, in which the expertise of Southern providers on development issues is believed to improve project effectiveness. What is more, the Eastern countries were not perceived as legitimate providers of capacity building: "The fact that the procedures prescribed the involvement of the Czech and Slovak partners was not appreciated by the Nicaraguans who felt that this caused serious and unnecessary delays" (Uyttendaele, Dhaene, and Bossuyt 2001, 29). This underlines the importance of the recipient countries' ownership to the projects. Considering that the new providers and the recipients work directly together in the field operations, the integration of a new provider should only occur as a result of the recipient's demand. This will enhance the new provider's legitimacy in the eyes of the recipient.

Finally, Phlix, Mangas, and Uyttendaele's (2001, 58) report points out that the design of the projects was "based on the overall policy of the program (trilateral approach) and not on a clear diagnostic of needs in Nicaragua and an analysis of the corresponding capacity in the Czech and Slovak counterparts." According to the Principles of Aid Effectiveness stipulated in the Paris Declaration and the Accra Agenda, the recipient countries should take ownership of the operations, while all activities should be closely aligned with their national development strategy. Recently, the SU/SSC has affirmed the importance of these principles in its handbook on Triangular South-South Cooperation (United Nations Special Unit for South-South Cooperation, 2013). The NEWS program was implemented prior to these agreements and, therefore, did not comply with them. On the one hand, this explains many of the deficiencies of the program's design and implementation; on the other hand, it confirms the importance of these principles for triangular cooperation.

To sum up, the key obstacle of the NEWS program consisted of a cumbersome administration that was triggered by long and complex procedures, resulting in high transaction costs. As suggested by the above analysis, this probably constitutes the most fundamental downside of triangular cooperation compared to SSC or NSC. Its overall potential to improve SSC or NSC approaches, therefore, depends on whether the value that the new provider adds to the project can compensate for the additional costs. This, in turn, depends on the selection of the partner countries and on the degree of ownership of the recipient country.

Aid Effectiveness: Is This Really a Priority?

Despite its importance for international development cooperation, technical cooperation has been widely criticized by NGOs, research institutes, and civil society organizations. Most of these criticisms are based on the fact that technical cooperation is typically financed by tied aid, which consists of ODA attached to the purchase of goods or services from the donor country (OECD 2009b). This means that many projects are developed in accordance to donor countries´ capacities that do not necessarily coincide with receiving countries´ necessities, making the assistance supply-driven. Moreover, foreign professionals, paid for by tied aid, constitute competition to the local labour market (for a substantial critique, see Hoebink and van der Velden 2002). As a response to these critics, the OECD launched a large campaign to untie aid among the DAC donor countries (OECD 2009c). The Accra Agenda for Action formalizes this long-standing debate: DAC [are] donors committed to eventually untie their ODA to make development cooperation more effective (OECD 2008).

Against this background, it is disconcerting that with triangular cooperation the DAC donors have added one more form of technical cooperation, despite heavy critics on it and after having committed to untie ODA. One is left wondering why triangular cooperation was implemented in addition to the already criticized SSC and NSC. And, above all, why do DAC donors continue to implement triangular cooperation projects without major investments in its evaluation? Perhaps aid effectiveness is not their priority after all?

In this context, it is worth highlighting that the Netherlands, which is traditionally known as a genuine, development-oriented donor (Stokke 1989; Cooper and Verloren van Themaat 1989; Hellema 2009; Herman 2006) has not participated in any further triangular cooperation project after the negatively evaluated NEWS program (Brouwer 2010). What motives are there for the other DAC donors to participate in triangular cooperation? CIDA's answer to this question is quite simple: "We just try to keep track of them, keep an eye on them because we need to know if it is becoming more popular or if it is working out or not, and well, for people asking questions like you do" (Senior Policy Analyst at CIDA 2010). This statement confirms Canada's decades-long reputation as a "train follower" among DAC donors (Swatuk 2010; Tomlin, Hampson, and Hillmer 2008; Pratt 1996; Paragg 1980; Triantis 1971). It does not, however, suggest any further possible motives for the participation of DAC donors in triangular cooperation.

What about those countries that are the most active in triangular cooperation—and therefore considered the leading countries of this cooperation modality? Germany, for example, has implemented a large number of triangular cooperation projects since the beginning of the new millennium. It is striking that almost all of the projects that include anchor countries as new providers attend to border-crossing problems with the objective of the provision of global public goods.[13]

A review of German triangular cooperation projects indicates that attending to the most urgent needs of the recipient countries may not be the primary motive. For receiving countries like Guatemala that still struggle with malnutrition and environmental protection—although globally important—does not belong to the national development priorities. Furthermore, although language and culture are more similar in Mexico and Guatemala than in the NEWS program, the already complicated relationship between the anchor country and its small and much poorer neighbour is not an ideal precondition for smooth operations. In this context, it is important to highlight that German triangular cooperation projects are usually initiated by the German government or suggested by the new providers, but not by the recipients (interviews with BMZ and GIZ policy advisors, 2010).

In the specific case of Mexico and Guatemala, for example, "Mexico and Germany agreed upon the implementation of trilateral cooperation projects in the field of environmental protection during their governmental consultations in February 2006" (Task Team on South-South Cooperation 2009). Guatemala was not mentioned with respect to the question of how this triangular cooperation project came about. A senior policy advisor with BMZ comments as follows on the purpose of triangular cooperation:

> The advantage of triangular cooperation is that it constitutes a concrete example. Within the framework of projects for third countries, we can exchange knowledge and experience with these large emerging powers. This is different from talking about partnerships at international conferences. It provides a practical opportunity to test partnerships and cooperation; to plan, develop, and evaluate concrete projects jointly. This is especially interesting for cooperation with the large powers. They have their own philosophy and we have to see how we can come together and work together (BMZ Policy Advisor 2010, personal conversation; author's translation).

In this sense, triangular cooperation builds a "technical bridge" for some of the ideological gaps between anchor countries and DAC donors (Altenburg 2010), which is in line with Germany's overall development cooperation approach, as defined by the BMZ: "Development cooperation is global structural policy. It promotes global public goods such as climate protection, the conservation of environmental resources, and security" (BMZ, 2011). Neither aid effectiveness nor the needs of the receiving countries are prioritized in this discourse on general international cooperation.

Another important donor of triangular cooperation is Japan, which was one of the first DAC donors to participate in the new cooperation modality, and which continues to play an active role in several initiatives in Asia, Latin America, and Africa. Japan's International Cooperation Agency (JICA) views triangular cooperation as a "key to building networks in every country and maintaining and strengthening its presence in the international community" (JICA 2013). According to Satoshi Murosawa, JICA's chief representative in Brazil, "there will be a rising number of countries that no longer receive ODA, and triangular cooperation is expected to become the core of the cooperation relationships. [...] Competition has already risen among donors to acquire partners for triangular cooperation" (JICA 2013). As in the German case, the expansion of strategic partnerships with anchor and emerging countries thus constitutes an important motive for Japan's engagement in triangular cooperation. Further research is necessary to identify alternative motives and to clarify whether these also apply to the other DAC donors that participate in triangular cooperation.

Conclusion

This chapter has presented an initial assessment of triangular cooperation as a relatively new form of SSC. After having delimited this modality from SSC and NSC—highlighting similarities and differences—its potential for improving any one of them was revised. The conclusion is that due to the inevitably high transaction costs in cooperative arrangements that involve three countries instead of two, triangular cooperation is less cost-efficient than SSC or NSC. However, under certain circumstances, the benefits of integrating a third actor may compensate for its higher costs. Whether this is the case depends on the projects' effectiveness.

Based on the analysis of this chapter, including the information gathered during interviews and the evaluation of the NEWS program, minimum criteria for potentially effective triangular cooperation arrangements are identified. First and foremost, selecting suitable partner countries and defining area issues are both crucial to a project's effectiveness. It is of utmost importance that the new provider is perceived as a legitimate development cooperation partner in the eyes of the recipient country. This means that there should be as little conflict as possible between both Southern countries, and that the new provider holds some expertise on a certain subject that is transferable to the climatic, cultural, social, economic, or other conditions of the recipient country. Moreover, communication is much easier when both Southern countries speak the same language. All of the former is more likely to be achieved when the recipient country selects the new provider with which it wants to engage in a triangular cooperative arrangement and assumes ownership of the project, from its design to its implementation. The following four criteria are fundamental for potentially effective triangular cooperation arrangements:

1. The new provider and recipient speak the same language.
2. The partner countries carry as little historical or current conflict burden as possible. (Preferably they are not direct neighbours, especially when the new provider is an anchor country.)
3. There is a clear value added to the project caused by the integration of the new provider. The added value can emerge from similar
   - climate or geography (for agricultural projects);
   - institutional settings (for the design of public policies);
   - cultural circumstances (for example, Indigenous populations);
   - political conditions (such as transition to democracy; previous armed conflict);
   - economic structures (for example, commodities; coast access; for projects on trade promotion).
4. The recipient countries select the new provider and the area of cooperation; and they assume the ownership of the project design, as well as the leadership during the project implementation.

The more criteria are met, the higher the probability of an effective triangular cooperation project. Not all criteria have the same weight, which very much depends on the specific case. Since the ownership of the recipient country is crucial for effectiveness, meeting the fourth criterion—providing ownership to the recipient country—may substitute for some of the other criteria. For example, if the recipient country Guatemala *chooses* to replicate the Mexican poverty reduction program *Oportunidades*, assuming the leadership throughout the project (criteria in number 4 are met), then it will be less of an issue that the anchor country Mexico is a direct neighbour with a quite conflictive relationship with Guatemala (criteria in number 2 are not met). If the recipient country does *not* assume the ownership of the project, especially during the selection of the partner country (criteria in 4 are not met), then criteria 1 through 3 become vital, because the same language and little conflict between the Southern partners as well as a reasonable value added through the integration of the new provider all increase the probability for the effectiveness of the project. The implementation of projects that do not fulfill any of these criteria is not recommended. Projects that fulfill most of these criteria and, therefore, have the highest potential for effectiveness should be thoroughly evaluated. Only highly effective triangular cooperation can be a reasonable complement to SSC and NSC, considering its high transaction costs and the general drawbacks of technical cooperation financed by tied aid.

Throughout the chapter, the controversy on the effectiveness and efficiency of triangular cooperation, together with the Development Assistance Committee (DAC) donors' continued neglect to properly evaluate this modality in spite of the critical overall assessment of technical cooperation, gave reason to question the DAC donors' motives for participating in this new form of SSC. It was suggested that the characteristics of the new providers, which mainly include the politically and economically important anchor and emerging countries, form important incentives.

Triangular cooperation constitutes a platform for expanding strategic partnerships with the new providers. What is more, the DAC donors are not the only actors that may engage in triangular cooperation to satisfy strategic interests. For the new providers, the role as a provider country is politically attractive because it can foster international prestige. This is not only conducive for regional politics, but also for the new providers' relations to internationally powerful actors such as Japan, the US, and the European Union. Moreover, triangular cooperation constitutes an opportunity for the new providers to improve their development cooperation capacities, which may facilitate the expansion of their recently established independent aid programs. These further enhance their strategic position. The focus on general international cooperation between the DAC donor and the new provider may, however, undermine the developmental benefits of the recipient country—especially when partner countries and focus areas are selected according to political interests of the donor countries instead of the developmental needs of the recipient countries. With this in mind, it may be time to separate the budget for international cooperation from ODA in order to not mix the main purpose of each. The former should be used for general international cooperation (for example, with anchor and emerging countries) as prioritized by the donor country (including the provision of global public goods), while the latter should be exclusively for the needs of developing countries (as defined by the recipients), with a focus on helping the poor population.

Another way to prevent strategic interests from impairing the design of triangular cooperation projects is to strengthen the role of international organizations, such as the United Nations Development

Program (UNDP) or the Regional Development Banks. They usually constitute relatively neutral but influential mediators that are willing and able to represent the interests of the recipient countries. Moreover, they have substantial experience in administrating technical cooperation projects, and can provide the necessary funding. Triangular cooperation, consisting of a recipient, a new provider, and an international or regional organization, should therefore be evaluated and probably preferred over triangular cooperation with a DAC donor.

Finally, triangular cooperation can also be seen as a transitional modality that will eventually turn into development cooperation funded by the new providers. Given the considerable overall development of anchor and emerging countries during the last decade, these countries are gradually transforming from ODA receivers into donor countries. Countries like India, Indonesia, Mexico, Chile, and Brazil are currently establishing or have already implemented independent development cooperation programs. By means of triangular cooperation, the new donors can familiarize themselves with development cooperation activities. Moreover, NSC programs with anchor and emerging countries can be gradually phased out, while infrastructure and human capacities can be recycled first for triangular cooperation projects and then for independent aid programs.

Within the context of SSC, triangular cooperation may serve as a transitional tool to phase out NSC programs with anchor and emerging countries, as well as for integrating new Southern donors into the development cooperation landscape. As an operative complement to SSC or NSC, however, its perspectives are rather unpromising, unless the recipient country explicitly demands this form of cooperation, and assumes ownership of it.

Notes

1. Even though similar projects were carried out at an earlier date, the common understanding of triangular cooperation was established by the end of the 1990s.
2. Mainly, the information was taken out of Foderlone (2009). However, the Task Team on South-South Cooperation provides evidence that Ireland and Korea participate in TrC—two countries that had not been included as triangular cooperation donors by Foderlone (Task Team on South-South Cooperation 2013). Moreover, according to Pasi Hellman, the Deputy Director General of the Department for Development Policy of the Ministry for Foreign Affairs of Finland, Finland does not have any experience in TrC (Hellman, 2010, email conversation)—a country that had been included by Foderlone.
3. Singapore, which is identified as a new provider by Fordelone (2009) is left out of the list. The project Forderlone refers to is not considered triangular cooperation in

this research because the traditional donor involved is the European Commission, not a single nation state. Neither are the Philippines, Sri Lanka, and Vietnam considered as typical new providers of triangular cooperation because they only participate in one single project administrated by Japan.

4. Primarily, GDP (not per capita) of the largest country relative to the total GDP of the region is measured to estimate relative economic importance. After subtracting the largest GDP from the total GDP of the region, every country with a fraction of at least 20 percent of regional GDP qualifies as an anchor country (Stamm 2004).
5. This expectation is based on the assessment of four indicators: the Growth Competitiveness Index, the Business Competitiveness Index, the Freedom House Index, and the Pilot Environmental Index.
6. The cases of Brazil and Mexico demonstrate that the two groups—anchor and emerging countries—are not exclusive. Both countries have achieved fair levels of human development, while assuming regional leadership. They therefore qualify for both groups.
7. The characteristics of these three are, however, similar to anchor and emerging countries. Colombia actually qualified as emerging country, but was eliminated due to enduring security concerns (Stamm 2004).
8. Given the uncertainty about donors´ motivations for development cooperation, one could argue about what the desired outcome is. Since donors declare the development of the recipient country as the primary objective for development cooperation, the recipient´s development is here considered the desired outcome. Therefore, when triangular cooperation generates more development than traditional technical cooperation, it is considered more effective.
9. Much of the constructivist and international law literature on legitimacy refers to international regimes, and many authors specifically address enforcement and compliance (Rittberger and Schimmelfennig 2007; Raustiala and Slaughter 2006; Koh 1997; Frank 1990). However, the concept of legitimacy and its relationship to effectiveness can also be applied to cooperative arrangements like triangular cooperation.
10. The idea of recycling projects is contested. In an echo of criticism of the World Bank´s Structural Adjustment Programmes, the recycling of projects implies the risk of applying the same strategy for very different countries ("one size fits it all"). This runs counter to the principles of the Paris Declaration on Aid Effectiveness because it takes away ownership from the receiving countries. Only if circumstances are very similar in both countries, or projects are adapted to the receiving countries, can these projects be effective. Receiving countries should always be consulted about necessary adjustments of the projects.
11. Martin Brouwer is currently the Directorate-General for International Cooperation at the Dutch Ministry of Foreign Affairs (MINBUZA). Mr. Brouwer mentioned the reports during an interview with the author of this chapter and connected her with Peter Knip, the director of the International Cooperation Agency of the Association of Netherlands Municipalities [*trans.*] (VNG) that implemented the projects, who kindly provided access to the reports.
12. Nikol Hopman was a program manager at VNG during this time.
13. The concept of global public goods is used here as defined by Kaul, Grunberg, and Stern (Kaul 1999, 303).

References

AECID (Agencia Española de Cooperación Internacional para el Desarrollo). 2010. "Triangular Cooperation in the Context of Aid Effectiveness: Experiences and Views of European Donors." Madrid: AECID.

Altenburg, Tilman. Personal conversation. Bonn, August 25, 2010.

Ashoff, Guido. 2009. "Cooperación triangular de Alemania en América Latina: contexto, enfoque, perfil y experiencias." *Deutsches Institut fuer Entwicklungspolititk*(DIE).https://www.die-gdi.de/en/others-publications/article/cooperacion-triangular-de-alemania-en-america-latina-contexto-enfoque-perfil-y-experiencia/

———. 2010. "Opportunities, Risks, and Conditions for Effectiveness." *Development Outreach*. World Bank. (October): 22–24.

Barnett, Michael. 2006. "Building a Republican Peace: Stabilizing States After War." *International Security* 30, no. 4: 87–112.

———. 2008. "Social Constructivism." In *The Globalization of World Politics: An Introduction to International Relations*, edited by John Baylis, Steve Smith, and Patricia Owens, 160–173. Oxford: Oxford University Press.

BMZ (German Ministry for International Cooperation). 2004. "Anchor Countries—Partners for Global Development: A BMZ position paper." Bonn: BMZ.

———. n.d. "Was wir machen." Accessed October 11, 2011. https://www.bmz.de/rue/en/index.html

Brouwer, Maarten. Personal interview. The Hague, September 21, 2010.

Brown, Stephen. Personal interview. Ottawa, December 6, 2010.

Cooper, Charles, and Joan Verloren van Themaat. 1989. "Dutch Aid Determinants, 1973–85: Continuity and Change." In *Western Middle Powers and Global Poverty*, edited by Olav Stokke, 117–158. Uppsala: The Scandinavian Institute of African Studies.

CUTS-CITEE. 2005. "Trilateral Development Cooperation: An Emerging Trend." *CUTS Centre for International Trade, Economics and Environment*. Briefing paper 2005, 1. Jaipur: CUTS International. http://www.cuts-international.org/pdf/BP1-2005.pdf.

Doyle, Michael W. 1997. *Ways of War and Peace: Realism, Liberalism, and Socialism*. New York: Norton.

ECOSOC. 2008. "Background Study for the Development Cooperation Forum: Trends in South-South and Triangular Development Cooperation." United Nations Economic and Social Council. http://www.un.org/en/ecosoc/docs/pdfs/south-south_cooperation.pdf

Emmerling, Johannes. 2006. "Metrology for the Natural Gas Sector—Trilateral Cooperation with Latin America." Washington DC: Physikalisch Technische Bundesanstalt Braunschweig and Organisation of American States.

Faust, Jörg, and Dirk Messner. 2008. "Arm, aber einflussreich: 'Ankerländer' als außenpolitische Herausforderung." *Politik und Zeitgeschichte* 2008, no. 43 (October): 28–34.

Fordelone, Talita. 2009. "Triangular Co-operation and Aid Effectiveness: Can Triangular Cooperation Make Aid More Effective?" OECD. http://www.oecd.org/dac/46387212.pdf

Frank, Thomas. 1990. *The Power of Legitimacy Among Nations.* Oxford: Oxford University Press.

Fuertig, Henner. Personal conversation. Hamburg, September 8, 2010.

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). 2013. "Worldwide." *GIZ Sustainability Report 2013*. https://www.giz.de/en/downloads/giz2013-en-sustainability-report.pdf

Gleichmann, Colin. Personal conversation. Eschborn, August 24, 2010.

Grimm, Sven. Personal conversation. Bonn, August 30, 2010.

Groth, Dorothea. Personal conversation. Bonn, August 31, 2010.

Hellema, Duco. 2009. *Dutch Foreign Policy: The Role of the Netherlands in World Politics*. Dordrecht: Republic of Letters.

Herman, Joost. 2006. "The Dutch Drive for Humanitarianism: Inner Origins and Development of the Gidsland Tradition and Its External Effects." *International Journal* 61, no. 4 (Autumn): 859–874.

Hoebink, Paul, and Fons van der Velden. "From Volunteerism to Professionalism: Technical Assistance of the Netherlands in a Change." Paper for the 10th EADI General Conference 'EU Enlargement in a Changing World—Challenges for Development Cooperation in the 21st Century.' Working Group 'Aid and Development,' Ljubljana, September 19–21, 2002.

Hopman, Nikol. Email conversation. October 10, 2011.

———. Email conversation. 2012.

Humphrey, John, and Dirk Messner. 2006. "Self-Serving Giants in a Multipolar World." *D+C Development and Cooperation* 33, no. 5: 192–196.

Kappel, Robert. Personal conversation. Hamburg, September 14, 2010.

Kaul, Inge, Isabelle Grunberg, and Marc Stern, eds. 1999. *Global Public Goods: International Cooperation in the 21st Century*. New York: Oxford University Press.

Knip, Peter. Email conversation. August 23, 2011.

Koh, Harold Hongju. 1997. "Why Do Nations Obey International Law?" *Yale Faculty Scholarship Series* Paper 2101, no. 106: 2599–2659.

Kumar, Nagesh. 2008. "South-South and Triangular Cooperation in Asia-Pacific: Towards a New Paradigm in Development Cooperation." ECOSOC. https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/publications/background_study_final.pdf

Langendorf, Julia. Personal conversation. Eschborn, August 25, 2010.

Lengfelder, Christina. 2016. "Why Triangular Development Cooperation? Germany and the Emerging Powers." *German Politics* 25, no. 1: 1–24.

Maddison, A. 1965. *Foreign Skills and Technical Assistance in Economic Development*. Paris: Development Centre of the Organisation for Economic Cooperation and Development.

Masala, Carlo. 2008. "Möglichkeiten einer Neuorientierung deutscher Außen- und Sicherheitspolitik." *Aus Politik und Zeitgeschichte* 2008, no. 43 (October): 22–27.

Medhora, Rohinton. Personal interview. Ottawa, December 9, 2010.

OECD. 2008. "The Accra Agenda for Action." Paris. http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm

———. 2009a. "Development Cooperation Directorate." http://www.oecd.org/dac/peer-reviews/43570609.pdf.

———. 2009b. "OECD International Development Statistics Online Database on Aid and Other Resource Flows." http://www.oecd.org/dac/stats/idsonline.htm

———. 2009c. "Untying Aid: Is It Working?" http://www.oecd.org/dac/untied-aid/untyingaidisitworking.htm.

———. 2009d. "OECD Glossary." http://www.oecd.org/site/dacsmpd11/glossary.htm

OECD-Development Assistance Committee. 2008a. "The Paris Declaration and Accra Agenda for Action." Paris: OECD. http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html.

———. 2008b. "The Third High-Level Forum on Aid Effectiveness." Chair's Summary, Accra. Paris: OECD. http://www.oecd.org/dac/effectiveness/41571216.pdf

———. 2010. "Boosting South-South Cooperation in the Context of Aid Effectiveness: Telling the Story of Partners Involved in More Than 110 Cases of South-South and Triangular Cooperation." Paris: OECD-DAC. http://southsouth.org/uploads/pdf/Boosting_SS_Cooperation_in_the_Context_of_Aid_Effectiveness.pdf.

———. 2011a. "Busan Partnership for Effective Development Cooperation." Paris: OECD. http://www.oecd.org/dac/effectiveness/49650173.pdf

———. 2011b. "Fourth High Level Forum on Aid Effectiveness." Paris: OECD. http://www.oecd.org/dac/effectiveness/fourthhighlevelforumonaideffectiveness.htm.

OECD/UNDP. 2005. "Forum on Partnership for More Effective Development Cooperation." Joint Chair's Statement. Paris: OECD. http://www.oecd.org/dac/forumonpartnershipsformoreeffectivedevelopmentco-operation1-2february2005.htm.

Pantoja, Edien. 2009. "Triangular Cooperation: New Paths to Development." OECD. http://www.oecd.org/dac/dac-global-relations/43705278.pdf

Paragg, Ralph. 1989. "Canadian Aid in the Commonwealth Caribbean: Neo-Colonialism or Development?" *Canadian Public Policy-Analyse De Politiques* 6, no. 4 (Autumn): 628–641.

Pfeil, Andreas. Personal conversation. Bonn, September 1, 2010.
Phlix, Geert, Madleine Mangas, and Bart Uyttendaele. "NEWS Programme 1996–2000 Field Visit Report." Nicaragua Unpublished Evaluation Report, ACE Europe, 2001.
Pratt, Cranford, ed. 1995. *Canadian International Development Assistance Policies: An Appraisal*. 2nd ed. Montreal: McGill-Queen's University Press.
Raustiala, Kal, and Anne-Marie Slaughter. 2002. "International Law, International Relations and Compliance." In *Handbook of International Relations,* edited by Walter Carlsnaes, Thomas Risse, and Beth Simmons, 538–558. London: Sage.
Rittberger, Berthold, and Frank Schimmelfennig. 2007. "Explaining the Constitutionalization of the European Union." *Journal of European Public Policy* 13, no. 8: 1148–1167.
Rosseel, Peter, Erik De Corte, Jan Blommaert, and Elke Verniers. 2008. "Approaches to North-South, South-South, and North-South-South Collaboration. A Policy Document." http://iuc.vliruos.be/downloads/POLICY_PAPER_VLIR_UWC__NSS.pdf.
Russett, Bruce. 1993. *Grasping the Democratic Peace: Principles for a Post-Cold-War World.* Princeton: Princeton University Press.
Scholvin, Sören. 2010. "Emerging Non-OECD Countries: Global Shifts in Power and Geopolitical Regionalization." *GIGA Working Papers* no. 128. German Institute for Global and Area Studies.
Stamm, Andreas. 2004. "Schwellen- und Ankerländer als Akteure einer globalen Partnerschaft, Überlegungen zu einer Positionsbestimmung aus deutscher entwicklungspolitischer Sicht." DIE discussion Paper 04. Bonn: Deutsches Institut fuer Entwicklungspolitik.
Stamm, Andreas, and Tilmann Altenburg. 2005. "Ein Fuss in der Tür." *Zeitschrift fuer Entwicklung und Zusammenarbeit* 46, no. 10.
Stokke, Olav, ed. 1989. *Western Middle Powers and Global Poverty: The Determinants of the Aid Policies of Canada, Denmark, the Netherlands, Norway, and Sweden*. Uppsala: The Scandinavian Institute of African Studies and the Norwegian Institute of International Affairs.
SU/SSC. Handbook on South-South Cooperation. 2013. http://handbook.southsouthconference.org/index.php?option=com_content&view=article&id=59&Itemid=120.
Swatuk, Larry. Personal interview. Waterloo, December 14, 2010.
Task Team on South-South Cooperation. 2009. "Aid Effectiveness and South-South Cooperation." http://www.southsouth.org/en/seccion/4/aid-effectiveness-and-south-south-cooperation.
———. 2013. "Aid Effectiveness and South-South Cooperation." http://www.southsouth.org/en/seccion/4/aid-effectiveness-and-south-south-cooperation.

Tomlin, Brian, Norman Hillmer, and Fen Osler Hampson. 2007. *Canada's International Policies: Agendas, Alternatives, and Politics*. Toronto: Oxford University Press.

Triantis, S.G. 1971. "Canada's Interest in Foreign Aid." *World Politics* 24, no. 1 (October): 1–18.

United Nations Department of Economic and Social Affairs. 2003 "Monterrey Consensus of the International Conference on Financing for Development." New York: United Nations.

Uyttendaele, Bart, Corina Dhaene, and Jean Bossuyt. 2001. "Evaluation of the NEWS Programme End Report." Unpublished evaluation report. Mechelen: ACE Europe.

Wehnert, Ulrich. Personal conversation. Bonn, September 1, 2010.

World Bank. n.d. "World Bank Country and Lending Groups." The World Bank. Accessed 2010. http://data.worldbank.org/about/country-classifications/country-and-lending-groups

Appendix: The author interviewed the following people for her research in 2010.

Person	Position or Title	Organization
Andreas Pfeil	Head of Unit Policy and Quality Control	Federal Ministry for International Cooperation (BMZ), Germany
Wehnert, Ulrich	Advisor	BMZ (now GIZ)
Dorothea Groth	Director of Department South America	BMZ
Tilman Altenburg	Head of Department, Competitiveness and Social Development	German Development Institute (DIE)
Guido Ashoff	Head of Department, Aid effectiveness	DIE
Sven Grimm	Currently on leave	DIE
Andreas Stamm	Department Competitiveness and Social Development	DIE
Henner Fuertig	Vice President	German Institute of Global and Area Studies (GIGA)
Rolf Hofmeier	Director of the Institute of African Affairs	GIGA
Robert Kappel	President Emeritus, Senior Research Fellow	GIGA
Miriam Prys	Academic Director	GIGA
Colin Gleichmann	Head of the Unit for South-South Cooperation (SSC) and TrC	GIZ
Sebastian Meurer	Coordinator for the TrC Programme with Brazil	GIZ
Julia Langendorf	Policy Advisor, Triangular Cooperation	GIZ
Dane Rowlands	Associate Director at the Norman Paterson School of International Affairs	Carleton University
Anonymous	Senior Analyst to the President	Canadian International Development Agency (CIDA)
Anonymous	General Staff	CIDA

Person	Position or Title	Organization
Anonymous	Senior Policy Analyst	CIDA
Anonymous	Policy Analyst	CIDA
Anonymous	Director of Policy Research	CIDA
Donald Bobiash	Diplomat, Director General of the Africa Bureau	Department of Foreign Affairs and International Trade, Canada (DFAIT)
Bruce Currie-Alder	Senior Policy Analyst and Chief of Staff, Policy and Planning Group	International Development Research Centre, Canada (IDRC)
Rohinton Medhora	Vice President	IDRC
Gerd Schoenwaelder	Director of the Policy and Planning Group	IDRC
Stephen Baranyi	Associate Professor	University of Ottawa
Stephen Brown	Associate Professor	University of Ottawa
Larry Swatuk	Associate Professor and Director of the International Development Programme	University of Waterloo
Andrew Thompson	Adjunct Assistant Professor	University of Waterloo
Lucie Edwards	Diplomat, Department of Foreign Affairs (retired)	University of Waterloo
Sue Horton	Associate Professor	University of Waterloo
Arjan de Haan	Senior Lecturer	Institute of Social Studies, the Netherlands
Maarten Brouwer Floor Nuiten Peter Dorsten	Director, Effectiveness and Quality Department Assistant to the Director General International Cooperation Head of Aid Effectiveness Division	Ministry of Foreign Affairs, the Netherlands
Jan Donner	Director	Royal Tropical Institute, the Netherlands

Person	Position or Title	Organization
Henk Molenaar	Executive director WOTRO	Organisation for Scientific Research, the Netherlands
Nikol Hopman	Head of Department Centre for Professional Learning	University of Leiden
Lodevicus Janssen	Affiliate	University of Twente
Peter Knip	Director	VNG Netherlands

CHAPTER 4

Fragile-to-Fragile Cooperation: An Example of a New Trend in South-South Cooperation?

Karolina Werner[1]

Introduction

South-South Cooperation (SSC) has evolved substantially over the years. Its focus on sharing knowledge, technology transfer, training, and economic cooperation has become the hallmark of SSC. It highlights the strengths of states in the Global South and their ability to collaborate and help each other in furthering their development goals. But while formally SSC encompasses non-fragile and fragile nations in the South, thus far there has been little evidence that the unique circumstances of fragile and conflict-affected states have prompted special consideration within the SSC framework. It is with this in mind that the Fragile-to-Fragile (F2F) Cooperation framework emerged. While there have been regional and continental initiatives, particularly in Africa, such as the Regional Economic Communities or the New Partnership on Development (NEPAD), these are not characterized by the global cross-cutting nature of SSC. Groups that have formed within the framework of the SSC along more global lines, such as the Small Island Developing States (SIDS), are based on a similar trend as F2F, moving toward forming smaller communities within the larger Global South to promote knowledge exchange through cooperation and partnerships to achieve resilience.

Despite these developments, the perception is that SSC is largely practised by middle-income and emerging economies, rather than poorer and fragile states (Garrasi 2015). While there is evidence that Southern partners, particularly Turkey, United Arab Emirates (UAE), and China, are increasingly supporting fragile and conflict-affected countries by providing aid and investment in economic infrastructure, it is not clear whether this has been a calculated increase geared at benefiting the development of fragile states or, more likely, a rising focus on areas rich in natural resources, which also happen to be fragile (UNCTAD 2010).[2] Either way, these flows of funding, aid, and other economic or technical assistance cooperative activities fill an important gap, particularly for fragile states that are aid orphans (UNCTAD 2010). Despite the fact that since 2007, 53 percent of Official Development Assistance (ODA) from the OECD-DAC countries has been aimed at fragile states, the aid is often driven by geopolitical concerns (OECD 2015). In fact, 22 percent of ODA delivered to fragile states between 2003 and 2012 went to Afghanistan and Iraq (OECD 2015). Additionally, sources of funding other than ODA are minimal—for example, according to a recent OECD report (2015), only 6 percent of Foreign Direct Investment (FDI) in 2012 went to states with fragile situations, with most of it concentrated in ten resource-rich states.[3] Hence, despite the large amounts of aid delivered to fragile states in line with Paul Collier's (2014) argument that the future for donors lies in fragile states, imbalances persist and we continue to have aid orphans, while others, particularly those rich in natural resources, continue to struggle despite donor and private sector involvement.

Acknowledging the gaps and imbalances in the aid and development policy architecture, in 2013 the g7+[4] proposed a new system of cooperation between countries, labelled F2F cooperation. Officially, the group has defined F2F cooperation as

> the support g7+ can provide to each other including through peer learning, capacity building, experience sharing, and knowledge generation. It provides a framework through which the g7+ can make optimal use of its own resources, as well as channel support from external parties to its priorities for learning and expressing solidarity (UNOSSC 2017 and 2018).

This chapter explores how the new framework of F2F cooperation can be understood within the context of the already existing South-South and triangular cooperation. It discusses the origins of F2F cooperation and whether it fills a gap in the current structure, while also attempting to glean future plans, opportunities, and challenges facing the framework.

Fragility and the g7+

Considering the uneven distribution inherent in current South-South cooperation[5] and the unique circumstances in which fragile nations find themselves, an emphasis on F2F cooperation seems warranted. Yet, fragility is a largely disputed term and there is a plethora of indices designed to measure it, each based on its own data and theoretical design. According to a new framework proposed by the OECD, fragility can be analyzed along five dimensions: violence; justice; institutions; economic foundations; and resilience (OECD 2015).[6] The Fragile State Index, published annually by the Fund for Peace, uses twelve social, economic, and political indicators: demographic pressures; refugees and internally displaced people (IDPs); group grievance; human flight and brain drain; uneven economic development; poverty and economic decline; state legitimacy; public service; security apparatus; factionalized elites; human rights and the rule of law; and external intervention.[7] The World Bank in turn produces a "harmonized list of fragile situations," which is created based primarily on the Country Policy and Institutional Assessment (CPIA) scores a state receives in a given year.[8] This is possibly the most used indicator of fragility for aid allocations and policymaking by donors (Baliamoune-Lutz and McGillivray 2011), yet it was never intended for such use. Considering the complexity of fragile situations and the deficit of reliable data for many regions of the world, particularly following or in the midst of crises, the calculations inherent in creating the various indices and lists of fragile situations or states are invariably imperfect. This has produced a worrying trend in which "'good enough data' became an acceptable reality for the creation of 'good enough targets,'" according to Rocha De Siqueira (2014).

In addition to the difficulties in defining and data collection, being labelled fragile has been seen by states as negatively affecting their chances of obtaining funding, foreign investment, and aid. The perception by donor states has been that fragile states are unable to use aid inflows effectively to produce economic growth and poverty reduction—thus the effect is that the aid is wasted (Baliamoune-Lutz and McGillivray 2011; Naude 2012). Donors are often unable to deliver aid to communities engrossed in violent conflict due to security concerns, in addition, aid is typically delivered through established structures, whether national governments or civil society organizations working in the region. Fragile situations rarely provide donors with reliable channels to funnel funds and other aid to affected communities. Where aid has been flowing in, it is purposefully funnelled through organizations rather than through the state apparatus, which can be seen as corrupt, dysfunctional, or severely limited in its capacity to deliver services. This has resulted in projects that either undermine and weaken the capacity of the government by creating a parallel "public sector" or that implement short-term, and localized projects, rather than promoting nationwide, long-term changes (Hart, Hadley, and Welham 2015). As donors partner with non-state actors and omit official state channels, governments often have little or no say on how and where the activities happen (Pires 2012). These negative associations and exclusion of the government has led to an avoidance of the term "fragile," particularly for self-labelling. The creation of the g7+ itself is thus an unexpected, yet major, accomplishment, as the group members have self-identified as fragile. It further is a prime example of SSC and F2F cooperation.

As the agenda for aid effectiveness increasingly focused on fragile states, meetings and roundtables between fragile states increased during OECD-organized forums. Initial attempts by the international community at producing a discourse on better engagement in fragile states began with the Fragile States Group (2003), then the Paris Declaration on Aid Effectiveness (2005), the OECD's "Principles for Good International Engagement in Fragile States" (2007, also known as the Fragile States Principles), the Accra Agenda for Action (2008), and the establishment of the International Network on Fragility and Conflict (2009).[9] Furthermore, key policy publications by international bodies such as the World Bank's *World Development Report 2011 on Conflict, Security, and Development* opted to focus specifically on state fragility and conflict as related to development. The first edition of the European Commission-supported flagship publication *European Report on Development* (European University Institute 2009),[10] entitled "Overcoming Fragility in Africa: Forging a New European Approach," justified its focus by noting that fragility is the "toughest development challenge of our era" (Naude 2012, 111). This culminated in a call for an International Dialogue on Peacebuilding and Statebuilding (IDPS), which was to have its first meeting in Dili, Timor-Leste, in 2010. In tandem with this, realizing the common issues they face and the lack of a formal forum to discuss them, fragile states agreed to create the g7+ in Paris in 2008 (Fenby 2013). The g7+ was an initiative that was undertaken solely at the behest of, and for, fragile states (Naude 2012). The group, both at its inception and since, has benefited strongly from the leadership of Timor-Leste, which has been in a unique position of experience and strength vis-à-vis the international community, in that it relies on very little international aid, despite its fragile status. The first official meeting of the group coincided with the meetings of the IDPS of which the group is a critical part. Thus, in 2010, the g7+ officially released the Dili Declaration (April 2010) in which it committed itself to leading the discussion on fragile states because

> it is through this dialogue and institutional grouping that we can discuss our priorities and our approaches, and in doing so, allow for empowered and effective communication with the donor communities" as well as expressing a strong vision for the future as they "recognise that ownership comes with a responsibility to define […] needs and be accountable for delivery (OECD 2010).

Despite its many weaknesses, the label of fragility persists and the new group seems to have accepted its use. The originality of the g7+ approach is not so much in the redefinition or disaggregation of the term, as it is in the emphasis on country leadership and ownership in determining the status of fragility (Rocha De Siqueira 2014). Thus, rather than relying on a top-down approach in which states and situations have been classified as fragile based on international data and indices, the g7+ is appropriating the system to ensure that fragile states are "characterised and classified through the […] eyes of the developing" (OECD 2010) rather than the developed world. The hope is that this will allow for a more inclusive and potentially more successful approach to issues as diverse as aid, peacekeeping, peacebuilding, natural resource management, and foreign direct investment. However, as Rocha De Siqueira (2014) cautions, there is another side of the coin, one in which greater involvement comes at the price of greater responsibility. Thus g7+ member states will need to be prepared for the difficulties inherent in the labelling and categorization of fragility, as well as the potential consequences. While currently any negative effects of the labelling can be laid at the feet of donors and organizations, which produce fragility indices to guide their own policymaking, this will no longer be an alternative as fragile states themselves become the authors of fragility assessments.

In fact, the group has already been criticized on several fronts. One of the criticisms the group is charged with is the lack of self-professed inclusivity of civil society. In order to maintain accountability and a system of checks and balances, civil society involvement is crucial in the g7+ activities, but has been lacking. Many of the fragility assessments, undertaken as part of a country-owned and -led initiative to determine that state of fragility in pilot member countries, were rushed and did not engage the broader public, civil society, or even an expanded number of government ministries to maintain the whole-government approach (Donais and McCandless 2016; Hughes et al. 2014). Another criticism pertains to the perceived lack of inclusive political dialogue, whereby it seems that the g7+ member governments participating in fragility assessments view success as the alignment of national priorities with the results of the assessment and focus on technical activities, while civil society and donors expected continued, inclusive dialogue and exchange (Hughes et al. 2014).

Despite the potential for failure, the g7+ was an active forum, both as part of the IDPS, but also as the major push behind the New Deal for Engagement in Fragile States (New Deal after this), which is at the centre of the new approach the group proposes toward fragile states (Rocha de Siqueira 2014). The New Deal, endorsed at the Fourth High Level Forum on Aid Effectiveness in Busan, Korea, in 2011, is meant to change the way aid is both delivered and received (Naude 2012). It features country-owned and -led Peacebuilding and Statebuilding Goals (PSGs) and indicators, including legitimate politics, security, justice, economic foundations, and revenue and services. The importance of the PSGs to the group is apparent as they are a constant in all initiatives, including F2F cooperation. Additionally, the g7+ has gone beyond just setting goals by emphasizing the commitment and engagement necessary to achieve these goals. It has thus proposed TRUST as a set of commitments (*T*ransparency; *R*isk-sharing; *U*se and strengthen country systems; *S*trengthen capacities; *T*imely and predictable aid), as well as FOCUS to underscore the importance of engagement (*F*ragility assessment; *O*ne vision, one plan; *C*ompact; *U*se of PSGs to monitor; *S*upport political dialogue and leadership) (IDPS 2011). As argued by Donais and McCandless (2016), the New Deal provides a theory of change that focuses on strengthening state–society relations through a flexible, context-sensitive, and creative approach to peace- and state-building.

As part of implementing the New Deal, the g7+ has adopted a spectrum approach to fragility in an effort to allow for tracking incremental progress made toward national goals and targets, rather than ignoring such improvements until an ideal end-state is reached (UNOSSC 2017 and 2018). This allows for celebrating the progress made and contextualizing each achievement based on the different situations in which each state finds itself. Both resilience and fragility have been defined by the group, with resilience referring to "the ability of social institutions to absorb and adapt to the internal and external shocks and setbacks they are likely to face," and fragility implying that "the consolidation of nationhood, and the safety, security and well-being of citizens are at risk of a relapse into crisis or violent conflict." According to the g7+, the solution to gradually reducing the risk presented by fragility is to allow institutions to "develop the necessary ability to cope with the type of threats they are exposed to" (UNOSSC 2017 and 2018). One of the ways of developing such coping mechanisms is the sharing of methods and experiences by other fragile states through F2F cooperation.

Based on this general definition and the PSGs, each state is encouraged to create a personalized assessment to determine the stage of fragility in which it exists. Fragility assessments based on the g7+ spectrum are designed to be country-owned and -led. The idea is that all relevant stakeholders are involved in a systematic assessment exercise, including civil society, political leaders, private sector, academia, and donors (Hughes et al. 2014). Each state is able to specify the stage of fragility it finds itself in based on the various PSGs identified by the g7+ and country-specific indicators. There are five stages: crisis; rebuild and reform; transition; transformation; and resilience. While the stages of fragility seem linear, the g7+ acknowledges that relapses occur and not every stage will lead to the next in a natural transition (UNOSSC 2017 and 2018).

Both the definition and the tools proposed by the group are designed to highlight the unique aspects of each fragile state, while acknowledging their common struggles. In fact, those fragility assessments that have been carried out (Sierra Leone, DRC, South Sudan, Liberia, Guinea-Bissau, Comoros, and Timor-Leste) already are, or planned that they will be, available as peer resources for other states to access, including a long list of indicators that has been created and can be used as a basis for selection or creation of further assessments. For example, the results of the fragility assessment for Sierra Leone are already available. The document situates Sierra Leone primarily within the transition stage of almost all dimensions under consideration, with the exception of two: the service delivery dimension under the Revenue and Service goal is classified as rebuild and reform stage; whereas the security conditions dimension in Security is classified as in the transformation stage. Each section has several indicators tailored to the realities in Sierra Leone (GoSL 2013). The hope is that as the number of spectrums and indicator lists grows, similarities and differences between the fragile states will become increasingly evident (UNOSSC 2017 and 2018). These in turn can trigger further exchanges of lessons learned as part of F2F cooperation and support adapting policies or regulations in ways that have been successful in other states.

In addition, the g7+ continues to work on integrating the New Deal into the Sustainable Development Goal (SDG) framework, and it has been an important advocate of including SDG goal 16—on peaceful, just, and inclusive societies—into the new development agenda (UN-SDG 2015; Wheeler 2015). The New Deal has the potential to be an important step toward fulfilling the SDGs, based on the lessons learned by fragile states from the Millennium Development Goals (MDGs) (Werner 2015). Specifically, a major weakness of the MDGs for fragile and conflict-affected states was the lack of peace and security goals, which meant that the majority of development funding was allocated to align with goals that omitted these aspects, despite the fact that other goals could not be achieved without peace and stability. In the new development framework, SDG 16 addresses this very weakness of the MDGs, while the New Deal has the potential to offer practical and detailed indicators for its achievement in fragile states.

Processes to integrate the New Deal in aid delivery are also underway, although aid budgets are still being adapted to take into account the PSGs. While there is no agreed-upon framework to track the aid to the PSGs, calculations done thus far show that ODA support to fragile states remains low, with just 4 percent allocated to PSGs for legitimate politics, 1.4 percent for security, and 3.1 percent for justice in 2012 (OECD 2015). Furthermore, discussions are underway to update and expand the definitions used for ODA as well as to include a new and more comprehensive terminology to better track aid flows allocated to peace and security (OECD 2015). The collaborative efforts of F2F partners and the g7+ can be key in pressuring donors to continue adapting to fully align aid with the PSGs, as well as critical in sharing lessons on how best to use the scarce resources available to build on the goals. As such, the newly proposed F2F cooperation builds both on the unique relationships between New Deal and g7+ states, while also providing additional avenues of pressure on international partners. In effect the F2F strategy is a combination of SSC, triangular cooperation, and political empowerment.

South-South Cooperation versus Fragile-to-Fragile Cooperation

SSC originated in Bandung in 1955 as an effort by countries in the Global South to come together to foster development by cooperating and learning from each other. Considering the unequal power relationships inherent in North-South relations, SSC emphasized sovereignty, equality, and value-free cooperation (Nilaus Tarp and Cold-Ravnkilde 2015). Unlike Northern donors, which, through discourse, are prone to create an image of recipient states as "others" in need of development, SSC has taken a much less encompassing and intrusive approach of defining cooperating partners (Costa da Nóbrega Cesarino 2012). However, as the Global South has evolved and power structures have changed since the Bandung Conference, BRICS and other emerging economies have slowly deepened the gulf between themselves and the fragile and conflict-affected states in the South. As the emerging countries grow and achieve or solidify middle-income status, most fragile and conflict-affected states fall further behind, growing only marginally, if at all (Collier 2007). While the relationship is not like the one between traditional donors and fragile states, the deepening gulf between the varied states in the Global South has resulted in a loss of the original intent of equality in SSC in some cases. In fact, there is some concern that SSC has become a tool benefiting Southern elites rather than the poorest, with little local economic impact (Nilaus Tarp and Cold-Ravnkilde 2015). F2F cooperation has the potential to remedy this by focusing in on fragile states and empowering them to both support and help each other.

Scholarly work on SSC has largely focused on the BRICS countries and economic cooperation for the sake of development, although SIDS have made important contributions, particularly in areas of environmental partnerships and cooperation due to the unique circumstances in which they find themselves, such as the island ecosystems, small landmasses, scarce resources, and the effect that climate change has had on them. This may, in fact, be an indication of the need for more sub-communities within SSC that tackle specific aspects of joint concern. SSC as a framework has little formal structure, with much of it depending on ad hoc partnerships between governments on a large variety of issues. Models of SSC are similarly varied with cooperative agreements tailored to each partnership (Nilaus Tarp 2015). While this allows for flexibility by not limiting possibilities for cooperation, it also means that guidelines and concerted, directed efforts to address common problems may be lacking. Addressing issues of peace and security may require a more deliberate and structured cooperative framework (Nilaus Tarp 2015). F2F cooperation may provide such a framework.

In F2F cooperation and SSC more broadly, many of the current advances revolve around peace and development, particularly in fragile and conflict-affected states (Nilaus Tarp 2015). The emergence of F2F, if it is seen as a subfield of SSC, may signal a need to broaden the definition of SSC from one focused largely on economic development activities between largely similar and equal partners, to one that allows for the formation of smaller, more focused groupings, which include topics such as cooperation in peace and security, or environmental concerns. These groups could provide important forums for states to prioritize and specify activities that are of primary importance to their development collaboratively, rather than force them to seek out potential partners from the large group of SSC countries on an ad hoc basis. Furthermore, the formation of, and participation in, such sub-groups may bring some much-needed focus and order to the rather unwieldy and often confusing agendas of SSC.

That being said, there is little evidence as yet on how F2F fits into the SSC framework, or if it does at all. The g7+ has identified F2F as their version of SSC (g7+ 2014b). Garrasi (2015) argues that the model seems independent, although it may be intended to build upon and promote SSC while involving aid from donors, much like SIDS. This implies a combination of SSC and triangular cooperation specifically geared at fragile states. The advantage of F2F is its focus on specific goals and the potential it has to politically empower, both through mutual advocacy by fragile and conflict-affected states, and by sharing their own knowledge on issues of concern to the entire group. In terms of triangular cooperation, the group will continue to rely on donors to fund its activities, but their own cooperative engagements and (modest by necessity) exchanges of funding allow them to act quickly and to lead the discussion on what aid is needed and where, rather than await the reaction of the international community, which often comes with a significant delay. This is in line with the "nothing about us without us" spirit of the g7+.[11]

The g7+ proposed F2F cooperation is at the core of the group's agenda and revolves around the PSGs exemplified in the New Deal. As yet, if F2F cooperation is understood as a sub-field of SSC, few examples exist. The majority involve Timor-Leste using its own resources to support other g7+ states through guidance, advice, as well as small amounts of funding. For example, Timor-Leste's financial aid of US$6 million and involvement in an advisory capacity in Guinea-Bissau during the 2014 election voter registration led to a successful sharing of experiences and resulted in much lower election costs than the initially estimated US$50 million (g7+ 2014b). Building on this success Timor-Leste has advised the Central African Republic (CAR) on how best to contain the crisis unfolding within the state. According to a g7+ publication, following closed meetings with CAR representatives, the g7+ common stance and language in advocating for CAR resulted in the first time "in the history of CAR crisis […] [that] all the partners [have] been so well mobilized" (g7+ 2014a). More recently, Timor-Leste has provided modest, but completely discretionary, funding (US$2 million) to g7+ states battling the Ebola outbreak (g7+ 2015). While the amounts of funding are not large, they are indicative of the importance that g7+ members place on certain issues, and thus may work for other donors both as a way to identify crises that may need broader attention and funding, as well as shaming major donor states and organizations into expediting their processes for more timely distribution and increasing their donations for these crises. Furthermore, the success of these activities exemplifies the unique understanding and point of view that states in similar circumstances can share and learn from each other, including innovative alternatives to processes such as elections, which in the North may follow a routine, but are extremely costly for fragile states.

Additionally, F2F has several objectives that go beyond the broad goals of SSC, which, according to the United Nations Office for South-South Cooperation, is defined as

> a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment

> of internationally agreed development goals, including the Millennium Development Goals. The South-South cooperation agenda and South-South cooperation initiatives must be determined by the countries of the South, guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit (UNOSSC 2016).

It furthermore "involves different and evolving forms, including the sharing of knowledge and experience, training, technology transfer, financial and monetary cooperation and in-kind contributions" (UNOSSC 2016).

F2F cooperation in turn has three main pillars: (1) supporting g7+ member countries in implementation of the New Deal; (2) peer learning, knowledge generation, and capacity development around peace- and state-building; and (3) supporting g7+ member countries in dealing with acute and emerging crises (g7+ n.d.). Under the first pillar, the g7+ specifically states that the framework will be used to enlarge buy-in for the New Deal at the country level. This is aimed at deepening the political support within states and encouraging a whole-government approach in fulfilling the principles of the New Deal. While SSC objectives reference the attainment of the MDGs,[12] the development agenda was only used as a broad guide rather than specific goal, as is the case with the New Deal in F2F. The second pillar also refers specifically to the PSGs and, unlike SSC, does not specifically cite financial or monetary cooperation, but focuses on knowledge and experience sharing for the purpose of peace- and state-building. The third pillar, in turn, addresses the support member states can provide to states in crisis, while also emphasizing the role of F2F in bringing the attention of international actors to these crises and advocating for early and appropriate responses (g7+, n.d.).

Apart from its specialized focus on the New Deal and peace- and state-building, what distinguishes F2F from SSC the most is both the objective to generate buy-in for the New Deal at the national level, as well as the specific intent to use the framework to push issues facing fragile states onto the international political agenda for the purpose of gaining the approval and funding of international donors. Thus, F2F does not only focus on bottom-up cooperation between fragile states in terms of exchange of knowledge or funds, but also on cooperation to further implement the New Deal and build the g7+ as a unified voice for fragile states on the international stage, allowing them to lead the discussion on fragility and its effects rather than wait until the international community puts it on the agenda.

While similar sentiments of community and common problems were at the basis of forming the SSC framework, F2F takes the idea of SSC a step further. It prioritizes peace- and state-building, giving the framework a specific focus, while not excluding collaboration for other purposes. It further limits "othering" and levels the playing field by supporting cooperation between the world's weakest—self-acknowledged fragile—states. It encourages internal (national) cooperation between ministries, particularly as regards the implementation of the New Deal, as well as bilateral and multilateral cooperation. It promises to be a stronger—because united—voice for fragile states, bringing political attention to issues through cooperation and support to put pressure on donors and international actors. It will offer a framework for knowledge sharing between fragile states, while also providing donors with clear priorities and avenues for engagement. In fact, F2F relies on triangular cooperation to be a large and important part of the process, potentially more so than SSC. That being said, the conceptual foundation of F2F is still very new and many aspects are underdeveloped. Even within the g7+, the understanding of how F2F will develop and function in the future is varied (Garrasi 2015). Furthermore, as already noted, to date few examples of F2F cooperation exist, with those cited most often focusing exclusively on the activities of Timor-Leste. This raises the question of whether Timor-Leste is alone in its ability or interest in engaging in F2F cooperation at this time.

While the most obvious ways in which F2F cooperation can be undertaken by g7+ countries are the sharing of lessons learned and wielding of political pressure to ensure international support, other opportunities can add value to the framework. For example, a systematic program of capacity building could be introduced through leadership training for future leaders in g7+ states. Collaborating across countries, such a program could offer a unique education for young people with the potential to become leaders without a Western cultural bias and with the ability to learn from a variety of situations in the various partner countries whether through internships, exchanges, or specially designed courses. Collaboration to support the evolution and modernization of universities in partner states complements such activities and strengthens the capacities of youth in the fragile states. While these activities may seem to focus more on education than peace and security, education is an often overlooked, yet critical, component of lifting a state out of fragility.

Likewise, support could be extended to civil society organizations whereby opportunities for learning from similar organizations in partner countries would be made available. The earlier example of Timor-Leste sharing its experiences of holding elections for a fraction of the cost typically estimated by Western donors could be broadly shared and similar initiatives undertaken. These are only a few of the opportunities available to g7+ partners under the F2F framework; clearly, many more exist and can be taken advantage of. As with the original intent of the group, the priorities and possibilities for cooperation will need to be decided by fragile states and implemented for fragile states. However, much of this rests on the assumption that the g7+ will be able to expand and strengthen the New Deal to create more buy-in and support from member governments.

Conclusion

In an effort to encourage dialogue on the development of F2F, following the presentation of the pillars and objectives of F2F in a policy note, the g7+ has called for input from international partners (g7+, n.d.). Although donors are expected and encouraged to provide such input, the form in which it is requested exemplifies the goal of the g7+ to ensure that any policies related to fragile states are led by fragile states themselves. The concept of F2F provides donors and other partners with a framework within which they are expected to work, while also inviting them to contribute, much in the same way that in the past donors created frameworks, such as the Fragile States Principles (OECD 2007) produced in 2007 by the OECD, to which the (sometimes) invited fragile states contribute.

With time, F2F cooperation has the potential to become a robust framework through which both fragile states and donors can reliably interact and collaborate on various projects, with the primary goals of peace- and state-building in mind. Organizations such as the International Labour Organization (ILO) have already signed agreements with the g7+ to facilitate and focus on F2F cooperation among others (ILO 2014). Furthermore, F2F can empower fragile states to continue to participate in international dialogue and mutually advocate for each other, demanding that development agendas not be created just with them in mind, but with their complete involvement and leadership.

F2F cooperation has emerged at a time when many deficiencies in the existing aid architecture as well as the growing inequalities in SSC are coming to bear. The new framework may provide a viable alternative, but has to be further defined and tested in practice to determine how robust it is, as few examples of F2F cooperation exist as yet and all seem to involve Timor-Leste. In many ways, F2F cooperation is just building on SSC and will be treated so by others,[13] but it is also a sign that a new paradigm is emerging. By building on the practices of SSC and more specialized groupings such as SIDS, a fully developed and functional F2F cooperation framework has the potential to prompt further change both in SSC and international development and aid policies. It may signal a move away from the ad hoc nature of SSC, toward a more delineated separation into sub-groups with common interests and goals. As the new development agenda is implemented, each sub-group—whether fragile states or SIDS—may find that their own goals are finally included in the broader process, thus allowing these groups of cooperation and partnership to flourish both through SSC cooperation and triangular cooperation. In the future, if F2F cooperation is indeed meant to exist as a separate process dedicated in its entirety to fragile states and their peace- and state-building goals as outlined in the New Deal, the g7+ will have to provide a more exhaustive interpretation of the proposed concept to help better differentiate it from the more established and varied SSC. As of now, F2F cooperation remains a marginalized concept, particularly compared to SSC.

Finally, while the emergence of the g7+ has been enthusiastically welcomed both by donors who have supported the process, and by fragile countries themselves, it has relied largely on the strength, experience, and dedication of Timor-Leste. Former Prime Minister Xanana Gusmao and Minister Emilia Pires were the primary forces behind the group and the Secretariat. However, recent developments in Timor-Leste, including the indictment of Pires and Gusmao's new position as Minister of Planning and Strategic Investment, as well as other difficulties occupying the government, seem to have coincided with the slowing down of g7+ activities. It is difficult to foresee how the group will weather these changes, but this slowdown may indicate that without the strong leader it had in Timor-Leste, the group has yet to find someone to fill the gap. The survival of the F2F framework may also hinge on this, as Timor-Leste has been the main actor in initiating both funding and knowledge-exchange projects under F2F, as already mentioned. Without new leaders to fill the gap left behind by the strong personalities and state initially involved, the group, and its projects, may fulfill only a shadow of their real potential.

Notes

1. I would like to thank Carrie Taylor for feedback on an early draft of the chapter; she generously agreed to provide me with a practitioner's perspective. Any errors in the text are, of course, my own.
2. Turkey, United Arab Emirates (UAE), and China are the three largest non-DAC donors. While China sends most of its aid and investment to sub-Saharan Africa, Turkey has provided aid mainly to Syria, Egypt, and Afghanistan, and the UAE to Egypt (OECD 2015).
3. The largest amount of FDI goes to Nigeria, followed by Iraq, Democratic Republic of the Congo (DRC), Egypt, Congo, Sudan, Myanmar, Bangladesh, Libya, and Mauritania.
4. The g7+ is a voluntary association of 20 countries that are or have been affected by conflict and are now in transition to the next stage of development. See http://www.g7plus.org/ for more information.
5. As the BRICS grow and enter middle-income status, the principle of equality between states in SSC is slowly being undermined. Gaps between fragile states and the BRICS are increasing, both economically and politically.
6. This tool builds on the debates leading up to the formulation of the SDGs, and particularly Goal 16 on peaceful and just societies. Furthermore, it acknowledges the multidimensional character of fragility allowing for the analysis of each dimension separately. This offers greater insight into the complexity of fragility and the risks fragile states face (OECD 2015).
7. For more information please see http://fsi.fundforpeace.org/
8. The World Bank produces CPIA scores primarily as an instrument to determine resource entitlements for the IDA but has adopted them as identifiers for fragility when states score below 3.2. Despite being one of the most commonly used tools to determine fragility by donors, the CPIA has been identified as lacking in terms of fragility assessments by the Independent Evaluation Group in 2013 and was never intended for categorizing fragility. (For more information, see: *Information Note: The World Bank Group's Harmonized List of Fragile Situations*, http://pubdocs.worldbank.org/pubdocs/publicdoc/2015/7/586581437416356109/FCS-List-FY16-Information-Note.pdf; and Rocha De Siqueira (2014).)
9. Despite increasing commitments and time investment in each of these frameworks, results have been modest. An assessment of these tools, particularly the Fragile States Principles, was published in an OECD report in 2011 under the apt title "International Engagement in Fragile States: Can't We Do Better?" (OECD, 2011).
10. The report can be downloaded at http://erd.eui.eu/media/fullreport/ERD%20 2009_EN_LowRes.pdf
11. For more on this please see http://www.g7plus.org/en/our-approach
12. The F2F cooperation model emerged before the 2015 deadline for the achievement of the MDGs. Current efforts centre around the new SDGs.

13. See ILO for example (http://www.ilo.org/pardev/partnerships/south-south/WCMS_356557/lang--en/index.htm).

References

Baliamoune-Lutz, Mina, and Mark McGillivray. 2011. "State Fragility: Concept and Measurement." In *Fragile States: Causes, Costs, and Responses*, edited by Wim Naude, Amelia U. Santos-Paulino, and Mark McGillivray, 33–42. Oxford: Oxford University Press.

Cesarino, Letícia Maria Costa da Nóbrega. 2012. "Anthropology of Development and the Challenge of South-South Cooperation." *Vibrant: Virtual Brazilian Anthropology* 9, no. 1 (Jan/June): 507–37. doi:10.1590/S1809-43412012000100017.

Collier, Paul. 2007. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. New York: Oxford University Press.

———. 2014. "Fragile African States: What Should Donors Do?" Working Papers P95. Clermont-Ferrand: FERDI

Donais, Timothy, and Erin McCandless. 2016. "International Peacebuilding and the Emerging Inclusivity Norm." *Third World Quarterly* 38, no. 2 (July): 291–310.

European University Institute. 2009. "Overcoming Fragility in Africa: Forging a New European Approach." San Domenico di Fiesole: European Report on Development.

Fenby, Simon. 2013. "The g7+ Group of Fragile States: Towards Better International Engagement and Accountability in Aid Delivery to Fragile Nations." In *Critical Reflections on Development*, edited by Damien Kingsbury, 33–49. London: Palgrave Macmillan.

———. 2010. "Statement by the g7+." Annex to the Dili Declaration. Timor-Leste: International Dialogue on Peacebuilding and Statebuilding. http://timor-leste.gov.tl/wp-content/uploads/2010/04/Dili_Declaration_FINAL_12.04.20101.pdf

———. 2013. *Note on the Fragility Spectrum*. Kinshasa.

———. 2014. "Country Update—CAR." *g7+ Newsletter*, May 2014a. http://www.g7plus.org/project/may-2014-g7-newsletter

———. 2014. "Peace and Capable Institutions as Stand-Alone Goals in the Post-2015 Development Agenda." *g7+ Newsletter*, December 2014b.

———. 2015. "Implementing the New Deal." In *7th GPEDC Steering Group Meeting—7th Session on GPI*. Mexico City: g7+. http://effectivecooperation.org/wordpress/wp-content/uploads/2015/09/SESSION-7_Implementation_New-Deal.pdf.

g7+. 2014a. "In the News." Newsletter, May 2014. http://g7plus.org/project/may-2014-g7-newsletter/

———. 2014b. "Country Update—CAR." Newsletter, May 2014. http://g7plus.org/project/may-2014-g7-newsletter/

———. 2014c. "Recent Activities." Newsletter, December 2014. http://g7plus.org/project/december-2014-g7-newsletter/#

———. 2015. "Welcome from the g7+." Newsletter, February 2015. http://g7plus.org/project/february-2015-g7-newsletter/

Garrasi, Donata. 2015. *New Models of Development Cooperation: The G7+ and Fragile-to-Fragile Cooperation*. New York: United Nations University–Centre for Policy Research . https://i.unu.edu/media/cpr.unu.edu/attachment/1795/UNUCPR_FragileToFragileCooperation_Garrasi_.pdf

GoSL. (Government of Sierra Leone). 2013. "Fragility Assessment: Republic of Sierra Leone." http://g7plus.org/resources/sierra-leone-fragility-assessment/

Hart, Tom, Sierd Hadley, and Bryn Welham. 2015. "Use of Country Systems in Fragile States." *Overseas Development Institute*. Vol. 5. December. London: ODI. https://www.odi.org/publications/10208-using-country-systems-fragile-states

Hughes, Jacob, Ted Hooley, Siafa Hage, and George Ingram. 2014. "Implementing the New Deal for Fragile States." *Global Views*, Policy Paper 2014-02. Washington DC: The Brookings Institution. https://www.brookings.edu/wp-content/uploads/2014/07/global_20160811_new_deal_fragile_states.pdf

IDPS (International Dialogue on Peacebuilding and Statebuilding). 2011. "New Deal for Engagement in Fragile States." https://www.pbsb-dialogue.org/media/filer_public/07/69/07692de0-3557-494e-918e-18df00e9ef73/the_new_deal.pdf.

International Labour Organization. 2014. "ILO Signs Agreement with g7+ Group of Fragile States," press release, March 21, 2014. http://www.ilo.org/pardev/development-cooperation/WCMS_239403/lang--en/index.htm.

Naude, Wim. 2012. "What Is the (New) Deal with Fragile States?" Policy Brief Number 1. United Nations University.

Nilaus Tarp, Kristoffer. 2015. "South-South Cooperation—A Determined Step into the Unknown." *DIIS Comment*, Danish Institute for International Studies, November 9, 2015. https://www.diis.dk/en/research/south-south-cooperation-a-determined-step-into-the-unknown.

Nilaus Tarp, Kristoffer, and Signe Marie Cold-Ravnkilde. 2015. "An Emerging Development Agenda in Flux: Addressing the Dilemmas in South-South Cooperation." DIIS Policy Brief, Danish Institute for International Studies, September 2015. http://pure.diis.dk/ws/files/269049/South_south_final_for_web.pdf

OECD. 2010. "Dili Declaration: A New Vision for Peacebuilding and Statebuilding. Annex: Statement by the g7+." http://www.oecd.org/dac/gender-development/45250308.pdf

OECD. 2011. "The Principles for Good International Engagement in Fragile States and Situations." *International Engagements in Fragile States: Can't*

We Do Better? Annex A: 47–50. OECD Publishing. https://www.oecd.org/countries/somalia/48697077.pdf

OECD. 2011. *International Engagement in Fragile States: Can't We Do Better?* http://www.oecd.org/countries/chad/internationalengagementinfragilestatescantwedobetter.htm

OECD. 2015. *States of Fragility 2015: Meeting Post-2015 Ambitions*. Paris: OEDC Publishing. http://www.oecd.org/publications/states-of-fragility-2015-9789264227699-en.htm.

Pires, Emilia. 2012. *Building Peaceful States Against All Odds: The g7+ Leads the Way*. USAID Frontiers in Development. https://www.usaid.gov/sites/default/files/documents/1868/EmiliaPires_0.pdf

Rocha De Siqueira, Isabel. 2014. "Measuring and Managing 'State Fragility': The Production of Statistics by the World Bank, Timor-Leste and the g7+." *Third World Quarterly* 35, no. 2: 268–283.

UN-SDG (Sustainable Development Goals). 2015. "Sustainable Development Goals Knowledge Platform." https://sustainabledevelopment.un.org/?menu=1300

UNCTAD (United Nations Conference on Trade and Development). 2010. *Economic Development in Africa Report 2010—South-South Cooperation: Africa and the New Forms of Development Cooperation*. Geneva and New York: UNCTAD. https://unctad.org/en/pages/PublicationArchive.aspx?publicationid=75

UNOSSC (United Nations Office for South-South Cooperation). n.d. "What Is South-South Cooperation?" Accessed January 11, 2016. http://unossc1.undp.org/sscexpo/content/ssc/about/what_is_ssc.htm

UNOSSC. 2017. https://www.unsouthsouth.org/2017/11/29/fragile-to-fragile-cooperation-voluntarism-cooperation-and-solidarity-2017/

UNOSSC. 2018. https://www.unsouthsouth.org/2018/08/24/unossc-and-the-g7-join-forces-to-support-fragile-to-fragile-and-south-south-cooperation-for-peace-and-development/

Werner, Karolina. 2015. "African Development Through Peace and Security to Sustainability." In *Development in Africa: Refocusing the Lens After the Millennium Development Goals*, edited by George Kararach, Hany Besada, and Tim Shaw. Bristol: Bristol University Press.

Wheeler, Thomas. 2015. "Emerging Themes on the 2030 Agenda in Fragile States." *Saferworld*, a blog, December 11, 2015. http://www.saferworld.org.uk/news-and-views/blog-post/24-emerging-themes-on-the-2030-agenda-in-fragile-states.

World Bank. 2011. *World Development Report 2011: Conflict, Security and Development*. Washington DC: The World Bank. doi:10.1596/978-0-8213-8439-8.

Page left blank intentionally

PART 2

CASE STUDIES FROM CHINA, AFRICA, BRAZIL, INDONESIA, AND TURKEY

CHAPTER 5

South-South Cooperation with Chinese Characteristics

Ward Warmerdam and Arjan de Haan

Introduction

China's conceptualization of South-South Cooperation (SSC) can be summarized in the following statement made by Wei Jianguo, former Vice Minister of Commerce, at the signing ceremony for the UNDP-China project (speech entitled "Promoting South-South Cooperation in the 21st Century," cited in Wang 2005, 138; author's translation):

> The Chinese government attaches great importance to South-South Cooperation. In fact, SSC is seen as the foundation stone of Chinese international relations. The Chinese government believes that on the basis of reciprocity and mutual benefit, developing countries can learn from each other's experiences and lessons and develop together. It is under the guidance of this policy that the Chinese government launched the Go Out strategy at the turn of the millennium as well as the Forum on China-Africa Cooperation.

The quote itself, as well as the time, place, speaker, and occasion, not only reveals China's position on SSC, but also illustrates the way China is positioning itself and redefining its role in the newly emerging global order. As emerging economies assume roles as (re-)emerging donors in light of the recent reinvigoration of SSC notions and practices, the Chinese government has been both adamant and consistent in identifying China with other developing countries rather than with developed nations. As Chinese Prime Minister Wen Jiabao stated, "As a permanent member of the UN Security Council, China will always stand side by side with developing countries in Africa and other parts of the world" (Eisenman and Kurlantzick 2006).

Given China's growing global role and its rapid transition from being a low-income country and aid recipient (even if amounts of aid were always small) to an emerging power and aid provider, analysis of China's conceptualization of and practice in SSC is of crucial importance. Chinese-language academic literature and reports provide insights into the Chinese perspective on the origins, development, concepts, and practices of Chinese SSC, along with insights into the experiences of Chinese practitioners and policy-makers, and the problems *they* perceive around the development of SSC.

The chapter also looks at a number of projects that highlight how different countries define SSC. A discussion of China's approach to SSC within an historical context,[1] the role of the United Nations in China's SSC programs, how China views the North-South dialogue and the Forum on China-Africa Cooperation, and the role of China's Go Out policy in driving SSC projects, along with three examples of projects by Chinese practitioners, follow. In the final section, we highlight some of the problems of SSC as discussed by Chinese scholars and practitioners.

Concepts of South-South Cooperation

South-South Cooperation (SSC) has expanded rapidly in recent years. With developing nations—especially the emergence of the five national BRICS economies (Brazil, Russia, India, China, and South Africa) and the Next 11 developing economies (Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, South Korea, and Vietnam)—playing a new role in the global economy and providing greater contributions to global development by sharing resources and ideas across the South, SSC has become increasingly important (Derviş 2008).

Brazil's contribution to the International Labor Organization's (ILO) SSC strategy, which was initiated in 2007 (Amorim et al. 2011), is an example of an SSC project between a more developed and less developed country of the South, showcasing the principles of Technical Cooperation among Developing Countries (TCDC). Brazil and the ILO worked together to combat child labour and promote social protection in developing countries. The Indian Technical and Economic Cooperation Programme (ITEC), on the other hand, addresses the needs of 158 developing countries across Asia, Africa, Latin America, Central and Eastern Europe, and several Pacific and Caribbean nations through innovative technological cooperation between India and the partnering nation, contributing to skills and technology transfer (*Modern Ghana News,* cited in Media Global 2009).

Not surprisingly, UN organizations focus on the SSC aspects that fit their mandates. While the focus of the United Nations Development Programme (UNDP) is on technical cooperation projects related to climate and disaster resilience, sustainable development, and democratic governance and peacebuilding, the focus of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO) is primarily economic and commercial cooperation. The 2012 UNCTAD *Technology and Innovation Report* highlighted that the major partners of developing countries are no longer developed countries but other developing countries; that developing countries are participating more in global production networks; and that foreign direct investment (FDI) among countries in the South has been increasing (UNCTAD 2012). The UNCTAD report argues that the potential of SSC for technological learning has yet to be fully harnessed. Similarly, UNCTAD's 2011 *Least Developed Countries Report* explored the economic, commercial, and financial potential of SSC for the benefit of least developed countries (UNCTAD 2012). Bartels and Vinanchiarachi (2009) of UNIDO also explore the enormous potential of SSC in trade (for example, commercializing innovations suitable to promoting rural growth developed by other countries of the South and, in turn, spurring the development of the rest of the economy).

Zahran et al. (2011) of the UN Joint Inspection Unit argue that SSC is not clearly understood within the UN system. In response to the Zahran study, along with wider calls for an operational definition of SSC to be used in the UN, the UN Secretary-General (UNSG) provided comments for the development of operational guidelines on United Nations support to South-South Cooperation and triangular cooperation (UNSG 2012), which led to the following definition:

> [SSC is] a process whereby two or more developing countries pursue their individual and/or shared national capacity development

> objectives through exchanges of knowledge, skills, resources and technical know-how, and through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions. South-South Cooperation is not a substitute for, but rather a complement to, North-South Cooperation (UNSG 2012, 5).

The UNSG's comments also led to the following guiding sets of principles:

1. Normative principles: respect for national sovereignty and ownership, partnership among equals, non-conditionality, non-interference in domestic affairs, and mutual benefit.
2. Operational principles: mutual accountability and transparency, development effectiveness, coordination of evidence- and results-based initiatives, and a multi-stakeholder approach[2] (UNSG 2012, 7).

Given that the normative principles are very similar to China's principles of foreign economic relations, the rest of this chapter presents definitions and concepts of SSC prevalent in Chinese debates and government rhetoric, and places these in the context of the emerging global debate.

Defining Chinese SSC: Mutual Benefits?

Before we examine the different aspects of Chinese SSC, it is important to first understand the meaning given to SSC in China. Although there are differing definitions, a number of general themes can be identified. A government official in the China International Center for Economic and Technical Exchanges, under the Chinese Ministry of Commerce, places a heavy emphasis on the potential of SSC to change the global economic order and to contribute to stimulating economic development. He states that SSC is the route that unites developing countries; through common development opportunities, they also become self-reliant (Zhao 2009). A scholar in the Chinese Meat Food Research Center highlights SSC's technical cooperation features, as well as the high regard the Chinese government places on SSC as a means to strengthen international economic and technological communication and support the economic development of developing countries (Wang 2005).

Among the Chinese academic community, the understanding of SSC also differs widely, although voices in the Chinese academic community are unanimous in identifying China as a developing country. In stating that the concept of SSC evolved from Mao Zedong's Three World Theory, Ding (2007) captures China's overall understanding of SSC—that the world is divided and the divided parties are struggling to promote their own interests. Formulated in the 1960s, Mao's Three World Theory separated the world into three camps: 1) the US and the Soviet Union; 2) developed capitalist states and Eastern Europe; and 3) China and other post-colonial countries in Asia, Africa, and Latin America. However, according to Ding (2007), the world is now split between North and South, developed and developing, with China belonging to the developing countries group.

Zhang and Xu (1986) state that SSC is *economic cooperation* between "Third World countries," founded on the spirit of "poor help poor," developing out of poverty together through mutual benefit, compensating for each other's deficiencies, and creating a new order of international economic relations. Mutual benefit is one of the core concepts of China's international and economic relations, with China believing that both parties in a relationship are givers and takers. Two examples: China invests in infrastructure construction in Africa and gains access to the natural resources vital for its own country's economic development; China invests in port construction in Mauritius, Pakistan, and Greece and, in return, gets improved trade routes.

Zhao (2010) states that SSC is an important international policy geared toward poverty reduction in the world's least developed countries—a view held by the UN Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Cheick Sidi Diarra (2008). Xu (2002) and Zhu (2009) provide a slightly different definition of SSC as an important tool for strengthening the economic independence of developing countries, a means for guaranteeing that developing countries can fairly and efficiently participate in the emerging global economy. In addition, Zhu (2009) states that SSC can help change the global economic order, implement work distribution of skills specialization, and reduce overreliance on developed countries.

A number of Chinese authors have discussed China's "comparative advantage" in SSC. For Zhu (2009), that comparative advantage lies in four areas: politics, economics, science and technology, and the socio-cultural realm. In the field of politics, he argues that China's principles of foreign relations and its status as the largest and only developing country with a permanent seat on the UN Security Council constitute its comparative advantage in SSC, especially since other developing countries recognize China for its efforts to promote their interests. Zhu also argues that the Beijing Consensus is more appropriate for and accepted by developing countries than the Washington Consensus.[3] However, this argument does not take into account the fact that there is no consensus in China on the existence or characterization of a Beijing Consensus; moreover, the political principles Zhu puts forward have received international criticism.

According to Zhu (2009), China's comparative economic advantage has expanded since 1978.[4] His argument is based on China's rapid GDP growth and status as the second largest economy and the largest manufacturer in the world, with the highest level of foreign reserves, outward Foreign Direct Investment (FDI), and rapid growth in trade to developing countries—not to mention that its products are suited to the needs of people in developing countries. This is despite the fact that Chinese products are often accused of being of poor quality and that Chinese traders and manufacturers alike have been accused of displacing local traders and manufacturers (Mthembu-Salter 2009). With regard to China's technological comparative advantage, Zhu (2009) stresses that since economic reform and the opening up of trade, China's technological development has been rapid. In particular, when it comes to labour- and capital-intensive production, as well as production for export, China is a leader in the developing world.

Notwithstanding that this analysis seems to contradict the very principles of China's foreign economic relations and SSC, and his use of the term "comparative advantage" appears to imply comparative strength in relation to other developing countries, Zhu does highlight some key aspects of China's ability to contribute to SSC and the attractiveness to developing countries of engaging in SSC projects with China.

While Chinese academics and policymakers differ in their definitions of SSC (see Table 5.1 for a comparison), in general they do agree that cooperation between Southern countries is primarily economic (Zhao 2010 is an exception); is geared to advancing the self-reliance of developing countries; and seeks to create a more just international economic and political order. Moreover, their acknowledgement of the sharing of resources and technical know-how (Wang 2005) and the promotion of mutual benefits (Zhang and Xu 1986) fits the SSC definition provided by the UN Secretary-General (UNSG) (2012).

Yet, while the UNSG definition states that SSC is a complement to North-South Cooperation, Chinese analysts argue that SSC helps to oppose the North (Ding 2007). Both Zhao (2009) and Zhao (2010) argue that one of the goals of SSC is to achieve economic independence, and Zhu (2009) emphasizes the social and cultural area aspects of SSC and Chinese diplomacy. To better understand these specificities, the following section provides further historical context of how China defines and understands SSC.

Table 5.1 Chinese and UN Definitions of SSC: A Comparison

UN	China
Normative Principles	
• Respect for national sovereignty and ownership • Partnership among equals • Non-conditionality • Non-interference in domestic affairs • Mutual benefit • Competition with North-South cooperation	• Respect for national sovereignty and ownership • Partnership among equals • Non-conditionality • Non-interference in domestic affairs • Mutual benefit • Counterbalance to North-South cooperation
Operational Principles	
• Emphasis on technical and capacity development • Mutual accountability and transparency • Development effectiveness • Coordination of evidence- and results-based initiatives • Multi-stakeholder approach	• Emphasis on economic cooperation, economic development, and development effectiveness • Technical cooperation in a limited (but growing) number of fields • Political diplomacy • Cultural diplomacy • Mainly bilateral approach • Cooperation with UN system

Source: Author's compilation.

SSC as the Foundation Stone of Chinese International Relations

The former Vice Minister of Commerce Wei Jianguo's statement that SSC is seen as *the* foundation stone of Chinese international relations is somewhat misleading. When the Communist Party came to power in 1949, China aligned with the socialist bloc. The bloc included developing countries as well as more developed countries such as the Soviet Union, Poland, East Germany, and Czechoslovakia. At that time, many newly independent countries, such as India and Myanmar, were not socialist.

But SSC is *a* foundation stone of Chinese international relations.

According to the Chinese literature, SSC had its origins in the Bandung Conference of African and Asian countries of 1955 (Tang 2010). India secured China's invitation to the conference (Chen and Chen 2006). In fact, China and India had signed a treaty one year earlier proposing the Five Principles of Peaceful Coexistence (UN 1958).

Successive principles of economic cooperation launched by Zhou Enlai in the 1960s, Zhao Ziyang in the 1980s, and Hu Jintao in the 2000s maintained these basic principles. The Chinese government states that it maintains relations with other nations on the basis of equality and mutual benefit, and expects the countries with which it maintains relations to uphold the principles of non-interference in each other's internal affairs and respect for state sovereignty—not unlike the normative guiding principles outlined in the UNSG (2012) note on SSC. China's Five Principles of Peaceful Coexistence may have been prompted by the strong influence of developing countries in the UN and by their inclusion in the Bandung Declaration following the 1955 Bandung Conference.

The Bandung conference was the first time the proposal that developing countries should implement financial and technical cooperation mechanisms was made (Gao 2011; Tang 2010). These mechanisms supported promotion and consultation among developing countries that produce and export raw materials.

The so-called Bandung Spirit led to the first Non-Aligned Movement (NAM) Summit in September 1961 (Gao 2011).[5] At this summit, the importance of South-South Cooperation was recognized and calls for mutual economic cooperation were made. Yugoslav President Tito, speaking at the summit, stated, "Every country, regardless of their socio-economic system, must daily increase and broaden its economic cooperation" (cited in Gao 2011). The emphasis between developing countries participating in the NAM was on economic cooperation (trade) rather than on technical cooperation (knowledge and skills transfer), with the motivation being the need to manage the real economic pressure and negative effects of the cooperation of industrialized nations on developing countries' economies. An article in the 1964 NAM Summit declaration concerning economic development cooperation required all members to coordinate and implement measures promoted by economic cooperation on the basis of equality and mutual benefit. In an effort to prevent economic exploitation, the members were obliged to expand trade relations with each other and strengthen consultation and cooperation.

During the 1980s, developing countries—in particular, countries in Africa and Latin America—were faced with debt crises. This made North-South dialogue increasingly difficult as Northern powers started to impose stricter economic conditions. To improve the bargaining power of developing countries, the NAM members promoted the benefits of increasing SSC, such as a large shared market.

Although China is a not a member of NAM—according to Xi (2012), China did not join NAM after its disappointing experience with the alignment agreement it had signed with the Soviet Union in 1960—it strongly identifies itself with the efforts and principles of the movement and has observer status.

While not a founding member of the Group of 77 (G77), as this organization has its origins in the United Nations Conference on Trade and Development (UNCTAD) in 1964 and China was not a member of the UN until 1972, China aligned itself with the G77 even before joining (Chen and Chen 2006). Agreements and declarations made by the G77 during the 1960s and 1970s called for: 1) recognizing the economic sovereignty of all nations; 2) addressing the issues of global wealth and economic benefit redistribution according to the principles of justice and equality; 3) and ensuring the equal participation, equal benefits, and equal decision-making–power rights of all nations, and developing countries in particular (Chen and Chen 2006).

International opinion holds that the G77 has been unsuccessful for a number of reasons (Chen and Chen 2006): institutional organization and periodic communication were too lax; there were no high-level promotional or research institutions; and, in order to deal with G77 bloc negotiations, the developed countries changed their negotiating strategies (Chen and Chen 2006). One of these strategies was to divide members of the negotiating blocs by enhancing bilateral ties and promising to increase or decrease financial incentives such as aid and Foreign Direct Investment (FDI) (Chen and Chen 2006). Another strategy was to make every effort to change the location and agenda of the negotiations to reduce the influence of the G77 in UNCTAD (Chen and Chen 2006).

Deng Xiaoping, speaking in the 1980s, stated that China will forever align itself with the Third World and will never be a leader of the Third World (cited in Zou 2006). Deng argued that being a leader of the Third World would not be beneficial to China (Zou 2006). However, the world—and China in it—has become a very different place over the last three decades.

The Bandung Conference, the Non-Aligned Movement, the G77, and Deng Xiaoping's declaration of China's alignment to the Global South represent the political and geopolitical aspects of SSC. These institutions provide political platforms independent from Northern-dominated institutions in which political, economic, and technical SSC can be promoted and coordinated. These fora also facilitate coordination and play an important role for negotiating blocs such as the G77 and in the UN. As one of the few international institutions which the government of China trusted from early on, the UN system has long been a partner and channel for China's SSC.

China and the UN System

China credits SSC with helping it regain its seat in the UN and on the UN Security Council. After nearly two decades of supporting independence movements and newly established independent states in Africa and Asia, China was voted back into the UN with the support of the majority of the developing countries. The only global intergovernmental organization in which China actively participated, the UN was considered to have the fairest representation of and the best platform for developing countries compared to the Bretton Woods system (Warmerdam 2012). China also has strong relations with the UN Food and Agriculture Organization (FAO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), and the United Nations Development Programme (UNDP) (IOSCPRC 2011).

While China has cooperated with the FAO to send Chinese agricultural experts to developing countries since 1996, it is China's cooperation with the UNDP that has led to a number of South-South cooperative projects. The UN system—the UNDP in particular—has been a strong promoter of SSC.[6] In fact, a number of Chinese authors state that the UNDP has been the driving force in promoting and fostering SSC outside of the political negotiating blocs (Wang 2005; Xu 2002), using tTechnical Cooperation among Developing Countries (TCDC) as the instrument. Between 1979 and 1998, the UNDP implemented four assistance programs in China, including 841 projects, worth US$690 million (Li 2003). China also provided the UNDP with US$40 million in the same period (Li 2003). Through UNDP TCDC programs, China provided training to other developing countries in small hydropower plants, solar power, silkworm husbandry, aquaculture, and other technical skills in which China has a comparative advantage (Li 2003), and also received training from other developing countries. For example, Chinese practitioners learned bamboo processing from the Philippines, post-disaster reconstruction from Indonesia, and agricultural and communication technical expertise from Brazil (Li 2003).

In 1990, the UNDP launched its Economic Cooperation among Developing Countries program (ECDC) (Li 2003), with China playing an active role. The notion behind ECDC was that South-South Cooperation in the economic domain offered viable opportunities for developing countries to pursue individual and collective sustainable economic development initiatives. In addition to the expert training provided through the Technical Cooperation among Developing Countries (TCDC) program, China helped to construct small hydropower plants and research institutes in the 1990s as part of its ECDC activities (Li 2003).

Several Chinese experts believed that the government could do more to promote and foster ECDC (Li 2003). They argued that the government could make better use of its earlier investments in light of the fact that China now had good relations with many developing countries and had implemented a large number of aid projects. The experts argued that not only could these investments in assets be used to more fully exploit the potential of economic cooperation, but also that policies should be implemented to encourage Chinese small and medium-sized enterprises to pursue opportunities abroad (this call was answered through the 2001 Go Out policy, as discussed in more detail below). Conditions should also be created to promote enterprise bundling,—whereby Chinese companies would work together as partners or subcontractors on projects. Finally, the Chinese government should encourage its embassies to carry out analyses of investment climates. To this end, the Ministry of Commerce's Economic and Commercial Counselor's Representative Office (ECCO) oversees China's commercial affairs abroad and provides information on the investment climate, as well as on local companies, government offices, government policies, and economic development plans.[7]

A number of Chinese institutions are responsible for working with UN agencies in support of SSC. The China International Center for Economic and Technical Exchanges (CICETE), created in 1983 with the approval of the State Council and overseen by the Ministry of Commerce, coordinates volunteer and foreign development cooperation programs involving China that are administered by UN agencies such as the UNDP and UNIDO. In addition to these coordination activities, CICETE promotes technical and economic cooperation, and assists international NGOs and Chinese enterprises in their foreign aid UN procurement tendering applications.[8] By 2006, CICETE had successfully implemented 800 projects worth a total of US$800 million in a number of different socio-economic fields and more than 100 projects specifically geared toward SSC, to which the Chinese government contributed US$11 million (Zhao 2009). For its contributions to advancing SSC, CICETE was publicly acknowledged by the G77 and the United Nations Office for South-South Cooperation (Zhao 2009). In 1995, China established the China SSC Network (Zhao 2009).[9] Supported by UNDP, UNIDO, and CICETE, the network coordinates SSC activities, provides information to Chinese companies and government departments interested in SSC, and develops or engages in SSC projects.

Another Chinese institution geared towards SSC is the Information Platform of Population and Development in South-South Cooperation (SSCPOP), which was established in 2009. In December 2004, the Chinese government, the UNDP, and other international organizations established the International Poverty Reduction Center China (IPRCC) at the request of the Chinese government. The IPRCC's work is focused not only on China's domestic poverty reduction processes, but also on research and collaboration with other developing countries such as those in Africa and Central Asia, partly through the facilitating role played by the UNDP and other partner organizations. The organization organizes frequent expert seminars, exchanges, and conferences. It also engages in research, which it publishes on its website. IPRCC delegations from China often visit other developing countries, and also often receive delegations from these countries for working visits, workshops, and exchanges.[10]

The Chinese government and the UNDP also jointly established the China-Africa Business Council (CABC) in November 2004 as a public–private partnership that would provide support for China's private-sector investment activities in sub-Saharan Africa (World Bank 2007). The CABC is one of the tools used to stimulate trade with Africa, and is facilitated by the UNDP. Regular progress reports from the UNDP (e.g., UNDP 2006) indicate that African and Chinese delegations taking part in these exchanges often sign cooperation agreements. For example, the Tangshan Shuguang Group cement factory in Madagascar was the result of the CABC's consultative role (UNDP 2006).

Since resuming its seat at the UN General Assembly and UN Security Council, China has over the last four decades—particularly in more recent years—become one of the larger troop contributors to UN peacekeeping operations (de Haan 2010; Taylor 2009; International Crisis Group 2009) and the largest troop contributor of the permanent members of the UN Security Council (Campbell et al. 2012). These troop contributions indicate China's desire to be seen as a responsible actor and as assisting the global South. China also engages in military assistance programs outside the UN system, including the provision of non-lethal equipment and troop training in Nepal, for example, a move that is intended to strengthen security through SSC (Campbell et al. 2012).

China's close cooperation with UN agencies has expanded in scope since the turn of the millennium, from providing technical expertise and assistance to providing economic assistance among developing countries—an expression of its interest in SSC and its proactive relationship with UN agencies. In fact, China is the biggest donor to the United Nations Fund for South-South Cooperation (Media Global 2009, 9).

North-South Dialogue

In discussions on SSC, it is important to understand the role and influence—direct or indirect—of the North. Deng Xiaoping noted the importance of the North in providing technology, investment, and market opportunities during the early years of reform, beginning in 1978 (Ding 2007). With the population of developing countries making up more than three-quarters of the total world population, the limited European market, and the protectionist policies and practices of the US (Ding 2007), Deng felt it was important to focus on the South, as the market potential of developing countries was vital to economic development in China (Zou 2006). Believing that developing countries could compensate for each other's deficiencies for the benefit of all, Deng argued that through mutual cooperation developing countries could strengthen economic self-reliance and thus develop a stronger negotiating position in North-South dialogue. He argued for the removal of all internal and external barriers, and a unified effort by developing countries to bring about changes in the international economic order. Deng also stated that if developed countries did not assist developing countries, then developed countries would sooner or later be limited by their own market and economic capacities. In Deng's opinion, SSC could promote a better North-South cooperative relationship (Ding 2007).

Many Chinese academics also believe that SSC is crucial in order to address disparities between Northern and Southern countries (Tang 2010; Zhu 2009). Tang (2010) argues that although there are problems between some developing countries, such as territorial and political disputes, in order to develop and negotiate successfully with the North on an equal footing, developing countries must work together. Zhu (2009) describes China's efforts in the UN to support SSC, promote North-South dialogue, and create a more just international economic and political order. Chen and Chen (2006) describe the impact of SSC in the World Trade Organization's (WTO) Doha Development Round,[11] where China, India, and Brazil represented the interests of the developing world in the negotiations. According to Chen and Chen (2006), by 2006, SSC had made some achievements in the Doha Development Round. Second, developed countries were beginning to form a consensus on agricultural subsidies and the need to open up trade barriers to agricultural imports from developing countries. Third, developing countries were being granted a stronger voice in the WTO decision-making process. Pascal Lamy, Director-General of the WTO, stated that 75 percent of the WTO members were developing countries, and should therefore be central in trade negotiations (Chen and Chen 2006).

The Trade-Related Aspects of Intellectual Property Rights (TRIPs) is another aspect of the Doha Development Round. In his paper, Liu (2008) argues that the agreement on TRIPs was established and favoured by developed countries in the West, such as the US. However, through South-South cooperative bargaining in the Doha Development Round, a number of issues were resolved—most notably, the recognition by the WTO that public health rights were more important than intellectual property rights. This meant that developing countries no longer had to rely on overpriced imports of pharmaceuticals from developed countries—which they could ill afford—and could start using generic pharmaceuticals at a much lower cost. Due to the Doha Development Round, it was also decided that the transition period for least developed countries to make use of the agreement on medicine would be extended (Liu 2008). According to Liu, (2008) the World Health Organization (WHO) played a very important role in helping to achieve these successes for developing countries. The UN's Food and Agriculture Organization (FAO) also supported developing countries in their negotiations with developed countries regarding intellectual property rights on seeds and other agricultural products. However, there continues to be strong competition from and lobbying by large agribusiness multinationals.

Forum on China-Africa Cooperation

In the opening quote to this chapter, Deputy Minister of Commerce Wei Jianguo was quoted as saying that the Chinese government launched the Forum on China-Africa Cooperation under the guiding principles of SSC. Xia (2005) goes further, stating that China-Africa trade relations are the model of Chinese SSC. In his address to the Fifth Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) in 2012 in Beijing, UN Secretary-General Ban Ki-Moon commended President Hu Jintao for organizing FOCAC. He noted the important role that FOCAC has been playing in Africa's development in a speech dominated by the theme of the importance of SSC in reducing poverty, strengthening African capacity, and building green economies (Ban 2012). Although Ban did not explicitly state that FOCAC was a form of or platform for SSC, Deputy Minister Wei Jianguo's speech implies it.

Launched in Beijing in 2000, FOCAC serves as a platform for dialogue, consultation, and coordination, and as a mechanism for pragmatic cooperation (AFRODAD 2008; IOSCPRC 2011). China uses the FOCAC platform to coordinate its foreign policy towards the continent (Davies et al. 2008), with day-to-day management carried out by a committee based in the Ministry of Foreign Affairs, which has close working relations with African diplomats based in Beijing (Tjønneland et al. 2006). In 2006, the New Partnership for Africa's Development (NEPAD) secretariat was present for the first time at the FOCAC summit. NEPAD has been promoted as a core mechanism for the development of the African region. In China's 2006 African Policy, the government announced its support for NEPAD and sought to find the best way to further cooperation between FOCAC and NEPAD (MFAPRC 2006)—likely a result of requests by African leaders for NEPAD to play a more important role in Sino-African relations (Tjønneland et al. 2006). Cooperation between NEPAD and FOCAC has focused on infrastructure, human resource development, agriculture, and the treatment of infectious diseases (Davies 2007; Tjønneland et al. 2006). In response to FOCAC, other countries such as India, Brazil, and South Korea established similar forums for enhancing relations with Africa (Bilal 2012; Hu and Liu 2011): the Korea-Africa Forum, the Brazil-Africa Forum, and the India-Africa Forum Summit. The EU-Africa Summit was also established in response to FOCAC (Jacobs 2011). The goal of these forums is to strengthen relations between those countries and Africa, not necessarily to compete with China.

The Chinese government has used the opportunities arising out of the FOCAC summits to write off African debt and announce increases in development assistance. At the opening ceremony of the 2006 FOCAC Summit, Premier Wen Jiabao urged government officials and leaders of the business world to

1) expand China-Africa trade relations,
2) improve China-Africa investment cooperation,
3) increase the levels of Chinese aid to Africa,
4) promote cooperation between Chinese and African companies, and
5) increase training of Africans (Zhang 2006, 68).

In 2009, the Chinese government announced it would establish 100 green energy projects in Africa; provide US$20 billion worth of concessional loans; increase investment in Africa; establish a fund of US$1 billion for the development of African small to medium-sized enterprises (SMEs); continue opening up China's market for African products, including by expanding zero-tariff treatment for African products; increase medical cooperation with Africa; provide training to Africa's labour force; and expand Sino-African cultural ties (He 2011, 133). A number of these issues tie in with the country's Go Out policy, described below.

At the summit in 2012 in Beijing, President Hu Jintao stated that the Chinese government would take steps in five priority areas:

1) Investment cooperation and to support Africa's sustainable development. These will be expanded, particularly in agriculture, manufacturing, infrastructure and support for SMEs.

2) Increased development assistance. This will include sending 1,500 medical staff to Africa, increasing the number of agricultural demonstration centers, training 30,000 personnel in different sectors, providing 15,000 government scholarships, and constructing vocational training institutes, among other things.
3) Continue to support the African integration process through assistance to transnational and trans-regional infrastructure development.
4) Enhance people-to-people friendship. China intends to do this through, among other things, joint research projects and the establishment of a China-Africa Press Exchange Centre.
5) Promote peace and stability in Africa (Hu 2012).

A new Initiative on China-Africa Cooperative Partnership for Peace and Security would be launched, and cooperation with and financial support to African Union security missions increased. As these are new initiatives, time is needed to see how these are operationalized and what effects they will have.

From the Chinese perspective, FOCAC is seen as a platform on which SSC can be coordinated. China views programs such as increasing medical cooperation and training for Africa's labour force as forms of SSC, and announcements such as improving cultural ties would lead to SSC projects.

China's Go Out Policy

The Go Out policy was launched under the guiding principles of SSC, according to former Vice Minister of Commerce Wei Jianguo (cited in Wang 2005). This seems to contradict many Western perceptions of China's Go Out policy as being emblematic of neo-colonialism and mercantilism, and motivated purely by China's self-interest.[12] It should be remembered that China's Go Out policy is also guided by its principles of foreign economic and political relations, which include non-interference, respect for state sovereignty, equality, and mutual benefit. The economic cooperation that Chinese companies pursue under this policy resembles UNCTAD and UNIDO concepts of economic SSC; similarly, China considers economic cooperation between developing countries to be SSC.

Jiang (2008) emphasizes that the Go Out policy is driven by China's need to satisfy its demand for energy and other natural resources for its economic development, but that it should not be seen as a predatory or well-planned strategy to take over the world.[13] The Go Out strategy was a natural successor to Deng Xiaoping's reform and opening-up policy, which was launched in the 2001 Tenth Five-Year Plan and initially focused on supporting and promoting large Chinese companies to invest abroad. By 2009, 13,000 companies had been established abroad by Chinese investors, and Foreign Direct Investment (FDI) reached US$2,500 billion (Vendryes 2012). With successive Five-Year Plans, the Go Out policy has developed from the original goal to "actively and steadily go out" (Vendryes 2012, 5). By the Eleventh Five-Year Plan, companies were encouraged to "go further out," and the most recent Five-Year Plan called on Chinese companies and government institutions to "accelerate the implementation of the strategy for going out" (Vendryes 2012, 5).

Xi and He (2008) state that increasing labour and environmental costs in China are driving Chinese companies to invest in less developed countries to reduce costs. In recent years, a large number of Chinese companies, such as Sinopec, PetroChina, Baotou Steel, Haier, Huawei, and ZTE, have established multinational enterprises. They were facilitated by government financial support (Xi and He 2008). Zhu (2009) argues that the Go Out policy helps developing countries, especially those in Africa, to develop their basic industrial systems, which enables them to become more self-reliant—one of the principles of China's foreign economic cooperation and described as an objective of Chinese SSC (Zhu 2009). It is these potentials of SSC that UNCTAD (2012) and Bartels and Vinanchiarachi (2009) also discuss. Rui (2011), who argues that China's engagement in Sudan has helped that country develop its basic industrial system, states that through skills and technology transfer, and the construction and joint operation of a new oil refinery, China has helped Sudan move its oil sector more upstream. Senelwa (2012) describes a new automobile assembly plant being constructed by China's Foton Motors in Kenya.

The Chinese government promotes companies to Go Out through its foreign assistance program (Huang 2007; Xi and He 2008; Yang and Chen 2010). Liu and Feng (2011) argue that this helps Chinese technology and expertise to enter into other developing countries, allowing them to benefit. In addition, Yang and Chen (2010) state that the program promotes the export of Chinese products, as well as an understanding of investment possibilities. Xi and He (2008) argue that, given the risks of foreign investment and high levels of capital investment in infrastructure, the Chinese government used foreign aid to make it easier for Chinese enterprises to invest in developing countries. This is partly due to the ability of Chinese companies to take part in contracts on Chinese aid projects, particularly infrastructure and construction projects. Such projects give Chinese companies the opportunity to understand the markets in which they operate and to compete in local government and international organization tenders. Wang and Liu (2012, 8) argue, "Foreign aid itself cannot change a society. Investment and trade are needed to break the poverty trap and hence promote economic expansion and social development." They further argue that China's successful economic development can be attributed to a keen ability to organize, integrate, and combine foreign aid, FDI, and trade. By implication, then, China's engagement with Africa, which similarly combines aid, trade, and investment, should also help to develop Africa. What Wang and Liu (2012) neglect to state is that the Chinese government played a vital and strong role in organizing and integrating aid, trade, and investment inflows in Africa. The ability, and willingness, of some African governments to integrate trade might be lacking, and thus the presence of Chinese companies helps to establish business networks that can then develop into industrial catalysts (Bräutigam 2003).

However, not all African leaders are enthusiastic about the manner of China's engagement with the continent. Most recently, Lamido Sanusi (2013), then Governor of the Central Bank of Nigeria, wrote a scathing opinion piece in the *Financial Times* on China's engagement with Africa. He stated that China is now the world's second-largest economy,[14] and as such is capable of the same kinds of exploitation as Western countries. Sanusi (2013) argued that taking Africa's resources and selling back manufactured products is a form of economic relations that were present in colonial times. Thabo Mbeki, former president of South Africa, similarly warned of the dangers of this form of relations that could "condemn [Africa] to underdevelopment" (BBC News 2006). In a recent keynote address at the Africa-China Business Summit in Sandton, South Africa, Professor Mutambara, then Deputy Prime Minister of Zimbabwe, tried to temper such rhetoric. He argued that African countries must not blame the negative effects of Chinese engagement on China, but rather African leaders should take responsibility for their own problems and solve them themselves (BizDay Zimbabwe Business News 2013).

Examples of China's SSC

Reports and analyses of practical examples of SSC in the Chinese literature on SSC offer insights into these projects and the experiences of Chinese experts and practitioners. They also highlight some of the practical problems of SSC. Of the three examples provided below, two involve development assistance projects and the third looks at knowledge and expertise collaboration (Wen et al. 2009) as a form of SSC.

An agricultural SSC project in Nigeria from 2004 to 2006 was a cooperative venture between the Food and Agriculture Organization (FAO), the Chinese Ministry of Agriculture, the Province of Guizhou's agricultural department, and the Nigerian government, with the conditions and activities of the project formulated according to the needs described by the Nigerian government and the advice provided by Chinese experts residing in Abuja, Nigeria. Wang (2008) identified four main issues that needed to be addressed: 1) the appropriate use of fertilizer; 2) crop density; 3) scientific soil preparation; and 4) crop protection and crop tending. According to Wang, the suggestion was made to adjust the planting and harvesting times of a number of crops to increase annual yields—a suggestion that was met with some resistance. Initially, the local Nigerian government would not allow the Chinese experts to inspect the fields of local farmers. The measures they proposed were also not immediately accepted. The Chinese experts wanted to demonstrate the effectiveness of their proposals, but were only provided a piece of land on which to test their methods after numerous requests. In his report, Wang (2008) states the Chinese experts felt the Nigerians looked down on them, and that Nigerians were extremely inefficient and superstitious—which impeded their ability to improve their agricultural productivity. By learning more about and accepting Nigerian culture and behaviour, and by demonstrating how things could be done in a different way, Wang states the Chinese experts were able to break through these barriers and achieve positive results.

Yuan (2008) describes the results and experiences of a China-Nigeria SSC project on water resources initiated in 2003 and completed in 2007. This again was a tripartite cooperation between the Chinese Ministry of Agriculture, the FAO, and the Nigerian government. The Chinese experts were tasked with water source engineering, soil and water conservation, and demonstrating water-saving irrigation techniques. In order to develop skills transfer, the experts also developed a number of manuals. The achievements of the project were widely recognized, including the appointment by the FAO of a Chinese expert as director of the Nigerian food security project. In his report, Yuan also describes a number of issues encountered by the Chinese experts, the most prominent being the lack of financial resources, which made it impossible for more work to be done.

Wen et al. (2009) present their findings from an analysis of the research collaboration between China and India, and China and Thailand, in the field of health-related biotechnology from 1994 to 2005. Although this field shows great potential, the authors argue that the Chinese government has not paid enough attention to SSC in this field. Most of the cooperative relationships have been established through informal channels, either through visits from experts engaged in other business ventures or at conferences. The motivation for many has been to share knowledge and results from experiments, gain access to data from other countries, and increase their academic credentials. In addition to a lack of formal channels for research collaboration, Wen et al. (2008) point to the lack of funding for cooperative projects.

Challenges Facing Chinese SSC

Chinese analysts perceive a number of challenges confronting SSC. According to Hu and Liu (2012), one of the key challenges is how to use China's identity as a country of the South to implement international cooperation initiatives that meet SSC standards. While China still wants to identify as a developing country, this is becoming increasingly difficult. China has become an economic superpower—and has the political clout that comes with this—and its relationship with other developing countries is changing as a result of this status. Expectations of China are changing, and China needs to adjust its principles and practices accordingly.

Economic issues such as labour relations and environmental issues related to Chinese foreign investment also plague China's engagement in developing countries, and thus the image of its SSC. The issues of mine workers in Zambia call into question the Chinese government's rhetoric on equality and mutual benefit, regardless of the fact that the mine—with the worst problems in the country—was in fact a private enterprise. The poor behaviour of even one Chinese player abroad has a negative impact on the Chinese government's image. And as the Chinese definition of SSC is so broad, ranging from aid to trade and from technical to economic cooperation, labour and environmental issues also impact SSC relations.

The government, however, is taking urgent steps to tackle these problems (Hu and Liu 2012). The China Development Bank, for example, now requires that the companies in which it invests implement the highest social and environmental standards—although monitoring mechanisms have yet to be fully developed by the Bank. In 2008, China EXIMBank strengthened its environmental protection policy, a move that involved supporting the government's so-called Green Credit policy (Hu and Liu 2008), which has the aim of transferring credits from projects and enterprises engaged in highly polluting or high energy-consuming activities to projects and enterprises engaged in emission reduction and energy conservation. A growing number of Chinese companies are engaging in such corporate social responsibility (CSR) activities (Hu and Liu 2012; Warmerdam and van Dijk 2012a). In their survey of Chinese companies in Kampala (Uganda), Warmerdam and van Dijk (2012a) found that a Chinese construction company provided water to drought-ridden areas, donated food and clothing to local villagers, and used machinery to flatten playing fields, build small bridges, and lay pipes for water irrigation in areas where they were already engaged in construction projects. Another company in the same survey provided education materials to a different village every year (Warmerdam and van Dijk 2012). Hu and Liu (2012) state that Chinese companies and the Chinese government have come to realize that foreign investment involves many social and international responsibilities, and are working to raise their standards and improve their practices abroad. Even mining companies, such as Jinchuan Group (JNMC), which operates mines in Zambia, practise CSR (JNMC 2012). However, the understanding of CSR is still developing. On the one hand, JNMC describes activities such as emission reduction, cleaner waste disposal, employee training policies, and improved workplace health and safety as CSR; on the other hand, it also describes initiatives such as community participation and public service provision as CSR. While such reports show a laudable effort on the part of these companies, most of the activities described as CSR have actually taken place in China. There is little indication that these Chinese companies are employing the same CSR standards in other countries.

A number of other problems are related more to the characteristics of the developing countries involved in SSC. The many different political systems, religions, and cultures inevitably lead to, and often are the historical roots of, conflicts among each other (Zhao 2012). The countries in the South are also at different stages in their socio-economic development, ranging from fragile states to middle-income countries. These economic disparities lead to the same kind of tensions that have hampered North-South relations, especially with regard to national economic interests. Xu (2002) states that there are conflicts of interest and disparities in reciprocity. Conflicts include those related to territory, such as the Spratly Islands. Economic disparities include issues such as trade imbalances and claims of product dumping. Zhao (2010) reminds us that the Global North had similar conflicts and issues when it was developing.

Xu (2002) argues that there is no effective institution, fund, or ability to address these issues, and no single intergovernmental or multilateral organization solely dedicated to resolving South-South affairs. Citing the level of interference from the North in South-South relations as another issue, Luo (2000, 49) argues that the North still "writes the rules of the economic globalization game." He adds that the economic gap between North and South is growing, and negotiations with the North are becoming more difficult for the South (Luo 2000).

Given that Asia has developed faster than Africa, Xia (2005) states that there is now also the problem of Asian products competing with African products in the global market. Lu and He (2010) found that most Chinese exports compete with exports from other developing countries. Under normal circumstances, economic cooperation requires a clear division of labour—vertical and horizontal (Lu and He 2010). While there is some division of labour among developing countries, it is difficult for these countries to achieve a vertical division of labour, given that they are all focused on labour- and capital-intensive industries (Lu and He 2010). Nevertheless, as countries such as China, India, and Malaysia develop, they continue moving up the value chain to positions currently dominated by developed countries. Many Chinese companies, for example, are shifting their production to other developing countries, and Africa in particular. The World Bank has consulted with the Chinese government on the potential of shifting 80 million manufacturing positions to Africa to increase African employment (Lewis 2011). China is also interested in moving beyond manufacturing to focusing on R&D and service provision, as outlined in both the Twelfth Five-Year Plan and the *China 2030* report (World Bank and DRC SC 2012).

Conclusion

China attaches great importance to South-South Cooperation. Table 5.1 compares China's concepts of SSC with those of the United Nations Secretary-General (UNSG). In terms of normative principles, China's concepts of SSC are very similar to those of the UNSG—not surprising, given that the definitions of SSC in the UN are rooted in the G77 and Non-Aligned Movement (NAM) summits with which China is affiliated. One of the key differences, however, is in the perception of North-South cooperation. The Chinese concepts conceive of SSC as a counterbalance to North-South cooperation, while the UNSG considers the two to be complementary.

The major differences between the Chinese and UNSG concepts of SSC, however, are to be found in the operational principles. Chinese definitions place a strong emphasis on economic cooperation, while the focus of the UNSG definition of SSC (2012) is on technical and capacity development (although earlier incarnations of the UN concepts of SSC did include more economic aspects). Yet, in practice, Chinese definitions also incorporate technical cooperation and capacity development features; the government's launch of a number of agricultural demonstration centres, which serve as learning centres for host countries, are good examples of this. The International Poverty Reduction Center China (IPRCC), established with the help of the UNDP, is also intended as a learning and knowledge exchange centre, with a focus on poverty reduction and capacity/knowledge development. The former Vice Minister of Commerce Wei Jianguo's statement that developing countries, including China, can learn from each other's experiences and lessons supports this focus and the UNSG's definition of economic cooperation.

How China has historically viewed SSC, as well as its alignment with the NAM and the G77, also illustrates China's emphasis on political cooperation. Both the NAM and the G77 have played a coordinating and promotional role for both technical and economic cooperation among developing countries. However, their most important function was as negotiating blocs in the UN and other international organizations (the importance that Chinese analysts and the government attach to the role of these negotiating blocs is outlined in the section on North-South dialogue). China sees SSC as a counterbalance both to the North and to the northern political dominance of international organizations—a perspective that differs from the UNSG definition of SSC, where SSC is considered a complement to North-South cooperation (perhaps also the result of feedback from member states that include northern states [UNSG 2012]). Moreover, China's viewpoint of SSC may be indicative of a desire to change the international political and economic order.

Former Vice Minister of Commerce Wei Jianguo also stated that the Forum on China-Africa Cooperation (FOCAC) was established under the guidance of the policy of SSC, which is viewed as a way of coordinating and consulting with African leaders (The inclusion of NEPAD at FOCAC and the emphasis on cooperation with the African Union in Chinese rhetoric are the result of lobbying by African leaders at FOCAC.) Additionally, the establishment of FOCAC as a separate forum through which to engage with African leaders, outside of such institutions as the G77, the NAM, and even the UN, could also be indicative of the central role that China wants to play in developing countries and the counterbalance it wants to achieve to Northern-dominated institutions.

China places a great emphasis on economic cooperation—as do a number of Chinese analysts, who argue that China's economic engagement has helped to industrialize recipient countries, provided jobs and incomes, and generated revenues for the governments that could be used to improve the livelihoods of citizens.

Is China's Go Out policy a form of SSC? While many Chinese companies originally believed the Go Out policy promoted their investment in Europe and North America, the developing world also presented great business opportunities (Feng 2002). Chinese authors state that the relationship between the Go Out policy and SSC can be seen in terms of the complementarity between the Chinese economy and the economies of other developing countries (Lu and He 2010; Xia 2005; Xu 2002), although Lu and He (2010) also warn of competition.[15] Chinese authors describe how Africa has abundant natural resources, a large market, and a large labour force, while China and other Asian countries have capital resources, a talented labour force, development experience, technology, and affordable manufactured products (Xia 2005). In light of Africa's need for infrastructure, agricultural and natural resources development, and a skilled labour force, China and other Asian countries are willing and able to assist Africa in its development needs (Xia 2005). These Chinese authors argue that there is therefore a complementarity between Africa's supply and Asia's (China's) demand, and Africa's demand and Asia's (China's) supply. In accordance with the Chinese principle of mutual benefit, which Chinese academics and politicians believe is inherent in SSC, this form of economic cooperation is considered to be SSC from the Chinese perspective.

In contrast to the UNSG definition, which also emphasizes mutual accountability, transparency, and multi-stakeholder approaches, the Chinese approach to SSC is mostly bilateral, or in cooperation with UN agencies and to a lesser extent the international financial institutions (IFIs). There are still questions concerning to what extent Chinese SSC in the political realm really promotes the interests of other developing countries. With regard to China's economic emphasis in SSC, questions also remain regarding how much developing countries benefit from it. There are important differences between developing countries. Some countries have more leverage in economic negotiations with China than others, and it can be assumed that these countries benefit more from China's economic engagement. Other factors, such as the exchange rate and commodity prices, also impact the benefit that Chinese engagement provides, and are largely outside the control of the Chinese government.

Empirical research on the effectiveness of Chinese SSC—not a focus of this chapter—is warranted. Case studies could be chosen, for example, on the role and effectiveness of IPRCC or the China International Center for Economic and Technical Exchanges (CICETE), or on the effectiveness China's agricultural demonstration centres, in promoting technical capacity building and technical transfer in developing countries.[16] While more case studies on China's economic and development assistance projects are being done, there is little information about institutions that facilitate such assistance (for example, CICETE) and ancillary institutions (for example, IPRCC) that facilitate knowledge and skills exchange among countries of the Global South.

The final and overriding issue is that China still wants to identify itself as a developing country or country of the South, despite the fact that it has become an economic superpower. The inherent imbalance in relations *ex ante* cannot be countered by rhetoric. While African leaders have lauded China's engagement as one based on equality, the question is, will this last? The spirit of SSC—of equality and mutual benefit—is the "foundation stone of Chinese international relations" (Wang 2005, 138), but can this ideology be maintained? Although China is in many ways reluctant to accept this, its relations with other developing countries are changing due to its economic superpower status. Expectations of China are changing, and China will need to adjust its principles and practices accordingly.

Notes

1. The purpose of this chapter is not to offer an analysis of the effectiveness of Chinese SSC, but to contribute to future effectiveness/performance analysis of Chinese SSC.
2. The UNSG definition focuses on technical and capacity development aspects. As described below, earlier incarnations of the UN concepts of SSC focused more on economic aspects, which play a key role in China's definitions of SSC.
3. For informative commentaries on the characteristics and existence of a Beijing Consensus, see Breslin (2011), Kennedy (2010), and Rebol (2010).
4. Zhu (2009) argues that cultural diplomacy is seen as one of the three pillars of Chinese diplomacy, the other two being political and economic diplomacy.
5. The following paragraph is based on Gao (2011).
6. See Li (2003), Xu (2002), and Chen (2012) on the role of the UN and the UNDP.
7. See for example the ECCO website of the representative office in Uganda (http://ug.mofcom.gov.cn/) and Brazil (http://br.mofcom.gov.cn/), accessed in January 2013.
8. See http://www.cicete.org/, accessed in January 2013.
9. See http://www.ecdc.net.cn/, accessed in January 2013.
10. For more information, visit http://www.iprcc.org/publish/page/en/, accessed in January 2013.
11. The authors' emphasis on the Doha Development Round's aim to create a new international economic order to pass new international economic legislation seems to be more an expression of their own hopes or perceptions.
12. See Vendryes (2012) for a discussion of "Go Out" and Chinese analyst opinions.
13. Shambaugh (2012, 8) argues that "efforts to 'go global' tend to be driven by pent-up cash in search of a place to invest outside China's saturated domestic market; a strong mandate by the government to 'go out,' with incentives to do so and penalties for not doing so; naïveté about the complexities of foreign countries; a desire to maximize profits as quickly as possible, rather than produce steady revenue streams; and a fickle management tendency to frequently change decisions and directions."
14. At the time of completing the final draft of this chapter, China had become the largest economy in the world (measured in PPP terms).
15. For more analysis of the complementarity and competition posed by Chinese investors in Africa, refer to the Asian Drivers Programme studies. This research program produced a number of studies regarding the increased trade with and investment by China and India in Africa.
16. For an interesting analysis of China's land-based interventions, see Buckley (2013).

References

African Forum and Network on Debt and Development (AFRODAD). 2008. *Mapping Chinese Development Assistance in Africa: A Synthesis Analysis of Angola, Mozambique, Zambia and Zimbabwe*. Harare: AFRODAD,

Amorim, Anita, Ramio Pizzaro, and Helmut Schwarzer. 2011. "Brazil's Contribution to the ILO's South-South Cooperation Strategy." *South-South in Action* (Winter 2011): 2–3.

BBC News. 2006. "Mbeki Warns on China-Africa Ties." BBC News, December 14, 2006. Accessed April 25, 2013. http://news.bbc.co.uk/2/hi/business/6178897.stm

Ban, Ki-Moon. 2013. Speech at Fifth Ministerial Conference of FOCAC. Accessed January 15, 2013. http://www.chinafrica.cn/english/txt/2012-07/23/content_469935.htm.

Bartels, Frank L., and Jebamalai Vinanchiarachi. 2009. "South-South Cooperation, Economic and Industrial Development of Developing Countries: Dynamics, Opportunities and Challenges." *UNIDO Research and Statistics Branch* Working Paper, United Nations Industrial Development Organization, Vienna, February 2009.

Bilal, Sanoussi. 2012. "What Is the Rise of South-South Relations About? Development not Aid." *MO* Papers 70*, September 2012.

BizDay Zimbabwe Business News. 2013. "Full Keynote Address: The Africa-China Business Summit." April 22, 2013. www.bizday.co.zw/2013/04/22/full-keynote-address-the-africa-china-business-summit/

Bräutigam, Deborah. 2003. "Close Encounters: Chinese Business Networks as Industrial Catalysts in Sub-Saharan Africa." *African Affairs* 102(408) (July 2003): 447–467.

Breslin, Shaun. 2011. "The 'China Model' and the Global Crisis: From Friedrich List to a Chinese Mode of Governance?" *International Affairs* 87 (6): 1323–1343.

Buckley, Lila. 2013. "Chinese Land-Based Interventions in Senegal." *Development and Change* 44 (2): 429–450.

Campbell, Ivan, Thomas Wheeler, Larry Attree, Dell Marie Butler, and Bernardo Mariani. 2012. *China and Conflict-Affected States: Between Principle and Pragmatism*. London: Saferworld.

Chan-Fishel, Michelle. 2007. "Environmental Impact: More of the Same?" In *African Perspectives on China in Africa*, edited by Firoze Manji and Stephen Marks, 139–152. Oxford: Fahamu.

Chen, An, and Chen Huiping. 2006. "Chindia Cooperation, South-South Collective Self-Reliance and New International Order—Focusing on the Chindia Cooperation in Doha Development Round [*sic*]." *Guoji Jingji Faxue Kan* 13 (4): 1–37.

Chin, Gregory. 2012. "China as a 'Net Donor': Tracking Dollars and Sense." *Cambridge Review of International Affairs* 25 (4): 579–603.

Davies, Martyn, Hannah Edinger, Nastasya Tay, and Sanusha Naidu. 2008. "How China Delivers Development Assistance to Africa." Centre for Chinese Studies: University of Stellenbosch, South Africa.

Davies, Penny. 2007. "China and the End of Poverty in Africa—Towards Mutual Benefit?" Eurodad: Sundbyberg, Sweden.

Derviş, Kernal. 2008. "UNDP's Strategic Plan for South-South Cooperation." *Terraviva: South-South Executive Brief* 2 (1).

Diarra, Cheick Sidi. 2008. "Focus on the Poorest." *Terraviva: South-South Executive Brief* 1(2).

Ding, Xiaoli. 2007. "Discussion on Deng Xiaoping's Concepts of South-South Cooperation." *Shi Ji Qiao* 7: 14–15.

Eisenman, Joshua, and Joshua Kurlantzick. 2006. "China's Africa strategy." *Current History* 105, 691 (May 2006): 219–224.

Feng, Zongzhi. 2002. "The Unexpected Commercial Opportunity of South-South Cooperation." *Think Tank of Science and Technology* (November 2002): 10–11.

Gao, Zhiping. 2011. "Analysis on Advocating the Course of Non-Aligned Movement and Promoting South-South Cooperation [*sic*]." *Journal of Huangshi Institute of Technology (Humanities and Social Sciences)* 28 (2): 51–56.

He, Wenping. 2011. "From 'Aid Effectiveness' to 'Development Effectiveness': The Aid Discourse Evolution and the Role of China's Experiences." *West Asia and Africa* 9: 120–135.

Hu, Changsheng. 2010. "Discussion of South-South Cooperation in the WTO System: Thoughts on Solving the Development Problems in the Multilateral Trade System." *Shengchanli* 4: 42–44.

Hu, Mei, and Liu Hongwu. 2012. "Fifty Years of Evolution of the Concepts of Chinese Aid to Africa and South-South Cooperation." *Guoji Wenti Yanjiu* 1: 12–28.

Hu, Jintao. 2012. Speech at the Opening Ceremony of the Fifth Ministerial Conference of the Forum on China-Africa Cooperation, Beijing July 19, 2012. Accessed January 12, 2013. http://www.focac.org/eng/ltda/dwjbzjjhys/zyjh/t953172.htm

Huang, Minbo. 2007. "China's Foreign Assistance Institutions: Current Condition and Trends." *Guoji Jingji Hezuo International Economic Cooperation* 6 (8). Accessed September 5, 2010. http://lw.xinxueshu.com/Html/SocialSciences/1247763326925.html.

Information Office of the State Council of the People's Republic of China. 2011. "China's Foreign Aid." Information Office of the State Council of the People's Republic of China, Beijing.

Jacobs, Bert. 2011. "A Dragon and a Dove? A Comparative Overview of Chinese and European Trade Relations with Sub-Saharan Africa." *Journal of Chinese Current Affairs* 40 (4): 17–60.

Jiang, Wenran. 2008. "China's Emerging Strategic Partnerships in Africa." In *China into Africa: Trade, Aid, and Influence*, edited by Robert I. Rotberg, 50–64. Washington, DC: Brookings Institution Press.

JNMC. 2012. "Corporate Social Responsibility Report: 2011." Jinchuan Group, Jinchang, China.

Kennedy, Scott. 2010. "The Myth of the Beijing Consensus." *Journal of Contemporary China* 19 (65): 461–477.

Lewis, David. 2011. "Africa can Gain from Dearer Chinese Labour: World Bank." Reuters, July 4, 2011. Accessed May 5, 2013. http://www.reuters.com/article/2011/07/04/us-africa-worldbank-idUSTRE76343V20110704

Li, Miao. 2003. "The Unprecedented Opportunities of South-South Cooperation." *Chinese Selected New Technologies and Products* 1.

Liu, Lei. 2008. "The North-South Contradiction and South-South Cooperation in the International Intellectual Property Rights System." *Electronics Intellectual Property Rights* 5: 10–15.

Liu, Yanhua, and Feng Zhijun. 2011. "South-South Cooperation: The New Strategy of Environmental Foreign Aid." *Zhongguo Jingji Zhoukan* 9: 18–19.

Lu, Xiaodong, and He Changzhou. 2010. "Analysis of Trade Complementation and Trade Competition Between China and the Other Developing Countries: South-South Cooperation Perspective." *Guoji Jingmao Tansuo* 26 (6): 16–23.

Luo, Xiaoyun. 2001. "The Effects of Globalization on North-South Relations and South-South Cooperation." *Southeast Asian Studies* (1): 48–50.

Media Global. 2009. *Media Global: South-South in Action.* UNOSSC: Summer 2009.

Ministry of Foreign Affairs of the People's Republic of China. 2006. *China's African Policy*. Beijing: Ministry of Foreign Affairs of the People's Republic of China.

Mthembu-Salter, Gregory. 2009. "Elephants, Ants and Superpowers: Nigeria's Relations with China." *SAIIA Occasional Paper,* September 2009.

Paulo, Sebastian, and Helmut Reisen. 2010. "Eastern Donors and Western Soft Law: Towards a DAC Donor Peer Review of China and India?" *Development Policy Review* 28 (5): 535–552.

Rebol, Max. 2010. "Why the Beijing Consensus Is a Non-Consensus: Implications for Contemporary China-Africa Relations." *Culture Mandala: Bulletin of the Centre for East-West Cultural & Economic Studies* 9 (1): 7–20.

Rui, Huaichuan. 2012. "Chinese State Owned MNEs in Africa: Impact on Development and Poverty Reduction." *International Poverty Reduction Center China Working Paper Series No. 2.*

Sanusi, Lamido. 2013. "Africa Must Get Real about Chinese Ties." *Financial Times*, 11 March.

Senelwa, Kennedy. 2012. "Chinese Cars Getting Popular in Kenya." *The East African*, 19 May. Accessed 05 May 2013. http://www.theeastafrican.co.ke/business/Chinese+cars+getting+popular+in+Kenya/-/2560/1409130/-/3lsf2hz/-/index.html

Su, Xuechuan. 2006. "South-South Cooperation or North-South Cooperation? – The Choice of Developing Countries in International Regional Economic Integration." *Economic Survey* 2: 35–37.

Tang, Erzi. 2010. "Analysis of Mathematical Model of the North-South Relations and the South-South Cooperation [*sic*]." *Wuhan Banbo Vocational Academy Journal* 4: 69–73.

Tjønneland, Elling N., Bjørn Brandtzæg, Åshild Kolås, and Garth le Pere. 2006. *China in Africa: Implications for Norwegian Foreign and Development Policies*. Bergen: Chr. Michelsen Institute.

United Nations. 1958. "No. 4307. Agreement between the Republic of India and the People's Republic of China on trade and intercourse between Tibet region of China and India. Signed at Peking, on 29 April 1954." *United Nations—Treaties Series*, 57–82.

UNCTAD. 2011. *The Least Developed Countries Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development*. New York and Geneva: United Nations.

———. 2012. *Technology and Innovation Report 2012: Innovation, Technology and South-South Collaboration*. New York and Geneva: United Nations.

UNDP. 2006. China Africa Business Council: Annual Progress Report. Beijing: UNDP and China Africa Business Council Secretariat.

UNSG. 2012. "Framework of Operational Guidelines on United Nations Support to South-South and Triangular Cooperation." *Note by the Secretary General*. New York: United Nations.

Vendryes, Thomas. 2012. "The "Going Out" Strategy: Economic Moves with Political Consequences." *China Analysis (January 2012): Facing the Risks of the "Going Out" Strategy*, 5–6.

Wang, Hexing. 1985. "South-South Cooperation in the 1980s." *Shijie Zhishi* 8: 12–13.

Wang, Huaisheng. 2008. "The Results and Experience of a China-Nigeria Agricultural South-South Cooperation Project." *Xiandai Nongye Keji* 8: 233–235.

Wang, Xiaoling, and Qianqian Liu. 2012. "China-Africa Cooperation: A New Approach to Improve Development Effectiveness." *International Poverty Reduction Center in China Working Paper Series No. 5.*

Wang, Xueping. 2005. "Strengthen South-South Cooperation Is Inevitable Direction of Meat Industry [*sic*]." *Academic Periodical of Farm Products Processing* 9(10): 137–139.

Warmerdam, Ward. 2012. "Is China a Liberal Internationalist?" *Chinese Journal of International Politics 5* (3): 201–243.

Warmerdam, Ward, and Meine Pieter van Dijk. 2012a. "China-Uganda and the Question of Mutual Benefits." Mimeo submitted to the *South African Journal of International Affairs*.

———. (2013). "Chinese State-Owned Enterprise Investments in Uganda: Findings from a Recent Survey of Chinese Firms in Kampala." *Journal of Chinese Political Science 18(3): 281-301.*

Wen Ke, Zhang Jiuchun, Li Dongxuan, and Chen Guang. 2009. "South-South Cooperation in the Field of Health Biotechnology: The Examples of China-India and China-Thailand International Research Cooperation." *Zhongguo Keji Luntan* 6: 131–135.

World Bank and Development Research Center of the State Council, the People's Republic of China. 2012. *China 2030: Building a Modern, Harmonious, and Creative High-Income Society*. Washington, DC: The World Bank.

World Bank. 2013. World Bank Indicators: GDP (Current $). Accessed on 26 April 2013. http://data.worldbank.org/indicator/NY.GDP.MKTP.CD

World Factbook. 2012. "Country Comparison: Reserves of Foreign Exchange and Gold." *CIA World Factbook.* Accessed 25 April 2013. https://www.cia.gov/library/publications/the-world-factbook/rankorder/2188rank.html.

Xi, Li, and He Fan. 2008. "Reflecting on China's Overseas Development Assistance Strategy." *Journal of Contemporary Asia-Pacific Studies* 6: 120–133.

Xi, Jialin. 2012. "China will Abandon its Non-Aligned Foreign Policy." *Financial Times* 17 August 2012. Accessed 25 April 2013. http://www.ftchinese.com/story/001046070

Xia, Jisheng. 2005. "The New Achievements of the South-South Cooperation." *Ya Fei Zongheng* 2: 27–32.

Xu, Weizhong. 2002. "South-South Cooperation under Globalization." *Shijie Jingji yu Zhengzhi* 12: 61–66.

Yang, Hongxi, and Chen Kaiming. 2010. "China's Foreign Aid: Achievements, Lessons and Benign Development." *World Outlook* 1: 46–56.

Yuan, Yuegui. 2008. "The Results and Experiences of China-Nigeria South-South Cooperation on Water Resources." *Shanxi Water Resources* 22: 72–73.

Zahran, M. Mounier, Enrique Roman-Morey, and Tadanori Inomata. 2011. *South-South and Triangular Cooperation in the United Nations System*. Geneva: United Nations.

Zhang, Haibin. 2006. "China-Africa Cooperation and South-South Cooperation: From the View of South-South Cooperation." *Mao Zedong Deng Xiaoping Lilun Yanjiu* 12: 65–78.

Zhang, Husheng, and Xu Shicheng. 1986. "China-Latin America South-South Cooperation has Bright Prospects." *Lading Meizhou Yanjiu* 3: 1–8.

Zhao, Cuicui. 2010. "The Changes in South-South Cooperation Mechanism due to Economic Globalization." *Xiandai Jingji Xinxi* 24.

Zhao, Yongkan. 2009. "South-South Cooperation in China." *Dalu Qiao Shiye* 2: 18–19.

Zhu, Hong. 2009. "China's Comparative Advantage in Participating in South-South Cooperation." *International Economic Cooperation* 11: 13–16.

Zou, Jin. 2006. "On Deng Xiaoping's Thought of South-South Cooperation [*sic*]." *Jiangxi Guangbo Dianshi Daxue Xuebao* 2: 11–13.

CHAPTER 6

China and Africa: Somewhere Between Economic Integration and Cooperative Exploitation

Ariane Goetz

Introduction

South-South Cooperation (SSC), a "collaboration and partnership among countries from the South, interested in sharing, learning, and exploring their complementary strengths to go beyond their traditional role as aid recipients,"[1] has been associated with multiple hopes and challenges by different actors since its original inception in the 1960s and 1970s.[2] While encompassing cultural, social, and political interactions, the idea of SSC became closely affiliated with the vision of a New International Economic Order (NIEO)[3] that should encourage equitable and beneficial economic relations and was expected to emerge from a combination of cooperation among developing countries and the renegotiation of existing agreements with countries from the North. Yet the realization of this vision proved difficult. For instance, the NIEO focused on self-reliant development and a partial delinking from the globalized economy. The international division of labour was seen to be structurally disadvantageous for establishing wholesome industries in developing economies. Yet, this proposition did not garner widespread support among the powerful countries of the North. Public actors believed that the related global economic restructuring would do a disservice to their positional status in the world economy, and large companies held the view that it was in their best interest to keep "exporting discrete segments in such a way as to retain control over economic life as a whole on the world scale."[4] At the same time, the NIEO lost some of its political clout due to the alleged economic success of Korea, Brazil, and India, which witnessed substantial economic growth and poverty reduction in the 1970s and 1980s—a time when their foreign economic policy had shifted from autarky toward gradual liberalization and globalization.[5]

Today, nearly four decades later, a "new, more selective"[6] mode of SSC has surfaced—a reflection of major changes in the world economy, such as the rise of emerging economies (such as BRICS) and the liberalization and globalization of the economies of most developing countries since the 1980s.[7] Consequently, SSC is perceived as a form of South-South development cooperation that includes "a wide range of modalities, from strictly market-driven activities to the transfer of official resources for genuinely humanitarian purposes."[8] While SSC occurs largely on a bilateral basis, multilateral programs have been established within the United Nations system since the 1990s (for example, the UN's Food and Agriculture Organization's Special Programme for Food Security (SPFS).[9] A central characteristic of contemporary SSC is its alleged demand-driven approach—a contrast to the supply-driven approach of traditional development cooperation between the North and South.[10]

The worldwide reception of this novel form of SSC has been mixed: it has been celebrated as a strategic alternative to neoliberal globalization; interpreted as proof of the international trend toward multipolarity; or critiqued as just another form of international cooperation that suffers from asymmetric power relations (for example, Keet 2006). One of the more widely covered phenomena in this context of SSC appraisal and critique has been China's rising cooperation with and presence in African countries. Some warn that China's engagement with the African continent might result in a form of neocolonialism (for example, in a speech by US Secretary of State Clinton)[11] given the asymmetric nature of Sino-African trade flows or the often-poor labour relations.[12] Others view this partnership as mutually beneficial development cooperation. For instance, in his speech at the Fifth Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) in July 2012, UN Secretary-General Ban Ki-moon welcomed this "strategic partnership for the future" between African countries and China, stating that it was "creating opportunities for African countries to diversify their economies, create jobs, and improve health care and education" at a time of global economic crisis.[13]

Empirical evidence suggests that economic activities and practices of intergovernmental cooperation, which are key characteristics of China–Africa relations, have always been strongly interrelated, to the degree that they have been co-constitutive in how they have developed. On the one hand, intergovernmental development cooperation has been a key factor in opening avenues for and shaping economic activities between China and African countries through bilateral and multilateral initiatives. The policy toward market-principled development strategies that took place in China and many African countries since the early 1990s changed the way intergovernmental development cooperation occurs today. Increasingly, such cooperation involves profit-oriented companies and financial tools for the implementation of intergovernmentally negotiated development projects. On the other hand, economic activities by the private sector in the form of state-owned or privately owned companies have contributed to the transition from a primary focus on resources diplomacy to a focus on economic upgrading and globalization. As a side-effect, security concerns in view of Chinese overseas staff and assets have also led the Chinese government to get involved in negotiations with African governments on issues of peace and security.

Outcomes characteristic of China–Africa economic relations and intergovernmental cooperation are not necessarily innovative or unique: from an economic standpoint and similar to North-South relations, trade remains fairly asymmetric and investments focus strongly on the resources sector. Moreover, while Chinese assistance is largely non-official (according to the OECD's Development Assistance Committee (DAC)), it takes place within the parameters of mainstream economics, operating on the basis of market principles and profit. At the same time, it is difficult to speak of one form of China–Africa development cooperation, as the partnerships that fall under this framework involve a range of institutions, actors, and mechanisms, and so are rather complex.

Indeed, South-South initiatives between China and African countries reflect two trends: economic integration and cooperative exploitation. In fact, framing the diverse trends of China–Africa development relations in the context of the simplified description of SSC as a collaboration and partnership among countries from the South might overrate their qualitative difference from North-South relations and underestimate their political economic dimension. Only a case-by-case assessment can fully capture the main characteristic and development potential of this form of SSC for the partners involved.

To realize the potential of mutually beneficial development cooperation, several policy priorities would seem recommendable. In this regard, African governments have to develop a long-term and comprehensive development vision that will inform trade, investment, and development finance deliberations and negotiations. For instance, governments should select projects that are beneficial for their population, rather than establishing enclave economies with limited linkages to the local economy. In particular, projects should use local contents (such as workers, goods); diversify the economy away from resources (to industry, services); help build up whole industries in the long term; strengthen local enterprises; transfer skills and technology; raise productivity; incorporate economic and social impact assessments; and be reasonably taxed.

To provide for inclusive development, special attention should also be given to precarious work conditions, the poor quality of imports, and the underfunded domestic economy where actors cannot compete with their Chinese counterparts, not because they are necessarily less efficient, but because they lack access to credit and markets. Greater transparency that allows civil society and the private sector to participate in the negotiation and implementation of terms and projects would be beneficial. Correspondingly, the Chinese government should encourage its development partners to focus on inclusive and regional development strategies as a way to ensure the peace and security of its overseas activities and assets. It could strengthen the international business performance of its companies by establishing stricter requirements for and monitoring of social and environmental impacts.

China–Africa Economic Relations Intensify

Parallel to China's "rise to the center of world economic affairs"[14] since its opening up in the 1980s, China–Africa economic relations have intensified impressively. By 2009, China had turned into "Africa's largest trade partner,"[15] and as of 2013, the People's Republic of China's (PRC) State Council proclaimed, "Africa is […] China's major import source, second largest overseas construction project contract market, and fourth largest investment destination."[16]

In more detail, Africa's share in China's total foreign trade volume rose from 2.23 percent to 5.13 percent during 2009 to 2012, whereas China's share of imports from Africa increased from 2.47 percent to 6.23 percent and exports to Africa from 2.02 percent to 4.16 percent, respectively. At the same time, China's share in African total foreign trade reached a significant 16.13 percent in 2012 (up from 3.82 percent in 2000), whereas African exports to China increased from 3.76 percent to 18.07 percent and imports from China increased from 3.88 percent to 14.11 percent, respectively.[17]

While China–Africa trade relations have intensified since the 1990s, the range of trade products has been less so, resembling strongly traditional asymmetries of North-South trade.[18] In 2010, 79 percent of Chinese imports from Africa were mineral products, followed by 10 percent metals, 4 percent stone/glass, 2 percent wood products, and 5 percent other. In the same year, Chinese exports to Africa were made up largely of processed or manufactured goods: 29 percent machinery/electrical, 18 percent textiles, 14 percent transportation, 11 percent metals, 5 percent plastics/rubber, 4 percent chemicals, and 19 percent other.[19]

On a bilateral level, these trade patterns reflected the comparative advantages of the particular trading partners. Accordingly, South Africa had the most diversified trade with China, with manufactured goods making up almost half of exports, whereas countries such as Sudan or Angola exported mineral fuels only—highlighting their economies' dependency on this one export item.[20] Such trade patterns are problematic, particularly for African economies. Historical evidence shows that related institutions and international production chains can lead to a lock-in of primary commodity-focused economic structures, limiting the possibilities of a country's future development trajectory.

Corresponding with the growing trade volume, Chinese direct investments also increased dramatically, nearly doubling, from US$1.44 billion in 2009 to US$2.52 billion in 2012.[21] Again, the resource sector featured prominently, drawing in more than a third of total investments. However, projects in other industries (for example, finance, light manufacture) were also on the rise—for instance, investments in manufacturing reached a new height of US$1.44 billion during 2009–12.[22] In 2011, 30.6 percent of direct investments went into mining projects and 2.5 percent in agriculture, forestry, animal husbandry, and fishing, with the remainder covering social overhead or other industries, such as finance services (19.5 percent), construction projects (16.4 percent), manufacturing (15.3 percent), leasing and business services (5 percent), scientific research (4.1 percent), wholesale and retail (2.7 percent), real estate (1.1 percent), and other (2.8 percent).[23] As of 2013, over 2,000 Chinese companies were present in investment projects in over 50 African countries, the majority being State-owned Enterprises (SOE). These SOE contributed "an estimated 80 percent of China global outward Foreign Direct Investment (FDI)" and operated with financial support from state policy banks, as well as funding from African national banks or multilateral sources (as of 2011).[24]

Empirical research shows that many enterprises—even SOE—are not necessarily in accord with the development cooperation strategies set out by the Chinese or African central governments.[25] However, all of these trade and investment activities do profit from the intergovernmental cooperation initiatives of China and African countries.

Concerning the regional distribution of Chinese direct investments, data suggest that these were spread across the continent, including in the so-called resource-poor countries, such as Mali, Ethiopia, and Uganda, where investments were made in sugar refineries, as well as glass, fur industries, automobiles, and textile and steel processing in those countries (2009–12).[26] However, distribution has been fairly skewed. During this period, ten African countries made up 76 percent of the outward FDI stock on the continent, including resource exporters South Africa, Sudan, Nigeria, Zambia, and Algeria, as well as countries such as Ethiopia.[27]

In spite of the impressive rise of trade and investment exchange, the majority of Africa countries continue to rank rather low among China's trading and investment partners, capturing only 5.13 percent of China's total foreign trade in 2010,[28] while total outward FDI stock amounted to 13 percent (2010).[29] The exception is trade and investments in crude oil.[30] In view of the rising role of African countries in China's energy supply, some analysts argue that China–Africa cooperation is primarily a function of China's energy diplomacy.[31] Since the early 1990s, when energy demand outgrew domestic production, the Chinese government has tried to diversify its oil supply by establishing new trading relationships and/or facilitating overseas investments.[32] By 2011, Africa had become the second-largest source of China's crude oil imports (21 percent of total imports), after the Middle East (51 percent of total imports), whereas Saudi Arabia and Angola together provided nearly one-third of total crude oil imports.[33] Sudan was the seventh-largest supplier (with 260,000 barrels/day), and Congo thirteenth-largest (113,000 barrels/day).[34]

Yet, this analysis ignores the fact that Chinese companies also invest in other sectors of African economies; that investments in resources are not always export-oriented; and that investments are often part of the development ambitions of Chinese and African governments to scale up industry and open new markets, as noted in official documentation and foreign policies outlining the principles and goals of different types of SSC between China and African countries.[35] Also overlooked is China's historical shift to Africa for energy in the late 1990s, which was largely the outcome of the reluctance of Western countries and companies to allow Chinese companies to acquire the necessary infrastructure (for example, the now defunct Union Oil Company of California, Unocal) on their territory.[36]

Concerning African investments in China, there is little consistent information on Outward Foreign Direct Investment (OFDI) from countries such as Nigeria, Liberia, Cote d'Ivoire, Togo, and Mali, with regard to either destination or sectoral focus.[37] Also, official data for 2010 from the Ministry of Commerce [of the] People's Republic of China (MOFCOM) on the geographical distribution of inward FDI stock only show Asia (mainly Hong Kong, Korea, Singapore, Taiwan, and Japan), followed by the US and the EU; official data on African FDI did not exist.[38] Still, aggregate data from 2002 on outward FDI stocks of African countries indicate that most outward investments are intra-regional and that African FDI outside of Africa goes largely to developed countries. Accordingly, South Africa, the largest African investor inside of Africa, had 74 percent of its overseas FDI stocks in the EU, 11 percent in North America, 10 percent in African economies, 3 percent in Australia, and an estimated 2 percent in Asia.[39] With regard to South African investments in China, Jia Qinglin, a senior Chinese political advisor, has been quoted as saying that at the end of 2009, South African investments in China amounted to US$546 million, compared to US$950 million of Chinese investments in South Africa.[40] In the context of African economic activities within China, these figures show that African investors in China remain marginal for the moment.

Foundation of China–Africa Economic Relations: Development Cooperation and Reform

Even though economic undertakings that are part of China–Africa economic activity are highly diverse, intergovernmental development cooperation in the political and financial realms has helped to facilitate the rapid rise of economic trade and investment activities. Since the 1990s, governments in partnering countries have begun to put adequate financial and political institutions in place. Important to these activities are intergovernmentally negotiated forms of development cooperation. For instance, Chinese investments in the resource and manufacturing sector often occur through joint ventures with state companies in the respective African country. A case in point is the Mali Sugar Conglomerate, a joint venture of the SOE China Light Industrial Cooperation for Economic and Technical Cooperation (CLETC) and the government of Mali. With roots in a 1960s Chinese technical cooperation program, the project in its current form emerged in 1996, when CLETC acquired 60 percent of the Mali state company SUKALA S.A. through debt-swap-equity at the request of the Malian government.[41] Set up with the financial support of China's Export-Import (EXIM) bank, the company employed 10,000 workers as of 2010.[42]

In concert with the intensification of China–Africa trade and investment relations, African countries became the primary recipient of Chinese Official Development Assistance (ODA) by 2009, with 46.7 percent of total ODA spread over 51 countries, followed by Asia (32.8 percent to 30 countries), and Latin America and the Caribbean (12.7 percent to 18 countries).[43] The "size of China's official aid flows to Africa is more than twice as large as that of China's FDI flows to Africa," indicating that intensified economic relations between China and African countries have taken place in an increasingly supportive policy context, facilitated and initiated by political actors and reform processes, rather than "the market."[44] The aggregate regional share of Africa reflects the strategic importance that China's government has attributed to the continent in its efforts to globalize its economy in view of input factors (such as energy and minerals) and output factors (such as new markets). It also reflects the need of African economies for foreign financial assistance to improve their economic fundamentals (for example, infrastructure).[45]

However, the lack of coherent aid data and the difference in Chinese aid classifications from those of DAC makes it difficult to get a complete overview of what is happening.[46] While there are no official data on the exact amount by region, it is thought that China's total ODA amounts to 256.29 billion yuan (US$42 billion).[47] Chinese ODA comes in three forms: grants, zero interest loans, and concessional (fixed-rate, low-interest) loans.[48] Each serves a different purpose. Grants apply to medium- and small-scale projects for social welfare (for example, the building of hospitals and schools), capacity-building cooperation, and in-kind technical assistance. Interest-free loans are used to support recipient countries with a stable economic base to construct public facilities and projects that improve social development and are provided on the basis of an overall twenty-year payment period with repayment possible after ten years. Concessional loans, at 67.5 percent—the largest share of ODA—are granted for large-scale projects of more than US$2.4 million, such as infrastructure projects and turnkey projects.[49] ODA aid is provided under the supervision of the Ministries of Commerce and of Foreign Affairs, and through policy banks such as the China Development Bank.

While China does not attach human rights conditions to its aid packages, it has de facto mechanisms in place to steer aid delivery in its interest. For instance, concessional loans—which rose from US$800 million for 55 projects in 2005 to US$10 billion in 2012—are provided under the condition that at least 50 percent must be invested in Chinese goods and services (for example, machinery, construction company).[50] In cases where loan failure was likely, the Chinese government has exerted pressure on the respective recipient to abide by the agreement.[51] At the same time, and in spite of the principle of non-interference governing China–Africa aid, trade, and investment relations (for example, the State Council's white paper *China's Foreign Aid*, 2011), the Chinese government has begun to actively participate in international conflict management. A turning point was the Darfur crisis in Sudan, which began in 2003, where China mediated negotiations between the regime in Khartoum and the UN, and even contributed troops to the UN-led peacekeeping mission.[52]

In addition to official development assistance, the Chinese government considers other forms of development finance as development assistance, such as preferential export credits, market-rate export buyers' credits, commercial loans, and special funds that support Chinese and African companies active in China–Africa cooperation. These make up a larger share than ODA in China–Africa relations.[53] However, again, the lack of transparency or up-to-date databases that would show which projects have been realized makes a detailed and comprehensive assessment of these flows difficult.[54] Instead, the empirical evidence remains anecdotal. The China-Africa Development Fund (CADF), for instance, was initiated in 2006 "to encourage and support Chinese enterprises to invest in Africa."[55] The total fund, which is managed by the China Development Bank, amounts to US$5 billion in the medium term. Operating under market principles, CADF provides investment funds to boost the equity of profitable Chinese businesses, as well as funds for investing in Africa, and offers financial and other consultancy services to Chinese companies. Sectors of interest are agriculture and manufacturing projects that benefit the host country and are profitable for the investor country, along with natural resources, infrastructure, and industrial parks set up by Chinese companies.[56]

Since 2009, the China Development Bank has earmarked a special loan program for African small and medium-sized enterprises (SMEs) to help these companies secure financing and build local markets.[57] The program provides direct loans to African companies in select sectors (such as agriculture, export industries, construction, health and medicine, irrigation, education, environmental protection, energy efficiency),[58] for a total of US$2 billion.[59] SMEs can apply for a maximum loan of US$1 million for five years, if their project benefits both local markets and Chinese economic development goals (e.g., trade).[60] As of June 2011, the Ministry of Commerce declared that the "special loans to African SMEs […] created 1,500 jobs and facilitated foreign trade of more than 40 million USD in African countries,"[61] since the Bank "granted 961 million USD loans to 34 SME projects in 23 countries in northern, south-eastern and central-western Africa."[62] However, detailed information is not available.

Since 2005, the policy bank China EXIM has been providing export buyer's credits to Chinese companies whose activities focus on Africa. According to the ratings agency Fitch, China EXIM provided US$67.2 billion in loans from 2001 to 2010, an amount that surpassed the World Bank's US$54.7 billion during the same time period.[63] Data from 2001 to 2007 show that 92 percent of all Chinese projects financed by China EXIM in sub-Saharan Africa were infrastructure projects.[64] While information is scarce, in 2012 it announced that projects would be financed by China EXIM in the Democratic Republic of the Congo (DRC), where over US$500 million will go into "the reconstruction of the Mpila neighbourhood destroyed by a blast at a munitions dump"; Cameroon, where US$500 million will finance an infrastructure project to connect Douala and Yaoundé; and Chad, which has been awarded US$120 million to improve electricity provision (as of 2012).[65] In addition to these bilateral programs, Bräutigam (2013) has indicated that China EXIM might be cooperating with its US counterpart to finance the Sunyani Water Supply System Expansion and Rehabilitation Project (Sunyani Water) and Western Corridor Oil and Gas Enclave Road Project (Oil and Gas Road) in Ghana for over US$200 million; however, this has not been officially confirmed.[66] If completed, the water project would deliver at least 40 million gallons of water per day (40 MGD) to the Accra metropolis.

In spite of this state-led aspect of China–Africa cooperation in the area of trade and investment, a significant share of China–Africa exchanges occurs outside the control of central governments, and sometimes even conflict with the central government's foreign economic agenda of peaceful expansion and globalization (for example, China's Africa Policy, MOFA 2006).[67] In several incidents, trade and investments operated by Chinese provincial SOE or illegal traders resulted in local conflicts, some of which led to diplomatic disputes at the highest level. The reasons for the conflicts ranged from poor labour conditions and environmental pollution to aggressive trade practices.[68] Interestingly, the conflicts were not confined to African workers, entrepreneurs, or civil society, but also involved Chinese citizens. A protest in Equatorial Guinea, for example, where "more than 100 Chinese construction workers went on strike, claiming their Chinese employer mistreated them," led to diplomatic tensions after local police intervened, and seriously injured six workers, two of whom died.[69] Also, central state-owned companies have repeatedly faced criticism of and resistance to their operations.[70] For example, oil-related prospecting activities of China Petroleum and Chemical Corporation (SINOPEC) in Gabon in 2002 "pollut[ed] one of Gabon's nature reserves," while the building of roads led to deforestation and caused harm to wildlife habitat. As a result, activities were stalled, and only restarted under the guidance of local NGOs and nature reserve officers.[71] These examples highlight the need for an analysis of Chinese and African cooperation that recognizes the complexity of states and countries—where multiple groups have different interests and approaches.

Increasingly, and in addition to the significant financial support by major policy banks and ministries, Chinese commercial banks (such as China Construction Banks, Industrial and Commercial Bank, Agricultural Bank of China, ABC) are facilitating China–Africa economic cooperation, providing loans to Chinese companies operating overseas and with an interest in entering African banking markets. In this context, the ABC agreed to cooperate with Standard Chartered PLC in retail and wholesale banking in 2010, in an effort to profit from the global presence of London-based Standard Chartered, which has operations in fourteen African countries.[72] From the viewpoint of Standard Chartered, one of ABC's top ten shareholders since its initial public offering in 2010, the alliance is part of its corporate growth strategy.[73] As a result, Standard Chartered acts as facilitator to leading Chinese brands looking to expand in Africa, including Huawei and ZTE, and supports the sovereign wealth fund China Investment Corporation's first milestone investment into Africa, the acquisition of a 25.8 percent equity stake in South Africa's Shanduka Group in 2011.[74]

Another example is the Industrial and Commercial Bank of China (ICBC), which became the largest shareholder of the Standard Bank of South Africa, purchasing 20 percent of Standard's shares in 2008.[75] The consortium has since financed commodity exports by Chinese and other companies outside of Africa (for example, Lian Yi International, Premium Corporation), and was selected by the Government of Botswana to provide an export buyer's syndicated credit loan in the amount of US$725 million, along with a US$140 million bridge loan, for the Botswana Morupule B Coal Power Plant Project. This project, allegedly the largest of its kind in Africa, is part of the government's Vision 2016 development strategy to provide energy-insecure rural areas with stable access to energy.[76] The China Export and Credit Insurance Corporation and the World Bank are providing the insurance and guarantees for the export buyer's credit loan. Moreover, the China Electrical Equipment Corporation will export the electrical equipment needed for the power generation project, at US$970 million.[77]

The alliances between Chinese and African commercial banks highlight the fact that SSC between China and African countries has many features that are in constant flux. Originally designed to deal with development pressures in an exclusionary international system (for example, China's resource diplomacy), SSC is being considered more and more as a business opportunity. Moreover, the involvement of Northern and/or multilateral partners (such as Standard Chartered, Food and Agriculture Organization, World Bank) is largely taking place within the liberal operative paradigm of international economic governance.[78] China donated US$30 million to the UN South-South Cooperation Fund in 2009 to tackle food security, in addition to providing bilateral assistance, such as the rehabilitation of agricultural technology demonstration centres at the request of African governments[79]—funded through grants of approximately US$5–6 million and operated on a for-profit basis by Chinese companies for three years. The ultimate aim is to enhance local productivity and climate change adaptability, as well as to internationalize Chinese agribusiness.[80] In fact, many businesses active in technical cooperation internationalize over time, becoming competitive bidders for multilateral and national projects. For Chinese construction companies, international bidding has become a principal procurement method, amounting to 49 percent of total contracts by Chinese construction companies in 2007.[81]

In sum, Chinese (and to a lesser degree African) official and commercial finance has been a crucial pillar of China–Africa cooperation since the 1990s, and for most African countries from 2000 to 2011, with the exception of Burkina Faso, Swaziland, the Gambia, and Sao Tome. These four African countries have diplomatic relations with Taiwan, which goes against China's One China policy.[82] The ten largest finance recipients were Ghana, Nigeria, Sudan, Ethiopia, Mauritania, Angola, Zimbabwe, Equatorial Guinea, Cameroon, and South Africa, with development finances ranging from US$11.4 billion for Ghana to US$2.3 billion for South Africa. While China's official financing had a large overlap with US or OECD-DAC official flows, particularly with regard to the recipient countries, at the same time, it emphasized other areas of involvement (for example, infrastructure versus social sector, respectively).[83]

In addition to financial aid, political cooperation has been an important pillar of China–Africa development cooperation since 2000. To date, the political centre of China–Africa cooperation is the Forum on China-Africa Cooperation (FOCAC), a high-level ministerial conference that was established in 2000 in Beijing and takes place every three years.[84] At this conference, key policies and projects of Sino-African cooperation are announced (such as CADFund, special loans for African SMEs, China's Africa Policy,[85] agricultural demonstration centres)—all part of tri-annual action plans for cooperation. The 2013–15 action plan from the 2012 Fifth Ministerial Conference of FOCAC highlights a number of new China–Africa engagement initiatives:

the China–Africa Cooperative Partnership for Peace and Security, a China–Africa energy forum under the framework of FOCAC to promote China–Africa energy exchanges and cooperation, and a new consultation mechanism on climate change designed to achieve "positive outcomes at the international climate change negotiations."[86] To this end, such conference declarations underscore the deepening of the cooperation agenda from charting general principles of engagement in 2000 to negotiating peace and security issues in 2012.[87] FOCAC's popularity as a formal diplomatic platform is evidenced by the high number of government representatives who continue to take part in the deliberations and negotiations. The Fifth Ministerial Conference, for example, attracted government representatives from 50 African countries and the chairperson of the African Union Commission, along with Chinese officials from various ministries.[88]

A set of guiding principles for China–Africa cooperation are not only referenced at the FOCAC meetings, but are also outlined in several white papers (for example, China's Africa Policy of 2006), with the goal of shaping the outlook of bilateral and multilateral exchanges.[89] Importantly, the One China policy, which remains the political footing of China–Africa relations from the viewpoint of Chinese diplomatic relations,[90] forbids the acceptance of Taiwan as a sovereign state, stating that the sole representative of China is Beijing. Except for the four states mentioned above, all African states have stalled diplomatic relations with Taiwan and switched to China, if they did not already have diplomatic relations with China.

Other principles guiding China–Africa cooperation activities—mentioned in China's African Policy—include a focus on mutual benefit, reciprocity, common prosperity, and non-interference in the partner countries' policy and development choices. Non-interference, however, has been "on and off" in Chinese engagement with African countries, as the case of mediation and intervention in Sudan highlighted.[91] In practice, however, adhering to these principles is proving to be a challenge. For instance, the dynamics at the climate change conference in Copenhagen in 2009 highlighted the differences in interests among countries of the South, including China and African countries, with such differences contingent on economic composition (for example, high or low degree of industrialization) and/or capacity to (temporarily) mitigate global challenges such as climate change.[92]

From an institutional perspective, SSC between China and African countries is becoming more complex, yet not necessarily innovative. Research by Sauvant et al. (2010),[93] for example, reveals that home country measures by China that facilitate cooperation with African countries and support overseas investment activities are similar to those that OECD countries have had in place for a long time, such as credit/loans support, tax relief, and foreign exchange policy. Also, political exchange platforms such as FOCAC are a common mechanism to facilitate trade and investments between countries and continents, as the France–Japan example highlights. With similar institutional formats in place (for example, Tokyo International Conference of Africa's Development (TICAD), Africa Summit), differences between China and African countries are more nuanced, comprising such elements as China's focus on infrastructure or the lack of Western conditionalities (such as human rights, macro-management, environment, political reform). In the end, it is less the novelty of institutions that is "new" for China–Africa relations, but the fact that there are emerging economies, which seek to cooperate to facilitate the diverse set of interests of the political and economic elites, often under the guise of serving the respective countries' needs.

Finally, domestic reforms and policies have shaped and continue to shape the form and direction of China–Africa cooperation. In China's case, ongoing administrative reforms of resource, trade, aid, and investment governance since the late 1990s culminated in the establishment of its "Go Global" policy framework in 2000. Accordingly, regulatory processes have been simplified, encouragement measures (such as export credits) have been introduced, foreign policy has been adapted to fit the needs of the Chinese economy, and companies have been encouraged to expand their knowledge, markets, and resource pool overseas.[94]

In the case of African countries, interest in SSC with China depends on the foreign policy of a particular country, with cooperative ventures complementary (not supplementary) to initiatives involving traditional investors and donor countries of the North. Similar principled and strategic foreign policy approaches toward China, for instance, in form of the China Policy white paper, do not seem to be in place in African countries, even though relations with China have intensified. In some cases, China has been a major source of investment and development cooperation (for example, Angola, Zimbabwe under Mugabe); in other cases, such as Ethiopia, China is one among many aid, trade, and investment players (for example, the European Union). At the same time, economic reforms since the

1990s, particularly with regard to the adoption of promotional investment regulations, have provided the regulatory ground for a new, more selective form of SSC—with its state-led yet largely commercial outlook on cooperation, such as the abolition of price controls, liberalization of interest rates, abolition of exchange rate controls, 100 percent repatriation of profits, no restrictions on investment in virtually all sectors, and removal of import restrictions. In this context, the positive attitude of African governments toward trade and investment has been important. The widespread framing of investment as offering potential for economic diversification and modernization differs greatly from the 1970s, when the negative perception of many countries only served to highlight the problems of the structural dependency of a globalized economy.[95]

A New Era of Mutual Development? Assessing the Impact of SSC Activities

China's presence and relatively pragmatic outlook on cooperation seems to provide an alternative option for African governments. A case in point is the "marriage of convenience" between political actors of Angola and China. Angola's government was interested in investments for reconstruction of its social (for example, housing) and economic infrastructure, while the Chinese political and economic elite was concerned about diversifying its energy supply, as well as expanding the possibilities for its companies to globalize their operations. The development of infrastructure through resource-backed loans smoothed the way for influential actors from both countries to find common ground.[96]

Contrary to the rhetoric of neo-colonialism reappearing in articles and speeches on China–Africa interactions, many investments by Chinese companies or intergovernmental development cooperation projects have been either proactively pursued and demanded by African governments during bilateral negotiations (for example, housing projects in Angola; rehabilitation of agricultural farms in Mozambique), or are part of a broader strategy by African governments or particular ministries to attract investment as a way to advance their particular interests.[97] The joint venture SUKULA in Mali, for instance, allowed that republic's government to preserve a quasi-monopoly position in the domestic sugar market.[98] Some countries, such as Kenya, even organized an investment forum with the

China Africa Business Council and the United Nations Conference on Trade and Development (UNCTAD) to attract investments by Chinese small- and medium-sized enterprises.[99] Nigeria has also undertaken commercial diplomacy visits for that reason.[100] At the same time, it is important to note that the political elite itself can be divided about the benefits of these types of activities.

From the viewpoint of qualitative development, what does mutually initiated development cooperation mean for countries? At first glance, it has yielded several benefits for African countries. Interest from emerging economic powers such as China has given more policy space to African governments to deliberate outside of OECD development preferences, making them less dependent on international institutions and traditional partners (such as OECD and IMF).[101] As well, the greater variety of donors has re-established "strategies of evasion" from conditions attached to development finance (for example, free market reforms) through "policy slippage"—common during the Cold War among governments heavily dependent on donor funding, then dramatically diminished in the 1990s, when traditional donors focused on aid coordination.[102]

The strategic relationship with China has also contributed to Africa's economic growth over the last decade, in the form of rising trade volumes and infrastructure development.[103] Official finance has led to the build-up and rehabilitation of intra-continental and export-oriented infrastructure (for example, roads, trains, telecommunication, electricity); basic industry (Mali's SUKALA); and social projects (hospitals, housing). And according to the China Development Bank, the China–Africa Development Fund has supported not only mining but also manufacturing projects. In fact, South Africa, where the largest share of funded projects was realized between 2007 and 2012 (exceeding US$400 million in total), five of the seven projects involved manufacturing (such as cement, car assembly, agricultural machinery), thereby creating local jobs beyond the mining sector, where the remaining two projects were located.[104] Against this background, some analysts argue that the rising number of investments by Chinese companies contributes to the diversification of African economies toward manufacturing activities,[105] thereby supporting their industrial transformation through the transfer of new skills, the opening of new markets, and the establishment of new businesses.

Empirical evidence also highlights that the qualitative outcome of China–Africa economic relations and development cooperation depends strongly on African governments negotiating good terms for trade and investment (such as local content requirements, transfer of skills and technology, promoting African companies' involvement); establishing institutions and mechanisms to better govern these activities on the ground (tariff policies, quality monitoring, labour laws); fostering linkages between trade and FDI as well as with the local economy; and choosing aid projects that complement a broader economic development vision.[106]

So far, however, African governments have not always steered their interactions with China to the best interests of their countries. For instance, many infrastructure provisions by China are considered white elephant projects that reflect the interests and "urban fantasies" of African officials rather than the immediate needs of respective populations: "[T]hese new urban visions and development plans appear to disregard the fact that at the moment, the bulk of the population in sub-Saharan Africa cities is extremely poor and living in informal settlements."[107] Data on Chinese foreign aid prominently feature landmark architectural projects, conference halls, cultural venues, and sports stadiums, which make up 182 of a total of 670 completed public facility projects worldwide.[108] They are supervised and realized by Chinese companies, with the help of Chinese financial resources in the form of grants or interest-free loans. In the case of Africa, the Friendship Hall in Sudan, National Theatre of Ghana, Moi International Sports Centre in Kenya, and Tanzania National Stadium are prominent examples.[109] Criticism about skewed priorities has also been raised in view of upgraded infrastructure (such as electricity, trains, ports) that primarily serves the exploitation of resources for export with limited value-added. In fact, from 1983 to 2005, Africa was still "the only region in the world that [had] not increased its share of non-oil exports."[110]

In addition, the expansion and internationalization of Chinese industry and trade on the continent might crowd out domestic industry, which faces a disadvantage in being less able to access capital or international markets.[111] Moreover, Chinese business operations often target small- to medium-sized businesses, which puts them in direct competition with small local shops, trade, and investment initiatives, including illegal trading activities.[112] Also, the influx of Chinese labour for construction projects poses a challenge for local workers and limits the scale of skills transferred.[113] For instance, for the resources-for-infrastructure deals in Angola, Chinese construction companies used a significant number of Chinese workers to build the infrastructure—with little skill transfer or job creation at the local level—with "an average ratio of 54 Angolans to 46 Chinese over 19 separate infrastructure projects" as of 2010.[114] Thus, the benefits appear to be unevenly distributed. The future resource debt accrued by the Angolan state for current infrastructure development does not seem to match the multiple benefits derived by Chinese actors, such as the opening of job opportunities for Chinese labour; profitable income streams of the loan-financed construction work for Chinese companies that oversee the building of the infrastructure or that export construction machinery; and China's medium-term right to extract the resources as a return for the investments made. At the same time, the poor quality of jobs created from many investment activities has come under public scrutiny. Most jobs qualify as precarious employment, without a formal contract, offered on a daily/monthly basis and at very low pay. Over and above this problem being a function of the poor labour practices to which Chinese companies have grown accustomed in their own country, these practices reflect an industry-wide phenomenon within African countries, particularly in the mining sector, where "long-time government indifference" has impeded improvements to labour conditions and the quality of jobs.[115]

An active civil society and interested political elite wields considerable power in shaping investment and trade relations that can benefit the environment, workers, and the economy of the respective recipient country. In the case of the Chambishi mine in Zambia, a workers' strike, political pressure over labour conditions in Chinese mining projects, and mounting resource nationalism during the 2006 election campaign led to a renegotiation of labour conditions and worker contracts with the mine's Chinese managers.[116] The escalating protest by business actors has led some governments to intervene and restrict Chinese petty trading activities: as of 2012, Malawi's government forbade foreign traders outside of the country's four largest cities in response to merchants' protests; Nigeria's government pursued a clampdown on illegal trading; and Kenya implemented strict work permit regulations following pressure from local retailers.[117] In Uganda, where government agents failed to enforce an existing ban on foreign traders, fierce clashes between Chinese and Ugandan traders followed.[118] Officially, Chinese embassies in the respective countries have voiced their understanding of these government measures and the central Chinese government has called on its businesses to obey local laws.[119] Aside from labour issues, the poor quality of imported goods from China, which often do not meet "the standards and qualities established by contractual agreement," led the Ethiopian government, under pressure from its business sector, to create a Joint Committee on Quality Control, where a Chinese Inspector Agency inspects and certifies products prior to export. However, the counterpart agency that monitors these certificates upon import has not yet been created, thus undermining this measure's effectiveness.[120]

Overall, it seems that the absence of adequate mechanisms and agencies that ensure that trade and investment contribute to a country's sustainable and genuine development remains one of the greatest challenges for SSC's potential of mutual development. It is unclear whether newly built infrastructure, trade, and investment relations improve the livelihoods of the residents in these countries (for example, with food security and the creation of sufficient and good jobs) in a way that compensates for the fact that the rights to resources, such as land, water, oil, and forests, are increasingly being privatized and sold off to corporations. In light of growing eco-scarcity pressures as a function of over-use, population growth, increased demand, and climate change, this de facto change in resource ownership will make it difficult to implement a comprehensive resource management strategy in the future. In contrast to Chinese engagement with African economies that is characterized by a high complementarity of trade, investment, and aid activities,[121] many African governments still seem to lack a long-term vision and a comprehensive development strategy. A report by United Nations Economic Commission for Africa (UNECA) (2013) warns that the economic growth performance of most economies is largely driven by rising exports of primary commodities. More broadly, the tied-aid aspect of cooperation does a disservice to economic diversification in African countries.

The benefits of this development are also distributed fairly unequally within African societies, and little diversification of sources of growth has taken place.[122] Moreover, in many of the countries with which China has significant trade and investment relations, such as Angola, Ethiopia, Nigeria, Sudan, and the Democratic Republic of the Congo (DRC),[123] governance performance over the last decade has stagnated or deteriorated (e.g., World Bank governance indicators 1996–2011).[124] This raises concerns about whether these governments are able to act in their countries' best interests. It is, however, important to note that the widely held assumption that the deteriorating performance is related to China's presence has been discredited by a number of reports.[125]

The principle of non-interference or "non-value-based Chinese assistance"[126] also has to be seen in its full complexity. While China does not impose democratic reforms on the countries with which it cooperates, it definitely interferes in these countries' politics in a number of ways. For example, the One China principle that remains central to China's foreign policy has led most African governments to stall their diplomatic relations with Taiwan.[127] The change of diplomatic relations has largely been a strategic choice by African governments. Chad, for instance, switched to China in 2006 in the midst of civil unrest and conflict with neighbouring Sudan. The government under President Deby felt pressured by Khartoum-backed rebels and decided for security reasons to side with China, which was supporting the Sudanese government that backed the rebels.[128] China has also supplied weapons to African governments in cases where the regime was under threat: for instance, Chinese weapons worth about US$1.245 million were shipped to Zimbabwe by the state-owned arms company Poly Technologies during a time of election-related political upheaval in 2008.[129] Only by accident was this delivery discovered by South African workers at the Durban port, and subsequently boycotted by South Africa and other countries of southern Africa, which refused to transport the arms to landlocked Zimbabwe.[130] In another case, the Chinese government, due to vested economic interests (in oil production, for example) and reputational concerns, pressured the Sudanese government prior to the Beijing Olympics to receive UN peacekeeping forces to mediate in the Darfur crisis.[131] Later, in 2012, China accepted a UN resolution to sanction Sudan, and sent a special envoy to facilitate negotiations to end the conflict between the Sudanese (Khartoum) government and South Sudanese officials.[132]

Researchers argue that China's political involvement is a situation-specific response to protect interests and investments in certain countries (for example, oil and exploitation infrastructure in the two Sudans).[133] This involvement is occurring against the background of a global setting where established powers are often reluctant to integrate emerging economies—or simply cannot facilitate their integration, due to the largely privatized governance structure of certain areas (such as in energy security[134]).[135] Since the adoption of the "Go Global" economic agenda by the Chinese government in 2000, these relations must therefore be regarded as a pragmatic approach to development and cooperation.

At the same time, the engagement with African countries has made the Chinese government more receptive to issues of global security and terrorism that might endanger its overseas nationals and companies as well as its rising investment stocks overseas. In the case of the Libyan conflict, an estimated 35,000 Chinese workers—mostly employees in the engineering, infrastructure, and oil sectors—had to be evacuated as a result of the deteriorating security situation in 2011.[136] In March 2011, the Chinese government still sided with Muammar Gaddafi, refusing to vote on UN resolution 1973, which authorized "all necessary measures;" by August 2011, after unsuccessful negotiations for a peaceful solution, it made an about-face and claimed that it "always attached importance to the role played by the [oppositional] National Transitional Council in solving the problems of Libya."[137] With respect to China's antiterrorism cooperation with the African Union in the Gulf of Aden, the Chinese navy was involved with six naval escort flotillas.[138] Then there's the FOCAC 2012 initiative for farther-reaching security cooperation.

With regard to voices back home, a significant number of Chinese citizens have criticized the massive outflow of capital and the engagement in highly visible aid projects in African and other countries (for example, a US$12.5 million donation to a Nigeria hospital[139]). Given the persisting poverty in many of China's rural areas, and the related lack of proper health, education, and transportation facilities, it has been argued that investments and capital transfers should be used to address these internal problems first.[140]

For third parties, the intensification of Sino-African relations has come to symbolize the trend toward multipolar global politics, heightened competition, and global economic restructuring. This is especially true for traditional economic powers (for example, OECD countries) that take an ambiguous stance regarding the rise of SSC in general and Chinese economic relations and development cooperation with African countries in particular. The rhetoric and foreign policy statements of several OECD countries indicate that they are concerned about this development, due to expected related (relative) losses of overseas-generated profits as a result of heightened competition (for example, then UK Prime Minister David Cameron's speech at the Davos World Economic Forum, 2013).[141] At the same time, largely to prevent the creation of institutions and governance structures outside existing ones (such as WB, IMF, UN), there are initiatives to cooperate with China and African countries, and to "[facilitate] mutual learning" of development choices, standards, and practices (e.g., China-DAC Study Group).[142] Moreover, US politicians have increasingly engaged in a positive-sum narrative since 2005. To quote then Deputy Assistant Secretary of State James Swan: "For the Chinese, there are three primary interests: access to resources, access to markets, and securing diplomatic allies. None of these is inherently threatening to US interests. We do not see involvement, economic or diplomatic, in Africa as a zero-sum game for the US and China."[143]

A side effect of the Sino-African development cooperation has been that the continent has become more attractive to investors from OECD countries—a phenomenon that was unimaginable even a decade ago when investment flows were lagging in spite of the far-reaching liberalization reforms of some African countries.[144] Increasingly, Africa is perceived as a new growth region by the private sector, and major European countries such as Germany and the UK as well as the US have stepped up their development financing to support their businesses' ability to reap the benefits.[145] Between 2007 and 2011, UK project numbers have gone up 27 percent, with the US and Germany both increasing by 21 percent—indicating a changing perception of the continent as a profitable business location.[146] In the words of a representative of the German business association Afrika Verein, "[t]he perception of Africa has changed. The strong involvement of China and other Asian countries in Africa leads many companies to ask: why should I go to China when China goes to Africa?"[147] At the same time, it has to be noted that Africa only receives about 4.5 percent of global FDI flows, which amounts to US$100 billion,[148] compared to the US$310 billion of FDI that went to the US alone in 2008.[149]

Conclusion

Overall, a mixed picture emerges regarding whether China–Africa cooperation is mutually beneficial. On the one hand, African governments have more leeway to decide their development path, with resource-rich countries using the greater policy autonomy derived from alternative investment flows by emerging economies such as China to renegotiate the terms of involvement with traditional investors and partners (for example, Burundi, Angola).[150] In particular, alternative modes of investment, such as the "resources-for-infrastructure" deals, have increased African ownership of development—where "[o]wnership is taken to mean using resources to fund a country's own priorities rather than those of donors."[26] Further, the rising interest by new investor countries such as China has put the continent back on the map for OECD countries, yielded an upgrade of infrastructure, and brought jobs and technologies.

On the other hand, the sell-off of resources, the low content requirements attached to many projects, the poor labour conditions and low quality of jobs, as well as the short-term profit orientation by the political elite of African countries, highlight the difficulties involved in reaping the potential benefits of this particular form of SSC. In the absence of a comprehensive vision that sees foreign investments, aid, and trade exchanges as part of a broader development strategy, this intergovernmental mutual development approach by political elites on a primarily bilateral basis might easily become a new form of cooperative exploitation that only benefits the few actors involved in the projects. The cost to future generations will be great, and existing socio-economic imbalances within and across societies will increase. Already, the growth in manufactured imports from China has correlated with a decline in South African manufacturing output and employment.[151] Moreover, a study of the Ethiopian footwear industry cautions that Chinese imports are likely to crowd out local industry efforts.[152]

From a broader perspective, it is clear that SSC between China and African countries cannot be viewed as a form of cooperation that quasi-automatically generates a "new openness on the part of Southern governments to people-centered development strategies" (Keet 2012, 4). Instead, it seems that related activities and initiatives are at once a coping mechanism to deal with development pressures in the context of an exclusionary international system that gives little voice and representation to the countries of the South and their needs, and a move to further liberalize and globalize Southern economies (Keet 2012, 9). In this context, it is not surprising that China has largely acted as a status quo power in international affairs, more concerned about domestic security than reforming global governance.[153]

How useful are categorizations such as South and North in describing the multiple alliances that are emerging in an increasingly multipolar world, and in view of the obvious differences in interests among the countries of the South? Even more so, is a part of what is happening under the label of SSC beyond the sole control of the respective government—in our case, due to the involvement of multilateral or Northern partners (UN, banks); or due to the rising number of subnational actors that are getting involved? For example, public and private actors at the subnational level of China and African countries have over time begun to function as foreign policy actors, which means that many aspects of SSC and related initiatives are not the result of a well-planned "rational choice" of a central government.[154]

The rise of economic powers from the South will not trigger a replacement of the liberal paradigm in international economic relations. Although measures outside the multilateral (liberal) system, such as the rise in bilateral free trade agreements, have been taken as part of efforts by the Chinese government to secure resources and facilitate economic expansion,[155] most South-South initiatives, such as those between China and African countries, seem to be part of a process of restructuring international economic relations *within* the liberal system.

In the end, whether South-South initiatives can trigger an "emancipatory transformation" and lead to "alternative development paths within and from regions of the South"[156] depends on the very governments and civil societies of the countries involved. In this regard, the weak governance performance on the part of many African governments, along with the absence of a comprehensive development strategy, gives cause for concern. In cases where the government abstains from overseeing key sectors, such as cotton in Zambia, South-South initiatives are then attempts by governments to sustain regime security in spite of a poor development track record.

Public reception of government-facilitated cooperation between China and many African countries is being watched critically, especially given the widespread poverty in China's rural areas and the poor labour conditions and population overcrowding in Africa. As a process of mutual learning and exploration, China–Africa cooperation has the potential to implement measures and policies that can make a real difference.

Notes

1. Task Team on South-South Cooperation, *Unlocking the Potential of South-South Cooperation. Policy Recommendations frame the Task Team on South-South Cooperation* (Paris: TT-SSC, July 2011).
2. One of the first events in the history of SSC post-WWII was the Bandung Conference in 1955 (Indonesia), during which Asian and African states positioned themselves as a "Third World" bloc, outside of the Cold War rivalry

between the Western and the Eastern bloc that dominated international politics from 1947–91. The establishment of the Non-Alignment Movement (1961) and the Group of 77 (1964) aimed at Third World cooperation to abstain from geopolitical power struggles between the two blocs, and to strengthen the interest formation and representation of developing countries in UN deliberations. Moreover, developing countries voiced their collective contempt for (neo)colonialism and racial discrimination (e.g., apartheid) through these organizations. See "Background: The Non-Aligned Movement," last updated September 21, 2001, http://www.nam.gov.za/background/background.htm; "About the Group of 77," The Group of 77 at the United Nations, accessed September 20, 2013, http://www.g77.org/; Thomas Fues, "New Dynamics in South-South Cooperation," *The Current Column*, German Development Institute, May 27, 2013; and "South-South Cooperation," ILO, Global Extension of Social Security, last modified 2006, http://www.social-protection.org/gimi/gess/ShowTheme.do?tid=3205.

3. United Nations General Assembly, *3201 (S-VI) Declaration on the Establishment of a New International Economic Order,* A/RES/S-6/3201, Sixth Special Session, 2229th Plenary Meeting (New York: United Nations, May 1, 1974).
4. Amin Samir, *Maldevelopment: Anatomy of a Global Failure* (Tokyo: The United Nations University Press, 1990), 42–98.
5. Matleena Kniivilä. "Industrial development and economic growth: Implications for poverty reduction and income inequality" in *Industrial Development for the 21st Century: Sustainable Development Perspectives,* ed. JoAnne DiSano (New York: United Nations, 2007), 295–332; Samir, *Maldevelopment*, 42–68; and Gladys Lechini, "Middle Powers: IBSA and the New South-South Cooperation," *NACLA Report on the Americas* 40(5) (Sept/Oct 2007), 28.
6. Lechini, "South-South Cooperation," 28.
7. For a discussion of trade and investment policies since the 1980s, see S.M. Shafeddin, "Trade Liberalization and Economic Reform in Developing Countries: Structural Change or De-Industrialization?" *UNCTAD Discussion Paper No. 179*, UNCTAD/OSG/DP/2005/3 (Geneva: United Nations Conference on Trade and Development, April 2005), 15.
8. Fues, "New Dynamics in South-South Cooperation," ILO, Global Extension of Social Security, "South-South Cooperation."
9. Fues, "New Dynamics"; ILO, Global Extension of Social Security," South-South Cooperation."
10. Fues, "New Dynamics"; ILO, Global Extension of Social Security," South-South Cooperation."
11. Dambisa Moyo, "Beijing, a Boon for Africa," *New York Times*, June 27, 2012.
12. Herbert Jauch, "Investments in Africa: Twenty-First Century Colonialism?," *New Labour Forum* 20:2 (2011): 49–55.
13. United Nations Secretary-General, "In China, Africa, United Nations will connect those who face challenges with those who have solutions, Secretary-General says at Beijing Forum," press release, SG/SM/14419/AFR/2420 (New York: UN Department of Public Information, News and Media Division, July 19, 2012).
14. Huw McKay and Song Ligang. "China as a Global Manufacturing Powerhouse: Strategic Considerations and Structural Adjustment," *China and World Economy* 18(1) (2010), 1.
15. Moyo, "Beijing, a Boon for Africa"; OECD Development Centre, the United Nations Development Programme (UNDP), and the United Nations Economic Commission for Africa (UNECA), *African Economic Outlook 2011* (OECD, UNDP, UNECA, June 2011); "China Global Investment Tracker Interactive Map," The

Heritage Foundation, accessed September 20, 2013, http://www.heritage.org/research/projects/china-global-investment-tracker-interactive-map
16. Information Office of the State Council, *China-Africa Economic and Trade Cooperation*, White paper (Beijing: Information Office of the State Council, August 2013), 1.
17. State Council, C*hina-Africa Economic and Trade Cooperation*.
18. State Council, *China-Africa Economic and Trade Cooperation*.
19. Africa Research Institute, "Between Extremes: China and Africa," *Briefing Note 1202* (London: Africa Research Institute, October 2012), 3.
20. Barfour Osei and Alex Mutebi Mubiru, "Chinese Trade and Investment Activities in Africa," African Development Bank, *Policy Brief* 1(4) (July 29, 2010), 5.
21. State Council, *China-Africa Economic and Trade Cooperation*, 4; Moyo, "Beijing, a Boon for Africa"; OECD Development Centre, the United Nations Development Programme and the United Nations Economic Commission for Africa, *African Economic Outlook 2011*; "China Global Investment Tracker Interactive Map," The Heritage Foundation.
22. State Council, *China-Africa Economic and Trade Cooperation*, 4.
23. State Council, *China-Africa Economic and Trade Cooperation*, 4.
24. State Council, *China-Africa Economic and Trade Cooperation*, 4; H. Edinger and C. Pistorius, "Aspects of Chinese Investment in the African Resources Sectors," *The Journal of The Southern African Institute of Mining and Metallurgy* 111 (2011): 505.
25. See, for instance, Chen Zhimin and Jian Junbo, "Chinese Provinces as Foreign Policy Actors in Africa," *SAIIA Occasional Paper* 22 (South African Institute of International Affairs, January 2009).
26. Information Office of the State Council, *China-Africa Economic and Trade Cooperation* (August 2013), 4.
27. Edinger and Pistorius, "Aspects of Chinese Investment in the African Resources Sectors," 505.
28. State Council, *China-Africa Economic and Trade Cooperation*, 1.
29. The largest share of Chinese non-financial outward FDI stock during 2000–10, measured in USD billions, was located in Asia (228.1); Latin America and the Caribbean (43 in 2010), in developed economies (29.7 in 2010); and only 13 was in Africa in 2010. See Ken Davies, "Outward FDI from China and Its Policy Context, 2012," *Columbia FDI Profiles* (New York: Vale Columbia Center on Sustainable International Investment, June 7, 2012), 11.
30. "China, Analysis," U.S. Energy Information Administration, Independent Statistics and Analysis, last modified April 22, 2013, http://www.eia.gov/countries/cab.cfm?fips=CH
31. See for instance Edwini Kessie and Anna-Maria Corvaglia, "China's Energy Interest in Africa: Devising an Appropriate International Framework," in *Trade Policy Review* 3 (Trade Policy Training Centre in Africa, 2010), 39–53.
32. "China, Analysis," U.S. Energy Information Administration, Independent Statistics and Analysis; Chen Zhimin and Jian Junbo, "Chinese Provinces as Foreign Policy Actors in Africa," *SAIIA Occasional Paper* 22 (South African Institute of International Affairs, January 2009); Ernst & Young Global Ltd., "It's time for Africa: Ernst & Young's 2011 Africa Attractiveness Survey" (Ernst & Young 2011).
33. "China, Analysis," U.S. Energy Information Administration, Independent Statistics and Analysis.
34. "China, Analysis," U.S. Energy Information Administration, Independent Statistics and Analysis.

35. Deborah Bräutigam, *The Dragon's Gift—The Real Story of China in Africa* (Oxford: Oxford University Press, 2009).
36. Wenran Jiang. "Fueling the Dragon: China's Rise and Its Energy and Resources Extraction in Africa," *The China Quarterly* 199 (September 2009): 585–609.
37. Sheila Page and Dirk Willem Te Velde, "Foreign Direct Investment by African Countries" (paper prepared for InWent/UNCTAD meeting on FDI in Africa, 22–24 November 2004, UNECA, Addis Ababa, December 17, 2004), 38.
38. Davies, "Inward FDI in China and Its Policy Context, 2012," 11.
39. Page and Te Velde, "Foreign Direct Investment by African Countries," 33.
40. Stephen Gelb, "Foreign Direct Investment Links between South Africa and China" (paper prepared for African Economic Research Consortium project on China-Africa Economic Relations, The Edge Institute, 2010), 3.
41. Sheyong Feng, "Mali Sugar Conglomerate, CLETC Project Case in Mali" (presentation prepared for OECD/IPRCC, April 2010).
42. Sheyong Feng, "Mali Sugar Conglomerate."
43. Information Office of the State Council, *China's Foreign Aid*, White paper (Beijing: Information Office of the State Council, 2011). From a comparative viewpoint, it has to be noted that Chinese ODA still only makes up a minor part of the total ODA flowing to Africa. As of 2008, for instance, China committed an estimated US$1.2 billion to Africa, compared to US$1.6 billion by Japan, US$4.1 billion by the World Bank, US$7.2 billion by the US, or US$3.4 billion by France. See Deborah Bräutigam, "Chinese Development Aid in Africa: What, Where, Why, and How Much?" in *Rising China: Global Challenges and Opportunities*, ed. Jane Golley and Ligang Song (Canberra: Australian National University E-Press, 2011), 203–222.
44. OECD, "China's Outward Direct Investment," in *OECD Investment Reviews—China 2008* (Paris: OECD, 2008), 114.
45. For a detailed discussion of Chinese aid, see Sven Grimm, Rachel Rank, Matthew McDonald, and Elizabeth Schickerling, "Transparency of Chinese Aid: An Analysis of the Published Information on Chinese External Financial Flows" (Centre for Chinese Studies at Stellenbosch University and Publish What You Fund, August 2011). For a brief review of foreign economic policy, see Ernst & Young, "China Going Global: The Experiences of Chinese Enterprises in the Netherlands" (Ernst & Young, 2012), 7–8.
46. Grimm et al., "Transparency of Chinese Aid, 8.
47. State Council, *China's Foreign Aid*, 3. The translation of the amount of Chinese yuan into US dollars has been done according to the exchange rate of October 8, 2013 (http://www.xe.com/?r=2&c=CNY).
48. Bräutigam, "Chinese Development Aid in Africa: What, Where, Why, and How Much?", 204.
49. The sectoral distribution of concessional loans in 2009 shows that 61 percent went into economic infrastructure, followed by industrial projects (16.1 percent), energy and resources development (8.9 percent), agriculture (4.3 percent), and public facilities (3.2 percent). State Council, *China's Foreign Aid*, 4–5; Edinger and Pistorius, "Aspects of Chinese Investment in the African Resources Sectors," 509.
50. Bräutigam, "Chinese Development Aid in Africa: What, Where, Why, and How Much?," 204–205.
51. Austin Strange et al., "China's Development Finance to Africa: A Media-Based Approach to Data Collection," *CDG Working Paper* 323 (Washington, D.C.: Center for Global Development, 2013), 8.
52. Jian Junbo, "China in the International Conflict-management: Darfur as a Case," *Global Review* (Winter 2012), 7–11.

53. Grimm et al., "Transparency of Chinese Aid:".
54. Jian-Ye Wang and Abdoulaye Bio-Tchané, "Africa's Burgeoning Ties with China," *Finance and Development* 14(1), 2008, https://www.imf.org/external/pubs/ft/fandd/2008/03/wang.htm
55. See "China-Africa Development Fund," China Development Bank, accessed September 20, 2013, http://www.cdb.com.cn/english/Column.asp?ColumnId=176
56. "China-Africa Development Fund," China Development Bank.
57. Mike Cohen, "China's EXIM Lends More to Sub-Saharan Africa than World Bank, Fitch Says," *Bloomberg.com* (December 28, 2011), http://www.bloomberg.com/news/2011-12-28/china-exim-loans-to-sub-sahara-africa-exceed-world-bank-funds-fitch-says.html
58. "China grants African SMEs EUR 730 million in loans," *Making Finance Work for Africa*, accessed September 20, 2013, http://www.mfw4a.org/events/event-details/246/china-grants-african-smes-EUR730-million-in-loans/page-13.html
59. "China grants African SMEs EUR 730 million in loans," *Making Finance Work for Africa*.
60. "China grants African SMEs EUR 730 million in loans," *Making Finance Work for Africa*.
61. "China offers loans to boost SMEs in Africa," Xinhua, *Chinadaily.com.cn*, last modified June 12, 2011, http://www.chinadaily.com.cn/china/2011-06/12/content_12678568.htm
62. "China offers loans to boost SMEs in Africa," Xinhua, *Chinadaily.com.cn*
63. Sèbastien le Belzig, "China's Exim bank: Africa's largest financier looks for an even bigger role," *The Africa Report* (October 25, 2012), http://www.theafricareport.com/North-Africa/chinas-exim-bank-africas-largest-financier-looks-for-an-even-bigger-role.html
64. le Belzig, "China's Exim Bank."
65. le Belzig, "China's Exim Bank."
66. Deborah Bräutigam, March 18, 2013, "China Exim Bank and US Exim Bank to Co-Finance?, *China in Africa: The Real Story* blog, http://www.chinaafricarealstory.com/2013/03/china-eximbank-and-us-eximbank-to-co.html
67. Chen Zhimin and Jian Junbo, "Chinese Provinces," 17–19.
68. Chen Zhimin and Jian Junbo, "Chinese Provinces," 17–19.
69. Chen Zhimin and Jian Junbo, "Chinese Provinces," 17–19.
70. "China Environment Min Suspends Some Approvals for Sinopec, CNPC," *Reuters* (August 29, 2013), http://www.reuters.com/article/2013/08/29/us-china-environment-oil-idUSBRE97S03G20130829
71. Chloe Yang, "Corporate Social Responsibility and China's Overseas Extractive Industry Operations: Achieving Sustainable Natural Resource Extraction," *FESS Issue Brief* (Falls Church: Foundation for Environmental Security and Sustainability, August 2008), 6–8.
72. Jun Luo, "Agricultural Bank of China, Standard Chartered Enter Strategic Agreement," *Bloomberg.com* (June 17, 2010), http://www.bloomberg.com/news/2010-06-17/agricultural-bank-of-china-standard-chartered-enter-strategic-agreement.html; Agricultural Bank of China, *Annual Report 2012* (Beijing: Agricultural Bank of China, 2012), 106, http://www.abchina.com/en/about-us/annual-report/2012/default_107.htm
73. "Our Growth," Standard Chartered, accessed September 20, 2013, http://www.standardchartered.com/en/about-us/who-we-are/our-growth.html.
74. "Africa-China Links Promoted as Standard Chartered Takes African Chairmen to Beijing." Standard Chartered (June 16, 2012), http://www.standardchartered.

com/en/news-and-media/news/africa/2012-07-16-africa-china-links-promoted-as-standard-chartered-takes-african-chairmen-to-beijing.html

75. "Cooperation between ICBC and Standard Bank of South Africa Enters Its Prime," Industrial and Commercial Bank of China, last modified May 15, 2009, http://www.icbc.com.cn/icbc/icbc%20news/cooperation%20between%20icbc%20and%20standard%20bank%20of%20south%20africa%20enters%20its%20prime.htm
76. African Development Bank, *Botswana: Morupule B Power Project* (Centurion: African Development Bank, 2009).
77. "Cooperation between ICBC and Standard Bank of South Africa Enters Its Prime." ICBC, 2009.
78. Sarah Baynton-Glen, "China-Africa—Agricultural Potential," On the Ground, *Global Research* 12 (Standard Chartered, May 2, 2012), 4.
79. See for instance Bräutigam, *The Dragon's Gift—The Real Story of China in Africa*; Deborah Bräutigam and Sigrid-Marianella Stensrud Ekman, "Briefing: Rumors and Realities of Chinese Agricultural Engagement in Mozambique," *African Affairs,* 1–10 (May 2012).
80. Sarah Baynton-Glen. "China-Africa—Agricultural Potential," 4.
81. Chuan Chen et al., "Local Operations of Chinese Construction Firms in Africa: An Empirical Survey," *The International Journal of Construction Management* (2009), 80–81.
82. Strange et al., "China's Development Finance to Africa: A Media-based Approach to Data Collection," 34–35. The One China policy is about the rejection of Taiwan as a sovereign state and the acceptance of Beijing as the sole legitimate representative of China. For more information about the implications for international diplomacy, see Sigrid Winkler, "Taiwan's UN Dilemma: To Be or Not to Be," Opinion, *Taiwan-U.S. Quarterly Analysis* 9(12) (Washington, D.C.: Brookings Institute, June 2012).
83. Strange et al., "China's Development Finance to Africa," 34.
84. Ministry of Foreign Affairs, PRC, "Forum on China-Africa Cooperation," accessed September 20, 2013, http://www.focac.org/eng/
85. Ministry of Foreign Affairs (MOFA), *China's Africa Policy* (Beijing: MOFA, 2006). The document basically outlines major principles and goals of China–Africa engagement and cooperation. While the principles highlight equality and mutual benefits, they also refer to the One China principle as a precondition for Chinese cooperation with African countries, which forbids recognition of Taiwan as sovereign country, and thus does not allow Chinese partners to cultivate diplomatic relations with Taiwan, officially a Republic of China: "The one China principle is the political foundation for the establishment and development of China's relations with African countries and regional organizations. The Chinese Government appreciates the fact that the overwhelming majority of African countries abide by the one China principle, refuse to have official relations and contacts with Taiwan and support China's great cause of reunification." To date, only four African countries still have diplomatic ties with Taiwan, namely Burkina Faso, Gambia, Swaziland, and Sao Tome and Principe. For more information about the history of the One China principle, see Shirley A. Kan, "China/Taiwan: Evolution of the One China Policy—Key Statements from Washington, Beijing, and Taipei," Congressional Research Service CSR Report for Congress, 7-5700 (August 17, 2009).
86. Ministry of Foreign Affairs, PRC, *The Fifth Ministerial Conference of the Forum on China-Africa Cooperation Beijing Action Plan (2013–2015)* (Beijing: MOFA, July 23, 2012), http://www.focac.org/eng/ltda/dwjbzjjhys/t954620.htm

87. Deborah Bräutigam, "Testimony on China's Growing Role in Africa before the United States Senate Committee on Foreign Relations Subcommittee on African Affairs" (Washington, D.C.: U.S. Senate Committee on Foreign Relations, November 1, 2011).
88. Ministry of Foreign Affairs, PRC, *The Fifth Ministerial Conference of the Forum on China-Africa Cooperation Beijing Action Plan (2013–2015)*.
89. Ministry of Foreign Affairs, PRC, *China's African Policy.* See Footnote 86 for a description of core elements of this policy paper.
90. Ministry of Foreign Affairs, PRC, *China's African Policy.*
91. Adaora Osundu, "Off and On: China's Principle of Non-Interference in Africa," *Mediterranean Journal of Social Sciences* 4(3) (September 2013): 225–234.
92. "Summary: Copenhagen Climate Summit," Center for Climate and Energy Solutions, accessed September 20, 2013, http://www.c2es.org/international/negotiations/cop-15/summary
93. Karl Sauvant et al., eds., *Foreign Direct Investment from Emerging Markets: The Challenges Ahead* (N.Y.: Palgrave Macmillan, 2010).
94. Duncan Freeman, "China's Outward Investments: Challenges and Opportunities for the EU," *BICCS Policy Paper* (Brussels: Brussels Institute of Contemporary China Studies, 2008).
95. See for instance NEPAD-OECD, "Highlights of the Policy Framework for Investment in Zambia" (Africa Investment Initiative, background document for the 5th NEPAD-OECD Ministerial Conference on April 26–27, 2011 in Dakar, Senegal), 3–4; and Andrea Mihalache-O'Keef and Quan Li, "Modernization vs. Dependency Revisited: Effects of Foreign Direct Investment on Food Security in Less Developed Countries," *International Studies Quarterly* 55(1) (2011).
96. Marcus Power and Ana Cristina Alves, eds., *China and Angola: A Marriage of Convenience* (Cape Town, Nairobi, Dakar, Oxford: Pambazuka Press, 2012).
97. Bräutigam and Ekman, "Briefing: Rumors and Realities," 1–10.
98. U.S. Embassy Bamako, "Cable 09BAMAKO104, Status Confidential" (Mali, September 23, 2009), http://farmlandgrab.org/post/view/19206
99. UNCTAD, "Investment Policy Review: Kenya," UNCTAD/ITE/IPC/2005/8 (Geneva: UNCTAD, 2005).
100. Oxford Analytica, "New Challenges Arise as China-Africa Ties Deepen," *The Oxford Analytica Daily Brief* (January 21, 2013), http://www.oxan.com/Analysis/DailyBrief/Samples/china-africaties.aspx
101. See Idun-Arkhurst and Laing, "The Impact of the Chinese Presence in Africa," 17; Hackenesch, "Aid Donor Meets Strategic Partner?," 7; Alastair Fraser and Lindsay Whitfield, "The Politics of Aid: African Strategies for Dealing with Donors," *Global Economic Governance (GEG) Working Paper* 2008/42 (July 2008).
102. At the same time, it has to be noted that those African governments that were determined to realize their development vision (e.g., Ethiopia) to the point of becoming fiscally self-dependent (e.g., Botswana) always did negotiate terms of and implement aid with donors to support their domestic development strategy. Fraser and Whitfield, "The Politics of Aid: African Strategies for Dealing with Donors," 1–13.
103. Peter Eigen, "Is China Good or Bad for Africa?" *CNN* (October 29, 2012), http://globalpublicsquare.blogs.cnn.com/2012/10/29/is-china-good-or-bad-for-africa/
104. Since its inception, the CADF has invested in sixty projects in thirty countries. Yuan Li, "Guest Post: China-Africa Development Fund in South Africa," *China in Africa: The Real Story* blog (May 22, 2013), http://www.chinaafricarealstory.com/2013/05/guest-post-china-africa-development.html

105. Mthuli Ncube, "The Expansion of Chinese Influence in Africa—Opportunities and Risks" (August 14, 2012). Blog entry, African Development Bank Group; and Peter Eigen. "Is China Good or Bad for Africa?" *CNN* (29 October, 2012).
106. Harry G. Broadman, *Africa's Silk Road: China and India's New Economic Frontier* (Washington, D.C.: World Bank, 2007).
107. Vanessa Watson, "African Urban Fantasies: Dreams or Nightmares?" *Environment and Urbanization* 26(1) (April 2015), 2.
108. State Council, *China's Foreign Aid,* Table 1.
109. State Council, *China's Foreign Aid,* Table 1.
110. Broadman, *Africa's Silk Road*, 11.
111. Idun-Arkhurst and Laing, "The Impact of the Chinese Presence in Africa," 18.
112. Xiao Ye, "A Path to Mutual Prosperity? The Trade and Investment between China and Africa" (paper presented at the African Economic Conference 2010, African Development Bank, 2010), 20.
113. Idun-Arkhurst and Laing, "The Impact of the Chinese Presence in Africa," 20.
114. The labour ratio differs widely across projects, from 110 Chinese to 800–4,000 local workers in water/electricity supply projects in Rwanda since 2000 by China-Geo-Engineering Co. to five Chinese to 1,100 locals in the China-Benin Textile Company. Calculations by Deborah Bräutigam, "Chinese Workers in Africa—Anecdotes and Data," *China in Africa: The Real Story* blog, last accessed August 13, 2014, http://www.chinaafricarealstory.com/p/chinese-workers-in-africa-anecdotes.html
115. Ching Kwan Lee, "Raw Encounters: Chinese Managers, African Workers and the Politics of Casualization in Africa's Chinese Enclaves," *The China Quarterly* 199 (2009): 647–650; and Palash Gosh, "Zambia: Seized Chinese-Owned Mine over Poor Safety Record," *International Business Times*, February 21, 2013, http://www.ibtimes.com/zambia-seizes-chinese-owned-mine-over-poor-safety-record-fraying-relations-between-beijing-africa
116. Lee, "Raw Encounters," 647–666.
117. Oxford Analytica, "New Challenges."
118. Oxford Analytica, "New Challenges."
119. Oxford Analytica, "New Challenges."
120. Monika Thakur, "Building on Progress? Chinese Engagement in Ethiopia," *SAIIA Occasional Paper* No 38 (Johannesburg: SAIIA, July 2009), 8–9.
121. Helmut Asche and Margot Schüller, *China's Engagement in Africa—Opportunities and Risks for Development* (Eschborn: Gesellschaft für Technische Zusammenarbeit, 2008), 11.
122. Commission for Africa, *Making the Most of Africa's Commodities: Industrializing for Growth, Jobs and Economic Transformation* (Addis Ababa: UNECA, 2013).
123. Osei and Mubiru, "Chinese Trade and Investment Activities in Africa."
124. "World Bank Governance Indicators," World Bank, http://info.worldbank.org/governance/wgi/index.asp
125. See African Economic Outlook, "Africa and its Emerging Partners: The Impact on Governance," last updated May 16, 2014, http://www.africaneconomicoutlook.org/theme/emerging-partners/industrialisation-debt-and-governance-more-fear-than-harm/the-impact-on-governance/
126. See Idun-Arkhurst and Laing, "The Impact of the Chinese Presence in Africa," 22.
127. While Taiwan still maintained diplomatic relations with ten African countries in 1997, this number was reduced to four by 2008. Dan Large and Shiuh-Shen Chien, "China Rising in Africa: Whither Taiwan?" (conference paper, Charles University, Prague, 2008), 8.
128. Large and Chien, "China Rising," 8.

129. Celia Dugger and David Barboza, "China May Give Up Attempt to Send Arms to Zimbabwe," *The New York Times* (April 23, 2008), http://www.nytimes.com/2008/04/23/world/africa/23zimbabwe.html?_r=0.
130. From a comparative perspective, China is not the only one delivering arms. While in the DRC, for example, 17 percent of collected weapons were of Chinese origin, 83 percent were not. However, a breakdown of weapons delivered to Africa by supplier country reveals that imports of Chinese arms have been rising, making up leeway from suppliers of Europe or the US in some cases. See Table 49 in Richard F. Grimmett and Paul Kerr, "Conventional Arms Transfers to Developing Nations, 2004–2011," Congressional Research Service, 7-5700, R42678 (August 24, 2012), 68.
131. Tng Ying Hui, "China's Delicate Diplomatic Tango Between the Two Sudans," *Al Jazeera* (January 2013), 7, http://www.aljazeera.com/indepth/opinion/2013/01/201315105759540808.html
132. Hui, "China's Delicate Diplomatic Tango."
133. Hui, "China's Delicate Diplomatic Tango."
134. Andreas Goldthau and Jan Martin Witte, eds., *Global Energy Governance: The New Rules of the Game* (Washington D.C.: Brookings Institution Press, 2010).
135. See explanation of the Go Global framework under OECD, "China's Outward Direct Investment," in *OECD Investment Reviews—China 2008* (Paris: OECD, 2008), 65–142.
136. Chinese Government's Official Web Portal, "China Vows All-Out Efforts to Ensure Safety of Stranded Nationals in Libya," *GOV.cn* (August 24, 2011), http://www.gov.cn/misc/2011-08/24/content_1931356.htm; Chinese Government's Official Web Portal, "China Adopts Pragmatic, Constructive Approach on Libya," *GOV.cn* (June 24, 2011), http://www.gov.cn/misc/2011-06/24/content_1892043.htm
137. Faraway, "Libya: China Revises Its Attitude towards the CNT," *ALLVOICES* (August 24, 2011), http://www.allvoices.com/contributed-news/10119533-libya-china-revises-its-attitude-towards-the-cnt
138. Wang Wei, "China and Africa Envision New Security Cooperation," *China.org.cn* at *Hiiraan online* (July 9, 2010).
139. Hassan John, "China's US$12.5m Hospital Donation to Nigeria," *Daily Independent* (February 3, 2013), http://dailyindependentnig.com/2013/02/chinas-12-5m-hospital-donation-to-nigeria/
140. Rural Poverty Portal, "Rural Poverty in China," IFAD, n.d., http://www.ruralpovertyportal.org/country/home/tags/china
141. See for instance Gisela Grieger, "China's Role in Development in Africa. Challenging the EU Approach," *Library of the European Parliament* (May 8, 2013).
142. "The China-DAC Study Group," OECD, n.d., http://www.oecd.org/development/povertyreduction/thechina-dacstudygroup.htm
143. David H. Shinn, "United States and China in Africa: Advancing the Diplomatic Agenda," *International Policy Digest* (November 14, 2011), http://www.internationalpolicydigest.org/2011/11/14/united-states-and-china-in-africa-advancing-the-diplomatic-agenda/
144. Ernst & Young Global Ltd., *It's Time for Africa. Ernst & Young's 2011 Africa Attractiveness Survey* (EGYM, 2011); Robyn Curnow, "Survey: Africa Attractive to Investors—But the World Still Needs Convincing," *CNN* (May 24, 2011); Ernst & Young Global Ltd., "FDI in Africa Accelerates as Investor Perceptions Begin to Shift," press release, Ernst & Young Portal, last modified May 2, 2012, http://www.ey.com/GL/en/Newsroom/News-releases/FDI-into-Africa-accelerates-as-investor-perceptions-begin-to-shift

145. The White House, "Fact Sheet: The Doing Business in Africa Campaign" (Office of the Press Secretary, August 5, 2014), http://www.whitehouse.gov/the-press-office/2014/08/05/fact-sheet-doing-business-africa-campaign; Henry Bellingham and Foreign and Commonwealth Office, "U.K. and Africa: Delivering Prosperity Together" (speech, Lancaster House, London, December 16, 2010).
146. Ernst & Young Global, "FDI in Africa Accelerates."
147. "German Businesses Turning to Africa," *Trade Invest Africa* (May 11, 2010), http://www.tradeinvestafrica.com/feature_articles/502343.htm
148. Curnow, "Survey: Africa Attractive to Investors."
149. James K. Jackson, "Foreign Direct Investment in the United States: An Economic Analysis," Congressional Research Service, 7-5700, RS21857 (Washington, D.C.: CRS, October 26, 2012).
150. African Economic Outlook, "Africa and Its Emerging Partners: Governance."
151. Lawrence Edwards and Rhys Jenkins, "The Impact of Chinese Import Penetration on the South African Manufacturing Sector," *A Southern Africa Labour and Development Research Unit Working Paper* 102 (Cape Town: University of Cape Town, n.d.).
152. Tegegne Gebre-Egziabher, "The Developmental Impact of Asian Drivers on Ethiopia with Emphasis on Small-Scale Footwear Producers," *World Economy* 32 (2010): 1613–1637.
153. Scott Kennedy, "China in Global Governance: What Kind of Status Quo Power?" in *From Rule Takers to Rule Makers: The Growing Role of Chinese in Global Governance,* ed. Scott Kennedy and Shuaihua Cheng (Geneva, Bloomington: Research Center for Chinese Politics and Business (RCCPB) and International Centre for Trade and Sustainable Development (ICTSD), 2012), 17; Amitav Archaya, "Can Asia Lead? Power Ambitions and Global Governance in the Twenty-First Century," *International Affairs* 87(4) (2011): 851–869.
154. Chen Zhimin and Jian Junbo, "Chinese Provinces."
155 Junji Nakagawa and Wei Liang, "China and Japan's FTA Strategies and Regional Integration in the Asia Pacific," in *From Rule Takers to Rule Makers: The Growing Role of Chinese in Global Governance,* ed. Scott Kennedy and Shuaihua Cheng (Geneva, Bloomington: Research Center for Chinese Politics and Business (RCCPB) and International Centre for Trade and Sustainable Development (ICTSD), 2012), 57.
156. "Emancipatory Transformation and Alternative Development Paths Within and From Regions of the South," *Transnational Institute* (November 3, 2010), http://www.tni.org/article/emancipatory-transformation-and-alternative-development-paths-within-and-regions-south

References

African Development Bank. 2009. "Botswana: Morupule B Power Project." Environmental and Social Impact Assessment, Executive Summary. African Development Bank, Centurion.

African Economic Outlook. "Africa and its Emerging Partners: The Impact on Governance," last updated May 16, 2014. http://www.africaneconomicoutlook.org/theme/emerging-partners/industrialisation-debt-and-governance-more-fear-than-harm/the-impact-on-governance/

Agricultural Bank of China. 2012. *Annual Report 2012*. Beijing: Agricultural Bank of China.

Archaya, Amitav. 2011. "Can Asia Lead? Power Ambitions and Global Governance in the Twenty-First Century." *International Affairs* 87(4): 851–869.

Asche, Helmut, and Margot Schüller. 2008. *China's Engagement in Africa—Opportunities and Risks for Development.* Eschborn: Gesellschaft für Technische Zusammenarbeit.

Barfour, Osei, and Alex Mutebi Mubiru. 2010. "Chinese Trade and Investment Activities in Africa." *African Development Bank Group Policy Brief* 1(4), July 29.

Baynton-Glen, Sarah. 2012. "China-Africa—Agricultural Potential." On the Ground, Global Research 12A. Standard Chartered, May 2.

Bellingham, Henry, and Foreign and Commonwealth Office. 2010. "U.K. and Africa: Delivering Prosperity Together." Speech delivered at Lancaster House, Foreign and Commonwealth Office, London, December 16.

BICCS. 2008. "Opportunities for the EU." BICCS Policy Paper. Brussels: Brussels Institute of Contemporary China Studies.

Bräutigam, Deborah. 2009. *The Dragon's Gift—The Real Story of China in Africa.* Oxford: Oxford University Press.

———. 2011a. "Chinese Development Aid in Africa: What, Where, Why, and How Much?" in *Rising China: Global Challenges and Opportunities*, ed. Jane Golley and Ligang Song, 203–222. Canberra: Australian National University E-Press.

———. 2011b. "Testimony on China's Growing Role in Africa Before the United States Senate Committee on Foreign Relations Subcommittee on African Affairs." United States Senate Committee on Foreign Relations, Washington, D.C., November 1.

———. 2013. "China Eximbank and US Eximbank to Co-Finance?" *China in Africa: The Real Story* blog, March 18, 2013, http://www.chinaafricareal-story.com/2013/03/china-eximbank-and-us-eximbank-to-co.html

———. 2014. "Chinese Workers Data." *China in Africa: The Real Story* blog, last accessed August 13, 2014, http://www.chinaafricarealstory.com/

Bräutigam, Deborah, and Sigrid-Marianella Stensrud Ekman. 2012. "Briefing: Rumors and Realities of Chinese Agricultural Engagement in Mozambique." *African Affairs* 111(444) (June): 483–492.

Centre for Chinese Studies. 2011. "Transparency of Chinese Aid. An Analysis of the Published Information on Chinese External Financial Flows." Centre for Chinese Studies at Stellenbosch University and Publish What You Fund, August 2011.

Chen, Chuan, Andrea Goldstein, and Ryan Orr. 2009. "Local Operations of Chinese Construction Firms in Africa: An Empirical Survey." *The International Journal of Construction Management* 9(2) (January): 75–89.

China Development Bank. n.d. "China-Africa Development Fund." http://www.cdb.com.cn/English/ywgl/zhjryw/zffzjjyxgs/

Chinadaily.com.cn. 2011. "China Offers Loans to Boost SMEs in Africa." (Xinhua). Last modified June 12, 2011. http://www.chinadaily.com.cn/china/2011-06/12/content/12678568.htm.

Chinese Government Official Web Portal. 2011a. "Adopts Pragmatic, Constructive Approach on Libya." GOV.cn, June 24, 2011. http://www.gov.cn/misc/2011-06/24/content_1892043.htm.

———. 2011b. "China Vows All-Out Efforts to Ensure Safety of Stranded Nationals in Libya." GOV.cn, August 24, 2011. http://www.gov.cn/misc/2011-08/24/content_1931356.htm.

Cohen, Mike. 2011. "China's EXIM Lend More to Sub-Saharan Africa Than World Bank, Fitch Says." Bloomberg.com, December 28, 2011. http://www.bloomberg.com/news/2011-12-28/china-exim-loans-to-sub-sahara-africa-exceed-world-bank-funds-fitch-says.html.

Commission for Africa. 2013. *Making the Most of Africa's Commodities: Industrializing for Growth, Jobs and Economic Transformation.* Addis Ababa: UNECA.

Curnow, Robyn. 2011. "Survey: Africa Attractive to Investors – But the World Still Needs Convincing." *CNN*, May 24, 2011.

Davies, Ken. 2012a. "Inward FDI in China and Its Policy Context, 2012." Columbia FDI Profiles. Vale Columbia Center on Sustainable International Investment, Washington, D.C., October 24, 2012.

———. 2012b. "Outward FDI from China and Its Policy Context, 2012." Columbia FDI Profiles. Vale Columbia Center on Sustainable International Investment, Washington, D.C., June 7, 2012.

Dugger, Celia, and David Barboza. 2008. "China May Give Up Attempt to Send Arms to Zimbabwe." *The New York Times*, April 23, 2008. http://www.nytimes.com/2008/04/23/world/africa/23zimbabwe.html?_r=0.

Edinger, H., and C. Pistorius. 2011. "Aspects of Chinese Investment in the African Resources Sectors." *The Journal of The Southern African Institute of Mining and Metallurgy* 111(7) (July): 501–510.

Edwards, Lawrence, and Rhys Jenkins. 2015. "The Impact of Chinese Import Penetration on the South African Manufacturing Sector." Southern Africa Labour and Development Research Unit, Working Paper 102, University of Cape Town.

Eigen, Peter. 2012. "Is China Good or Bad for Africa?" *CNN*, October 29. http://globalpublicsquare.blogs.cnn.com/2012/10/29/is-china-good-or-bad-for-africa/

Embassy Bamako. 2009. Cable 09BAMAKO104, Status Confidential. Bamako, Mali. September 23, 2009. https://wikileaks.org/plusd/cables/09BAMAKO104_a.html

Ernst & Young Global Ltd. 2011. "It's Time for Africa. Ernst & Young's 2011 Africa Attractiveness Survey." http://www.ey.com/za/en/issues/businessenvironment/2011-africa-attractiveness-survey

———. 2012a. "China Going Global: The Experiences of Chinese Enterprises in the Netherlands." Press release, Ernst & Young Portal.

———. 2012b. "FDI in Africa Accelerates as Investor Perceptions Begin to Shift." Press release, Ernst & Young Portal, May 2, http://www.ey.com/GL/en/Newsroom/News-releases/FDI-into-Africa-accelerates-as-investor-perceptions-begin-to-shift.

Feng, Sheyong. 2010. "Mali Sugar Conglomerate, CLETC Project Case in Mali." OECD/IPRCC, April 2010. http://www.iprcc.org.cn/userfiles/file/Feng%20Sheyong-EN.pdf

Fues, Thomas. 2013. "New Dynamics in South-South Cooperation." *The Current Column*, German Development Institute, May 2, 2013. https://www.die-gdi.de/en/the-current-column/article/new-dynamics-in-south-south-cooperation-1/

Gebre-Egziabher, Tegegne. 2009. "The Developmental Impact of Asian Drivers on Ethiopia with Emphasis on Small-Scale Footwear Producers." *World Economy* 32(11) (December 2009): 1613–1637.

Gelb, Stephen. 2010. "Foreign Direct Investment Links Between South Africa and China." Paper prepared for the African Economic Research Consortium project on China-Africa Economic Relations. Johannesburg: The Edge Institute.

Goldthau, Andreas, and Jan Martin Witte, eds. 2010. *Global Energy Governance: The New Rules of the Game.* Washington D.C.: Brookings Institution Press,

Gosh, Palash. 2013. "Zambia: Seized Chinese-Owned Mine over Poor Safety Record." *International Business Times*, February 21. http://www.ibtimes.com/zambia-seizes-chinese-owned-mine-over-poor-safety-record-fraying-relations-between-beijing-africa

Government Communication and Information System. 2001. "Background: The Non-Aligned Movement." Last updated September 21, 2001. http://www.nam.gov.za/background/background.htm.

Grieger, Gisela. 2013. "China's Role in Development in Africa. Challenging the EU Approach." Library Briefing of the European Parliament, May 8.

Grimett, Richard, and Paul Kerr. 2012. "Conventional Arms Transfers to Developing Nations, 2004 -2011." Congressional Research Service, Government Document Number 7-5700, R42678, Washington, D.C., August 24, 2012.

Grimm, Sven, Rachel Rank, Matthew McDonald, and Elizabeth Schickerling. 2011.

The Group of 77 at the United Nations. 2013. "About the Group of 77." Accessed September 20, 2013. http://www.g77.org/

Hackenesch, Christine. 2013. "Aid Donor Meets Strategic Partner? The European Union's and China's Relations with Ethiopia." *Journal of Current Chinese Affairs* 42(1) (May 2013): 7–36.

Harry, G. 2007. *Africa's Silk Road: China and India's New Economic Frontier.* Washington, D.C.: World Bank, http://www.c2es.org/international/negotiations/cop/15/summary

The Heritage Foundation. 2013. "China Global Investment Tracker Interactive Map." Accessed September 20, 2013. https://www.columnfivemedia.com/work-items/interactive-china-global-investment-tracker-interactive-map

Hui, Tng Ying. 2013. "China's Delicate Diplomatic Tango Between the Two Sudans." *Al Jazeera,* January 7. http://www.aljazeera.com/indepth/opinion/2013/01/201315105759540808.html

Idun-Arkhurst, Isaac, and James Laing. 2007. "The Impact of the Chinese Presence in Africa." An Africa practice report prepared for JETRO [Japan External Trade Organization] London, David and Associates, April 2007.

ILO [International Labour Organization], Global Extension of Social Security. 2006. "South-South Cooperation." Last modified 2006. http://www.social-protection.org/gimi/gess/ShowTheme.do?tid=3205

Industrial and Commercial Bank of China. 2009. "Cooperation between ICBC and Standard Bank of South Africa Enters Its Prime." Industrial and Commercial Bank of China, May 15, 2009. http://www.icbc-ltd.com/icbcltd/about%20us/news/cooperation%20between%20icbc%20and%20standard%20bank%20of%20south%20africa%20enters%20its%20prime.htmJackson, James K. 2012. "Foreign Direct Investment in the United States: An Economic Analysis." Congressional Research Service, Government Document Number 7-5700, RS21857, Washington, D.C, October 26.

Jauch, Herbert. 2011. "Investments in Africa: Twenty-First Century Colonialism?" *New Labour Forum* 20(2) (Spring 2011): 48–55.

Jian, Junbo. 2012. "China in International Conflict-Management: Darfur as a Case." *Global Review* (Winter 2012): 7–11.

Jiang, Wenran. 2009. "Fueling the Dragon: China's Rise and Its Energy and Resources Extraction in Africa." *The China Quarterly*, vol.199 (September 2009): 585–609.

John, Hassan. 2013. "China's $12.5m Hospital Donation to Nigeria." *Daily Independent*,February3.http://dailyindependentnig.com/2013/02/chinas-12-5m-hospital-donation-to-nigeria/

Kan, Shirley A. 2009. "China/Taiwan: Evolution of the 'One China' Policy—Key Statements from Washington, Beijing, and Taipei." Washington, D.C.: Congressional Research Service CSR Report for Congress.

Keet, Dot. 2007. "Role and Impact of Chinese Economic Operations in Africa, and Challenges to the Government of China." Transnational Institute.

Kennedy, Scott. 2012. "China in Global Governance: What Kind of Status Quo Power?" In *From Rule Takers to Rule Makers: The Growing Role of Chinese in Global Governance,* edited by Scott Kennedy and Shuaihua Cheng, 9–21. Geneva, Bloomington: Research Center for Chinese Politics and Business (RCCPB) and International Centre for Trade and Sustainable Development (ICTSD).

Kessie, Edwini, and Anna-Maria Corvaglia. 2010. "China's Energy Interest in Africa: Devising an Appropriate International Framework." Trade Policy Training Centre in Africa. *Trade Policy Review* 3 (2010): 39–53.

Kingsley, Ighobor. 2013. "China in the Heart of Africa." *Africa Renewal Online,* January 2013. http://www.un.org/africarenewal/magazine/january-2013/china-heart-africa

Kita, Julien. 2008. "The 4th TICAD: Acceleration of Japan-Africa Cooperation." Institut Français des Relations Internationales. *Lettre du Centre Asie* 26, June. https://www.ifri.org/en/publications/enotes/4th-ticad-acceleration-japan-africa-cooperation

Kniivilä, Matleena. 2007. "Industrial Development and Economic Growth: Implications for Poverty Reductions and Income Inequality." In *Industrial Development for the 21st Century: Sustainable Development Perspectives,* edited by JoAnne DiSano, 295–332. New York: United Nations.

Large, Dan, and Shiuh-Shen Chien. 2008. "China Rising in Africa: Whither Taiwan?" Conference paper. Prague: Charles University.

Lechini, Gladys. 2007. "Middle Powers: IBSA and the New South-South Cooperation." *NACLA Report on the Americas* 40(5) (Sept/Oct 2007), 28–32.

Lee, Ching Kwan. 2009. "Raw Encounters: Chinese Managers, African Workers and the Politics of Casualization in Africa's Chinese Enclaves." *China Quarterly* 199 (September 2009): 647–666. http://www.sscnet.ucla.edu/soc/faculty/CKLee/Raw%20Encounters%20CQ%202009.pdf

Li, Yuan. 2013. "Guest Post: China-Africa Development Fund in South Africa." *China in Africa: The Real Story* blog, May 22, 2013. http://www.chinaafricarealstory.com/2013/05/guest-post-china-africa-development.html

Luo, Jun. 2010. "Agricultural Bank of China, Standard Chartered Enter Strategic Agreement." *Bloomberg.com*, June 17. http://www.bloomberg.com/news/2010-06-17/agricultural-bank-of-china-standard-chartered-enter-strategic-agreement.html

Making Finance Work for Africa. 2013. "China Grants African SMEs EUR 730 Million in Loans." Making Finance Work for Africa. Accessed September 20, 2013. http://www.mfw4a.org/events/event-details/246/china-grants-african-smes-EUR730-million-in-loans/page-13.html

Mataen, David. 2012. *Africa—The Ultimate Frontier Market: A Guide to the Business and Investment Opportunities in Emerging Africa.* Hampshire: Harriman House Publishing.

McKay, Huw, and Song Ligang. 2010. "China as a Global Manufacturing Powerhouse: Strategic Considerations and Structural Adjustment." *China and World Economy* 18(1): 1–32.

Mihalache-O'Keef, Andrea, and Quan Li. 2011. "Modernization vs. Dependency Revisited. Effects of Foreign Direct Investment on Food Security in Less Developed Countries." *International Studies Quarterly* 55(1) (March 2011): 71–93. https://doi.org/10.1111/j.1468-2478.2010.00636.x

Ministry of Foreign Affairs, PRC. 2002. "China-Africa Relations." April 25, 2002. http://www.fmprc.gov.cn/eng/ziliao/3602/3604/t18059.htm

———. 2004. "The First Ministerial Conference of FOCAC." Press Release, September 15, 2004. http://www.focac.org/eng/ltda/dyjbzjhy/CI12009/t157577.htm

———. 2006. *China's Africa Policy.* White paper. Beijing: MOFA, 2006.

———. 2012. *The Fifth Ministerial Conference of the Forum on China-Africa Cooperation Beijing Action Plan (2013–2015).* Beijing: MOFA, July 23, 2012. http://www.focac.org/eng/ltda/dwjbzjjhys/t954620.htm

———. 2013. "Forum on China-Africa Cooperation." Accessed September 20, 2013. http://www.focac.org/eng/

Moyo, Dambisa. 2012. "Beijing, a Boon for Africa." *New York Times*, June 27.

Nakagawa, Junji, and Wei Liang. 2012. "China and Japan's FTA Strategies and Regional Integration in the Asia Pacific" in *From Rule Takers to Rule Makers: The Growing Role of Chinese in Global Governance*, ed. Scott Kennedy and Shuaihua Cheng, 57–62. Geneva, Bloomington: Research Center for Chinese politics and Business (RCCPB) and International Centre for Trade and Sustainable Development (ICTSD). 2012.

Ncube, Mthuli. 2012. "The Expansion of Chinese Influence in Africa—Opportunities and Risks." Blog entry, African Development Bank Group, August 14, 2012. http://www.afdb.org/en/blogs/afdb-championing-inclusive-growth-across-africa/post/the-expansion-of-chinese-influence-in-africa-opportunities-and-risks-9612/

OECD. 2008. "China's Outward Direct Investment." In *OECD Investment Reviews—China 2008*, 65–142. Paris: OECD.

———. 2011. "Africa Investment Initiative." Background document for the 5th NEPAD-OECD Ministerial Conference, Dakar, Senegal, April 26–27, 2011.

———. n.d. "The China-DAC Study Group." http://www.oecd.org/development/povertyreduction/thechina-dacstudygroup.htm

OECD Development Centre, the United Nations Development Programme (UNDP) and the United Nations Economic Commission for Africa (UNECA). 2011. *African Economic Outlook 2011.* OECD, UNDP, UNECA, June 2011.

Osundu, Adaora. 2013. "Off and On: China's Principle of Non-Interference in Africa." *Mediterranean Journal of Social Sciences* 4(3) (September): 225–234.

Oxford Analytica. 2013. "New Challenges Arise as China-Africa Ties Deepen." *The Oxford Analytica Daily Brief*. January 21. http://www.oxan.com/Analysis/DailyBrief/Samples/china-africaties.aspx

Page, Sheila, and Dirk Willem Te Velde. 2004. "Foreign Direct Investment by

African Countries." Paper prepared for InWent/UNCTAD meeting on FDI in Africa, UNECA, Addis Ababa. November 22–24, 2004, Draft: December 17, 2004.

Power, Marcus, and Ana Cristina Alves, eds. 2012. *China and Angola: A Marriage of Convenience.* Cape Town, Nairobi, Dakar, Oxford: Pambazuka Press.

Reuters. 2013. "China Environment Min Suspends Some Approvals for Sinopec, CNPC." Reuters, August 29, 2013. https://www.reuters.com/article/us-china-environment-oil/china-environment-min-suspends-some-approvals-for-sinopec-cnpc-idUSBRE97S03G20130829

Rural Poverty Portal. n.d. "Rural Poverty in China." IFAD. http://www.ruralpovertyportal.org/country/home/tags/china

Samir, Amin. 1990. *Maldevelopment: Anatomy of a Global Failure*. Tokyo: The United Nations University Press.

Sauvant, Karl, Geraldine McAllister, and Wolfgang Maschek, eds. 2010. *Foreign Direct Investment from Emerging Markets*. *The Challenges Ahead*. N.Y.: Palgrave Macmillan.

Shafeddin, S.M. 2005. "Trade Liberalization and Economic Reform in Developing Countries: Structural Change or De-Industrialization?" Discussion Paper no. 179, UNCTAD/OSG/DP/2005/3, for United Nations Conference on Trade and Development, Geneva, April 2005.

Shinn, David H. 2011. "United States and China in Africa: Advancing the Diplomatic Agenda." *International Policy Digest.* November 14. http://www.internationalpolicydigest.org/2011/11/14/united-states-and-china-in-africa-advancing-the-diplomatic-agenda/

Standard Chartered. 2012. "Africa-China Links Promoted as Standard Chartered Takes African Chairmen to Beijing." June 16, 2012. http://www.standardchartered.com/en/news-and-media/news/africa/2012-07-16-africa-china-links-promoted-as-standard-chartered-takes-african-chairmen-to-beijing.html

———. 2013. "Our Growth." Accessed September 20, 2013. http://www.standardchartered.com/en/about-us/who-we-are/our-growth.html

State Council, PRC. 2010. *China-Africa Economic and Trade Cooperation*. White paper. Beijing: Information Office of the State Council, December 2010.

———. 2011. *China's Foreign Aid*. White paper. Beijing: Information Office of the State Council, April 2011.

———. 2013. *China-Africa Economic and Trade Cooperation*. White paper. Beijing: Information Office of the State Council, August 2013.

Strange, Austin, Bradley C. Parks, Michael J. Tierney, Andreas Fuchs, Axel Dreher, and Vijaya Ramachandran. 2013. "China's Development Finance to Africa: A Media-based Approach to Data Collection." CGD Working Paper 32. Washington, D.C.: Center for Global Development, April 2013.

Task Team on South-South Cooperation. 2011. *Unlocking the Potential of South-South Cooperation. Policy Recommendations from the Task Team on*

South-South Cooperation. Paris: TT-SSC, July 2011.

Thakur, Monika. 2009. "Building on Progress? Chinese Engagement in Ethiopia*." SAIIA Occasional Paper* 38, SAIIA, Johannesburg, July 2009.

Trade Invest Africa. 2010. "German Businesses Turning to Africa." *Trade Invest Africa*, May 11. http://www.tradeinvestafrica.com/feature_articles/502343.htm

Transnational Institute. 2010. "Emancipatory Transformation and Alternative Development Paths Within and from Regions of the South." November 3, 2010. http://www.tni.org/article/emancipatory-transformation-and-alternative-development-paths-within-and-regions-south

UNCTAD. 2005. "Investment Policy Review: Kenya." UNCTAD/ITE/IPC/2005/8. Geneva: UNCTAD.

United Nations General Assembly. 1974. *3201 (S-VI) Declaration on the Establishment of a New International Economic Order.* A/RES/S-6/3201, Sixth Special Session, 2229th Plenary Meeting. United Nations, New York, May 1, 1974.

United Nations Secretary-General. 2012. "In China, Africa, United Nations Will Connect Those Who Face Challenges with Those Who Have Solutions, Secretary-General Says at Beijing Forum." Press Release, SG/SM/14419 /AFR/2420. News and Media Division, UN Department of Public Information, New York, July 19, 2012.

U.S. Energy Information Administration. 2013. "China, Analysis." Last modified April 22, 2013. https://www.eia.gov/beta/international/analysis.php?iso=CHN

Wang, Jian-Ye, and Abdoulaye Bio-Tchané. 2008. "Africa's Burgeoning Ties with China." Finance and Development 14(1). https://www.imf.org/external/pubs/ft/fandd/2008/03/wang.htm

Wang, Wei. 2010. "China and Africa Envision New Security Cooperation." China.org.cn, July 9.

The White House. 2014. "Fact Sheet: The Doing Business in Africa Campaign." Office of the Press Secretary, Washington, D.C., August 5. http://www.whitehouse.gov/the-press-office/2014/08/05/fact-sheet-doing-business-africa-campaign

Whitfield, Lindsay. 2008. "The Politics of Aid: African Strategies for Dealing with Donors." Global Economic Governance Programme, Working Paper 42, July 2008.

Winkler, Sigrid. 2012. "Taiwan's UN Dilemma: To Be or Not to Be." Opinion, *Taiwan-U.S. Quarterly Analysis* 9(12) (June 2012). Washington, D.C.: Brookings Institute.

World Bank. n.d. "World Bank Governance Indicators." http://info.worldbank.org/governance/wgi/index.asp

Yang, Chloe. 2008. "Corporate Social Responsibility and China's Overseas Extractive Industry Operations: Achieving Sustainable Natural

Resource Extraction." *FESS Issue Brief* (August 2008). Falls Church: Foundation for Environmental Security and Sustainability.

Ye, Xiao. 2010. "A Path to Mutual Prosperity? The Trade and Investment Between China and Africa." African Economic Conference, African Development Bank.

Zhimin, Chen, and Jian Junbo. 2009. "Chinese Provinces as Foreign Policy Actors in Africa." *SAIIA Occasional Paper* 22, South African Institute of International Affairs, January 2009. References

Page left blank intentionally

CHAPTER 7

What Does the Evidence Say about Contemporary China-Africa Relations?

Barassou Diawara and Kobena T. Hanson

Introduction

China and Africa are geographically far apart and share neither language nor culture. In spite of this, ties between the two go way back to the period between 1405 and 1433 when the Chinese eunuch Zheng He led a large fleet across Southeast Asia and the Indian Ocean under the auspices of the Ming dynasty (Anshan 2010). Since then, the cooperation between the two regions has grown steadily, while economic and political links have increased dramatically. Today, Africa-China relations are best seen in the context of China's impressive economic growth since the 1990s, and its corresponding inroads into Africa. As a fast-rising nation, China is expanding its geopolitical reach and repositioning itself globally; a key aspect of this has been its so-called Go Out policy, of which its engagement with Africa is a critical component.

To contextualize the growing South-South Cooperation (SSC) between China and Africa, including China's increasing presence in Africa, it is insightful to note that in 2014, trade between China and Africa exceeded US$221.5 billion (2016 value). Currently, China is Africa's single largest trading partner, accounting for approximately 15 percent of the continent's trade. It is also one of the most important providers of aid and loans to African countries, with estimates indicating that China's Export Import Bank provides more loans to Africa than the World Bank (Bräutigam 2010).

Although the primary focus of SSC as it relates to China-African relations is economic, prior to the late 1990s, many African countries were more involved in political quagmires or coming out of conflict, which meant that post-conflict reconstruction was the priority. As the political and macroeconomic landscape stabilized, African countries joined the South-South bandwagon to take advantage of the invaluable impact of knowledge exchange, investments, and trade inherent in cooperation with stronger, more developed countries—much like the European Union (United Nations 2010).

Africa presents China with opportunities and possibilities, and vice versa. As Liu Jianchao, former chief spokesman for the Chinese Ministry of Foreign Affairs, once noted, "China needs Africa and Africa needs China" (Swann and McQuillen 2006). In line with this thinking, China's share of exports from Africa increased five-fold from 3 percent in 1998 to 15 percent in 2008 (Songwe and Moyo 2012). China's foreign direct investment (FDA) stock in Africa rose to almost US$24 billion in 2013, reflecting an annual growth rate of 50 percent between 2004 and 2013 (Copley, Maret Rakontondrazaka, and Sy 2014).

Africa, on the other hand, has drawn on China's expertise and support to enhance its infrastructure, create promising choices in external partnerships, and advance its capacities in health care while spurring economic growth (Tu 2008; Ayenagbo et al. 2012). Recognizing this mutual need, China and Africa have over the years intensified exchanges, notably in the areas of trade, investment, infrastructure, aid, and natural resources. And since 2009, when China became Africa's largest trading partner, the continent has become China's major foreign source of strategic resources and investment opportunities, and an export market for Chinese commodities (Besada, Wang, and Whalley 2008).

The multilayered relationship between China and Africa is, however, both complex and dynamic (Brown and Chun 2009). In succeeding years, China became Africa's foremost trading partner, with the scale of China-Africa trade expanding rapidly. In 2012, the total volume of China-Africa trade reached US$198.49 billion, a year-on-year growth of 19.3 percent. Of this, US$85.319 billion consisted of China's exports to Africa—up 16.7 percent—and US$113.171 billion was contributed by China's imports from Africa—up 21.4 percent. As a result of the recent global slowdown, trade relations between China and Africa in 2015 contracted by 18.3 percent, reaching only about US$170 billion (ICTCSD 2016). And while Chinese exports to Africa increased slightly, by approximately 3.6 percent, African exports to China fell considerably, amounting to about US$67 billion, which represents a decrease of nearly 40 percent from the previous year (ICTCSD 2016).

In 2013, China's President Xi Jinping visited Africa and announced a series of measures to support Africa's development agenda, providing a powerful impetus for the advancement of China-Africa economic and trade relations (People's Republic of China 2013). However, as far back as 2006, the Chinese government outlined, in a white paper, its Africa policy, aimed at enhancing solidarity and cooperation with African countries. The policy document contained the following general principles and objectives: sincerity, friendship, and equality; mutual benefit, reciprocity, and common prosperity; mutual support and close coordination; and learning from each other and seeking common development (People's Republic of China 2006; Songwe and Moyo 2012). Relatedly, the Forum on China-Africa Cooperation (FOCAC) of November 2006 (also referred to as the Beijing Summit) unanimously adopted the FOCAC Beijing Action Plan and a declaration which called for a strategic partnership aimed at strengthening mutual trust and economic cooperation between Africa and China (Anshan 2007). These developments—including the recent second FOCAC Summit of December 4–5, 2015, in Johannesburg and the six FOCAC ministerial conferences, held in Beijing in 2000, 2006, and 2012, Addis Ababa in 2003, Sharm el-Sheikh in 2009, and Johannesburg 2015—underscore the willingness and desire of Africa and China to engage in and advance mutually beneficial cooperation.

FOCAC has served as a platform to advance mutually beneficial exchanges and planning. As a direct result, China-Africa relations have grown rapidly in scope and scale; bilateral cooperation has become more diversified; and the development of China-Africa relations is both well-planned and well-managed. FOCAC has become the mechanism for coordinating China-Africa relations and for dialogue between African countries and China. China employs the FOCAC platform to make its pledges and commitments to Africa. These are usually multiyear commitments and their forward-looking nature makes Chinese financial support increasingly predictable. Moreover, FOCAC meetings are used to monitor progress in the implementation of existing commitments to Africa. In addition, China has specified addressing climate change as an important area of its support to the region. Equally important, China has increased efforts to integrate the private sector into its Africa relations, although the latter is still a passive participant in the FOCAC process (UNCTAD 2010). The FOCAC meetings of 2000, 2003, and 2006 were particularly successful in implementing China-Africa cooperation, primarily by reducing tariffs for some exports, cancelling debts, and developing human resources. The 2009 Sharma El Sheikh Declaration and Plan of Action offered new opportunities for Africa's development, and was widely considered the most significant FOCAC meeting prior to the 2015 Summit, which saw China pledge US$60 billion in developmental assistance (including zero-interest loans, scholarships, and training) to Africa. Previously, China had consistently doubled its financing commitment to Africa over the past three FOCAC meetings—from US$5 billion in 2006 to US$10 billion in 2009 and US$20 billion in 2012—and thus the pledge of US$60 billion marks a huge step forward.

The cooperation between Africa and China has been much debated in the recent years and has attracted the attention of researchers, development partners, civil society, and policymakers. Critics take issue with China's indiscriminate investments in good and bad governments alike, with its particular affinity for corrupt and dictatorial governments, and claim it has undermined peace and security in the region, such as seen in northern and southern Sudan and the Democratic Republic of Congo (DRC) (Iyasu 2013). Others note that the recent comprehensive engagement between China and Africa not only reflects a set of ambitious and unsettling goals on the part of China regarding the continent, but that a competitive quest for energy, trade, and geopolitical interests underscores that agenda (Dollar 2016; Muekalia 2004). Another issue that is often flagged is that of large-scale imports of manufactured goods from China increasingly competing with African domestic production, with dire consequences for local industry. This is especially the case given the fact that the manufactured products imported from China tend to be consumer rather than capital goods.

Yet another concern relates to the impact of SSC on local consumers, producers, and workforces in African countries. In particular, China is blamed for pruning away many of the benefits of its large-scale infrastructure projects in Africa by hiring Chinese contractors and even importing Chinese workers (Dollar 2016). African countries end up with low-quality infrastructure, marginalized local contractors, and little or no extra employment. In cases where Chinese firms do hire locally, they are sometimes reproached for horrible working conditions (Vaes and Huyse 2013). Similarly, the massive importation of cheap consumer products from China and the arrival of so many Chinese entrepreneurs and businesses are provoking strong reactions. Additionally, the role of China on global efforts to increase aid effectiveness has also been criticized, as China usually operates outside the OECD policy framework for development cooperation.

The aforementioned criticisms are often contradicted by more optimistic assessments, with one of the main arguments in favour of China-Africa cooperation being that it results in more available resources for more sectors in more African countries, including those that many OECD Development Assistance Committee (DAC) donors consider too risky (Dreher et al. 2011; Vaes and Huyse 2013). Another strong point is the fact that cooperation between China and Africa often takes a more coherent and integrated approach to development cooperation—a sore spot for DAC donors—by including trade and investments. For example, 90 percent of African exports benefit from a unilateral Chinese tariff exemption. This, according to Vaes and Huyse (2013), can be a strong stimulus for Africa's productive sectors, and compares favourably with DAC donors who demand mutual exemption and still exclude major export commodities of the South (see also Kragelund 2010).

Proponents of China-Africa cooperation further assert that China offers a mix of trade and investment incentives, aid and technical assistance, low-interest loans, and intense diplomatic engagements with African states. Furthermore, China has a reputation among African countries of respecting other cultures. Consequently, China has managed to position itself as a potential alternative source of development for many African nations (Maru 2013). For example, the 2015 Pew Global Attitudes survey found that China was more popular in Africa than in any other region, with over 70 percent of residents in countries surveyed holding a favourable view of China (Dollar 2016).

Overall, the debate on China-Africa cooperation spans a wide continuum: on one end, optimists proclaim that China's emergence is a golden opportunity for Africa and offers the continent a way out for its aid-dependent economy (Moyo 2009); on the other end, pessimists fear Africa will fall victim to rogue donors and a new scramble (Naim 2007). There are also, along the continuum, more nuanced analyses that emphasize what a huge challenge it is for African states to take advantage of the opportunity offered by SSC (Rampa and Bilal 2011).

After decades of cooperation and partnership, and given the raging debates globally as well as across Africa and China about the nature, benefits, and prospects of the relationship between China and Africa, it is both pertinent and timely to examine recent developments in China-Africa relations post-2000 and to closely assess contemporary China-Africa cooperation with a focus on a few key sectors (trade, investment, and natural resources).

China-Africa Cooperation: Key Macroeconomic Indicators

An analysis of the data on trade, foreign direct investment (FDI), and natural resource extraction helps to examine the dynamics of the cooperation between China and Africa.

Trade

Africa's trade with China grew more than tenfold over the past decade, from US$18.5 billion in 2003 to US$198.6 billion in 2012, and rising to US$222 billion in 2014—a record that made China the continent's top trading partner for the sixth straight year. China-Africa trade volume has sharply increased since 2000, which coincides with the launch of the FOCAC (Figure 7.1). Looking at the composition of trade, China's exports to Africa grew from US$2.46 billion in 1995 to US$5.03 billion in 2000, US$59.97 billion in 2010, and US$85.38 billion in 2012 (Figure 7.1). South Africa, Nigeria, and Egypt were the

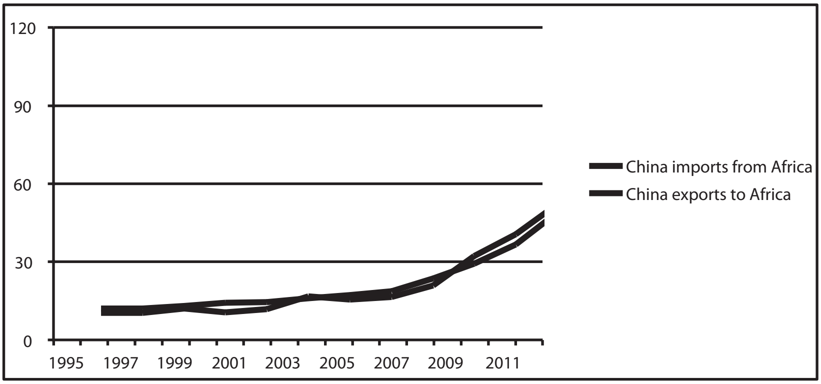


Figure 7.1 Imports and Exports between China and Africa, 1995–2012 (US$ billions)

Source: Tralac, 2013

main destinations of China's exports in 2012, totalling US$15.33 billion, US$9.31 billion, and US$8.23 billion respectively.

In 2012, the three dominant products exported to Africa were vehicles for the transport sector, woven cotton fabrics, and electrical gadgets—accounting for US$2.6 billion, US$2.39 billion, and US$2.33 billion respectively. In Africa, South Africa is China's most important economic partner, accounting for more than one-third of Sino-Africa trade, and is the leading destination for Chinese FDI. China's exports to Africa mainly consisted of transport equipment, textiles/clothing, machinery, footwear, and plastic products (Figure 7.2).

China's imports from Africa have increased significantly during the past couple of decades. Figure 7.1 confirms the rapid growth of African exports to China. Imports from Africa grew from US$1,423 million in 1995 to US$5.54 billion in 2000, US$66.896 billion in 2010, and US$113.087 billion in 2012. The primary products imported were mineral products, base metals, precious stones and metals, and textiles and clothing (Figure 7.3). Nearly two-thirds of all African exports (66 percent) to China are oil and related products (Besada Wang and Whalley 2008), followed by iron ore, cotton, diamonds, timber, and copper. Overall, nearly 24 percent of China's total oil imports come from Africa and, of this, slightly more than half comes from Angola alone (USEIA 2013).

In 2012, South Africa and Angola ranked as the top African trading partners of China for imports, accounting for imported products worth US$44.615 billion (South Africa) and US$33.458 billion (Angola).

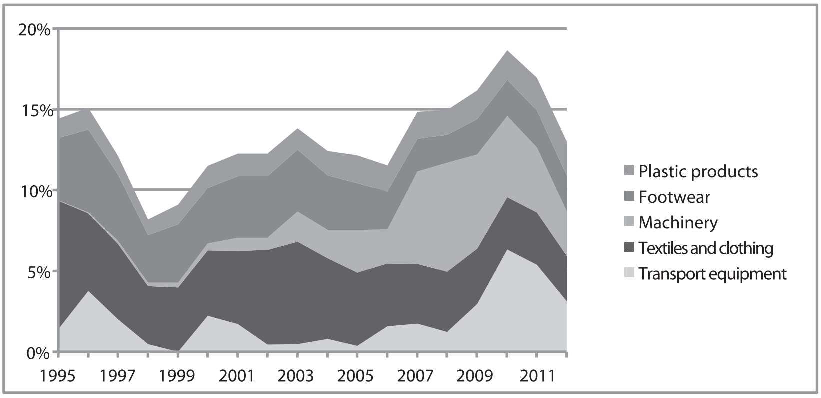


Figure 7.2 China's Main Export Products to Africa

Source: Tralac, 2013

China-Africa cooperation has, however, not been a one-way affair. African countries have also benefited from China's trade policies, namely the removal of tariffs on 196 imports from 28 least developed African countries in 2005; duty-free imports for various products; and the expansion of African exports tariffs exemption. These developments may have contributed to Angola, Congo, Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, Libya, Mauritania, South Africa, and Zambia experiencing trade surpluses with China in recent years. For example, in 2012, the highest trade surplus was from South Africa and Angola, at US$29.414 billion and US$29.281 billion, respectively.

These benefits notwithstanding, Africa needs to both capitalize on its increased trade with China to gain greater access into Asian markets and diversify its export products (Songwe and Moyo 2012). In the area of infrastructure development, for example, African states must seek to steer infrastructure investment toward the maintenance and development of new infrastructure. And despite China's recent trade deficit with African countries, there is no denying that China has found a ready market for its cheap consumer products and is aggressively trying to take control of the African market. For African countries, China accounts for the bulk of the continent's increase in exports. China's increasing demand for African products has also helped gain competitive prices for the commodities, partly accounting for the recent stronger African growth performance.

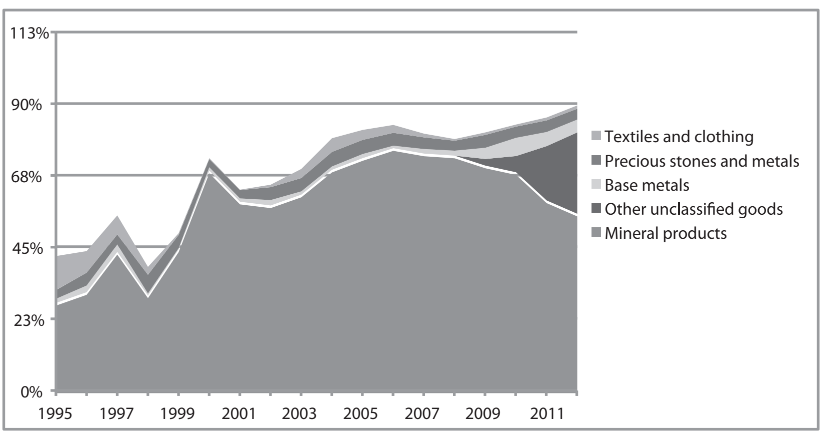


Figure 7.3 China's Main Import Products from Africa, 1995–2012

Source: Tralac, 2013.

Foreign Direct Investment

Chinese FDI in Africa

China's financing and FDI to Africa has dramatically expanded in recent years. The growth has advanced the "political and economic interests of China while also providing Africa with much needed financial resources and technology" (Christensen 2010, 1). FDI constitutes an essential element in the relationship between China and Africa: Chinese FDI stock in Africa stood at US$16 billion at the end of 2011.

While Chinese FDI in Africa has been steadily growing since the 2000s, the year 2008 witnessed the highest increase. By the end of 2009, the value of Chinese FDI stock in Africa was approximately US$9.3 billion, accounting for 3.8 percent of China's total outward FDI stock. Despite this growth, the overall FDI percentage received by Africa is still very small. FDI inflows to Africa from China were only US$520 million in 2006, a small part of the total received by Africa.

In contrast, FDI into Africa from China dramatically increased and has continued to grow since 2003 (Besada, Wang, and Whalley 2008). According to the International Trade Centre (2013), by 2010, Africa was the fourth-largest regional recipient of Chinese outward FDI stock at US$13 billion, or 4.1 percent of the total. About 65 percent of China's outward FDI stock in Africa is concentrated in six countries: South Africa (31.8 percent), Nigeria (9.3 percent), Algeria (7.2 percent), Zambia (7.2 percent), DRC (4.8 percent), and Sudan (4.7 percent).

Today, South Africa remains the main recipient of Chinese FDI on the continent, followed by Sudan, Nigeria, Zambia, and Algeria. Chinese FDI to South Africa represents a quarter of total Chinese FDI stock in the entire African continent, followed by Nigeria (with a stock of US$1.03 billion), Zambia, Algeria, Sudan, DRC, Egypt, Ethiopia, Tanzania, and Mauritius (altogether accounting for US$243 million). China has joined the ranks of top investors in some least developed countries, such as Sudan and Zambia. In addition to resource-seeking FDI, the rapid industrial upgrading currently taking place in China provides opportunities for these countries to attract FDI in manufacturing (UNCTAD 2013).

China-Africa two-way trade flows have also been the main driver behind expanding BRIC (Brazil, Russia, India and China)-Africa trade ties. Between 2001 and 2011, it is estimated that China-Africa trade grew from US$10.8 billion to US$166.2 billion, with China's share of BRIC-Africa trade going from 47 percent to 62 percent. By comparison, during the same period, India-Africa total trade went from US$5.3 billion to US$63.1 billion, with India's share of BRIC-Africa trade rising slightly from 22.9 percent to 23.6 percent (Poon 2013). Indeed, according to the International Monetary Fund (IMF) (2011), BRIC's FDI to low-income countries (LICs) amounted to US$2.2 billion in 2009, 40 percent of which was destined for sub-Saharan Africa. The proportion was even higher for China, since nearly half of the Chinese FDI flows to LICs were destined for Africa (in particular, resource-rich countries such as Nigeria, Zambia, DRC, and Niger).

As might be expected, China's FDI in Africa is varied, with investments covering mining, financing, manufacturing, construction, tourism, agriculture, forestry, animal husbandry, and fisheries. China also crucially relies on Africa for its critical "imports of cobalt (more than 80 percent), primarily from Gabon, South Africa and Ghana … chromium (South Africa, Madagascar, and Sudan) … [and] timber (mainly from Gabon, Republic of Congo, and Cameroon)" (Christensen 2010, 3). Hence, it is no surprise that mining and manufacturing makes up more than 50 percent of the FDI received by African countries.

Chinese FDI in Africa is generally considered to be beneficial to African countries. There is evidence suggesting that China's investments in Africa have encouraged similar steps by other emerging economies, although the official statistics do not yet show this (Renard 2011). Investments in agriculture, for example, are very important for African governments' food security needs. China also appears committed to supporting research and innovation in Africa by building technology centres, sending scientists to transfer technology to African countries, and helping to upgrade African products—support that has made it possible for some African countries to boost their production and exports (Besada, Wang, and Whalley 2008). For example, in Zimbabwe, Chinese investors have helped process tobacco into cigarettes for export. In Gweru (Zimbabwe) investors have entered into joint ventures with local companies to establish a large cement factory, which will address national demand (Besada, Wang, and Whalley 2008).

Another recent development is the expansion of Chinese financial institutions into Africa. According to the United States International Trade Commission (USITC) (2014), as of the end of 2012, FDI from China in Africa's financial service sector was estimated at

US$3.87 billion, accounting for 17.8 percent of China's total FDI in Africa. Two of the four major Chinese state-owned banks (Bank of China and China Construction Bank) opened branches in Africa, and the Industrial and Commercial Bank of China invested US$5.5 billion for a 20 percent stake in South Africa's Standard Bank in 2007 (USITC 2014; The Economist 2014). And, in 2010, Bank of China's Johannesburg branch clinched the first renminbi (RMB) trade settlement in Africa. By 2013, the bank had established a full range of businesses using RMB—covering settlements, clearing deposits, and loans—and its volume of RMB businesses had reached RMB $12.6 billion (US$2.02 billion). Also, earlier in 2007, China UnionPay partnered with the National Bank of Egypt to allow automated teller machines (ATMs) to accept UnionPay credit cards—by 2013, UnionPay credit cards had been accepted for use at ATMs in more than 40 African countries (USITC 2014).

Emerging African FDI to China

Chinese FDI in Africa has attracted the attention of scholars and the general public. However, African countries—most notably Mauritius, South Africa, Seychelles, Nigeria, and Tunisia—also invest in China. In recent years, as African economies have expanded and China's market potential has grown, African enterprises have been investing more vigorously in China. Success stories resulting from such investments include a joint beer venture started by a South African enterprise in China that is now operating nearly seventy breweries, and a chemical fertilizer joint venture formed between Tunisian and Chinese enterprises that is becoming a leading compound fertilizer producer in China.

As of the end of 2009, accumulated direct investment by African countries in China amounted to US$9.93 billion, covering petrochemical engineering, machinery and electronics, transportation and telecommunications, light industry and household appliances, garments and textiles, bio-pharmaceuticals, agricultural development, entertainment and catering, real estate, and other sectors (State Council 2010). By 2012, Africans had invested US$14.2 billion in China, a 43 percent increase from the US$9.9 billion invested by 2009. In 2012 alone, the amount of direct investments from Africa to China was about US$1.4 billion, mostly in the petro-chemical, manufacturing, wholesale, and retailing industries. According to the Chinese government's white paper on China-Africa economic and trade cooperation, the top African investors in China came from Mauritius, South Africa, Seychelles, and Nigeria (Li 2015).

Extractives Industry

Until the recent economic slowdown, China was one of the fastest-growing economies in the world. A key development in China's economic story came about in 1993 when China became an energy importer instead of a net exporter. China's demand for oil has since been so huge that in 2004 the country became the world's second largest oil importer, after the United States (van de Looy 2006). With its vast petroleum potential, Africa was seen as an excellent partner. Today, China's crude oil imports from Africa are huge, with a quarter of such imports coming from countries such as Algeria, Angola, Chad, Sudan, Nigeria, Gabon, and Equatorial Guinea.

Oil remains by far the largest component of the products imported by China from Africa (Figure 7.4). China's imports of crude oil from Africa increased from US$258.2 million in 1995 to US$3.6 billion in 2000, US$40.37 billion in 2010, and US$53.80 billion in 2012.

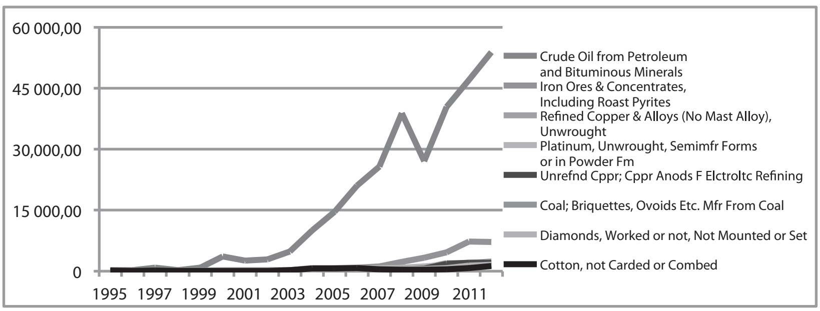


Figure 7.4 Chinese Imports of African Crude Oil and Other Products, 1995–2012

Source: Tralac, 2013

Despite the rapid increase of Chinese imports of oil from Africa, the United States remains the largest importer of crude oil from African countries.

The increase of crude oil imports from Africa to China has benefited both China and African countries: Africa's oil helps to support the high economic growth enjoyed by China in recent years; until recently, China offered Africa a secure source of export gains and therefore a source of economic growth and welfare for its people.

China's Trade with Africa and Per Capita GDP in Africa

Grasping the extent to which China-Africa cooperation shapes macroeconomic development and the growth of African countries is central to determining the impact of cooperation at the national level. The relationship between the volume of trade and the per capita GDP level suggests an upward trend, with countries with higher volumes of trade mirroring higher per capita GDP levels. Though the analysis is simplistic and the time series data (from the World Bank's World Development Indicators and the Trade Law Centre) does not cover a long enough period to establish correlations or definite conclusions on the significant impact of trade with China on the per capital GDP growth of African countries, it is appropriate to establish some associations between the two variables.

China imports a wide range of commodities from Africa (for example, crude oil, iron ore, cotton, diamonds, timber, other minerals). African agricultural products, which suffer from global price shocks, have also found profitable markets in China. For instance, Burkina Faso, Benin, and Mali provide China with 20 percent in total of its cotton imports; Côte d'Ivoire and Ghana are important sources of cocoa; Kenya sells large quantities of coffee and tea; and Namibia and Sierra Leone provide large shipments of fish and fishmeal. Such previously non-valorized African products have found a market and competitive prices at the international level in China, helping to boost the production and exports of African countries, and therefore boosting economic growth.

The general trend mirrors findings from studies by Bazika (2009) and Nabine (2009), with China becoming Congo's premier partner in oil and timber exports within a period of five years (Bazika 2009). Congolese trade with China has been a vital factor in that country's strong economic growth from 2000 to 2007. Nabine (2009), on the other hand, contends that while in the short term, bilateral trade with China does not contribute much to Nigeria's economic growth, this relationship will greatly enhance economic growth over the long term. Moreover, Ancharaz and Tandrayen-Ragoobur (2010) also demonstrate that cheap imports from China have benefited consumers in Mauritius.

By the same token, the rise in public agro-industrial firms initially created to meet China's domestic needs have become internationalized as part of China's so-called Go Global policy. The largest of these firms is the China State Farms Agribusiness Corporation (CSFAC), which has played a crucial role in the establishment of the Koba rice farm in Guinea, the Sino-Zambian Friendship Farm, and some investments in Tanzania. China's ZTE Agribusiness Company Ltd has a significant presence in the DRC and in Sudan, especially in the production of agro-fuels from rubber. The China National Cereals, Oils and Foodstuffs Import and Export Corporation (COFCO), a key figure in Chinese trade, specializes in selling foodstuffs, cereals, and oils, and is China's leading importer and exporter in these sectors. The Complant group invests mainly in three sugar plants in Madagascar, Sierra Leone, and Benin, while China Agriculture, Livestock and Fisheries is active in Sierra Leone. Other firms are involved in developing processing infrastructures, such as the China National Overseas Engineering Corporation for the Ségou sugar plant in Mali. Lastly, certain firms like Geocapital are beginning to invest in the agro-fuel industry. However, contrary to popular belief, the gains and inroads made by Chinese agro-industrial companies have not been smooth. There have been many failures and the majority of successes are the result of several years of experience on site (Gabas and Goulet 2013).

The number of regional public firms is increasing: examples include the Shanxi Province Agribusiness Group, which has a notable presence in Cameroon; the Hubei Agribusiness Group (in Mozambique); and Chongqing Seed, which specializes in commercial operations in the field of seeds and owners of agricultural sites, notably in Tanzania. The latter, which is based in Chongqing, receives support such as tax exemptions and advice from the Chinese government to help it establish an overseas presence.

China's increased investment presence—the fastest-growing external source of infrastructure financing for Africa, with investment growing from US$4.5 billion in 2007 to US$9 billion in 2010 (Schiere and Rugamba 2011)—is viewed by some observers as a stimulus that can help to emancipate Africa from unfavourable controls such as structural adjustment (Cheru and Obi 2013; Girouard 2008). However, given China's blended cooperation package of aid, investment, trade, and skills/technology, it is impossible to disentangle what is genuine FDI from bilateral aid and supplier/construction contracts (Poon 2013).

Challenges and the Way Forward

China is a complex actor and Africa a complex continent. While predominantly state-led in its economic policy, China's approach differs depending on which African country it is cooperating with and what actors are involved in Africa, be they state or non-state. Some of this interaction has been positive, with major investments at very flexible terms going to aid projects; other interactions have been highly problematic and as a result have damaged China's reputation (Brown and Chun 2009). For China, cooperation is largely influenced by diplomatic considerations, an unabashed determination to affirm its status as an emerging power within the multilateral system, and a goal to defend its economic interests (foreign trade, especially foreign direct investment) (Gabas and Goulet 2013).

As with many other cooperation initiatives, China-Africa relations have produced threats and conflicts that need to be addressed in order to fully collect the gains from a mutually beneficial strategic partnership. The challenges are associated with, among other things, the revised macroeconomic landscape in China; lack of an explicit policy toward China by Africa; Chinese labour practices and market strategies; sustainability of Chinese development initiatives; transfer of technology and capacity development issues; and the roles of civil society and Africa's development agencies. Carefully and comprehensively taking these challenges into account would result in a win-win relationship between Africa and China.

Revised Macroeconomic Landscape

The gradual downturn in China's economy is not only impacting and shaping its cooperation with African countries, but its global dealings in general. As China's economy has slowed down, productivity has dropped and some factories have closed while others have introduced automation to cut costs and enhance efficiency in the face of rising labour costs. China's recent market turmoil and yuan devaluation is affecting global financial markets and has led to higher short-term volatility in currency, bond, stock, and commodity markets. Moreover, the new dynamics have led market participants to reassess the likelihood and severity of a slowdown of the Chinese economy (Alfred 2015). As Alfred further points out, "[S]harper than expected slowdown of China's economic growth is one of the big external risks to Africa's growth forecast … [the other being] a further decline in oil prices and a sudden deterioration in global liquidity" (Alfred 2015, 1). The effect of the changing economic landscape has translated into fewer exports from Africa to China, as well as lower commodity prices, which in turn is affecting African commodity exporters.

Africa's Policy toward China

China's Africa Policy, issued in January 2006, is a well-known document produced by China in order to guide its relationship with Africa. According to the policy, China will unswervingly carry forward the tradition of China-Africa friendship and, proceeding from the fundamental interests of both the Chinese and African peoples, establish and develop a new type of strategic partnership with Africa, featuring political equality and mutual trust, economic win-win cooperation, and cultural exchange (Brown and Chun 2009). The general principles and objectives for guiding China-Africa cooperation as set out in this policy are: sincerity, friendship, and equality (political aspect); mutual benefit, reciprocity, and common prosperity (economic aspect); mutual support and close coordination (international aspect); and learning from each other and seeking common development (social and cultural aspect). The document, which describes the key priority areas with respect to its interaction with Africa, remains the driving force for lasting China-Africa relations.

As Brown and Chun (2009, 10–11) further point out, China created the FOCAC (Forum on China–Africa Cooperation) in 2000 in order to integrate China's Africa policymaking and implementation, further strengthen cooperation between China and Africa, jointly meet the challenge of economic globalization, and promote common development. A platform for collective consultation and dialogue and a cooperation mechanism between the developing countries, the FOCAC was established at the behest of some African countries to better coordinate interaction with the entire continent, both sub-Saharan and North Africa, foreign ministries, and other organizations and actors. Sadly, there appears to be no clear African policy position or clear guideposts for that continent's interaction with China. In the absence of a policy strategy at the continental, regional, or national level, individual African countries must deal with China bilaterally rather than as a bloc.

Labour Practices and Market Strategies

The usual complaint against Chinese entrepreneurs is that they rarely employ local workers in Africa, causing considerable resentment in African countries where unemployment remains a significant problem. Chinese entrepreneurs prefer using their own labourers, and most management positions are filled by Chinese nationals to avoid the cost of training African workers and because Chinese workers are less likely to agitate about working conditions. In fact, imported Chinese workers are often subjected to dismal labour conditions, including being housed in dormitory-style buildings (IHLO 2007). Chinese company practices also lead to discontent among the communities where these enterprises operate, with these communities often accusing Chinese companies of not contributing enough to local economies and employment. In places where African workers are hired, relatively low wages are paid and/or cases of abuse are often reported. Examples of this practice include, but are not limited to, having thousands of Chinese labourers and engineers being imported to build Ethiopia's US$300-million Tekezé Dam. In Sudan, where Chinese workers constructed an oil pipeline, 74,000 Chinese people remain in the country and 10,000 are employed by the oil company, China National Petroleum Corporation (CNPC). Chinese workers were also used in several other African states, including Namibia and Zimbabwe.

Another challenge is the tensions arising from the success of Chinese goods on the African market, which are often cheaper than local products. While African consumers are happy, parallel domestic industries (especially textile industries) suffer as a result. This conflict is illustrated by two mass demonstrations in Dakar, one in support of Chinese merchants, the other in opposition. Similar protests have occurred in South Africa (Anshan 2007).

On the flip side, African merchants in China face more social and institutional issues than linguistic problems (Cissé 2013). Negative perceptions and prejudices about Africa and Africans among some Chinese people persist, at times fanning social tensions linked to racism and discrimination in streets and/or markets. Well-established African traders in China complain about a lack of support from the Chinese government and from their respective governments to access credits or loans, which has a negative impact on their business activities. Furthermore, African traders have highlighted the difficulties in obtaining long stay permits and visas (Cissé 2013).

Sustainability of Development

Environmental issues associated with exploitation by Chinese companies have been a serious concern in Africa, compromising the sustainability of its economic development and growth. China has been accused of causing serious environmental damage in Mozambique, southern Sudan, and Equatorial Guinea, for example. The growing resentment regarding the environmental impact of Chinese activities and the failure of Chinese companies to address them has resulted in protests and violence.

In southern Sudan, local villagers attacked a Chinese oil team, killing its leader, whom they accused of poisoning their land. Chinese workers have also been killed in Ethiopia, Zambia, and Equatorial Guinea (Horta 2009). In 2005, riots broke out in Zambia when an accident occurred in a Chinese-owned mine in Kabwe, Zambia's Copperbelt, and claimed the lives of 46 miners. Then in April 2007, 37 people were killed by an explosion that occurred at a copper mine in Kitwe in which the Beijing General Research Institute of Mining and Metallurgy has interests. These deaths led to riots and calls for the government to kick the Chinese out. In Nigeria, the Movement for the Emancipation of the Niger Delta (MEND) and other local militant groups, fighting against environmental degradation and underdevelopment of local communities, have kidnapped expatriate oil workers, including Chinese workers (Horta 2009).

Technology Transfer and Capacity-Building

The importation of Chinese workers and the occupation of all managerial positions in projects in Africa by Chinese personnel do not encourage and translate into a transfer of technology to Africa. While China is making some effort to address this issue (Moumouni 2010)—providing technical assistance in agriculture, for example—technology transfer from China to Africa has a long way to go. As a case in point, local technicians often find it difficult to operate Chinese-built infrastructure due to the language barrier and a lack of spare parts (Moumouni 2010). Recent efforts made in Sudan and Nigeria are encouraging. With China's help, Sudan has changed from an oil importer to an oil exporter, with a whole system of exploration, production, refining, and exportation. With China's help, Nigeria launched its first communications satellite (Rotberg 2008).

Recently, China has been trying to address the technology transfer and capacity-building gap through training programs and university scholarships. In Ethiopia, for example, a large training and vocational education centre financed by Chinese aid and jointly operated by the two countries opened in early 2009. The school enrols approximately 3,000 students, with courses taught by Chinese and Ethiopian teachers in construction skills, architecture, engineering, electronics, electrical engineering, computers, textiles, and apparel—all areas of interest to the several hundred Chinese companies now operating in Ethiopia (Bräutigam 2009).

However, African countries have not being overly responsive. As documented by Bräutigam (2009), in Liberia, for example, a team leader wrote that his team would be leaving in nine months, and they were still waiting for counterparts to arrive: "I hereby want to repeat that I ardently wish all our Liberian Deputies to take their posts as soon as possible … so that they can run the project by themselves after our leaving." In Sierra Leone, a local newspaper recalled that although the Chinese constructing the massive Youyi ministerial building "asked for Sierra Leone counterparts in every one of the sections, to understudy them and to be *au fait* with the equipment," the government failed to supply counterparts until three weeks before the Chinese team left.

Role of Civil Society Organizations

In the interaction between China and Africa, the role played by civil society has been more or less marginal. Africa's civil society nonetheless has played a key role in fostering the debate within Africa on key political, economic, and social issues. Generally, in keeping with its self-assigned role as state watchdog, African civil society has been critical of aspects of Chinese aid policy and the conduct of some of its businesses. In particular, civil society groups are concerned that China is having a negative impact on local labour, trade, governance, and the environment.

If similar efforts are also undertaken by Chinese civil society groups, the Africa-China relationship would be based on more accountability from the politicians and businesspeople and be more beneficial for both regions. Viewing the relationship as a cooperative exchange of information and joint work arrangement between Chinese and African civil society organizations would certainly help.

Role of African Development Agencies

Africa's development agencies such as the African Development Bank (AfDB) and the African Capacity Building Foundation (ACBF) have an important role to play in raising awareness and providing technical support. The AfDB, as a leading multilateral partner and financier for Africa's development, needs to keep conducting studies in order to constantly take an in-depth look at various aspects and areas of the China-Africa partnership. The AfDB should also consider making funds available and encouraging African investors to invest in China or engage in joint ventures with Chinese entrepreneurs. Undertaking a partnership with Chinese financial institutions such as China Eximbank could foster sustainable mutual development.

There is a need to assist in advancing the capacity of African governments and local investors such that their interaction with China is not skewed. For example, developing the capacity of leaders on the strategic priorities, trade negotiations, issues related to natural resources, and so on could boost the capacity of African decision makers and businesspeople and lead to beneficial relationships and the exchange of best practices. Development agencies can also advance the capacity of African institutions both nationally and regionally, especially in areas of trans-boundary resource management (ACBF 2013; Chikozho 2012), and create opportunities for information and best practice exchange between Chinese and African partners.

Conclusion

China and Africa need each other. China is ravenously seeking raw materials to support and sustain its extraordinary growth rates; it also needs allies to bolster international recognition as a world power. Thus, China views African countries as ideal partners—hence, the reason for an intensification of cooperation and exchanges between the two regions since the 2000s. However, Sinophobic narratives have been describing China's intervention in Africa as a new type of colonialism, while pro-China views consider the China-Africa relation as mutually beneficial and based on an economic win-win partnership.

The analysis shows that trade volume between Africa and China has increased considerably during recent years, though it remains small compared to trade with the United States and the European Union. It is noteworthy, however, that trade is dominated by imbalances associated with the structure of goods traded—raw materials from Africa to China and manufactured products back to Africa. Investment has been on the rise, driven primarily by extractive industries, and natural resource exports, particularly of oil by African countries, have helped China fill its energy gap and support its macroeconomic growth. Overall, Africa-China relations have benefited both regions.

Many African governments are also working hard to build effective partnerships with China. A well-known example, although not the only one, is the success of the Huajian Group shoe manufacturer in Ethiopia. Again, the recent rise of Chinese private investment is contributing to Africa's transformation and job creation. African nations just need to intensify such partnerships. Doing so will ensure the impacts of China's current economic slowdown do not significantly disrupt Africa countries' macroeconomic plans.

While the general consensus is that China-Africa cooperation has been beneficial to both regions, there persist some threats associated with Chinese import competition and the potential damage to local industries. Aside from labour practices and market strategies, accountability and governance challenges need to be addressed to ensure that the relationship between China and Africa is sustainable and beneficial to both regions. Africa and China need to enhance mutual consultations (while also engaging with other entities such as the US and EU) to ensure there is a transfer of technology, expertise, and capacity development under their strategic partnership process. The establishment of an African policy toward China—because of its transparency and guiding abilities—would be a positive development and help enhance the gains that have already been made from this partnership.

References

ACBF (African Capacity Building Foundation). 2013. "Africa Capacity Indicators Report 2013: Capacity Development for Natural Resource Management." Harare: ACBF.

Alfred, C. 2015. "Why China's Economic Woes Are Causing Alarm in Africa: Will the Crisis Be a Wake-Up Call for African Governments to Speed

Up Reform?" *The World Post*, September 25, http://www.huffingtonpost.com/entry/china-economic-problems-africa_55e76780e4b0c818f61a81ef

Ancharaz, Vinaye Dey, and V. Tandrayen-Ragoobur. 2010._"Impact of China-Africa Trade Relations: An In-Depth Case Study of Mauritius." University of Mauritius._

Anshan, Li. 2010. "African Studies in China: A Historiographical Survey" n *Chinese and African Perspectives on China in Africa,* ed. Axel Harneit-Sievers, Stephen Marks, and Sanusha Naidu, 2–24. Oxford: Pambazuka Press.

———. 2007. "China and Africa: Policy and Challenges." *China Security* 3(3) (2007): 69–93.

Arthur, P. 2012. "Averting the Resource Curse in Ghana: Assessing the Options," in *Natural Resources and Social Conflict: Towards Critical Environmental Security*, ed. L. Swatuk and M. Schnurr, 108–127. London: Palgrave Macmillan.

Ayenagbo, Kossi, Wang Rongcheng, Chen Xueting, Ajibike Omolola Lawani, Tommie Njobvu, and Désiré Bessan. 2012. "Sino-Africa Economic and Trade Relations: Its Impact and Implications on the African Continent." *African Journal of Business Management* 6(21): 6420–6427.

Bazika, Jean-Christophe Boungou. 2009. "The Impact of China's Trade Relations in Africa: The Case of the Republic of Congo." Brazzaville: The Economic Policy Analysis Study and Research Center (CERAPE).

Beijing Axis. 2013. "China in the Developed World." *The China Analyst*, September.

Besada, Hany, Yang Wang, and John Whalley. 2008. "China's Growing Economic Activity in Africa." NBER Working Paper no. 14024.

Bräutigam, D. 2009. *The Dragon's Gift: The Real Story of China in Africa.* New York: Oxford University Press,

———. 2010. "China, Africa, and the International Aid Architecture." Working Paper no. 107. Tunis: African Development Bank, April 2010.

Broadman, Harry G. 2007. *Africa's Silk Road: China and India's New Economic Frontier*. Washington: World Bank.

Brown, Kerry, and Zhang Chun. 2009. "China in Africa: Preparing for the Next Forum for China Africa Cooperation." Asia Programme Briefing Notes, Chatham House, London.

Cheru, Fantu, and Cyril Obi. 2013. "De-Coding China-Africa Relations: Partnership for Development or '(Neo) Colonialism by Invitation'?" Uppsala, Sweden: Nordic Africa Institute.

Chikozho, Claudious. 2012. "Towards Best-Practice in Transboundary Water Governance in Africa: Exploring the Policy and Institutional Dimensions of Conflict and Cooperation over Water," in *Rethinking Development Challenges for Public Policy*, ed. Kobena Hanson, George Kararach, and Timothy Shaw, 155–200. London: Palgrave Macmillan.

Christensen, Benedicte Vibe. 2010. "China in Africa: A Macroeconomic Perspective." Working Paper 230. Washington, D.C.: Center for Global Development.

Cissé, Daouda. 2013. "South-South Migration and Trade: African Traders in China." Policy Briefing. Centre for Chinese Studies, Stellenbosch University.

Copley, Amy, Fenohasina Maret Rakontondrazaka, and Amadou Sy. "The U.S.-Africa Leaders' Summit: A Focus on Foreign Direct Investment." *Brookings* (blog), July 11, 2014. https://www.brookings.edu/blog/africa-in-focus/2014/07/11/the-u-s-africa-leaders-summit-a-focus-on-foreign-direct-investment/

Dollar, David. 2016. *China's Engagement with Africa – From Natural Resources to Human Resources*. John L. Thornton China Center Monograph Series, no. 7. Washington D.C.: Brookings Institute, July.

Dreher, Axel, Peter Nunnenkamp and Rainer Thiele. 2011. "Are 'New' Donors Different? Comparing the Allocation of Bilateral Aid Between Non-DAC and DAC Donor Countries." *World Development* 39(11): 1950–1968.

The Economist. 2014. "ICDC and Standard Bank—Limited Partnership: The Biggest Banks in China and in Africa Team Up Again." *The Economist*, February 1, 2014. http://www.economist.com/news/finance-and-economics/21595496-biggest-banks-china-and-africa-team-up-again-limited-partnership

Fantahun, H. Michael. 2013. "Africa-China Relations: Neocolonialism or Strategic Partnership? Ethiopia as a Case Analysis." Ph.D. Thesis, School of Business and Economics, Atlantic International University, Honolulu, Hawaii.

Finger, Joseph, and Mordechai Kreinin. 1979. "A Measure of 'Export Similarity' and Its Possible Uses." *The Economic Journal* 89(356) (1979): 905–912.

Frank, Andre. 1979. *Dependent Accumulation and Underdevelopment*. New York: Monthly Review Press.

Gabas, Jean-Jacques, and Frédéric Goulet. 2013. "South-South Cooperation and New Agricultural Development Aid Actors in Western and Southern Africa China and Brazil—Case Studies." AFD Working Paper no. 134.

Girouard, Étienne. 2008. "China in Africa: Neo-Colonialism or a New Avenue for South-South Cooperation?" Africa-Canada Forum.

Goldstein, Andrea, Nicolas Pinaud, Helmut Reisen and Xiaobao Chen. 2006. "The Rise of China and India: What's In It for Africa?" OECD Development Centre Studies no. 10, OECD Publishing.

Grevi, Giovanni. 2010. "Making EU Strategic Partnership Effective." Working Paper no. 105, December. Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE).

Harneit-Sievers, Axel, Stephen Marks, and Sanusha Naidu. 2010. *Chinese and African Perspectives on China in Africa*. Oxford: Pambazuka Press.

Horta, Loro. 2009. "But Africa's Poor Don't See China as a Great Power." *YaleGlobal*, November 13.

ICTSD. 2016. "Africa Exports to China Plunged by Almost 40 Percent in 2015." *Bridges Africa—Analysis and News on African Trade and Sustainable Development*, January 21. Geneva: ICTSD. http://www.ictsd.org/bridges-news/bridges-africa/news/african-exports-to-china-plunged-by-almost-40-percent-in-2015.

Idun-Arkhurst, Isaac, and James Laing. 2007. "The Impact of the Chinese Presence in Africa." London: Africapractice.

IHLO (Hong Kong Liaison Office of the International Trade Union Movement). 2007. "China's Exportation of Labour Practices to Africa," http://www.ihlo.org/CINTW/ArticleLabourPracticeExport.html

IMF (International Monetary Fund). 2011. "New Growth Drivers for Low-Income Countries: The Role of BRICs." Paper prepared by the Strategy, Policy, and Review Department, IMF.

Information Office of the State Council. 2010. "China-Africa Economic and Trade Cooperation." People's Republic of China: IOSC. Chinese Government Official Web Portal. http://www.gov.cn/english/official/2010-12/23/content_1771603_4.htm

International Trade Centre. 2013. *International Trade Statistics, 2013*. www.intracen.org/itc/market-info-tools/trade-statistics.

Iyasu, Alula. 2013. "China's Non-Interference Policy and Growing African Concerns." *African Arguments*, July 18.

Jenkins, Rhys, and Chris Edwards. 2006. "The Asian Drivers and Sub-Saharan Africa." *IDS Bulletin* 37(1): 23–31.

———. 2004. "How Does China's Growth Affect Poverty Reduction in Asia, Africa and Latin America?" Expanded Report to DFID.

Kalu, Nkemjika. 2012. "Understanding Africa's China Policy: A Test of Dependency Theory and a Study of African Motivations in Increasing Engagement with China." Political Science Department, University of Nebraska, Theses, Dissertations, and Student Scholarship, Paper 21.

Kamau, Paul. 2010. "China's Impact on Kenya's Clothing Industry," in *Chinese and African Perspectives on China in Africa*, ed. Axel Harneit-Sievers, Stephen Marks, and Sanusha Naidu, 108–127. Oxford: Pambazuka Press.

Kragelund, Peter. 2010. "The Potential Role of Non-Traditional Donors' Aid in Africa." ICTSD Programme on Competitiveness and Sustainable Development, Issue Paper no. 11. Geneva, Switzerland: International Centre for Trade and Sustainable Development, February.

Li, Bo. 2015. "Africans Also Investing in China." *Africa Renewal Online*, August. http://www.un.org/africarenewal/magazine/august-2015/africans-also-investing-china#sthash.znCllXnZ.dpuf

Maru, Mehari. 2013. "China-Africa Relations: Democracy and Delivery." Report by the Al Jazeera Center for Studies.

Ministry of Commerce. 2011. *China Commerce Yearbook*. Department of Outward Investment and Economic Cooperation, People's Republic of China.

———. 2010. *Statistical Bulletin of China's Outward Foreign Direct Investment*. Ministry of Commerce, People's Republic of China.

Moumouni, Guillaume. 2010. "China's Relations with African Sub-Regions: The Case of West Africa." *The Bulletin of Fridays of the Commission* 3(1), African Union Commission.

Moyo, Dambisa. 2009. *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa*. London: Allen Lane.

Muekalia, Domingos. (2004) "Africa and China's Strategic Partnership." *African Security Studies* 13(1): 5–12.

Nabine, Djeri-wake. 2009. "The Impact of Chinese Investment and Trade on Nigeria Economic Growth." ATPC Work in Progress no. 77, African Trade Policy Centre, Economic Commission for Africa.

Naidu, Sanusha. 2010. "China in Africa: A Maturing of the Engagement?" In *Chinese and African Perspectives on China in Africa*, ed. Axel Harneit-Sievers, Stephen Marks, and Sanusha Naidu, 25–38. Oxford: Pambazuka Press.

Naim, Moises. 2007. "Rogue aid." *Foreign Policy* 159 (March-April 2007): 95–96.

Nkrumah, Kwame. 1965. *Neo-Colonialism: The Last Stage of Imperialism.* London: Thomas Nelson and Sons.

Owusu, Francis, Cristina D'Alessandro-Scapari, and Kobena Hanson. 2014. "Moving Africa Beyond the Resource Curse: Defining the 'Good Fit' Approach Imperative in Natural Resource Management and Identifying the Capacity Needs," in *Capacity Development and Natural Resource Management in Africa*, ed. Francis Owusu, Cristina D'Alessandro-Scapari, and Kobena Hanson, 206–225. Houndmills, Basingstoke: Palgrave Macmillan.

People's Republic of China. 2013. "China-Africa Economic and Trade Cooperation." Beijing: Information Office of the State Council.

———. 2006. "China's African Policy." Beijing: Information Office of the State Council.

Prebisch, Raúl. 1964. *Towards a New Trade Policy for Development.* New York: United Nations.

Qiang, Zeng. 2010. "China's Strategic Relations with Africa," in *Chinese and African Perspectives on China in Africa*, ed. Axel Harneit-Sievers, Stephen Marks, and Sanusha Naidu, 56–69. Oxford: Pambazuka Press.

Rampa, F., and S. Bilal. 2011. "Emerging Economies in Africa and the Development Effectiveness Debate." European Centre for Development Policy Management, Discussion Paper no. 107.

Renard, Mary-Françoise. 2011. "China's Trade and FDI in Africa." Working Paper Series no. 126. Tunis, Tunisia: African Development Bank, May.

Rotberg, Robert. 2008. *China into Africa: Trade, Aid and Influence.* Washington: Brookings Institution Press.

Schiere, Richard, and Alex Rugamba. 2011. *Chinese Infrastructure Investments and African Integration.* Tunis: African Development Bank.

Songwe, Vera, and Nelipher Moyo. 2012. "China-Africa Relations: Defining New Terms of Engagement," in *Foresight Africa: Top Priorities for the Continent in 2012*. Washington, D.C.: The Brookings Institution: Africa Growth Initiative. https://www.brookings.edu/wp-content/uploads/2016/06/01_china_africa_relations_songwe_moyo.pdf

Swann, Christopher, and William McQuillen. 2006. "China to Surpass World Bank as Top Lender to Africa." *Bloomberg News,* November 3.

Taylor, Ian. 2006. *China and Africa: Engagement and Compromise.* New York: Routledge.

Taylor, Peter. 1992. "Understanding Global Inequalities: A World-Systems Approach." Geography 77(1): 10–21.

Tralac (Trade Law Centre). 2013. "Africa-China Trading Relationship." China-Africa Trade Data. http://www.tralac.org/2013/08/14/africa-china-trading-relationship/

Tu, Jianjun. 2008. "Sino-African Relations: Historical Development and Long-term Challenges." *China: An International Journal* 6(2): 330–343.

Tull, Denis. 2006. "China's Engagement in Africa: Scope, Significance and Consequences." *Journal of Modern African Studies* 44(3): 459–479.

United Nations. 2010. "South-South Cooperation: Africa and the New Forms of Development Partnership." Economic Development in Africa Report, United Nations Publications.

UNCTAD (United Nations Conference on Trade and Development). 2013. "Global Value Chains: Investment and Trade for Development." World Investment Report, New York: United Nations.

———. 2010. "Economic Development in Africa Series: South-South Cooperation—Africa and the New Forms Development Partnership." New York: United Nations.

USIEA (U.S. Energy Information Administration). 2013. *China Country Analysis Brief.* Washington, D.C.: U.S. Department of Energy, April 22.

USITC (United States International Trade Commission). 2014. "China's Trade and Investment in Financial Services with Africa." Executive Briefings on Trade, October.

Vaes, Sarah, and Huib Huyse. 2013. "New Voices on South-South Cooperation between Emerging Powers and Africa: African Civil Society Perspectives." KU Leuven: HIVA-Research Institute for Work and Society.

van de Looy, J. 2006. "Africa and China: A Strategic Partnership?" ASC Working Paper 67. Leiden, The Netherlands: African Studies Centre.

CHAPTER 8

South-South Cooperation's Contribution to Local Development and Urban Planning in Africa[1]

Cristina D'Alessandro

Introduction

North-South development aid, South-South Cooperation (SSC), and Triangular Cooperation (TrC) are expressions and dynamics related to the North-South divide paradigm. This vision of a bipolar world, schematically divided into a rich North and a poor South, going back to the Cold War, was linked at that time to the definition and theoretical developments related to what was known as the Third World. Despite the end of the Cold War era and the related emergence of countries and economies described as "in the between," such as the newly industrialized countries (the Four Asian Tigers[2] in the 1970s, then the BRICS, CIVETS, and VISTA[3] emerging economies), the binary North-South division continues to be used to describe and evaluate financial and economic relations between countries in the context of the post-2015 development agenda. Furthermore, the variety of acronyms indicates that "emergence" (generally intended as the dynamics by which an economy reaches an intermediary level of income) may not be uniquely defined from an economic and even social point of view. Dominant approaches of emergence in social science rely on economics or on the consequences of economic factors on the changes produced in international relations and geopolitics (Fleury and Houssay-Holzschuch 2012). Some economists are even questioning, or indicating the end of, the paradigm of emergence, especially in

China, but also in Egypt and in other contexts. A series of structural weaknesses—a poor business environment, deficient legal framework, insufficient education system, deficient infrastructures, and inefficient innovation system—make Chinese emergence unsustainable (Mbaloula 2011). In Egypt, the contradiction between high economic growth and the incapacity to reduce widespread and dramatic poverty levels and unemployment originated in the Arab Spring—democratic uprisings that arose independently and spread across the Arab world in 2011—and stopped emergence (Gana-Oueslati and Moisseron 2011). Falling oil prices and the Arab Spring have certainly affected the international relations arena, reducing the role of oil-producing countries over-relying on extractives, and destabilizing North Africa and the Middle East, with serious consequences for emergence.

Despite this fragmentation, the multipolar world has not yet replaced the dual division, also because the precise functioning and distribution of this multifaceted reality has still not been entirely captured. In a global, complex, and swiftly changing world of renewed or reconfigured actors (such as pressure groups, civil society platforms, collective leadership) and new dynamics (for example, corporate social responsibility, economic crises, new wars), the North-South divide is still considered as relevant and adapted to represent the world, although the economic, political, and digital divides (Crampton 2003) are nowadays contested.

According to the North-South division of the world, North-South development aid, despite its criticisms and related problems, remains a key source of financial assistance for poor and middle-income countries, especially in Africa. If properly redefined to respond to new challenges, official development assistance (ODA), with its distinct focus on poverty eradication and reducing inequality, is critical not only for the amount of financial support that it brings but also for its consequences. It is not only a purely technical support, but also a political exercise, and it also helps mobilize other sources of development finance. Nevertheless, the 2008 world economic crisis has heavily affected Northern economies and reduced the flow of official development assistance (United Nations 2015). For this and other reasons, the finance for development framework meant to implement the Sustainable Development Goals (SDGs) calls for a new, alternative, and creative development finance mechanism (Schmidt-Traub 2015) that will have a real impact on African realities, as is the case nowadays for private equity and philanthropy.

SSC is part of this move and call for alternatives, in line with the post-2015 development agenda and its call for effectiveness and managing for development results. Beyond the shift from "aid" (a unidirectional process) to an "exchange of knowledge and resources" (a bidirectional dynamic), SSC is supposed to effect a change of the modalities by which development dynamics take place. The International Labour Organization (ILO), the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD-DAC), the Economic and Social Council (ECOSOC), and the United Nations Development Programme (UNDP) are all active in SSC. While the ILO and UNDP are often partner institutions on specific SSC initiatives, the OECD-DAC has more of a monitoring and analytical role, and the ECOSOC has a prominent role in the United Nations Office for South-South Cooperation, guiding the UN strategy and action in this area. In 2008, the Third High-Level Forum on Aid Effectiveness, held in Accra, opened the way for SSC to emerge as a dominant discourse in the development arena. The Accra Agenda for Action, summarizing the main outcomes of the Forum, recognizes SSC as a valuable complement to North-South Cooperation (NSC) and especially encourages TrC, recognizing its greater chance to be effective while incorporating knowledge and learning from developing countries. This move has been subsequently confirmed in 2010 by the Bogota Declaration—the result of the High-Level Event on South-South Cooperation and Capacity Development. It has been recognized once more in 2011 during the Fourth High Level Forum on Aid Effectiveness in Busan. This last event especially encouraged widening the constituency of stakeholders of SSC, most particularly with respect to regional and multilateral organizations, facilitating contacts and mediations between developing countries, and encouraging knowledge exchanges as part of SSC initiatives.

The most fundamental change between the North-South framework and the SSC model, along the lines of effectiveness and the focus on development results highlighted by the Paris Declaration (2005) and the Accra Agenda for Action (2008), is the shift from state-to-state development cooperation to more concrete, focused, and consequently "local" interventions, targeting well-identified and defined spaces, generally of limited size: decentralized SSC, defined and analyzed below. Given this new perspective, this chapter uses a geographical approach to analyze SSC, presenting the wide variety of SSC initiatives that may be found in Africa; provides the example of Brazilian decentralized SSC in African contexts, with a focus on agriculture, one of its main areas of application; highlights the differences from urban decentralized SSC, the other key domain in Africa and the core of this chapter; draws lessons learned from the examples presented; and links urban decentralized SSC to urban planning in African contexts. The chapter concludes by presenting views on the wider post-2015 development framework, while taking into account the outcomes of the Financing for Development Conference.

The aim of this chapter is to investigate whether SSC (and, more specifically, decentralized SSC) produces a real change of dynamics in the development arena or if, despite the new discourses and the addition of some stakeholders, the projects and operations remain sensibly equivalent. The best way to examine this subject is to analyze the local spaces involved in decentralized SSC projects from a geographical perspective, to evaluate the spatial dynamics in place and their eventual novelty. Though material changes in the landscape are of course important, symbolic changes (especially the capacities built and the knowledge produced and shared) are also crucial. As groundwork for this, it is necessary to present an overview of geographical approaches on SSC, as they exist in the literature.

SSC From a Geographical Perspective

Using a spatial perspective, geographers have helped to shed new light on SSC projects, emphasizing that these cannot be considered *new* dynamics and also that in the end they are not so different from North-South assistance. Beyond shifts in the vocabulary from "aid" or "development assistance" to "development cooperation" or "partnerships," SSC is not less exploitative or less centred on power games than development projects or postcolonial relations between former colonizers and developing countries (Lee, Castree et al. 2014).

Within the post-2015 development agenda and the SDGs, SSC has nevertheless been part of a move to transform the development landscape, making it more complex (with new and more numerous actors) and turbulent (with conflicts related to resource governance and calls for local content and beneficiation and protests on land grab and redistribution, among others). North and South are, in fact, converging and cooperating on jointly promoting development, intended as support to the private sector to build prosperity, toward a vision of what may be called "global public good." Private-sector-led economic growth is seen as the engine of development, to ensure that it is sustainable, long-term, and internally driven; SSC projects may also be targeted to private-sector development. Beyond the diversity of the positive and negative interpretations of the changes brought about by the remapping between the North and the South, experts agree on a different articulation of power (Mawdsley 2008; 2010; 2015) between states, firms, civil society, markets, and international and non-governmental organizations.

Social hierarchies associated with the previous aid and development system and even postcolonial states are challenged (Six 2009): donors are not only from the North, and the South does not only include recipient countries. Furthermore, the shift toward capacity-building and knowledge production and sharing has changed the way development is conceived and delivered, transforming and diversifying the elites who benefit from development projects. This imposes the need for a critical analysis of spatial relations in the new hybridized development cooperation landscape. Emma Mawdsley observes that these transformations emphasize "the imperative to re-tune critical development geography" (Mawdsley 2012, 269). This includes a multi-scalar analysis[4] of "power hierarchies, cultural divides and vested interests within and across the South" (McEwan and Mawdsley 2012, 1204). The development strategy of a country such as China, for instance, cannot be properly understood by referring only to national policies and leadership discourses: the variety of Chinese stakeholders involved in development projects, their needs and shifting focus, must be taken into account, as well as regional dynamics taking place in South-East Asia and the influence of eventual changes in Northern development trends and policies. Anwar (2014) notes that research on sector-specific investments and studies focusing on the national scale of SSC remain limited. This chapter argues that analyses concentrating on the local scale and on the multi-scalar consequences of SSC in Africa are also little investigated.

Chinese authorities see SSC as a strategy of mutual benefit, as a series of partnerships more than assistance, with a stronger focus on Africa and on least developed countries, compared to other Asian countries (OECD 2012). This vision is a multi-scalar approach of SSC. Furthermore, China's One Belt, One Road (OBOR) initiative[5] indicates that a long-term and multi-scalar Chinese SSC vision is not to be excluded (Dollar 2015). OBOR is, in fact, supposed to be a frame for implementing a number of SSC projects in the spaces included.

Its implementation will certainly change the political and economic geography of Africa, for instance polarizing the dynamics of East Africa, and having linkages and fallouts for West Africa, especially along the coast. The number of ports with Chinese participation that are planned or under construction along the Gulf of Guinea is growing, and more corridors (such as the one starting in Lobito, Angola) linking them with East African ports will be built in the future. OBOR will also have major local consequences for port cities: the existing ones (for example, Mombasa, Djibouti) will see an increased Chinese engagement in industrialization and services, through public financing of infrastructure projects and private-sector investments (AllAfrica 2015). Other port cities, like Bagamoyo, in Tanzania, are being realized and will engender a new form of urbanization and interconnectedness between the port, the city, the hinterland, the country, and the corridor (that is, the corridor that is supposed to connect Tanzania to Angola).[6] From a geographical point of view, this means that China has a strong multi-scalar geographical impact on African spaces. The impact, for example, of a Chinese industrial investment in a port city like Bagamoyo or Lobito cannot be properly analyzed and measured only at the urban scale. The national, the regional East-African, and the continental consequences (for the environment, job creation, the possible interaction with other existing activities, migration, and so on) must be considered at the same time to understand its scope, as well as its direct and indirect effects. The same applies to SSC initiatives, even focusing on knowledge and capacity building: their analysis must not be limited to the scale of the single project, for there are national consequences (positive and negative) on policymaking, learning shared, and the replication of the initiative in other contexts.

The same applies to dynamics related to natural resource investments: they also have multi-scalar consequences. Pipelines or refineries, as well as other infrastructures for the extraction, transportation, and processing of oil and gas are material artifacts transforming local spaces, but they have broader impacts on the environment, employment, economic, political, and geopolitical interactions among stakeholders at the local, national, and sometimes continental and global scales (Mbanga 2015; Rosen 2015). This also implies that stakeholders often operate contemporaneously at various scales, adapting their strategies and gaining advantage from their multi-scalar presence and action. A stakeholder's participation in an SSC initiative certainly goes beyond the specific space and location of that specific project.

Decentralized Cooperation

As indicated by a background study conducted by the Economic and Social Council (ECOSOC) to identify the emerging trends in SSC: "virtually all Southern bilateral development assistance is in the form of project loans and grants. […] The Republic of Korea has indicated that it will in the future deliver a higher proportion of its assistance through performance-based approaches […]. The Arab multilateral funds (including the OPEC Fund) and the governments of Kuwait, Saudi Arabia, United Arab Emirates and Venezuela have provided balance of payment support to finance oil imports" (ECOSOC 2008, 12). The report shows that the bulk of SSC is channelled through project-oriented aid, technical cooperation, food, emergency, and humanitarian assistance. Although this is not specific to development cooperation targeting African countries, it applies to them too, and it shows that these forms of cooperation impact spaces at various scales, from local projects to national technical support, to regional and international humanitarian assistance.

The rhetoric of demand-driven cooperation or priority given to countries with strong institutions and sound development strategies is common to India[7] and China SSC (Aneja 2015; Gu 2015): however, realities on the ground in Africa are more complex, depending on the political and economic benefits involved, and have to be considered without neglecting their micro-regional consequences within the same recipient state, sometimes increasing internal spatial disparities between regions or spaces in the same country. This is the case, for example, in the partnership between India and Sudan, in which the African state is a key partner. "Indian state-owned engineering companies are helping build road infrastructure in Sudan but these projects tend to be geographically clustered[8] and therefore risk exacerbating the development gap between the center and the periphery, which is regarded as a key cause of Sudan's conflicts" (Aneja 2015, 6). In fact, uneven development projects targeting only some regions increase spatial disparities and tensions between populations that perceive them as an unfair and unequal treatment from national authorities. Indian SSC in Africa is mainly concerned with information and communication technologies and land investments (Anwar 2014): both sectors have a different but crucial impact on physical and symbolic spaces. While the first improves spatial networks with social, economic, and political consequences on the spaces concerned, the second is mainly supposed to improve agricultural productivity, thereby transforming the landscapes, the physical features of these spaces, and their attractiveness for local communities and investors.

South Africa provides a wide range of in-country support to African states (from military support to scholarships for African students), but its development cooperation in Africa has lacked vision and strategy, due to the inability to agree in the South African government (Lucey 2015), undermining the effectiveness and potential leading role of a renewed development cooperation strategy on the continent. South Africa's steps within the BRICS New Development Bank and the IBSA shed light on the leadership role of the country in the implementation of SSC in Africa.

South Africa's relationship with China is key to understanding both players' role in SSC in Africa, as well as the broader BRICS functioning. South Africa is China's largest trading partner in the continent: this relationship is then incontestably rooted in economic motivations, but geopolitical considerations are also key to understanding how China's public and private sector are effectively able to tap into Africa's natural resources. South Africa has a unique role in African geopolitics and in global politics. "The South Africa[n] and Chinese governments and companies on the continent are increasingly aligned, allowing power to be projected across Africa's borders in novel ways that may be more durable than [those of] their colonial precursors" (Carmody 2015). The Zambian border city of Livingstone is located at the intersection with Zimbabwe, Botswana, and Namibia; the presence there of the large South-African retailer Shoprite with a variety of businesses spreads South African interests across the four countries, while helping Chinese products to expand their market opportunities. If a real difference exists between Washington Consensus policies and BRICS in Africa, it is exactly this coordination, compared to the competition among Western countries. As Padraig Carmody notes, this coordination is achieved through foreign investment, including SSC projects, which constitutes a mutual interest (the win-win approach) and it comprises a variety of other new economic and political geo-governance strategies at various scales, deserving of particular attention from geographers, as this chapter shows for a specific category of these strategies. The Shoprite example highlights, in fact, the negative effects on Zambia of what is a win-win strategy for China and South Africa.

Turkey is part of another type of scenario, having more in common with other emerging donors, like Brazil and Mexico, than with China. With a limited strategic foundation for development cooperation and a focus on isolated projects without comprehensive programs (Hausmann and Lundsgaarde 2015, 3), Turkey is nevertheless increasingly converging with the Gulf States when financing infrastructure in Africa, for instance. Turkey predominantly targets countries in the northern part of the continent, but Somalia is its largest recipient in sub-Saharan Africa (Hausmann and Lundsgaarde 2015, 5). Like Turkey, the Gulf countries have historically directed their cooperation activities to North Africa: like China and Brazil, they are progressively expanding their geographical focus to sub-Saharan Africa, especially to the less developed Arab countries in the region (for example, Sudan, Somalia, Djibouti, and the Comoros). The overall logic of this expansion remains unclear; what appears for the moment is a preference of the Gulf States for bilateral arrangements. Despite challenges of transparency, accountability, and governance, these countries focus their SSC on humanitarian assistance and post-conflict reconstruction as a soft power strategy of influence (Tok 2015). This does not reduce their presence in and action on the spaces concerned, including the symbolic impact of their influence, the role they play in the imagination of the people concerned (Monnet 2011), especially in conflict-affected areas. These symbolic spaces are in a way the geographical dimension or consequence of the soft power (Antwi-Boateng 2013) of these countries.

Beyond the variety of initiatives, visions, strategies, economic benefits, and historical reasons behind SSC in Africa, there are concrete projects at various scales and often with multi-scale effects. Being especially concerned here with the impacts of these projects on the spaces concerned, decentralized cooperation is the type of SSC more relevant to the targeted goal of this chapter. Decentralized SSC (DSSC) is defined here as the collaboration between local authorities of developing countries for a specific common project or goal. It does not necessarily imply political and administrative decentralization, but it allows for the sharing of success stories, capacities, and knowledge in the context of local technical cooperation. Because of its prominent role in African economies, agriculture is a key sector, and for this reason examples of agricultural DSSC are presented below, with specific reference to Brazilian projects in Africa.

Example of Brazilian DSSC in Africa: Agriculture as a Key Sector

In recent years, South-South Cooperation (SSC) has been evolving toward multilevel strategies, establishing coordination between different scales of cooperation. Beyond some partial attempts (such as the strategy conceived by El Salvador), Brazil is a relevant example of multi-scalar Decentralized SSC (DSSC). The country has set in place structures to promote SSC between the Brazilian state and its counterparts in African countries; the federal government also provides financial and technical supports for sharing successful public policies with local governments in partner developing countries. "The example of Brazil's cooperation in Africa also highlights some of the institutional constraints that undermine the effectiveness of a multilevel approach to South-South development cooperation. Although the concept of multilevel cooperation is increasingly being institutionalized as part of the strategic orientation of Brazilian development cooperation, weak processes of decentralization in partner African countries means that little synergy, if any, actually exists in the cooperation activities of the different levels of the Brazilian government in Africa" (Nganje 2015, 5). African countries receive the majority of Brazilian funds for SSC and the main focus on capacity building is evident in the various initiatives, while most of the projects are in the agricultural sector (Leite, Sujama et al. 2014).

Agriculture is a key sector in SSC (and in DSSC) in Africa: it seems to be a form of revival of the local development projects promoted by Northern NGOs, mainly in rural areas, in the 1970s and 1980s as a major tool of Official Development Assistance (ODA). Quite common in Francophone Africa, where it is called "*développement communautaire*," the expression underscores the focus on rural communities and their livelihood strategies (Assogba 2008; Gueneau and Leconte 1998). This protracted attention on agriculture and rural spaces shows not only that landlocked areas still deserve to be the main target of initiatives (rural-urban migration and globalization have dramatically increased their isolation and disconnectedness from central spaces), but also that this trend is still relevant today despite the enhanced role of urban centres.

Embrapa, the state-owned Brazilian Agricultural Research Corporation, is the principal Brazilian institution for development cooperation in the agricultural sector. It was created in 1973, concentrating on developing Brazilian agriculture and agribusiness through knowledge and technology. Since the early 2000s, it has progressively and successfully shifted its focus toward international cooperation. It is responsible for Brazil's main projects in African agriculture: cotton in Benin, Burkina Faso, Chad, and Mali; rice in Senegal; and agricultural innovation in Mozambique (Leite, Sujama et al. 2014, 31). As an explicit and precise policy for Brazilian agricultural cooperation in Africa does not exist, Brazilian agricultural DSSC is made up of a variety of initiatives, programs, and projects carried out by various institutions and stakeholders. This absence of policies and background strategies is a common pattern in SSC, with the main limitation that the single initiatives are disconnected from each other, as isolated case-by-case projects. Despite this diversity of initiatives, for Brazil the general trend seems to focus on productivity and technological modernization of African agriculture, different from the pro-poor community development and bottom-up participation still leading the Western development discourse in Africa (Cabral and Shankland 2013). The consequences of this shift on the spaces concerned could be crucial, accentuating the role of commercial networks against local spaces.

The ProSavana program—a very ambitious and well-known trilateral initiative between Brazil, Mozambique, and Japan—is a positive example of the current trend of Brazilian agricultural cooperation in Africa. With a budget of US$500 million for twenty years (Leite, Sujama et al. 2014, 32), the program focuses on the agricultural development of the tropical savannah of Mozambique's Nacala corridor, substantially increasing the agricultural productivity of the land, based on the experience of the Brazilian Cerrado, considering the physical and social similarities between the two regions. This is made possible by the Nacala Fund, promoted by a variety of Brazilian and international stakeholders and aiming to attract private investment for developing agribusiness and food production in the region.

Through agricultural research, rural extension, development planning, and infrastructure development, ProSavana envisages supporting both commercial large-scale farming and smallholder subsistence agriculture to maximize the chance of increasing food security in the Nacala corridor (Chichava, Duran et al. 2013, 11–15). Despite these positive foundations, ProSavana has become a highly contested initiative, raising a wave of criticism and fear, as well as protests of civil society actors who denounce the way the project has been managed. The central role given to private investors to operationalize the project has been especially seen as negative, as if that made it more of a business plan than a development strategy. Investors and large foreign agribusiness companies, like the other private sector actors directly or indirectly linked to the ProSavana and operating in the Nacala, have been attacked for imposing their interests, such as the production of biofuels promoted by the Brazilian mining company Vale, on the region.

Analysts more precisely point out that the problem is not the presence of foreign private capital per se, but the organization of private interests to gain a prominent space in policy planning and in the operationalization of ProSavana. This is the "post-land grabbing mainstream trend" (Nogueira and Ollinaho 2013) that the ProSavana and other DSSC projects reveal. The multi-scale perspective of the ProSavana, from the farm level to the Nacala corridor to Mozambican policies, demonstrates that spaces and their transformation are at the core of the project. Private investors are the stakeholders driving changes at the various scales, or at least having a heavy influence.

DSSC in Urban African Contexts

Compared to the DSSC initiatives for agricultural development, such as the ProSavana project presented above, African urban spaces present different and original DSSC experiences. They are becoming a trend, although not yet fully developed compared to agricultural DSSC, for instance. For the moment, also due to the lack of previous experience, they also tend to concentrate on specific areas such as sanitation, waste management, environmental service delivery, and renewable energy. Triangular Cooperation (TrC) between states or including an international organization is quite common in urban DSSC and, because of technical and institutional advantages compared to other African countries, South Africa is a leading stakeholder—and often part of these collaborations. Its urban management and integrative urban planning approaches appear exemplary or offer ideas and learning to other African countries. United Nations agencies (such as UNICEF, mentioned in the example below) also commonly participate to these initiatives in African contexts.

The learning exchange between Maputo in Mozambique and Belo Horizonte and Porto Alegre in Brazil pertaining to waste management and to the transformation of the central market are examples of DSSC between African cities and urban spaces in other developing countries. This learning exchange is considered a TrC SSC initiative, as the project inspiration comes from South Africa, from Durban and its integrative policies for informal markets. Durban has an innovative and multifaceted approach toward informality: it was the first city in South Africa to adopt a policy regarding the informal economy in 2002, with various sub-policies to ensure implementation and related capacity-building activities. Receiving input from the three cities, and after reflections on learning and feasibility, Conselho Municipal de Maputo (CMM) (the municipal council of Maputo) has set in place a series of measures to organize and formalize informal markets in the city. Notably removed from unauthorized locations, street vendors are assigned to specific streets depending on the products they sell. These regulations include measures on hygiene and waste management (Dobson and eTafuleni 2012). Despite possible criticisms of formalization and of the strategies used by states and municipalities to regulate informal activities (Dibben, Wood, and Williams 2015), this example proves that urban DSSC has practical and precise objectives, addressed through collaboration and knowledge sharing, and in the end builds capacities and creates spatial networks in the cities involved.

Another triangular urban DSSC links Lahti in Finland with Bojanala Platinum in South Africa and Ho in Ghana. Based on a previous experience going back to 1996, just between South Africa and Finland, the initiative focuses on environmental issues. It started with the aim of strengthening environmental service delivery, building capacities in water and environmental management. A second stage, starting in 2005, attempted to ensure the sustainability of previous achievements and to introduce waste management—this last goal became more central in the third phase, launched in 2008.

The fourth phase of this cooperation includes Ho as well, and the goal is to develop functional environmental administrations in the two African cities involved. Lahti helped with its example of setting in place an environmental management system, taking into account mining activities and tourism while monitoring planning and implementing activities. The experience not only created long-term personal contacts between the administrations, but confirmed also the importance of getting the top-level management involved in these projects. This cooperation has claimed to be participatory and a mutual learning experience, especially when it comes to building capacities and supporting local administrations for environmental policymaking, based on local needs and solutions. The African local administrations have improved their accountability in water monitoring. The cooperation has built up the capacity to test water sources, upgrade devices, and train staff. It has also trained specific staff to guide waste sorting and collection. Technical expertise has been exchanged and transferred in number of areas, including air quality and climate change.

Ho has also cooperated with Lahti since 2010 and their common work focuses specifically on waste management and sanitation. Dry toilet technology has been progressively introduced, starting with some pilot schools. In 2011, activities widened their scope to environmental management, building the capacity of the environmental administration (Smith 2011, 26–27). As these two examples demonstrate, DSSC in urban African contexts emphasizes city-to-city learning, local authorities building capacity through city partnerships in order to define priorities, create collaborative work plans and monitor progress.

Examples of urban DSSC on renewable energies, in line with the Sustainable Development Goals (SDGs) and with climate change mitigation requirements, are flourishing across the continent. An initiative led by Renewable Energy and Energy Efficiency Partnership (REEEP), an international non-profit organization, is about local renewables and based on cooperation between the cities of Ekurhuleni in South Africa and Yogyakarta in Indonesia. Implemented by the International Council for Local Environmental Initiatives (ICLEI) (now called Local Governments for Sustainability), an international association of local governments working for sustainable development, with a total budget of €150,326,[9] the project aims to develop two model initiatives using local renewables that could facilitate the adoption of similar initiatives in other South African and Indonesian cities. As for the projects mentioned above, the main goal is to build the capacities of central governments, municipalities, and communities for energy efficiency and emissions reduction. Increasing social awareness and improving local, national, and international policymaking on renewable energies and the role of cities form the core of the project.

In the area of urban sanitation and water service delivery, an interesting initiative that started in 2014 includes the Ethiopian town of Wukro in the Tigray region and the Brazilian Water and Sewage Company of the state of Ceará (Cagece), as part of a trilateral DSSC between Brazil, Ethiopia, and UNICEF. The project is expected to have positive consequences for the health and the quality of life of residents, as well as for the urban environment. It is also potentially replicable in other Ethiopian towns and cities, where condominiums are not usually provided with systems to treat the waste water they produce. This is the purpose of the project as presented and explained to Ethiopia's Ministry of Water, Irrigation and Energy.

The Wukro experience included two exchange visits of high-level officials—experts in this area—to provide technical expertise for the development of a pilot sewage network in a condominium in Wukro and to advise the town on a better management system for the sewage network. Two field missions took place, in September 2014 and January 2015. During the second mission, Brazilian representatives also presented the project to the Ethiopian residents concerned, who are expected to play a key role in the management of the facility, along with local authorities. "The main outcome of the initial exchange visits has been the formalization of a two-year South-South collaboration agreement on Water Supply and Sanitation between the Governments of Ethiopia and Brazil. This agreement will run from 2015 until 2017. In addition to the exchange visits, innovative means for keeping the TSSC [Trilateral South-South Cooperation] dynamic and alive include an online tool for exchange by participants, as well as the use of audio/video tools for mainstreaming the connection, sharing learning in real time and creating virtual feedback and links" (Casella 2015, 5).

This initiative in Wukro, facilitated by UNICEF national offices in Ethiopia and Brazil, is then supposed to be a first practical step in the cooperation agreement signed by the two countries. The implementation of the project in Wukro is planned to be accompanied by the training of institutional partners and followed by expansion into other Ethiopian regions.

Another similar but peculiar initiative focuses on the city of Maseru in Lesotho. Planned along the same lines as the Wukro project, in this case the project concentrates on providing an Integrated Solid Waste Management Plan (ISWMP), but in Maseru it is at the level of the entire city. Furthermore, although modest in size compared to major African metropolises, Maseru is a capital city and its population is about eight times larger than that of Wukro.[10] It is consequently a more ambitious project, including, as in Wukro, a United Nations agency, in this case the United Nations Environment Programme (UNEP), through its International Environmental Technology Centre (IETC). In Lesotho, the project includes institutions at the local and national levels: the Ministry of Local Government; the Ministry of Trade and Industry; the Ministry of Finance; the National Environmental

Secretariat; the Lesotho National Development Corporation; and the Lesotho National Council of Non-governmental Organisations, all at the national level, plus the Maseru Metropolitan Council at the local level.

The supporting entity shows an original approach and a peculiarity: it is the University of Cape Town in South Africa, showing that universities can be the intermediaries and partner institutions through which DSSC takes place, focusing on research and capacity-building, awareness creation at various levels, and replicable experiences. Furthermore and most important, this urban DSSC is taking place between two African countries, showing that it is also possible to use African expertise in other African contexts, including in urban areas. The University of Cape Town has internal expertise in waste management, through its Environmental and Process System Engineering Research Group. UNEP provided funds of US$100,000 in total.

The need for action in this direction was shown by a preliminary analysis undertaken by the University of Cape Town, attesting to the inefficient waste management of Maseru since 2006 and demonstrating the possible increasingly dramatic consequences of this mismanagement, while taking into account the effects of population growth, industrialization, and the growing number and weight of commercial activities in the urban area. The model used in Maseru—the Integrated Solid Waste Management Plan (ISWMP)—is not unique to this case study, but has been used in other African and Asian cities by the IETC. It has perhaps been implemented on a larger scale in Nairobi, where a wider project included the training of experts from two Kenyan universities, to support the replication of these initiatives in other Kenyan cities or in neighbouring countries.

In the end, despite implementation gaps, this model of pilot projects helping to transfer knowledge and build institutional, technical, and planning capacities for waste management is a successful model to promote urban DSSC initiatives in line with the SDGs and the post-2015 development agenda.

Beyond the differences, the African urban DSSC experiences presented here emphasize some commonalities: the objectives that are generally related to sustainability and in line with the SDGs; the city-to-city collaborations and networks; the focus on replicability and the attention given to the national consequences, with multi-scale consequences. Furthermore, the central role of capacity-building for local governments and communities in a specific domain underscores that an important symbolic spatial dimension is added to the material transformation of the spaces concerned, as the views and knowledge of individuals on the spaces touched by the initiative are certainly affected.

The examples show that urban DSSC is a rising trend in the development cooperation field. Inspired by the African case studies, and especially the ones taking place in urban contexts, this chapter aims to especially contribute to elucidate whether DSSC is really a new and different strategy or if it is just a change of vocabulary, more adapted to the new post-2015 era. Highlighting elements of novelty and features of continuity with previous and other contemporary development strategies, this text aims at pointing out the lessons learned from some urban DSSC projects.

To start, as Padraig Carmody (2015) underlines, it is difficult to properly define DSSC. The definition used here for the purpose of this chapter encompasses these difficulties, as it underlines the goal of obtaining a specific and precise result in a well-defined space, despite the multi-scalar consequences of this change. Using a political and economic geography perspective, Carmody asserts that a main consequence of this development strategy is that power flows are not originated just by economic production (actually this is less and less the case in the contemporary knowledge economy), but always more from the circulation and exchange of products and services. In geographical terms, this means that spatial networks are becoming more relevant than what would be considered traditional continuous spaces and territories. Based on the examples previously quoted, it is furthermore added here that exchanges of knowledge, information, and capacities are equally crucial and powerful: they influence the symbolic and immaterial dimension of these spatial networks. If urban DSSC may have a peculiar value and a definition, this would perhaps focus on knowledge transfer, through local capacity building for replication of similar efforts.

The case studies emphasize the numerous challenges hampering DSSC in African contexts. They are especially, but not uniquely, linked to specific African difficulties, such as institutional capacity gaps and technical, infrastructural, leadership, financial, and planning problems. Despite the central role of national policies, strategies, and planning in creating enabling environments for local development projects, urban planning and transformation has a powerful and multi-scale effect in supporting intra-national and national change.

The question of how to make pilot projects replicable (in the same country and beyond) and therefore how to translate successful pilot projects into national development policy is not new. Pilot projects have been documented in rural development at least since the 1950s and not only in Africa. India has a long and exemplary history of pilot development projects in rural areas (Mayer 1959). The use of pilot projects has been widespread in the actions and discourses of non-governmental organizations and international organizations, notably the World Bank. Are contemporary pilot projects within the DSSC framework different from earlier experiences, beyond shifts of priorities, and a greater focus on urban problems? As the examples quoted emphasize, knowledge and capacity-building are at the core of contemporary DSSC initiatives. Furthermore, information and communication technologies (online platforms, user-friendly tools) enhance the chance of participation and dissemination of results, thus the replicability of lessons learned. DSSC involves as well a larger and more diversified set of stakeholders (including universities, civil society, private-sector businesses) beyond government actors. Some individuals, for instance, gain a determinant role: mayors of capital cities and metropolises for example, with consequences on urban geography and beyond. A mayor becomes a leader and through urban DSSC not only does the mayor transform a city, but then he or she acts in a spatial network, where decisions have multi-scalar impacts. Nevertheless, the question related to replicability, sustainability, scaling up, and policy changes remains: whether a pilot project is effective and has the potential to have a more important impact, if a complementary change in the government is set in place, ensuring a sufficiently effective service provision and policymaking and implementation (Edwards and Hulme 1992).

When it comes to implementation, political support (at the national and local levels) and active cooperation between national and local governments to create an enabling environment for the project are key. For example, the absence of a national strategy in a given domain makes it difficult for a local government to develop a policy framework at the metropolitan level. The technical side is fundamental: training and capacity to undertake the project are necessary; that is why universities are very important stakeholders in these processes. Last but not least, stakeholders' participation is critical, especially during the planning process, but remains a problematic aspect in contemporary development initiatives (Reed 2008). If leadership and its vision are then crucial, inclusivity of urban populations becomes vital to avoid conflict or side effects, especially in a global era when middle classes are expanding and are increasingly technologically aware, educated, and informed.

Urban DSSC initiatives are then in the direct line of evolution of local development, encountering similar challenges and benefiting from better technologies, lessons learned, and scientific and policy progress. Their novelties are more related to their goals and sectors, in line with contemporary needs (such as waste management), discourses (greener/smart cities), strategies and tools (capacity-building, knowledge platforms, and networks). Thus, the relations between these initiatives and urban planning in African contexts are inevitable and critical.

DSSC and Urban Planning

Contemporary urban planning and its evolution are at the core of urban transformation and will shape the future of African cities, at least in the short and medium terms. The challenges of urban planning in Africa are well known, as are the attempts to find solutions and effective strategies, and to test new and different initiatives. In Africa, urban planning is necessary and strategic to plan urban sprawl and growth. Nowadays African cities are pursuing complex and ambitious urban planning projects, especially trying to face increasing spatial inequalities (with the challenge of unplanned and informal urban spaces and the proliferation of spaces of leadership in metropolises and capital cities), discontinuous territorial development (with densely populated neighborhoods and dispersed and heterogeneous peripheries), and insufficient verticality. As Bolay (2015) points out, contemporary urban planning in Africa calls for an important change of mentalities, with at its core the recognition of the real role of informality (social, economic, property, and land use) in urban life. By doing so, "planning no longer serves as a control of inappropriate standards, but strives to bring order and harmony to the existing cities and better organize the future of cities, first taking into account those who live there and who bring them life" (Bolay 2015, 418). Urban DSSC could take a leading role in experimenting and suggesting new avenues for recognizing the key role of informality in efficiently planning African cities for the future (Simone 2004). Urban DSSC initiatives could then be pilot projects, but also *tests* for innovative solutions, especially as they could help in adapting national policies to municipal needs.

Positive examples of successful urban planning are flourishing around the continent and in multiple domains (from waste management to fostering innovation, from water and sanitation to housing, from rehabilitating city centres to creating industrial hubs, and more). By publicizing these initiatives and the results obtained, some African cities have been able in that way to attract foreign investments and businesses. Urban DSSC projects also have, as has been emphasized above, a critical symbolic dimension. This power could be extended for use in other domains, such as housing and neighbourhood rehabilitation. As they are not only private investments, but more importantly planning and management operations, through urban DSSC mechanisms, large housing projects could then become more open to participation by and inclusion of various stakeholders, including the inhabitants, and could be used as city-to-city learning experiences—akin to what happens for agricultural projects in regions with similar characteristics. The same could apply to urban landmarks and architectural experiences—similar to what happened for the Makoko Floating School in Lagos, Nigeria (Collins 2015)—and to peri-urban spaces. With respect to their evolution and planning, DSSC projects could guide and sharpen their critical role at the interface between the urban space and the hinterland. As spaces of change, creativity, diversity, and transit, peri-urban areas are particularly suitable for urban DSSC experiences.

Some African cities have a longer history of urban master plans set in place, then revised or changed over time; other cities are developing new and futuristic master plans. Metropolises such as Abidjan, Arusha, Kigali, Nairobi, and Lusaka confirm how important and positive the exercise of establishing a master plan can be, despite the challenges. Even though this trend is growing, not every major African city currently has its own master plan. The process by which such a plan is obtained, implemented, or revised could be an excellent opportunity for a DSSC project.

The main common concern remains the interface between the national and the local level: if national governments do not proactively develop national urban policies to sustain and guide urban choices within the national context and compatibly with national development strategies, municipalities are not properly empowered to take the lead for change. As has been demonstrated, this negatively affects the effectiveness and the multi-scalar impact of urban DSSC projects. A shortage of urban planning and management capacities in national governments leads to the incapacity to respond to urban transformation and could exacerbate urban dysfunctions and handicap the implementation of DSSC initiatives. The reform and revitalization of urban education and legislation is crucial: efforts and changes are certainly reported in some African countries (Watson and Agbola 2013), but the trend and pace must be pushed.

This is exactly where the connections between urban planning and DSSC become relevant and crucial. As previously emphasized, urban DSSC mainly aims at building capacities and enhancing knowledge. These projects also focus on creating awareness to help replicate pilot projects across countries and even across continents. DSSC is also generally more flexible for the stakeholders included, compared to past local development projects, theoretically favouring participation and inclusivity, at least in principle, as they must be guaranteed by the project. They are also sectoral projects with precise and specific goals, able to function as enablers for urban transformation, if leadership properly sees and uses them as opportunities. Urban DSSC may help create innovative modes of urban governance, based on new transactions and agreements between urban stakeholders, including the actions undertaken by residents, even when they are informal, because the stakeholders involved see them as normal and functional.

Urban DSSC initiatives also generally have two main levels (national and urban), encouraging synergies and the alignment of policies and strategies. By securing financing for a specific and well-defined goal, urban DSSC projects are also in line with global requirements. They create visions, trends, and similar and replicable development actions around the globe.

Conclusion

In 2016, the world entered the post-2015 development era and adopted SDGs as the operational goals and tools ensuring and guiding development. The change brought by the SDGs is double: a different vision and a new direction for its implementation. The different vision adds the environmental dimension as a central goal, complementing the Millennium Development Goals' (MDGs) efforts to end poverty, while the implementation is envisioned at a variety of scales, from the most local to the regional and global, which are added to the national level that was central for the MDGs. The important and rapid changes that have happened in the last fifteen years explain these new and diverse directions.

The SDGs have also formally recognized the centrality of urban spaces for development: global change goes through and is potentiated by cities. Urban DSSC initiatives are particularly relevant because they apply to urban contexts the general rising trend of DSSC discourse. Emphasizing participation and inclusion of a variety of stakeholders in urban planning with precise and concrete goals, urban DSSC aims to build up the institutional and technical capacities of municipalities and governments, improving the life of urban residents and having a positive impact on national policies.

The post-2015 agenda brings new strategies, discourses, and goals, such as turning waste into a resource, recycling, building resilient and environmentally sound infrastructures, strengthening urban adaptation to climate change, and investing in clean energy and sustainable and resilient buildings. Plus, the Addis Ababa Action Agenda (AAAA) of the Third International Conference on Financing for Development acknowledged the expenditures and investments in sustainable development as critical for scaling up development efforts, and the need to build up the financing capacities of municipalities and other local authorities. The AAAA provides a formal framework for urban DSSC, making these initiatives perfectly adapted to the vision and goals of the SDGs: "We will strive to support local governments in their efforts to mobilize revenues as appropriate. We will enhance inclusive and sustainable urbanization […] by strengthening national and regional development planning, within the context of national sustainable development strategies" (United Nations 2015, 16). In fact, these principles are similar and in line with the Maputo Roadmap for South-South Cooperation for Local Governments, which has been promoted by the International Labour Organization (ILO) since 2012 (ILO 2013, 40–41), confirming the underlying connection. Urban DSSC is thus an expression and a tool of the contemporary vision and philosophy of sustainable development and capacity development.

Notes

1. This chapter is part of the Qatar Foundation's National Priorities Research Program (NPRP) 6-1272-5-160.
2. The Asian Tigers are Hong Kong, Singapore, South Korea, and Taiwan.
3. BRICS is the acronym for Brazil, Russia, India, China, and South Africa. CIVETS is used for Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa. VISTA indicates Vietnam, Indonesia, South Africa, Turkey, and Argentina.
4. In human geography, multi-scalar refers to an analysis using more than one scale at the same time. In a global world, it becomes a common and normal procedure

due the need to look at realities from different levels to better understand its complexity and consequences.

5. The One Belt, One Road (OBOR) initiative has two components: the Maritime Silk Road and the continental Silk Road Economic Belt. It is an official initiative presented by the Chinese government starting in autumn 2013. The project, based on a comprehensive infrastructure network and on a new China-centred pipeline network, is the implementation of a vision supposed to encourage cooperation between selected Eurasian and African countries, inspired by the ancient Silk Road.
6. The infographic by Merics is a useful tool for visualizing these dynamics and the multi-scalar consequences: http://www.merics.org/en/merics-analysis/infographicchina-mapping/china-mapping.html
7. The Indian vision of SSC is in principle similar to the Chinese SSC strategy (principle of non-interference, demand driven), but perhaps more focused on new financing instruments (such as lines of credit) and technology transfers.
8. Only some well-defined regions are concerned with these projects.
9. http://www.reeep.org/projects/local-renewables-south-south-cooperation-between-cities-india-indonesia-south-africa
10. The more relevant information on the project for the specific purpose of this paper may be found by accessing two UNEP weblinks: http://unep.org/south-south-cooperation/case/casefiles.aspx?csno=53 and http://www.unep.or.jp/ietc/GPWM/data/T3/IS_3_3_ISWMP.pdf

References

AllAfrica. 2015. "Africa: Kenyan Scholar Says China's Silk Road to Power Africa's Industrial Progress." AllAfrica, November 17, 2015. http://allafrica.com/stories/201511181094.html

Aneja, U. 2015. "Shifting Currents: India's Rise as a Development Partner." UNU-CPR, Tokyo, November 2015. http://i.unu.edu/media/cpr.unu.edu/attachment/1798/UNUCPR_ShiftingCurrents_Aneja_.pdf

Antwi-Boateng, O. 2013. "The Rise of Qatar as a Soft Power and the Challenges." *European Scientific Journal* 9.31 (December 2013): 39–51.

Anwar, M.A. 2014. "Indian Foreign Direct Investments in Africa: A Geographical Perspective." *Bulletin of Geography. Socio-economic Series* 26. 26 (2014): 35–49.

Assogba, Y. 2008. *Développement communautaire en Afrique. Comprendre la dynamique des populations*, Québec: Presses de l'Université Laval,

Bolay, J.-C. 2015. "Urban Planning in Africa: Which Alternative for Poor Cities? The Case of Koudougou in Burkina Faso." *Current Urban Studies* 3 (2015): 413–431.

Cabral, L., and A. Shankland. 2013. "Narratives of Brazil-Africa Cooperation for Agricultural Development: New Paradigms?" Future Agricultures/UK Economic and Social Research Council, Working Paper 51, March 2013. https://www.future-agricultures.org/events/political-economy-conference-2013/brazilian-and-chinese-engagement/

narratives-of-brazil-africa-cooperation-for-agricultural-development-new-paradigms-2/.

Carmody, Padraig. 2015. "The New Scramble for Africa." *Jacobin* 19, Fall 2015. https://www.jacobinmag.com/2015/12/china-south-africa-imperialism-zambia-brics-globalization/.

Casella, D. 2015. *The Start of a Shared Learning Journey. A South-South Water and Sanitation Services Partnership Between Brazil and Ethiopia*. Florence: UNICEF Innocenti Research Centre, August 2015. http://www.unicef.org/ethiopia/ETH_learning_note_1_south_south_collaboration_Brazil_Ethiopia.pdf.

Chichava, S., J. Duran, L. Cabral, A. Shankland, L. Buclkey, T. Lixia, and Z. Yue. 2013. "Chinese and Brazilian Cooperation with African Agriculture: The Case of Mozambique." *China and Brazil in African Agriculture* Working Paper 049, March 2013. https://www.future-agricultures.org/events/political-economy-conference-2013/brazilian-and-chinese-engagement/chinese-and-brazilian-cooperation-with-african-agriculture-the-case-of-mozambique-slides/

Collins, J. 2015. "Makoko Floating School, Beacon of Hope for the Lagos 'Waterworld'—a History of Cities in 50 Buildings, Day 48." *The Guardian*, June 2, 2015. http://www.theguardian.com/cities/2015/jun/02/makoko-floating-school-lagos-waterworld-history-cities-50-buildings

Crampton, J. 2003. *The Political Mapping of Cyberspace*. Chicago: University of Chicago Press.

Dibben, P., G. Wood, and C.C. Williams. 2015. "Pressures Towards and Against Formalization: Regulation and Informal Employment in Mozambique." *International Labour Review* 154(3) (2015): 373–392.

Dobson, R., and A. eTafuleni. 2012. "Hygiene, Health and Markets." *Peer Learning 3 in Maputo City, Mozambique.* UCLG Peer Learning, Maputo, October 2012. https://issuu.com/uclgcglu/docs/maputolearning_eng.

Dollar, D. 2015. "China's Rise as a Regional and Global Power: The AIIB and the 'One Belt, One Road.'" Brookings, Summer 2015. http://www.brookings.edu/research/papers/2015/07/china-regional-global-power-dollar

Edwards, M., and D. Hulme, eds. 1992. *Making a Difference: NGOs and Development in a Changing World*. New York: Earthscan.

Fleury, A., and M. Houssay-Holzschuch. 2012. "For a Social Geography of Emerging Countries." *EchoGéo*, https://echogeo.revues.org/13287.

Gana-Oueslati, E., and J.-Y. Moisseron. 2010. "La crise ou la fin du mythe de l'émergence en Egypte." *Maghreb-Machrek* 4 (206): 17–39.

Gu, J. 2015 . "China's New Silk Road to Development Cooperation: Opportunities and Challenges." UNU-CPR, Tokyo, Novembe. http://i.unu.edu/media/cpr.unu.edu/attachment/1803/UNUCPR_ChinasNewSilkRoad_Gu_.pdf.

Gueneau, M.C., and B. Leconte. 1998. *Sahel: les paysans dans le marigot de l'aide*. Paris: L'Harmattan.

Hausmann, J., and E. Lundsgaarde. 2015. "Turkey's Role in Development Cooperation." UNU-CPR, Tokyo, November. http://i.unu.edu/media/cpr.unu.edu/attachment/1801/UNUCPR_TurkeysRoleinDevelopment_HausmannLundsgaarde_.pdf.

International Labour Organization (ILO). 2013. "City-to-City and South-South and Triangular Cooperation." International Labour Office, Geneva.

Lee, R., N. Castree, R. Kitchin, V. Lawson, A. Paasi, C. Philo, S. Radcliffe, S.M. Roberts, and C. Whiters, eds. 2014. *The SAGE Handbook of Human Geography*. London: Sage.

Leite, I.C., B. Suyama, L. Trajber Waisbich, and M. Pomeroy. 2014. "Brazil's Engagement in International Development Cooperation: The State of the Debate." *Evidence Report 59*, Institute of Development Studies, May. http://r4d.dfid.gov.uk/pdf/outputs/RisingPowers/ER59.pdf

Lévy, J., and M. Lussault, eds. 2013. *Dictionnaire de la géographie et de l'espace des sociétés*. Paris: Belin.

Lucey, A. 2015. "South Africa's Development Cooperation: Opportunities in the Global Arena." UNU-CPR, Tokyo, November. http://i.unu.edu/media/cpr.unu.edu/attachment/1799/UNUCPR_SouthAfricasDevelopmentCooperation_Lucey_.pdf.

Mawdsley, 2008. E. "China and Africa." *Geography Review* 22: 34–36.

———. 2010. "Non-DAC Donors and the Changing Landscape of Foreign Aid: The (In)Significance of India's Development Cooperation with Kenya." *Journal of Eastern African Studies 4*(2): 361–379.

———. 2012. "The Changing Geographies of Foreign Aid and Development Cooperation: Contributions from Gift Theories." *Transactions of the Institute of British Geographers 37*(2): 256–272.

———. 2015. "Development Geography I: Cooperation, Competition and Convergence Between 'North' and 'South.'" Progress in Human Geography, August 27. http://phg.sagepub.com/content/early/2015/08/27/0309132515601776.abstract.

Mayer, A. 1959. *The Story of Rural Development at Etawah, Uttar Pradesh Pilot Project, India*. Berkeley and Los Angeles: University of California Press.

Mbanga, J. 2015. "Tanzanian Route Throws Race for Uganda's Oil Pipeline Wide Open." *The Observer*, October 14. http://www.observer.ug/business/38-business/40422-tanzanian-route-throws-race-for-uganda-s-oil-pipeline-wide-open,

Mbaloula, M. 2011. "La problématique de l'émergence économique des pays en voie de développement." *Revue Congolaise de Gestion* 2(14: 107–118.

McEwan, Mawdsley, E. 2012. "Trilateral Development Cooperation: Power and Politics in Emerging Aid Relationships." *Development and Change* 43(6): 1185–1209.

Monnet, J. 2011. "The Symbolism of Place: A Geography of Relationships Between Space, Power and Identity." *Cybergeo*, document 562. http://cybergeo.revues.org/24747?lang=en.

Nganje, F. 2015. "Decentralized Cooperation and the New Development Cooperation Agenda: What Role for the UN?" UNU-CPR, Tokyo, November. http://i.unu.edu/media/cpr.unu.edu/attachment/1804/UNUCPR_DecentralizedCooperation_Nganje_.pdf/.

Nogueira, I., and O. Ollinaho. 2013. "From Rhetoric to Practice in South-South Development Cooperation: A Case Study of Brazilian Interventions in the Nacala Corridor Development Program." Working Paper of the Institute of Socioeconomics of the University of Geneva, August.

OECD. 2012. "Trade-Related South-South Cooperation: China." OECD, Paris. https://www.oecd.org/dac/aft/South-South_China.pdf.

Reed, M. S. 2008. "Stakeholder Participation for Environmental Management: A Literature Review." *Biological Conservation* 141: 2417–2431.

Rosen, A. 2015. "An Oil Dispute in Niger Is Exposing Big Problems with Chinese Investment in Africa." *Business Insider*, September 30. http://uk.businessinsider.com/niger-oil-and-chinese-investment-in-africa-2015-9?r=US&IR=T.

Schmidt-Traub, G. 2015. "Investment Needs to Achieve the Sustainable Development Goals. Understanding the Billions and Trillions." SDSN Working Paper, November 12. http://unsdsn.org/wp-content/uploads/2015/09/151112-SDG-Financing-Needs.pdf.

Simone, A.M. 2004. *For the City Yet to Come. Changing African Life in Four African Cities*. Durham: Duke University Press.

Six, C. 2009. "The Rise of Postcolonial States as Donors: A Challenge to the Development Paradigm." *Third World Quarterly 30*(6): 1103–1121.

Smith, J. 2011. *Decentralized Development Cooperation – European Perspectives*. Paris: Platforma.

Tok, E. 2015. "Gulf Donors and the 2030 Agenda: Towards a *Khaleeji* Mode of Development Cooperation." UNU-CPR, Tokyo, November. http://i.unu.edu/media/cpr.unu.edu/attachment/1796/UNUCPR_GulfDonors_Tok.pdf.

United Nations. 2015. "Addis Ababa Action Agenda of the Third International Conference on Financing for Development." United Nations Department of Economic and Social Affairs, New York.

United Nations Economic and Social Council (ECOSOC). 2008. "Background Study for the Development Cooperation Forum. Trends in South-South and Triangular Development Cooperation." Geneva: ECOSOC. http://www.un.org/en/ecosoc/docs/pdfs/south-south_cooperation.pdf

Watson, V., and B. Agbola. 2013. "Who Will Plan African Cities?" *Africa Research Institute Counterpoints*, September. http://www.africaresearchinstitute.org/newsite/wp-content/uploads/2013/09/ARI-Counterpoint-Who-will-plan-Africas-cities1.pdf.

CHAPTER 9

Natural Resource Governance in Africa: Insights from Governance Initiatives on Conflict-Prone Minerals and Sustainable Forestry

Dr. J. Andrew Grant

Introduction

In recent years, South-South Cooperation (SSC) has witnessed a remarkable resurgence in terms of its importance to the conduct of international affairs. Observers ranging from academics to policy-makers and diplomats to media and global investment firms have noted the growth of SSC within governance initiatives, diplomacy, and trade. Invoking the term "resurgence" acknowledges that SSC is not particularly new—the Non-Aligned Movement (NAM), established in 1961, sought to bolster such South-South linkages as a means of countering colonialism and the push and pull of super-power politics during the Cold War. Although the NAM issued numerous declarations and held several conferences and meetings, it remained largely impotent on several fronts including natural resource governance. This was particularly compelling in the context of Africa. Even during the first few decades of the post-colonial era, many firms based in the countries of former colonial masters enjoyed a level of access to natural resources that benefitted few beyond a small number of elites in the Global South. The Soviet Union and the United States supported corrupt regimes in the event they needed access to strategic minerals. Under the auspices of the NAM, little in the way of meaningful SSC occurred. By the start of the 2010s, meetings and "summits" of Brazil, Russia, India, China, and South Africa—the BRICS—overshadowed greatly the NAM, as the former began to enjoy a prominent place within the contemporary architecture of global governance.[1]

Among BRICS members, China's impressive rise in its level of engagement across the globe, especially in Africa's natural resource sectors, has been subject to numerous scholarly studies, think-tank papers, and news media reports.[2] While such output is impressive, little analysis has been allocated to the modalities of China-Africa relations in the context of network governance, natural resources, and SSC. Hence, the purpose of this chapter is to remedy this gap in the scholarly literature. To this end, the chapter employs network governance theory (NGT) infused with a "new regionalisms" approach in order to examine the dynamics of SSC in the International Conference on the Great Lakes Region (ICGLR) and la Commission des Forêts d'Afrique Centrale (COMIFAC). Networks comprise the fundamental building blocks in any cooperative arrangement including *regional* and *global* governance frameworks and initiatives (see, for example, Jones et al. 1997; Duit and Galaz 2008; Provan and Kenis 2008; Davies 2011; Dickinson and Sullivan 2014; Alorse et al. 2015). On a theoretical level, SSC affirms the arguments and findings contained in NGT as well as in the new regionalisms[3] literature in the African context (see, for example, contributors to Grant and Söderbaum 2003; Shaw et al. 2003, 2011; Lorenz-Carl and Rempe 2013) regarding the growth of regionalization and regional governance in contemporary international affairs. Through this novel analytical approach, the chapter provides an assessment of the prospects of these two contemporary examples of natural resource governance by introducing recent evidence and insights from Africa. The chapter offers the following argument: SSC is not based on altruistic objectives as some have hoped. Rather, African countries themselves seek to benefit from such networks in the first instance (security, governance capacity, export revenues), and then benefit on a regional basis (e.g., regional stability, governance capacity, and development) in the second instance. Moreover, the second order of regional benefits also generates benefits for individual African state participants. For China's part, although the country does not directly interact with the regional governance regimes of the ICGLR and COMIFAC, it nevertheless represents an important destination for minerals and timber for the Chinese manufacturing sector and consumer markets. Hence, China's role is important yet indirect with respect to SSC modalities in these two cases. More generally, China exerts influence on Africa's SSC via soft power in the form of infrastructure-for-resources loans and diplomatic dialogue (Alves 2013; Sicurelli 2013, 24–29; Alden and Alves 2015) as well as concordant norms around sovereignty.

Following a discussion on the theoretical framework, the two main case studies—the ICGLR and COMIFAC—are examined in detail, with the penultimate section analyzing the prospects for the governance effectiveness of the ICGLR and COMIFAC. The chapter concludes by offering a set of reflections on China's role in SSC in general and a policy-relevant discussion of how the ICGLR and COMIFAC might improve their effectiveness in the context of the governance of natural resources in Africa.

Theoretical Framework

Since network governance theories have different ontological meanings that reflect the nuances of their scholarly disciplines, it is important to note that the present work views NGT as a framework that is influenced by variants of global governance theory (Hewson and Sinclair 1999; Mayntz 2003; Dingwerth and Pattberg 2006; Abbott 2009) and network theory (Rhodes 1996; Torfing 2005; Hafner-Burton et al. 2009; Ohanyan 2012) and focuses on the interactions between state and non-state actors in international affairs. A fundamental tenet of NGT is that the most effective provision of public goods relies on collective action of different types of stakeholders rather than commercial entities, states, state-based entities (such as intergovernmental organizations), or civil society organizations alone. These networks, which vary in terms of "thickness"—a reflection of authority and legitimacy—are built upon processes and linkages forged among and between public actors and private actors that facilitate the dissemination of information, sharing of expertise, augmented coordination, inclusiveness, and attendant levels of policy commitment among stakeholders (Grant et al. 2013; Sørensen and Torfing 2009).

NGT is therefore useful on two levels. First, it is a helpful means of mapping the connections between members of a particular network, shedding light on the degree of inclusiveness among stakeholders, and identifying entry points of influence by actors external to the network. Although the ICGLR and COMIFAC possess such linkages, only COMIFAC has been classified as a case of network governance thus far.[4] The chapter aims to address this oversight in the scholarly literature. Second, NGT enables one to evaluate key facets—authority, legitimacy, and effectiveness—of the architecture of international organizations and frameworks that comprise contemporary global governance. Although structures of networks should not be dismissed, the attendant counting of nodes and mapping of hierarchies associated with a "network-as-structure" approach are better suited for large-*n* studies of sociology and economics. The present comparative analysis of two detailed cases calls for a "network-as-actor" approach since it is concerned with the authority and legitimacy of each network and assesses prospects in terms of effectiveness. Specifically, NGT holds that the stronger the network density, the brighter the prospects for effective governance.

International Conference on the Great Lakes Region

Although the central and eastern parts of Africa have witnessed periods of systematic violence dating back to the colonial era, the past two decades have been particularly dire as measured by the deleterious impact of violent conflict on the human security of its civilian populations. These neighbouring and indeed overlapping geographical regions of the continent have witnessed several civil wars and military coups—exacerbated by cross-border support of various types of non-state armed groups including pro-government militias (Vogel 2013). Seeking a respite from the financial and human security (including forced migration) costs of such regional instability, the Central African Republic (CAR), Congo-Kinshasa, Sudan, and other states across the two regions were open to tackling the contributing factors to the violence. In 2006, Zambia, Tanzania, Sudan, Uganda, Rwanda, Kenya, Congo-Kinshasa, Congo-Brazzaville, CAR, Burundi, and Angola were encouraged by a "Group of Friends" (i.e., a minimally coordinated group of 28 external states and 10 multilateral / intergovernmental organizations) to sign a treaty known as the *Pact on Peace, Stability, and Development in the Great Lakes Region*. The *Pact*, which also counts the United Nations and African Union among its supporters, sets out the mandates, themes (e.g., human security), and protocols of the ICGLR. The ICGLR has a secretariat in Bujumbura, Burundi, which focuses on technical and organizational issues (Bøås et al. 2009). The ICGLR (which, since 2012, includes South Sudan) holds regular meetings hosted by various members including Summits for Heads of State as well as ministerial-level meetings (e.g., Defence, Foreign Affairs, etc.) to address issues that arise in relation to the ICGLR themes and protocols. A perpetual governance challenge pertains to funding, as international donors (e.g., Norway) are often relied upon to supply funds so that the ICGLR secretariat can function effectively (Bøås et al. 2009).

ICGLR governments worked closely with civil society organisations and other stakeholders including the private sector to create a regional regulatory regime to govern the trade of gold, coltan, tin, and tungsten—conflict-prone minerals that can provide the financial means for armed groups to operate. The stakeholders were inspired by the Kimberley Process Certification Scheme (KPCS)[5] on conflict diamonds and drew heavily from its regulatory framework in order to prevent conflict-prone minerals from being traded by armed groups in the region. By December 2010, the stakeholders were able to submit a regional regulatory scheme—the Regional Certification Mechanism (RCM)—that received the approval of all ICGLR member-states. Although the ICGLR arose to address several threats to human security, it nonetheless identified the specific linkage between the trade of conflict-prone minerals and violent conflict—and has sought to prevent such trade via the introduction of the RCM. Notably, the RCM "is a home grown solution that involves actors from the private sector as well as states and civil society".[6] Rwanda was the first ICGLR country to issue a RCM certificate in November 2013.

The ICGLR enjoys *de jure* authority and legitimacy akin to a treaty since its member Heads of State signed the Pact into existence. Yet, the ICGLR must exhibit *de facto* authority and legitimacy in the eyes of civil society and industry. The ICGLR has been making progress on this front. In addition to civil society's crucial role (especially that of Partnership Africa Canada, now known as IMPACT) in the ICGLR, industry has also lent support to the RCM. For instance, the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) came together to establish a Conflict-Free Smelter (CFS) Program in 2012.[7] These electronics trade sector industry associations, headquartered in the United States (EICC) and Belgium (GeSI), aim to track the origin of gold, coltan, tin, and tungsten via the CFS Program, as smelters are important conduits in the production chains of these minerals. The CFS Program incorporates a set of arm's length auditors to ascertain the provenance of the aforementioned minerals and it works in conjunction with the certificates issued under the auspices of the ICGLR RCM. Ultimately, the CFS Program enhances the governance and regulatory strength of the

ICGLR RCM by preventing conflict-prone minerals from entering the licit production chain and for subsequent arrival on the world market.

La Commission des Forêts d'Afrique Centrale

Africa's forestry sector is sometimes overlooked when analysts discuss the development potential of the continent's natural resource base. Yet, hundreds of thousands of African workers participate in the forestry sector and it accounts for roughly six per cent of the continent's gross domestic product (GDP). Although this proportion of GDP appears small at first glance, it actually represents the world's highest figure when compared to other regions. And, Africa has approximately 500 million hectares of forests, which accounts for about one-sixth of the world's forest cover (NEPAD 2003, 77–79). Deforestation is a primary concern, however, as Africa lost 66 million hectares of forest cover from 1980 to 1995 owing to international demand (especially from China and members of the European Union) and local demand for timber in construction and wood products as well as a source for cooking and heating (e.g., charcoal and fuel-wood). Since combatting deforestation through a complete moratorium on forestry activities is unrealistic and impossible to impose, sustainable timber extraction has become the compromise objective among stakeholders. COMIFAC is a regional governance initiative that works in conjunction with global governance frameworks and international organizations and relies on state and non-state actor networks to curb deforestation, prevent illicit timber extraction, and promote a sustainable timber sector in Africa.

COMIFAC is a regional organization that was created per the terms of an international treaty signed in 1999. Its overarching objective is "to foster intergovernmental cooperation for the sustainable management of forests in central Africa through the harmonization, coordination, monitoring, and implementation of environmental protection policies in the Congo Basin" (Grant et al. 2013, 272). COMIFAC counts the following countries as members: Burundi, Cameroon, CAR, Chad, Congo-Brazzaville, Congo-Kinshasa, Equatorial Guinea, Gabon, Rwanda, and São Tomé e Principe. Five years after its creation, COMIFAC members devised a 10-point *Convergence Plan* that sought to manage the region's forests in a sustainable and coordinated manner.[8]

The COMIFAC Treaty was signed by the Heads of State of its members in Central Africa in recognition of COMIFAC's role in protecting the forests of the region. Since treaties are considered international 'hard' law—binding examples of international law—the COMIFAC Treaty enjoys the authority of enforcement. COMIFAC also enjoys legitimacy insofar the Heads of State of its members are elected representatives of their respective citizenry. COMIFAC has sought to reinforce its authority and ameliorate its legitimacy by working with a network of partners on a global and regional basis in the form of the UN Framework Convention on Climate Change (UNFCCC) and its Climate Change Working Group and Conference of Parties as well as the African Timber Organization / International Tropical Timber Organization (ATO/ITTO). For instance, in the case of the latter, such networks have led in part to the adoption of ATO/ITTO principles, criteria, and indicators for sustainable forest management by COMIFAC.[9] COMIFAC has also adopted guidelines for multi-stakeholder and participatory approaches to new policies in the non-timber forest products sector.

COMIFAC also contributes to epistemic communities on regional forestry governance. This contribution takes the form of a *State of the Forest* report that COMIFAC produces every two years, which serves as the most comprehensive source of up-to-date information on the Congo Basin forests. As regards data acquisition, analysis, and dissemination on the state of the Congo Basin, COMIFAC is a leading source for researchers and policy-makers alike. COMIFAC recently commissioned a study with the Economic Community of Central African States (ECCAS) to investigate the economic, social, and environmental effects of land degradation in the Congo Basin. The study, which was summarized and appears in Ernst and colleagues (2012, 40), found that there were important environmental effects (decreasing crops due to lower soil fertility, poorer water quality, loss of biodiversity), economic effects (decreased agricultural productivity), and social effects (energy and food shortages, poverty, competition and conflict over scarce resources). The subsequent report made several specific policy suggestions to the Central African countries on issues related to prioritizing sustainability, in-depth follow-up studies, policy-making, enforcement mechanisms, and incentive programs. Among COMIFAC's various achievements, its leadership role in governance in Central Africa has arguably been the most important. Once COMIFAC was established as the representative institution of the Central African region in matters related to forestry, it was given the charge of fulfilling the aforementioned operational document known as the *Convergence Plan*. Consequently, COMIFAC set out to reform and reorganize existing regional bodies to support the vision of the *Convergence Plan* (Angu et al. 2012, 190). Linkages to other support institutions were made and new bodies were created (e.g., the Central Africa Protected Areas Network/Réseau des Aires Protégées d'Afrique Centrale [RAPAC] and the Observatory for the Forests of Central Africa [OFCA]) in order to that support COMIFAC's mission (Angu et al. 2012, 190). This novel governance network has grown considerably throughout Central Africa. Another important COMIFAC network is the Congo Basin Forest Partnership (CBFP). The latter is a governance network, consisting of some 70 state and non-state actors, that aims to direct greater technical and financial resources to forestry initiatives in Central Africa to the benefit of COMIFAC as well as more modest governance initiatives in the region such as the Central African Protected Areas Network (Wildburger 2010, 168).

While COMIFAC has been able to exhibit a relatively high level of authority—both *de jure* and *de facto*—it has fallen well short in terms of legitimacy. COMIFAC has been unwilling (or possibly unable) to actively engage and include civil society organizations in its activities. Although COMIFAC's ability to establish important linkages and relationships with an impressive number of partner organizations, international networks, and multilateral forums over a relatively short period of time is laudable, the lack of inclusiveness and tangible engagement with civil society organizations means that COMIFAC's veritable legitimacy is merely low-to-moderate in quality.

Analyses

The ICGLR has a moderate level of network density. That said, the ICGLR has been able to accomplish something that most observers would have thought impossible two decades ago—establish a cooperative, regional security-seeking regime among neighbouring states that have a notorious historical record of providing various forms of support for each other's armed groups. This is an impressive example of SSC, but the depth of the cooperative relations between member-states can be enhanced in order to facilitate governance responses to curtail the trade of conflict-prone minerals across the region. The ICGLR reached out to civil society at an early stage, which certainly helped to establish its mineral certification scheme over a reasonable period of time. Although the chief civil society member examined in this issue-area—Partnership Africa Canada—works closely with partner civil society organizations from the Global South and half of its board of directors and research associates are from the Global South, it is not, strictly speaking, a Southern NGO.

The EICC-GeSI smelting initiative falls into a similar category as Partnership Africa Canada. The EICC-GeSI is largely directed by American and Belgian industry associations. At minimum, the EICC-GeSI should follow Partnership Africa Canada's lead and work closely with civil society organizations based in the Global South and invite industry representatives from the Global South to serve within its governance structure. Furthermore, the ICGLR should create more meaningful participatory spaces for civil society members and firms from the Global South. An ICGLR ombudsperson has been proposed, and such an office would be in charge of monitoring, auditing, and other compliance-verification tasks. If the ombudsperson (known as an Independent Mineral Chain Auditor [IMCA]) was drawn from a Southern NGO, this would be consistent with increasing the participation of Global South-based civil society in ICGLR governance. The aforementioned CFS program, which will rely in part on ICGLR's RCM certificates, exhibits much promise however, as it targets the five-most important home countries of smelters of conflict-prone minerals. Three of the five countries[10]—China, Malaysia, and Indonesia—are considered to be part of the Global South. If Chinese, Malaysian, and Indonesian smelters become members of the CFS program, this would represent an indirect though welcome example of SSC and greater involvement of industry stakeholders in the ICGLR. It is not lost on the proponents of the ICGLR that Chinese manufacturers are among the very top consumers of conflict-prone minerals as part of the electronics industry.

Like the ICGLR, COMIFAC is an example of compelling SSC that possesses only a moderate level of network thickness. However, COMIFAC's funding uncertainties compromise its prospects for effectiveness. Member-states have proposed establishing an initiative known as an 'autonomous funding mechanism' (AFM) so that COMIFAC can operate without external funding. However, a perpetual problem that has afflicted COMIFAC thus far is lack of payment (or late payment) of promised financial contributions from its members. Although the problem of unpaid dues and pledges in arrears vexes African regional organizations large and small, it particularly impairs COMIFAC's operations. Even if it is a common challenge for regional organization across the continent, late financial contributions may be perceived as an indication to non-state partners of COMIFAC that member-states do not have the requisite level of commitment to good forestry governance. Given that COMIFAC's relatively high level of authority is checked by a low-to-moderate legitimacy score, the regional organization's network density can be no greater than moderate.

The challenge of improving legitimacy is not insurmountable. The inclusion of greater roles for industry and civil society would strengthen COMIFAC's networks and, in turn, its capacity to modify stake-holder behaviour. Establishing greater linkages with the Forest Stewardship Council (FSC) would help incorporate industry and civil society drawn from across Africa and the globe. Furthermore, greater engagement with Chinese firms would be beneficial, as China imports roughly US$1.3 billion worth of African timber per year (Mayers 2013), a figure that is expected to increase in concert with China's economic growth. Notably, Chinese forestry firms range in size from state-owned enterprises, and private firms, to informal Chinese timber traders who purchase licit and illicit timber from small-scale operations. Although it might be possible to establish partnerships and convince the former two groups to conform to COMIFAC guidelines, engagement with the third group (i.e., informal Chinese timber traders) will be difficult.

Although the ICGLR and COMIFAC are different governance initiatives that are home to SSC and exhibit varying levels of authority and legitimacy, they share an important quality. That is, each initiative possesses a moderate level of network density. This finding is significant, but it does not illustrate how network density might influence stakeholder behaviour so that their respective public goods—preventing the trade of conflict-prone minerals and promoting sustainable forestry practices—are achieved.

Conclusion

While the importance of China and members of the BRICS such as South Africa in the evolving global architecture of natural resource governance in particular and SSC in general cannot be understated, as illustrated by the ICGLR and COMIFAC, other countries of the Global South—especially on a *regional* basis—also engage in intriguing forms of SSC. By the same token, we may also witness instances of *unanticipated* SSC, which has occurred most recently in terms of opposition, especially among certain African countries such as South Africa and Kenya, toward the International Criminal Court (Grant and Hamilton, 2016). The findings in this chapter are consistent with the "new regionalisms" literature insofar that they underscore the need to understand the role of *non-state* actors in governance initiatives at the local, regional, and global levels (Grant and Söderbaum 2003; Shaw et al. 2011; Grant 2017). Hence, the study of governance initiatives on minerals and forestry in the context of SSC must go beyond state-centric investigations and incorporate civil society, industry, armed militias, and other non-state actors in their analyses and reflect upon investors and consumers (Grant et al. 2015c, 2015d). It is within the latter, intertwined duo—investors and consumers—that bring China's role in SSC to the fore.

Chinese investors (mostly via state-owned enterprises but there is a growing number of private firms) have a particular attraction to natural resource sectors. Though home to a relative abundance of mineral resources, there is still a need to import such resources in order to sustain an ebbing yet still powerful Chinese economy. As Alves (2013, 209) notes, "51% of the $68 billion of Chinese outward direct investment in 2011 targeted natural resources," much of it directed to Africa. The forestry sector exhibits similar demand by Chinese investors. The value of Chinese wood imports from Africa was roughly $33 billion (Mayers 2013). COMIFAC member-states Cameroon and Congo-Brazzaville are among the largest exporters of timber and other wood products to China. Given such impressive levels of demand for Africa's mineral and forestry resources, to what extent has China participated in governance initiatives on minerals and forestry in the context of SSC? Alden and Alves (2015, 259) offer a measured response: "China has shown some openness towards a number of international regulation initiatives to improve governance, transparency, and sustainability of natural resources development in Africa, namely the Kimberley Process, EITI, and the Equator Principles." This is followed by an acknowledgment that

> Chinese firms' compliance with these global governance initiatives has, however, been a matter of contention. Some measures have been taken by Beijing to improve the environmental impact of China's overseas investments, namely the inclusion of an environmental safeguard among the nine principles regulating

> Chinese companies' investments overseas issued by the State Council in October 2007 … [yet] implementation of the Equator Principles in their projects overseas, however, remains as of now far below expectations (Alden and Alves 2015, 259).

While it is clear that China is open to the idea of governance initiatives on minerals and forestry in the context of SSC—it served as Chair of the Kimberley Process on conflict diamonds in 2014—it has not deeply engaged with the ICGLR and COMIFAC thus far. That said, the potential exists given the substantial interest of Chinese investors and consumers in Africa's natural resource sectors—akin to the conditions that led to China putting forward the financial and diplomatic capital in order to host the Kimberley Process Secretariat as well as civil society, industry, and state representatives during an intersessional and plenary set of decision-making meetings in 2014.

Although greater engagement by China in the ICGLR and COMIFAC would be beneficial, it is important to provide some initial reflections on these two examples of natural resource governance. Alas, it is much too early to fully assess the ICGLR's effectiveness as regards natural resource governance given the infancy of its RCM certificates. Nevertheless, we can reflect on the prospects for the ICGLR's effectiveness, which, at present, are moderate.[11] Even if greater SSC emerges via Southern NGOs and industry participation, the ICGLR will still have to wrestle with the regional stability and security challenges posed by armed militias. However, there are grounds for optimism. After a year of infighting among its leaders, defections, and relatively robust action by Congolese government forces, the political wing of the M23 rebel group announced a unilateral cease-fire in November 2013 and its senior military commanders were taken into custody. While other armed militias remain active in the region, the largest ones—Allied Democratic Forces (ADF) and Forces Démocratiques de Libération du Rwanda (FDLR)—have already been identified by the UNSC as the next groups that need to be thwarted by the international community. If the ICGLR does not become derailed by such armed groups as well as the "internal politics" that often creeps into such governance forums, then one can expect a slow but appreciable amount of progress in terms of natural resource governance effectiveness.

COMIFAC's funding and capacity challenges may find some relief via its relationship with the previously mentioned 70-member CBFP network. This arrangement has already generated a dozen "landscapes"—otherwise known as conservation management plans. These landscapes are underpinned by a series of trans-boundary agreements promulgated. Although it would be premature to offer a final assessment of COMIFAC-CBFP relations, the partnership displays much promise insofar as augmenting COMIFAC's moderate level network density. First, the CBFP has a reputation for achieving "technical, financial, and conservation objectives through cooperative arrangements that bring civil society (in the form of NGOs), corporate associations, and government agencies together" (Grant et al. 2013, 275). In turn, COMIFAC can benefit from its relationship with the CBFP by interacting and working with all three groups but especially non-state actors such as civil society groups and corporate associations from the Global South. Second, the CBFP also focuses on directing greater technical and financial resources to forestry initiatives in Central Africa to the benefit of COMIFAC as well as more modest governance initiatives in the region such as the Central African Protected Areas Network (Wildburger 2010, 168). Hence, the COMIFAC-CBFP relationship is particularly vital for the former organization as it exhibits great potential to increase network density, which may very well translate into greater natural resource governance effectiveness in the near future.

In closing, the ICGLR and COMIFAC are fascinating, contemporary examples of SSC that possess varying levels of authority and legitimacy. The chapter finds that a positive correlation exists between network density of a particular governance regime and its expected level of effectiveness. Put differently, regulatory schemes, mechanisms, and policies relating to natural resource sectors can be supported by SSC and implemented with the best intentions, but perceptions by stakeholders must be moderately positive if any hope of behaviour change is to be achieved. Perceptions of authority and legitimacy matter in natural resource governance initiatives, and the building of strong linkages with states, firms, and civil society serves to enhance such perceptions.

Notes

1. The Social Sciences and Humanities Research Council of Canada (e.g., Partnership Development Grant) and Queen's University (e.g., Senate Advisory Research Committee Grant) provided partial funding for this project. An earlier version of this chapter was presented at the XXIIIrd International Political Science Association World Congress, in Montréal, Canada, in July 2014. The author thanks Jeremy Davison and Warren Whiteknight for their research

assistance, and John Ravenhill, Luk van Langenhove, John Cadham, Maria Garcia, the book editors, and the anonymous reviewers for their valuable suggestions that improved the chapter. The author also thanks the University of the Witwatersrand for providing a stimulating scholarly environment while this chapter was being completed. The views presented in this chapter belong to the author and do not reflect those of the abovementioned institutions or individuals.

2. See for example Alden (2007), Taylor (2009), Alves (2012), Alden and Alves (2015), and several contributors to Grant and colleagues (2015b).
3. For applications of macro-regionalisms in Africa see Grant and colleagues (2003) and Grant and Tieku (2011). For cases of micro-regionalisms in Africa, see for example Grant (2008) as well as the contributors to Söderbaum and Taylor (2008) and Grant and colleagues (2011).
4. See for example Grant and colleagues (2013).
5. For analyses of the Kimberley Process see for example Grant (2004, 2010, 2011, 2013a, 2013b, 2017, 2018), Grant and Taylor (2004), Hughes (2006), Bieri (2010), Smillie (2010 and 2013), Bone (2011), Wright (2011), Nyame and Grant (2012), and Munier (2016).
6. Ambassador Liberata Mulamula, quoted in Blore and Smillie (2011, 5).
7. See EICC (n.d.).
8. COMIFAC (2004) is a useful document that provides a full description of all COMIFAC *Convergence Plan* principles including related indicators and governance activities.
9. For recent analyses of other forestry governance initiatives in Africa (e.g., the African Timber Organization) or that impact Africa (e.g., the Forest Stewardship Council), see Grant and colleagues (2015a), Grant and colleagues (2013), and Djomo and colleagues (2018).
10. The United States and Russia are the other leading countries in terms of number of smelters that process conflict-prone minerals.
11. I offer a more detailed assessment in "Conflict-Prone Minerals, Forced Migration and Norm Dynamics in the Kimberley Process and ICGLR", a forthcoming book chapter in *Environmental Conflicts, Migration and Governance*, edited by Tim Krieger, Diana Panke, and Michael Pregernig. Legislation is making its way through the European Parliament that seeks to prohibit the importation of conflict-prone minerals from Africa. Though separate from the ICGLR-RCM, such legislation would nonetheless make it more difficult to trade conflict-prone minerals by removing an important market for these commodities. See for example Alorse and colleagues (2015).

References

Abbott, Kenneth W. 2009. "The Governance Triangle: Regulatory Standards, Institutions and the Shadow of the State." In *The Politics of Global Regulation*, edited by Walter Mattli and Ngaire Woods, 44–88. Princeton: Princeton University Press.

Alden, Christopher. 2007. *China in Africa*. London: Zed Books.

Alden, Christopher, and Ana Cristina Alves. 2015. "Global and Local Challenges and Opportunities: Reflections on China and the Governance of African Natural Resources." In *New Approaches to the Governance* *of Natural Resources: Insights from Africa,* edited by J. Andrew Grant, W. R. Nadège Compaoré, and Matthew I. Mitchell, 247–266. London: Palgrave Macmillan.

Alorse, Raynold Wonder, W. R. Nadege Compaoré, and J. Andrew Grant. 2015. "Assessing the European Union's Engagement with Transnational Policy Networks on Conflict-Prone Natural Resources." *Contemporary Politics* 21, no. 3 (July): 245–257.

Alves, Ana Cristina. 2012. *China's Economic Statecraft and African Mineral Resources: Changing Modes of Engagement*. SAIIA Occasional Paper, Braamfontein: South African Institute of International Affairs.

Alves, Ana Cristina. 2013. "China's 'Win-Win' Cooperation: Unpacking the Impact of Infrastructure-for-Resources Deals in Africa." *South African Journal of International Affairs* 20, no. 2 (July): 207–226.

Angu, Kenneth, Cyril Pélissier, and Nicodeme Tchamou. 2012. "Protected Area Management in CBFP Landscapes: Taking Stock." In *The Forests of the Congo Basin – State of the Forest 2010,* edited by C. de Wasseige, P. de Marcken, N. Bayol, F. Hiol, P. Mayaux, B. Desclée, R. Nasi, A. Billand, P. Defourny and R. Eba'a Atyi, 185–206. Luxembourg: Publications Office of the European Union.

Bieri, Franziska. 2010. *From Blood Diamonds to the Kimberley Process: How NGOs Cleaned Up the Global Diamond Industry*. Aldershot: Ashgate.

Blore, Shawn, and Ian Smillie. 2011. *Taming the Resource Curse: Implementing the ICGLR Certification Mechanism for Conflict-Prone Minerals*. Ottawa: Partnership Africa Canada.

Bøås, M., Lotsberg, R., and Ndizeye, J.-L. 2009. *International Conference on the Great Lakes Region (ICGLR) – Review of Norwegian Support to the ICGLR Secretariat*. Oslo: Norwegian Agency for Development Cooperation.

Bone, Andrew. 2011. "The Kimberley Process Certification Scheme: The Primary Safeguard for the Diamond Industry." In *High-Value Natural Resources and Post-Conflict Peacebuilding,* edited by Päivi Lujala and Siri Aas Rustad, 189–194. New York: Earthscan / Taylor & Francis.

COMIFAC. 2004. *Convergence Plan: For Conservation and Sustainable Management of Central Africa Forest Ecosystems*. Yaoundé, COMIFAC Executive Secretariat.

Davies, Jonathan S. 2011. *Challenging Governance Theory: From Networks to Hegemony*. Bristol: Policy Press.

Dickinson, Helen, and Helen Sullivan. 2014. "Towards a General Theory of Collaborative Performance: The Importance of Efficacy and Agency." *Public Administration* 92, no. 1: 161–177.

Dingwerth, Klaus, and Philipp Pattberg. 2006. "Global Governance as a Perspective on World Politics." *Global Governance* 12, no. 2: 185–203.

Djomo, Adrien N., J. Andrew Grant, L. Celestine Fonyikeh-Bomboh, Julie T. Gagoe, Noël H. Fonton, Neal A. Scott, and Denis J. Sonwa. 2018. "Forest

Governance and REDD+ in Central Africa: Towards a Participatory Model to Increase Stakeholder Involvement in Carbon Markets." *International Journal of Environmental Studies* 75, no. 2: 251–266.

Duit, Andreas, and Victor Galaz. 2008. "Governance and Complexity: Emerging Issues for Governance Theory." *Governance* 21, no. 3 (July): 311–335.

EICC. n.d. "Conflict-Free Smelter Program." Alexandria, VA: EICC, accessed October 6, 2013. www.eicc.info/CFSProgram.shtml.

Ernst, C., A. Verhegghen, P. Mayaux, M. Hansen, and P. Defourny. 2012. "Central African Forest Cover and Cover Change Mapping." In *The Forests of the Congo Basin – State of the Forest 2010,* edited by C. de Wasseige, P. de Marcken, N. Bayol, F. Hiol, P. Mayaux, B. Desclée, R. Nasi, A. Billand, P. Defourny and R. Eba'a Atyi, 23-41. Luxembourg: Publications Office of the European Union.

Grant, J. Andrew. 2018. "Agential Constructivism and Change in World Politics." *International Studies Review* 20, no. 2: 255–263.

Grant, J. Andrew. 2013a. "Commonwealth Cousins Combating Conflict Diamonds: An Examination of South African and Canadian Contributions to the Kimberley Process." *Commonwealth & Comparative Politics* 51, no. 2: 210–233.

Grant, J. Andrew. 2013b. "Consensus Dynamics and Global Governance Frameworks: Insights from the Kimberley Process on Conflict Diamonds." *Canadian Foreign Policy Journal* 19, no. 3: 323–339.

Grant, J. Andrew. 2009. *Digging Deep for Profits and Development? Reflections on Enhancing the Governance of Africa's Mining Sector*. Johannesburg: South African Institute of International Affairs.

Grant, J. Andrew. 2008. "Informal Cross-Border Micro-Regionalism in West Africa: The Case of the Parrot's Beak." In *Afro-Regions: The Dynamics of Cross-Border Micro-Regionalism in Africa,* edited by Fredrik Söderbaum and Ian C. Taylor, 105–120. Uppsala: Nordic Africa Institute.

Grant, J. Andrew. 2011. "The Kimberley Process at Ten: Reflections on a Decade of Efforts to End the Trade in Conflict Diamonds." In *High-Value Natural Resources and Post-Conflict Peacebuilding,* edited by Päivi Lujala and Siri Aas Rustad, 159–179. New York: Earthscan / Taylor & Francis.

Grant, J. Andrew. 2017. "The Kimberley Process on Conflict Diamonds, New Regionalisms, and the Dynamics of (De/Re)Territorialization." In *The New Politics of Regionalism: Perspectives from Africa, Latin America and Asia-Pacific,* edited by Ulf Engel, Heidrun Zinecker, Frank Mattheis, Antje Dietze and Thomas Plötze, 146–158. London: Routledge.

Grant, J. Andrew. 2004. *Loupes and Loopholes: From Conflict Diamonds to Diamonds for Development?* Ottawa and Vancouver: Canadian Consortium on Human Security.

Grant, J. Andrew. 2010. "Natural Resources, International Regimes and State-Building: Diamonds in West Africa." *Comparative Social Research* 27, no. 1: 223–248.

Grant, J. Andrew, and Spencer Hamilton. 2016. "Norm Dynamics and International Organizations: South Africa in the African Union and International Criminal Court." *Commonwealth & Comparative Politics* 54, no. 2: 161–185.

Grant, J. Andrew, and Fredrik Söderbaum, eds. 2003. *The New Regionalism in Africa*. Aldershot: Ashgate.

Grant, J. Andrew, and Ian Taylor. 2004. "Global Governance and Conflict Diamonds: The Kimberley Process and the Quest for Clean Gems." *The Round Table: The Commonwealth Journal of International Affairs* 93, no. 375 (July): 385–401.

Grant, J. Andrew, and Thomas K. Tieku. 2011. "New Regionalisms and the African Union: Reflections on the Rise of Africrats, Regional Economic Integration, and Inter-Regional Relations." In *Routledge Handbook of Diplomacy and Statecraft*, edited by B. J. C. McKercher, 264–273. London: Routledge.

Grant, J. Andrew, Sandra J. MacLean, and Timothy M. Shaw. 2003. "Emerging Transnational Coalitions around Diamonds and Oil in Civil Conflicts in Africa." In *Global Turbulence: Social Activists' and State Responses to Globalization*, edited by Marjorie Griffin Cohen and Stephen McBride, 124–139. Aldershot: Ashgate.

Grant, J. Andrew, Matthew I. Mitchell, and Frank K. Nyame. 2011. "New Regionalisms, Micro-Regionalisms, and the Migration-Conflict Nexus: Evidence from Natural Resource Sectors in West Africa." In *The Ashgate Research Companion to Regionalisms*, edited by Timothy M. Shaw, J. Andrew Grant, and Scarlett Cornelissen, 375–396. Aldershot: Ashgate.

Grant, J. Andrew, Matthew I. Mitchell, Frank K. Nyame, and Natalia Yakovleva. 2013. "Micro-Regionalisms, Information and Communication Technologies, and Migration in West Africa: A Comparative Analysis of Ghana's Diamond, Cocoa, and Gold Sectors." In *Mapping Agency: Comparing Regionalisms in Africa*, edited by Ulrike Lorenz-Carl and Martin Rempe, 149–174. Aldershot: Ashgate.

Grant, J. Andrew, Dianne Balraj, and Georgia Mavropoulos-Vagelis. 2013. "Reflections on Network Governance in Africa's Forestry Sector." *Natural Resources Forum* 37, no. 4 (October): 269–279.

Grant, J. Andrew, Dianne Balraj, Jeremy Davison and Georgia Mavropoulos-Vagelis. 2015a. "Network Governance and the African Timber Organization: Prospects for Regional Forestry Governance in Africa." In *New Approaches to the Governance of Natural Resources: Insights from Africa*, edited by J. Andrew Grant, W. R. Nadège Compaoré, and Matthew I. Mitchell, 154–180. London: Palgrave Macmillan.

Grant, J. Andrew, W. R. Nadège Compaoré, and Matthew I. Mitchell, eds. 2015b. *New Approaches to the Governance of Natural Resources: Insights from Africa*. London: Palgrave Macmillan.

Grant, J. Andrew, W. R. Nadège Compaoré, Matthew I. Mitchell, and Mats Ingulstad. 2015c. "'New' Approaches to the Governance of Africa's Natural Resources." In *New Approaches to the Governance of Natural Resources: Insights from Africa,* edited by J. Andrew Grant, W. R. Nadège Compaoré, and Matthew I. Mitchell, 3–24. London: Palgrave Macmillan.

Grant, J. Andrew, W. R. Nadège Compaoré, Matthew I. Mitchell, and Timothy M. Shaw. 2015d. "Prospects and Trends in the Governance of Africa's Natural Resources: Reflections on the Role of External and Internal Actors." In *New Approaches to the Governance of Natural Resources: Insights from Africa,* edited by J. Andrew Grant, W. R. Nadège Compaoré, and Matthew I. Mitchell, 267–284. London: Palgrave Macmillan.

Hafner-Burton, Emilie M., Miles Kahler, and Alexander H. Montgomery. 2009. "Network Analysis for International Relations." *International Organization* 63, no. 3 (July): 559–592.

Hewson, Martin and Timothy J. Sinclair, eds. 1999. "The Emergence of Global Governance Theory." In *Approaches to Global Governance Theory,* edited by Martin Hewson and Timothy J. Sinclair, 3–22. Albany: State University of New York Press.

Hughes, Tim. 2006. "Conflict Diamonds and the Kimberley Process: Mission Accomplished or Mission Impossible? *South African Journal of International Affairs* 13, no. 2: 115–130.

Jones, Candace, William S. Hesterly, and Stephen P. Borgatti. 1997. "A General Theory of Network Governance: Exchange Conditions and Social Mechanisms." *Academy of Management Review* 22, no. 4 (October): 911–945.

Lorenz-Carl, Ulrike, and Martin Rempe, eds. 2013. *Mapping Agency: Comparing Regionalisms in Africa*. Aldershot: Ashgate.

Mayers, James. 2013. *China in Africa's Forests*. London: International Institute for Environment and Development.

Mayntz, Renate. 2003. "New Challenges to Governance Theory." In *Governance as Social and Political Communication,* edited by H. P. Bang, 27–40. Manchester: Manchester University Press.

Munier, Nathan. 2016. "Diamonds, Dependence and De Beers: Monopoly Capitalism and Compliance with the Kimberley Process in Namibia." *Review of African Political Economy* 43, no. 150: 542–555.

NEPAD. 2003. *Action Plan for the Environment Initiative*. Midrand: New Partnership for Africa's Development.

Nyame, Frank K., and J. Andrew Grant. 2012. "From Carats to Karats: Explaining the Shift from Diamond to Gold Mining by Artisanal Miners in Ghana." *Journal of Cleaner Production* 29, no. 1 (July): 163–172.

Ohanyan, Anna. 2012. "Network Institutionalism and NGO Studies." *International Studies Perspectives* 13, no. 4 (November): 366–389.

Partnership Africa Canada. 2009. *Peace, Human Security and Sustainable Development in Africa 2007-2009: Final Report to Irish Aid, August 2007 to October 2008*. Ottawa: Partnership Africa Canada.

Provan, Keith G., and Patrick Kenis. 2008. "Modes of Network Governance: Structure, Management, and Effectiveness." *Journal of Public Administration Research and Theory* 18, no. 2 (April): 229–252.

Rhodes, R. A. W. 1996. "The New Governance: Governing Without Government." *Political Studies* 44, no. 4 (September): 652–667.

Shaw, Timothy M., J. Andrew Grant, and Scarlett Cornelissen, eds. 2011. "Introduction and Overview: The Study of New Regionalism(s) at the Start of the Second Decade of the Twenty-First Century." In *The Ashgate Research Companion to Regionalisms,* edited by Timothy M. Shaw, J. Andrew Grant, and Scarlett Cornelissen, 3–30. Aldershot: Ashgate.

Shaw, Timothy M., Fredrik Söderbaum, Julius E. Nyang'oro, and J. Andrew Grant. 2003. "The Future of New Regionalism in Africa: Regional Governance, Human Security/Development and Beyond." In *The New Regionalism in Africa,* edited by J. Andrew Grant and Fredrik Söderbaum, 192–206. Aldershot: Ashgate.

Sicurelli, Daniela. 2013. "The Security Culture of the African Union: Adapting and Reacting to External Models." In *Mapping Agency: Comparing Regionalisms in Africa,* edited by Ulrike Lorenz-Carl and Martin Rempe, 17–33. Aldershot: Ashgate.

Smillie, Ian. 2010. *Blood on the Stone: Greed, Corruption and War in the Global Diamond Trade*. London and Ottawa: Anthem Press and IDRC.

Smillie, Ian. 2013. "Blood Diamonds: Canada, Africa and Some Object Lessons in Global Governance." In *Canada Among Nations 2013: Canada-Africa Relations–Looking Back, Looking Ahead,* edited by R. Medhora and Y. Samy, 169–178. Waterloo: CIGI and NPSIA.

Söderbaum, Fredrik, and Ian C. Taylor, eds. 2008. *Afro-Regions: The Dynamics of Cross-Border Micro-Regionalism in Africa*. Uppsala: Nordic Africa Institute.

Sørensen, Eva, and Jacob Torfing. 2009. "The Politics of Self-Governance in Meso Level Theories." In *The Politics of Self-Governance,* edited by Eva Sørensen and Peter Triantafillou, 43–59. Aldershot: Ashgate.

Taylor, Ian C. 2009. *China's New Role in Africa*. Boulder, CO: Lynne Rienner.

Torfing, Jacob. 2005. "Governance Network Theory: Towards a Second Generation." *European Political Science* 4, no. 3 (September): 305–317.

Vogel, Christoph. 2013. "Big Victory as M23 Surrenders, But Not an End to Congo's Travails." *Global Observatory*, November 7. https://theglobalobservatory.org/2013/11/in-drc-one-militia-m23-down-49-more-to-go/

Wildburger, Christoph. 2010. "Overview of International Policy Instruments Related to Forests and Their Goals and Tools." In *Embracing Complexity:*

Meeting the Challenges of International Forest Governance, edited by J. Rayner, A. Buck, and P. Katila, 147–170. Vienna: IUFRO Volume 28.

Wright, Clive. 2011. "The Kimberley Process Certification Scheme: A Model Negotiation?" In *High-Value Natural Resources and Post-Conflict Peacebuilding*, edited by Päivi Lujala and Siri Aas Rustad, 181–187. New York: Earthscan / Taylor & Francis.

CHAPTER 10

Emergence of Mega-Regional Trade Agreements and the Imperative for African Economies to Strategically Enhance Trade-Related South-South Cooperation

Simon Mevel[1]

Introduction

Since the early 2000s, the number of regional trade agreements has multiplied tremendously, largely as a result of slow progress made in the multilateral trade negotiations under the umbrella of the World Trade Organization (WTO). The latest trend towards increased regionalism is the emergence of profound integration partnerships between countries that together make up a major share of the world population and/or GDP, also known as mega-regional trade agreements (MRTAs). In this context, the Nairobi Ministerial Declaration from the Tenth Ministerial Conference of the WTO held on 15–19 December, 2015, in Nairobi, Kenya, reaffirmed "the need to ensure that Regional Trade Agreements (RTAs) remain complementary to, not a substitute for, the multilateral trading system" (WTO 2015).[2] Therefore, if MRTAs do not mark the end of multilateralism, they are still a clear expression of the desire by many economies to make progress on their trade integration agendas and thus the need for the multilateral trading system to adjust in a rapidly evolving world trade landscape.

Three major MRTAs, recently concluded or being negotiated, are expected to greatly modify trading relationships worldwide. These are the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the Transatlantic Trade and Investment

Partnership (TTIP). The eleven member countries[3] of the CPTPP formally signed the agreement on 8 March, 2018, in Santiago, Chile. Seven CPTTP members[4] have already completed their domestic ratification process. Therefore, the agreement is expected to enter into force on 30 December, 2018, for Australia, Canada, Japan, Mexico, New Zealand, and Singapore, and on 14 January, 2019, for Vietnam. In February 2016, the United States signed the original Trans-Pacific Partnership (the TPP was replaced by the CPTPP in March 2018), but it withdrew in 2017. The US has indicated it could possibly join the CPTPP in the future. Other countries, such as Colombia, Indonesia, South Korea, Thailand, and the United Kingdom, have also expressed interest in becoming parties to the agreement, and current CPTPP members have opened the door to start accession talks in 2019 for potential new memberships.[5] Discussions are still ongoing for the other two chief MRTAs, namely the RCEP, bringing together sixteen Asian economies,[6] and the TTIP,[7] between the United States and the European Union. If the RCEP is expected to be signed in 2019, many questions remain around the possible conclusion of the TTIP, with voices against it coming from both the US and EU, but at the same time there has been no official withdrawal from any of the members.[8]

Whereas there are developing countries—essentially ones from Asia and Latin America—among the members of CPTPP and RCEP, African nations are not part of any of the three rising trade configurations. While the effects of MRTAs on third countries are somewhat uncertain at this stage, primarily because not all the provisions under the agreements that are still being negotiated are known, it is evident that they will have significant implications on those economies that will remain outside the mega-regional blocs. For instance, the fifty-five African Union (AU) member countries—of which as many as thirty-three are Least-Developed Countries (LDCs)—will inevitably and directly suffer erosion of trade preferences on MRTA markets following their establishment.

The purpose of this chapter is not only to assess the trade impacts that the TPP,[9] RCEP, and TTIP are expected to produce on African economies; this has already been investigated, although not to such levels of sector and country detail.[10] Most importantly, our objective is to explore trade arrangements that could help mitigate any possible negative effects on Africa that would arise as a result of the formation of MRTAs. Specifically, the chapter anticipates the establishment of MRTAs in the context of the African Continental Free Trade Area (AfCFTA). As of 28 February 2019, the agreement establishing the AfCFTA was signed by fifty-two AU member states[11] Twenty-two ratifications are needed before it enters into force; nineteen AU member States have ratified to date.[12] Furthermore, and looking forward, closer trade linkages between African nations and developing economies in the TPP, the RCEP and even beyond are looked at, with a special focus on the potential for such trade-related South-South Cooperation to strategically facilitate Africa's structural transformation. The analysis relies on computable general equilibrium (CGE) modelling.

Prior to presenting the details of the methodology and the envisaged policy reforms, key findings from the modelling exercise, as well as our conclusions and policy recommendations, the chapter offers a thorough investigation of trade flows. Specifically, recent trends and current trade flows between Africa and members of the three major MRTAs as well as key partners from outside the emerging regional blocks are investigated. This is extremely important as initial conditions often provide invaluable insights to help envisage pertinent policy reforms to be analyzed and better understand the results from the envisaged reforms.

Trade Flow Analysis

Data indicate that the EU remains by far the main export destination for Africa with about 32.3% of Africa's total exports directed to the EU over the average period 2015–17.[13] However, the nine countries[14] from RCEP that are not also members of the TPP all together (that is, RCEP–9) come next at 20.8% for the same average period and are clearly becoming more prominent trading partners for African countries, with China alone accounting for 51.6% of this share and India 35.1%. The four countries[15] of the TPP that are not also members of the RCEP, plus the US, are significantly behind with only 8.0% for the average period 2015–17; this can be decomposed into 6.4% for the US and only 1.6% for the other four countries belonging to TPP strictly (TPP–4). The importance of the US as a major partner for Africa has been considerably reducing; the share of the US in Africa's total exports fell from 16.9% in 2000 to just 7.0% in 2017. This is impressive compared to the evolution of the shares of China and India in Africa's total exports, growing from 3.0% and 2.6%, respectively, in 2000, to 11.9% and 7.4% in 2017. The increased weight of China and India in

Africa's exports, at the expense of more traditional destinations, is not only verified in relative terms but also in absolute terms in the specific case of the US. The share of the EU in Africa's exports has also decreased, falling from 47.9% in 2000 to 31.7% in 2017. Exports from Africa to China and India combined have become larger than African exports towards African partners as the share of intra-African trade, amounting to about 17.3% for the average period 2015–17. Countries that are members of both TPP and RCEP[16] (TPP & RCEP), as well as those from the Rest of Asia (that are neither in TPP nor in RCEP, in particular Turkey, the United Arab Emirates, and Saudi Arabia, which together attract about 20% of Africa's total exports to the Rest of Asia group) are also becoming non-negligible partners for Africa (see Figure 10.1).

In terms of product composition of Africa's exports, primary commodities and raw materials (namely fuels, ores and metals, and agricultural raw materials) largely dominate nearly all of the above markets (see Figure 10.2). Fuel exports alone to the following countries and regions represent shares of as much as 26.5% of Africa's total exports to the TPP & RCEP; 29.2% to the Rest of the World; 43.0% to the EU; 48.6% to the US; 57.7% to RCEP–9; and 58.3% to TPP–4 for the average period 2015–17. Within RCEP–9, China and India are not exceptions, as 54.8% and 62.4% of Africa's total exports to China and India, respectively, are just fuels. Such data provide a clear illustration of the still limited industrial content of Africa's exports and the need

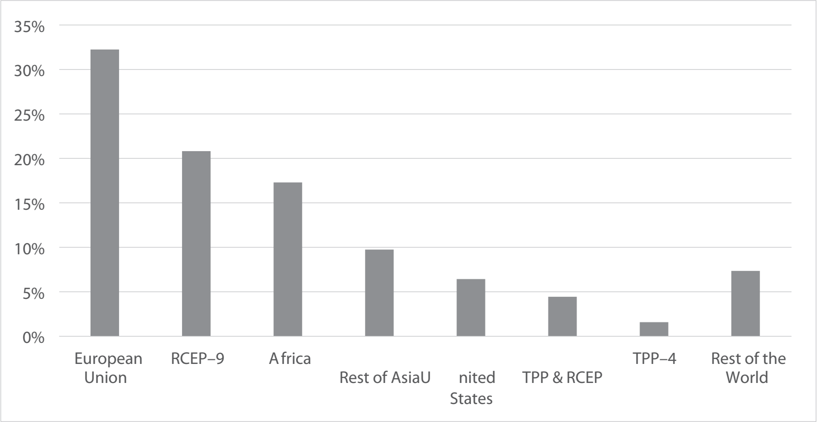


Figure 10.1 Share of key partners in Africa's total exports, 2015–17

Source: Author's calculations based on UNCTADStat; accessed on 28 November 2018

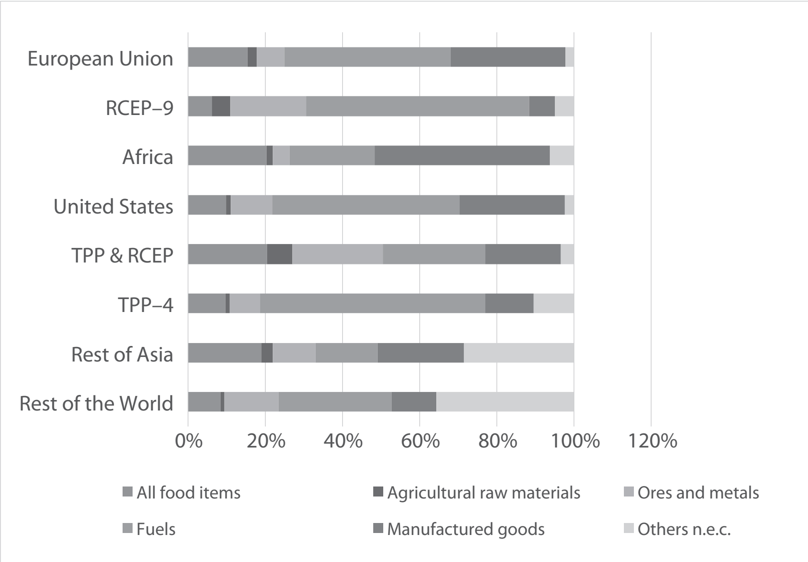


Figure 10.2 Share of main products in Africa's total exports by key markets of destination, 2015–17

Source: Author's calculations based on UNCTADStat; accessed on 28 November 2018

for structural transformation to better support Africa's development through trade.

However, these characteristics of Africa's exports contrast considerably with those observed for two destinations: Africa and the Rest of Asia. Indeed, and although the shares of fuels in Africa's total exports to Africa and the Rest of Asia are still significant at 22.1% and 16.2% respectively over the average period 2015–17, export diversification is quite pronounced. For example, intra-African trade is largely dominated by exchanges of manufactured goods, with a share of 45.4%; processed food represents a considerable share as well, at 20.4%. In the case of Africa's exports to the Asian countries that are not members of either TPP or RCEP, the shares of manufactured goods and food items are also considerable, at 22.2% and 19.0% respectively.

In terms of the origin of Africa's imports, similar patterns are generally observed as in the case of exports; however, a greater importance of Asian economies (that is, RCEP–9 and the Rest of Asia) as sources of imports for Africa should be highlighted (see Figure 10.3).

Nevertheless, in terms of the product composition of Africa's imports, the patterns are considerably different than that of Africa's

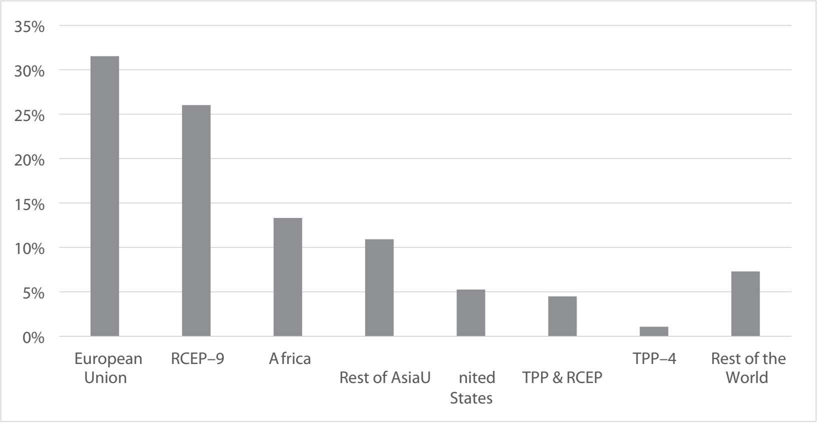


Figure 10.3 Share of key partners in Africa's total imports, 2015–2017.
Source: Author's calculations based on UNCTADStat; accessed on 28 November 2018

exports, with manufactured goods representing the largest share of Africa's imports whatever the origin. This clearly reinforces the fact that African economies are largely dependent on their external partners to satisfy their industrial needs. Nonetheless, the strong domination of imports of manufactured goods is somewhat less pronounced in the cases of intra-African trade and imports from TPP–4 and the Rest of Asia, as well as from the Rest of the World (see Figure 10.4).

Data, therefore, tend to suggest that exploring the deepening of regional integration within Africa, but also between Africa and countries from Asia, particularly those which do not belong to the three major MRTA configurations, could be seen as a positive avenue to help diversify Africa's trade base.

Methodology Used and Policy Reforms Envisaged for the Analysis

Methodology

The analysis is conducted using the well-known multi-country, multi-sector MIRAGE[17] computable general equilibrium (CGE) model in its recursive dynamic version, which is particularly well suited to assess complex trade policy reforms. A description of the model's main features and assumptions is provided in Appendix 10.1.[18]

The model relies mainly on data from the Global Trade Analysis Project (GTAP) version 8.1 database[19] and the Market Access

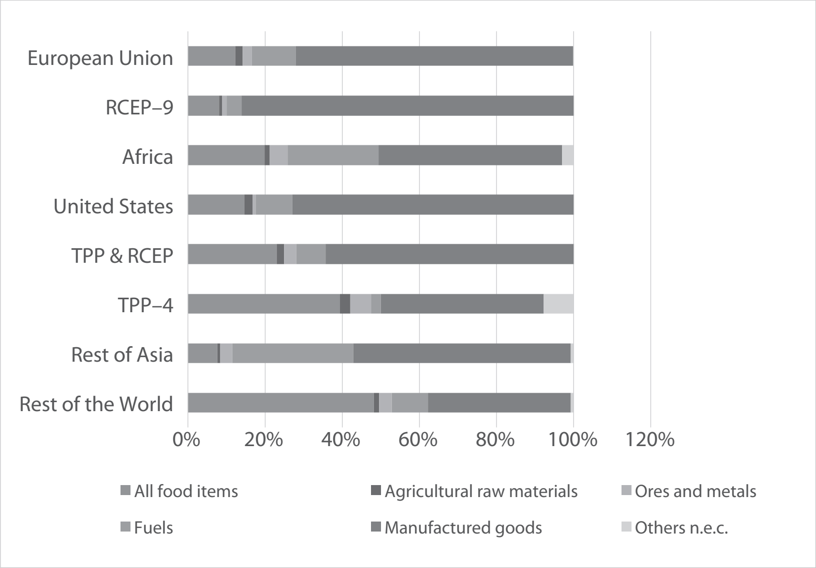


Figure 10.4 Share of main products in Africa's total imports by key markets of origin, 2015–17

Source: Author's calculations based on UNCTADStat; accessed on 28 November 2018

Map at Harmonized System 6-digit level of product classification (MAcMap-HS6) version 2 database.[20]

While MAcMap-HS6 version 2 is for the year 2004 and thus could appear outdated for such work, it should be emphasized that considerable efforts have been made to update tariff information (between the year of the database and the base year, 2015) that is relevant for the exercise and which has been included throughout the baseline. Our updated version of MAcMap-HS6, therefore, reflects the trade preferential schemes, notably the Generalized System of Preferences (GSP); the "Everything but Arms" (EBA) initiative of the EU; the African Growth and Opportunity Act (AGOA) by the US, which was renewed on September 2015 for a ten-year period; as well as schemes recently offered by China and India to a number of LDCs; the adoption of the common external tariff (CET) structure by the Economic Community of West African States (ECOWAS) on January 2015; the enlargement of the EU to twenty-eight members; and any new accessions to the WTO between 2004 and 2015.

As the primary focus of this study is on African countries, the country/region decomposition for the CGE model—based on available countries/regions in the GTAP database—is made up of seventeen African countries and five African groups/regions. Thirteen key relevant trading partner countries/groups were also considered for the exercise in order to match as closely as possible those investigated in the trade flow analysis: the European Union, the United States, China, India, Turkey, the United Arab Emirates, and Saudi Arabia; additionally, the remaining countries are lumped into a group of TPP countries that do not belong to RCEP, excluding the US (TPP–4); a group of countries that belong to both TPP and RCEP (TPP & RCEP); a group for the rest of RCEP countries (RCEP–9, minus China and India); the rest of Asian countries, split into two groups (the Rest of Western Asia, and the Rest of Asia); and a Rest of the World group.[21] This gives a total of thirty-five countries/regions. As far as the determination of sectors is concerned, we focus on those that are essential for African economies. In total, twenty sectors are considered and broken down into the following main sectors: eleven sectors for agricultural and food, two for energy and mining, five for industry, and two for services. More details for the country/region and sector decompositions are provided in Appendix 10.2.

Envisaged policy reforms

In order to assess the trade impacts from the establishment of the three major MRTAs currently being envisaged on African economies, as well as some possible options to mitigate any potential losses for Africa, the following five policy reforms are envisaged:

1. The three MRTAs—namely, TTIP, TP, and RCEP—are all implemented by 2017;
2. TTIP, TPP, and RCEP (scenario 1) as well as the AfCFTA are all implemented by 2017;
3. TTIP, TPP, RCEP, and the AfCFTA are all implemented by 2017 (scenario 2) followed by a merge of the TPP with the AfCFTA by 2020;
4. TTIP, TPP, RCEP, and the AfCFTA are all implemented by 2017 (scenario 2) followed by a merge of the RCEP with the AfCFTA by 2020;
5. TTIP, TPP, RCEP, and the AfCFTA are all implemented by 2017 followed by a merge of the RECP with the AfCFTA (scenario 3) and with the Rest of Asia economies (not belonging

to any of the MRTAs) to form a large Africa-Asia regional bloc by 2020.

The 2017 date for full implementation of the three major MRTAs and the AfCFTA has been selected to allow for comparisons across scenarios; the date is also fully consistent with the initial objective reaffirmed by African Heads of State and Government at the 2015 AU Summit to conclude the first phase of the AfCFTA negotiations by 2017.[22]

Trade liberalization in goods alone has been considered for all the scenarios. This is due to data limitations as far as barriers in services trade are concerned. Whereas it is assumed that full liberalization will take place for the AfCFTA (as the ultimate objective is to have exclusion lists that remain limited or even absent in a continent-wide free trade area or), sensitive products have been determined for all other cases. Indeed, within the MRTAs, relatively high tariffs in sensitive agriculture commodities often remain,[23] and there is a clear reluctance by some countries in the ongoing negotiations of the different MRTA configurations to fully liberalize agriculture.[24] Accordingly, sensitive products in agriculture have been determined following the methodology developed by Sebastien Jean and his colleagues (Jean, Laborde, and Martin 2008). In other words, an index that aims at identifying the commodities which are assumed to be import-sensitive by each member within its mega-regional bloc has been computed. The index defines the import-sensitive goods by using the following three criteria: the products have high initial tariffs; they are highly traded; and they would have a large tariff reduction if their tariffs were to be cut and brought down to zero.

As a consequence, higher values of the computed index correspond to the most import-sensitive products. The sensitive product list is country-specific. It should be noted that for pairs of countries that belong to both RCEP and TPP (for example, Japan and Singapore), the sensitive product list—between the two trading partners—defined for the RCEP is used, as initial protection in agriculture between RCEP members is on average higher than between TPP members.[25] Regarding the number of sensitive products, it is determined using the most conservative assumptions from the latest 2008 WTO Agricultural Market Access (AMA) modalities as a basis.[26] Such an approach allows complying with a possible agreement on AMA that could come out of WTO negotiations going forward.[27] Appropriately, as trade negotiations in WTO are made on bound tariffs, it is important to note that whenever the cut applied on bound tariffs did not result in a final tariff rate lower than the existing most-favoured-nation (MFN) tariff rate, then the MFN tariff rate remained in place. In the case of industrial and non-sensitive agricultural products, tariffs are brought down from their current levels to zero.

Furthermore, all the five above-defined scenarios are implemented either with or without a worldwide reduction of costs to trade across border in line with the Trade Facilitation Agreement (TFA) of the WTO.[28] Explicitly, and based on the available data, trade costs are obtained crossing information on (1) average number of days required for the export and import processes (World Bank 2013); and (2) export and import weighted average time costs obtained at the GTAP level of sectors and by exporting and importing countries/regions (Minor and Hummels 2011). Trade costs estimated at the GTAP level of sector and country disaggregation are then aggregated further at the level defined for the CGE model, which can be found in Appendix 10.2. Twenty-five percent reductions of these trade costs, or "iceberg costs," were then applied, such as customs procedures, port handling, and inland transport in import and export processes, which are assumed to become 25% more efficient worldwide by 2020 as compared to those in the base year of 2015.

Finally, while the reforms are assumed to be effective by either 2017 or 2020, according to the scenario considered, outcomes are given for the year 2022. This is to allow for consistent comparisons across scenarios and also for all variables of the model to properly adjust to shocks. Unless otherwise indicated, these yearly outcomes are given by comparisons between each of the scenarios and the baseline—that is, the reference scenario without any of the above-defined trade reforms in place—either in percent or absolute changes.

Key Findings from the Modelling Exercise

Findings from the CGE analysis indicate that as a result of the establishment of the three major Mega-Regional Trade Agreements (MRTAs), their members would considerably expand their trade. Total exports of MRTA members (TTIP, TPP and RCEP all together) would increase by more than US$1 trillion by 2022 following the reforms, without trade facilitation measures being considered. As illustrated in Figure 10.5, it should be noted that RCEP countries would stand to gain most of the overall trade benefits associated with the formation of

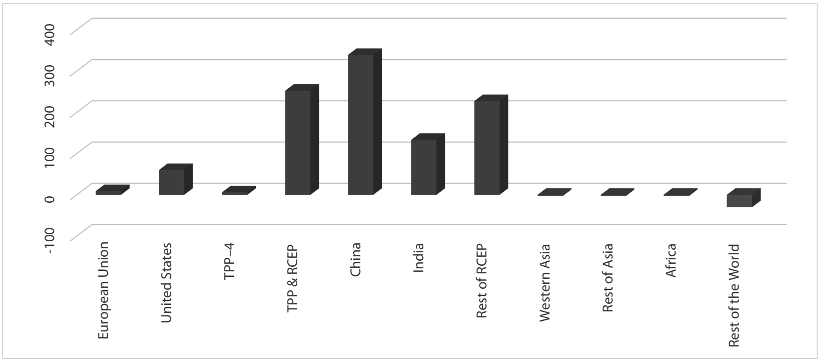


Figure 10.5 Changes in exports by main regions of destination following implementation of MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

the mega trade deals, with China alone getting nearly one-third of the gains. This is not a surprise as China, not being member of ASEAN, still faces significant tariff barriers—like a few other RCEP member countries—when exporting to many of its Asian and Pacific partners, especially in agricultural commodities.[29]

Consequently, the world trade landscape would be moderately modified as the influence of MRTA members in world trade would slightly increase at the expense of third countries (those outside of MRTA configurations). MRTAs members, together accounting for about 70% of world trade in 2022 and in the absence of MRTA reforms, would see their share increasing to nearly three-quarters the year following implementation of mega trade deals. Thanks to major gains obtained from the trade reforms, China alone would become the largest exporting economy worldwide (with a share of 17.5% of total world exports) surpassing the European Union (15.8%) if MRTAs were to be implemented. Africa's exports share in world exports, already relatively low today (around 3%)[30] and estimated to reach nearly 5% in 2022 without MRTA reforms, would be only 4.6% that year with MRTAs in place[31].

The establishment of the MRTAs would undermine prospects for Africa's exports.

In this context, third countries all together would see their exports diminishing by US$39.2 billion. With ensuing higher competition and erosion of preferences on MRTA markets, Africa alone would see its exports reduced by over US$3 billion (or 0.3%) in 2022 as compared to the baseline. While such trade diversion appears to be relatively marginal for Africa, it must be noted that it corresponds to the net effect. In fact, Africa's exports would essentially shift from RCEP members to other trading partners. Specifically, Africa's exports to RCEP members—essentially India and China—would decrease by over US$10 billion (or 5.4%), whereas in the meantime Africa would increase its exports by about US$7 billion (or 1.0%) to other regions, including to members of the TTIP and TPP (see Figure 10.6).

While it is rather logical to find that Africa redirects some of its exports to non-MRTA members when the mega-regional agreements are established, the increase of Africa's exports to TTIP and TPP members may require some explanation. This comes mainly as a result of the formation of RCEP, which is expected to boost intra-RCEP trade, and thus RCEP member countries tend to expend their trade, by a considerable margin, with each other and at the expense of some trade with other partners from TTIP, TPP, and outside. African countries, in particular thanks to EBA and AGOA initiatives from the EU and the US, respectively, are still able to grab some export opportunities on TTIP and TPP markets (especially the EU and the US), where competition with RCEP countries is somewhat reduced in the context of MRTAs. However, wherever Africa's exports expand following establishment

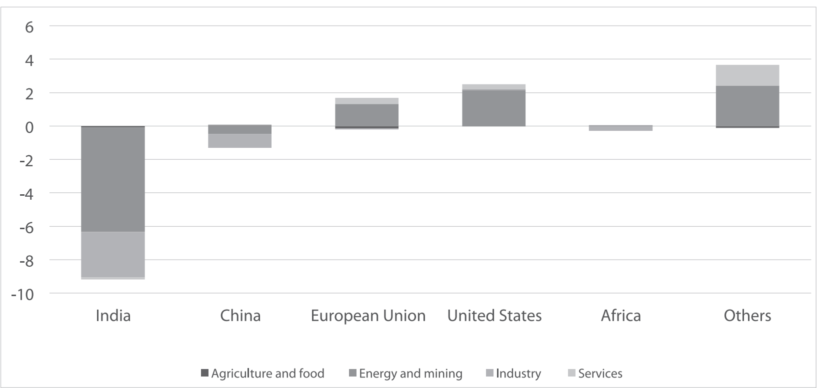


Figure 10.6 Changes in Africa's exports by main regions of destination and main sectors following implementation of MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

of the MRTAs, the vast majority of the gain is concentrated in energy and mining, which is in line with the fact that preferential schemes have so far largely failed to enhance Africa's export diversification and industrialization (see Chapter 5 of ECA, 2015).[32] Furthermore, such increase simply helps more or less balance the decrease in Africa's exports of energy and mining to India and China. Most importantly, further reductions in Africa's exports to China and India are found in industrial products (such as textile and wearing apparel, chemicals, metals, and the like), thereby undermining further efforts towards diversifying and structurally transforming African economies. Finally, the estimated loss for Africa is surely underestimated as the analysis considers only reduction of tariff barriers on goods within MRTAs, while these agreements also cover matters related to services, investment, and other disciplines. It should be highlighted that this analysis does not intend to provide a full picture of the expected effects of MRTAs on African economies, as investment and employment issues, for example, are not looked at due to modelling and data limitations. Yet, the outcomes from the analysis should not be overlooked as they provide, from an African perspective, a detailed picture of the way trade relationships are being affected due to MRTA reforms.

Implementing the AfCFTA is critical for Africa's trade in the context of MRTAs.

Our findings show that an effective implementation of the AfCFTA—Africa's own MRTA—in parallel to the other MRTAs would dramatically and positively reverse the outcomes for Africa.

Africa's total exports would this time increase by US$27.5 billion (or 3.0%). This net effect can be decomposed into a sharp decrease of Africa's exports to RCEP economies of US$11.5 billion (or 6.0%) and a huge increase of US$39 billion (or 5.3%) to other regions. It should be further noted that net expansion of Africa's exports to countries outside RCEP should itself be broken down into an impressive increase of US$40.6 billion (or 39.9%) for intra-African trade and a decrease of US$1.6 billion (or 0.3%) for Africa's exports directed towards non-RCEP countries outside the continent.

As illustrated in Figure 10.7, the establishment of the AfCFTA in parallel to MRTA reforms would divert an additional US$1.1 billion of Africa's exports away from RCEP countries (essentially India and China) and limit or reduce Africa's exports to other non-African

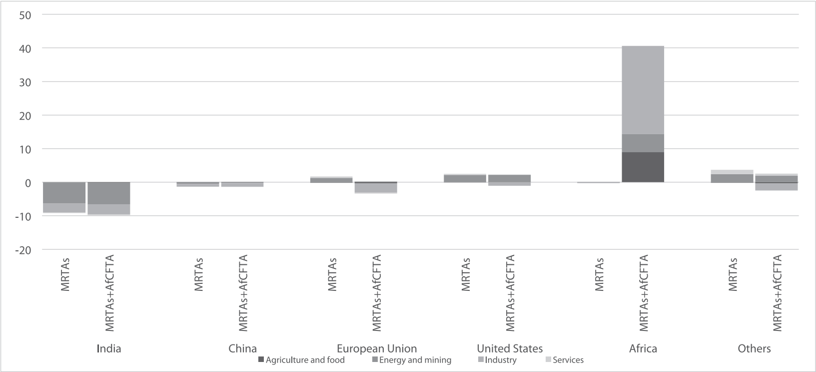


Figure 10.7 Changes in Africa's exports by main regions of destination and main sectors following implementation of MRTAs with versus without AfCFTA in place, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

partners, consequently re-orienting Africa's exports towards African partners.

The gain in intra-African trade would benefit all African countries/regions considered in the analysis, without exception (see Figure 10.8). If South Africa were to get as much as 38.7% of the overall intra-African trade benefits, in absolute terms, it should be noted that, in percentage terms, South Africa's exports would actually increase by 52.8%, which is considerable but still less than many other countries or regions. For example, exports would increase in Tunisia by 115%, Madagascar 100.6%, Tanzania 96.5%, Morocco 85.8%, Ethiopia 85.7%,

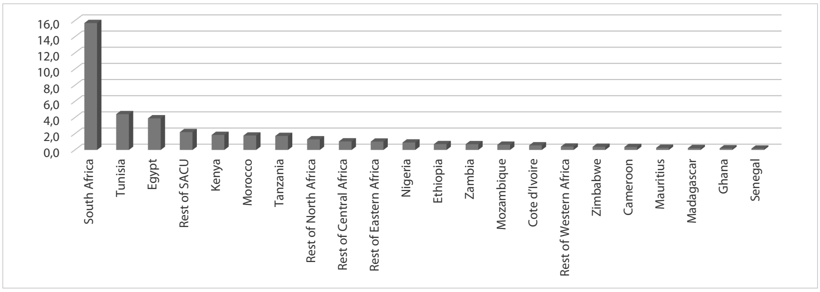


Figure 10.8 Changes in Africa countries' exports to Africa following implementation of both MRTAs and AfCFTA in parallel, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

Egypt 61.9%, the rest of the Southern African Customs Union (SACU) 59.8%, and Cameroon 56.5% (see Figure 10.9). In fact, despite sizeable gains for South Africa, in both absolute and percentage terms, the influence of South Africa in intra-African trade would actually decrease when the AfCFTA is established in parallel to MRTAs, compared to a baseline without those reforms; the share of South Africa's exports in total intra-African exports would be 13.4% with MRTAs and the AfCFTA in place, against 16.9% in the absence of such reforms, in 2022. Therefore, stating that the AfCFTA would mainly benefit big African economies is not accurate, and smaller economies should not fear the continent-wide reform as far as trade benefits are concerned.

Furthermore, the bulk of the expansion in intra-African trade would benefit industrial products (see Figure 10.7). Such an outcome was to be expected in line with trade flow analysis proposed in this chapter. Indeed, as illustrated in Figure 10.2, current intra-African trade tends to be dominated by exchanges of manufactured goods, which contrasts greatly with what Africa exports to the rest of the world[33] and attests to a clear potential for industrialization of African economies through deepened continental trade integration. As shown in Figure 10.10, the highest increases following the establishment of the AfCFTA would be found in electronic, machinery and transport equipment, chemical, textile and metal products, as well as processed food. This is generally verified across African countries/regions,[34] thereby supporting African countries' industrialization efforts.

Hence, it is critical that the AfCFTA negotiations that have recently started are successful and result in an effective and rapid

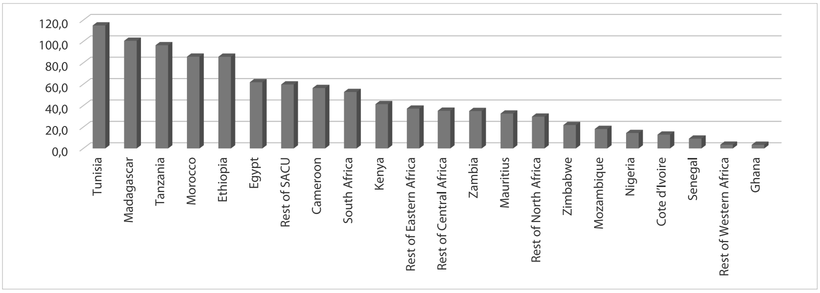


Figure 10.9 Changes in African countries' exports to Africa following implementation of both MRTAs and AfCFTA in parallel, as a percentage, 2022

Source: Author's calculations based on MIRAGE CGE model

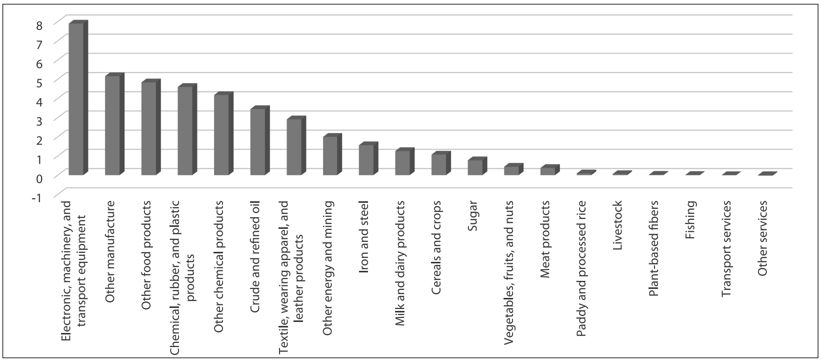


Figure 10.10 Changes in Africa's exports to Africa by sectors following implementation of both MRTAs and AfCFTA in parallel, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

implementation of the AfCFTA to mitigate the possible negative effects expected on African economies from MRTA reforms. More broadly, if the sequencing of trade policy reforms—with a particular emphasis to be placed on the regional integration process first—can be seen as vital to support Africa's industrialization and structural transformation based on the above results,[35] Africa also needs to start exploring strategically how to expand its trade beyond the regional/continental market. Indeed, although the regional market is still under-exploited and shows considerable potential to help diversify Africa's trade base, it remains relatively small and fragmented. Besides, Africa cannot afford to rely on trade preferences granted on its exports by most developed nations, but also by some emerging economies (including China and India), to build and upgrade the necessary value chains and become more competitive in the global trade arena (see ECA 2015). Looking forward, Africa must start to develop a clear and coherent strategy to expand its trade beyond the continent and possibly relying less on traditional partners from outside. This will be vital to allow Africa's share in global trade to possibly increase beyond the mere current 3% which has barely evolved for the past two decades.[36] The rest of the chapter presents key findings of various enhanced trade integration scenarios between Africa and other South-South partners in the context of the mega-trade deals and the AfCFTA.

Merging AfCFTA with TPP would offer interesting trade opportunities for Africa beyond regional markets, but the merge would have limited positive impact on Africa's export diversification.

Once the AfCFTA and the three major MRTAs are assumed to be in place, tentatively merging the CFTA with TPP would lead to an additional gain of US$19.5 billion for Africa's exports in 2022. Africa's exports would increase by US$46.5 billion (or 5.0%) once AfCFTA and TPP are merged in the context of the AfCFTA and MRTAs against US$27.5 billion (or 3.0%) with only AfCFTA and MRTA reforms in place, each as compared to the baseline in 2022.

Such reform would create interesting trade prospects for Africa towards the handful of North, Central, and Latin American markets belonging to the TPP. Indeed, Africa's exports to the TPP–4 (Canada, Mexico, Chile, and Peru) would increase by 44.6% by 2022, relative to the baseline. However, it should be noted that this increase is from a relatively low base and would correspond to a trade expansion of US$8.3 billion in absolute terms. While this is still very meaningful (and a deeper integration scheme with other economies from Central and Latin America would likely strongly raise the benefits), it remains lower, in absolute terms, than the increase in Africa's exports towards TPP countries that are also members of the RCEP. Africa's exports to the TPP–RCEP group, although rising by a lower percentage (31.6%) than Africa's exports to TPP–4, would increase by US$11.9 billion. More importantly, half of the expansion in Africa's exports to TPP–4 would be felt in energy and mining when the increase in this sector would only represent about a quarter of the expansion in Africa's exports to TPP–RCEP countries. Africa's exports to TPP–RCEP would actually be dominated by agriculture and food products (representing about 36% of the increase), followed closely by industrial goods (corresponding to nearly 30% of the increase). It must also be stressed that following a hypothetical merge of TPP and AfCFTA reforms, Africa's exports to the US would only increase by US$4.1 billion (or 2.6%) with roughly 80% of this expansion found in energy and mining products.[37] Therefore, the gains for Africa are mainly concentrated with CPTPP members, and thus the inclusion of the US in the TPP, for the sake of the modelling exercise, does not drive the results. Additionally, Africa's exports towards African partners would increase slightly less, and Africa's exports to other countries outside the TPP would be reduced a little further, than in the scenario without merging AfCFTA and TPP. Nonetheless, the considerably larger net trade creation for Africa under the case where AfCFTA and TPP are merged would still be a positive outcome, thereby offering broader export opportunities for African countries beyond the regional market (see Figure 10.11).

Having said that, results have revealed that when merging TPP and AfCFTA, Africa's export diversification would be enhanced only towards those TPP countries that also belong to RCEP. This tends to suggest that a merge between AfCFTA and RCEP may well produce more appealing outcomes than merging AfCFTA and TPP as far as favouring Africa's transformation agenda is concerned.

Merging AfCFTA and RCEP would offset any trade diversion for Africa caused by MRTAs and have significant potential to support Africa's transformation efforts.

As already shown in Figure 10.6, the entire trade deflection for Africa when the three major MRTAs are to be in place is with RCEP countries, particularly India, and to some extent China. Such outcome calls for a reinforcement of trade relationships between African and RCEP economies in the context of MRTAs. Our findings, from a scenario that explores the potential of merging AfCFTA and RCEP, confirm that bringing the two vast regional blocks together—leaving

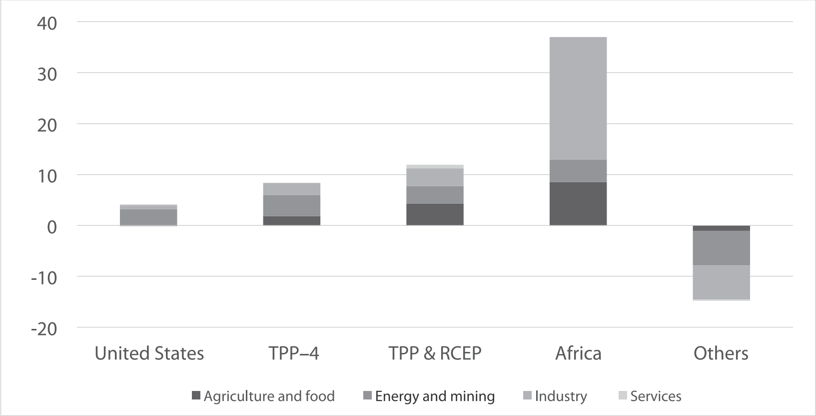


Figure 10.11 Changes in Africa's exports by main regions of destination and main sectors following the merge of AfCFTA and TPP in the context of AfCFTA and MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

aside any possible technical and political considerations rendering unlikely such fusion in the short term—would have a considerable and positive effect on African economies.

Indeed, merging AfCFTA and RCEP after AfCFTA and MRTAs have been established would more than triple Africa's export gains, from US$27.5 billion (an increase of 3% over the baseline in 2022) in the presence of only AfCFTA and MRTAs to US$95.4 billion (a 10.3% increase relative to the baseline in 2022) when AfCFTA and RCEP are merged after both AfCFTA and MRTAs have been implemented. The export gains for Africa after merging AfCFTA with RCEP would also be more than twice as much as the ones obtained when AfCFTA and TPP are merged instead.

It should be noted that as much as 45.9% of Africa's export gains when AfCFTA and RCEP are merged would be realized with India alone, with about 80% of that share being expansion in exports of energy and mining products (see Figure 10.12). This is not a revelation considering that currently 78% of Africa's exports to India are just fuels.[38] Nonetheless, deeper trade integration between India and Africa would still generate very meaningful exports gains for Africa as far as industrial goods are concerned, with an increase of US$8.2 billion for Africa's industrial exports to India, representing nearly 20% of

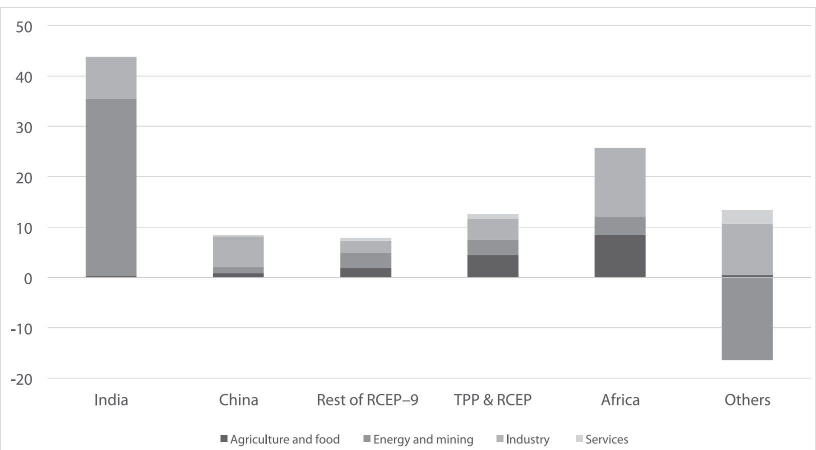


Figure 10.12 Changes in Africa's exports by main regions of destination and main sectors following the merge of AfCFTA and RCEP in the context of AfCFTA and MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

total Africa's export gains to India. Yet, the case of India strongly contrasts with the composition of Africa's export benefits to other RCEP countries and particularly China. Whereas Africa's exports to RCEP countries, outside of India, represent a lower proportion at about 30% of Africa's export gains (against nearly 46% to India) following a merge between AfCFTA and RCEP, industrial products dominate the increase in exports. Specifically, the share of industrial products in Africa's exports' expansion to the fourteen RCEP countries, leaving aside India and China, would be 31.9% and the share for energy and mining would be 29.4%. In the case of China, the increase in industrial products is far more pronounced, since 71.8% of the expansion in Africa's exports to China would be just industrial products, while the share for energy and mining would represent only 15.3%. Apart from Madagascar, all African countries/regions considered in the analysis would see their exports of industrial products stimulated towards China; for fifteen out of the twenty-two African countries/regions, exports of industrial products to China would increase by more than two-thirds, relative to the baseline in 2022 (see Figure 10.13). Madagascar would also benefit from the trade reform but essentially thanks to large expansion in its exports of rice towards RCEP countries, other than China and India.[39]

Another important element to be highlighted in the findings from the merge between AfCFTA and RCEP is the fact that Africa's industrial exports to third countries would also augment. While this

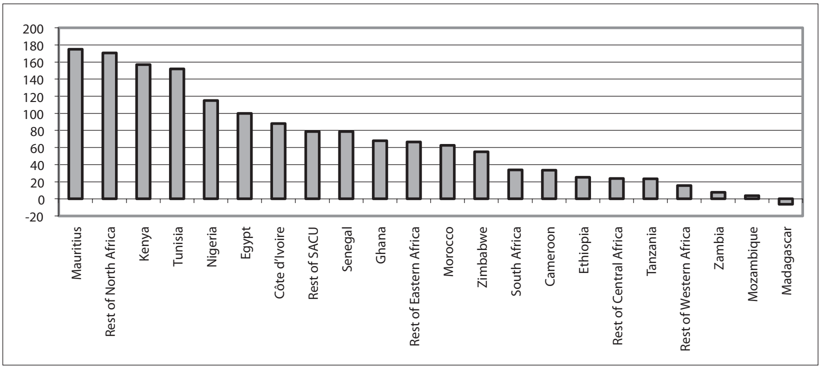


Figure 10.13 Changes in African countries' industrial exports to China following merge of AfCFTA and RCEP in the context of AfCFTA and MRTAs, as a percent, 2022

Source: Author's calculations based on MIRAGE CGE model

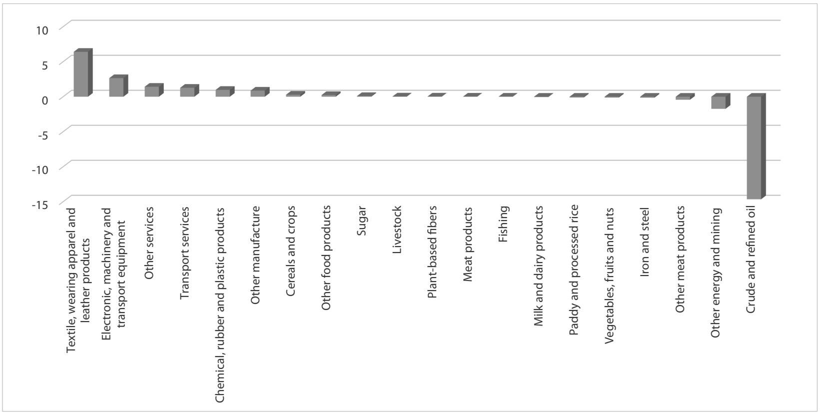


Figure 10.14 Changes in Africa's exports to non-African third countries by sectors following merge of AfCFTA and RCEP in the context of AfCFTA and MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

is driven by the AfCFTA reform for intra-African trade, as already demonstrated, it is rather striking in the case of other third countries. Interestingly, and following huge increase of Africa's exports of energy and mining to India, African countries tend to replace exports of energy and mining towards non-African third countries by some exports of industrial products, especially textile and wearing apparel (thanks in particular to existing trade preferences) but also electronic, machinery, and transport equipment. In other words, Africa's exports of energy and mining outside the continent are decreasing by US$16.4 billion as compared to the baseline in 2022, whereas exports of industrial products are increasing by US$10.3 billion.

Hence, the potential to support Africa's industrialization by integrating further with RCEP economies exists, even though increases in exports of energy and mining products would still be considerable, especially towards India.

Integrating Africa and Asia, beyond just RCEP, would produce the most promising outcomes for Africa as it moves towards more diversified exports.

The trade flow analysis presented in this chapter suggested that establishing closer trade ties between African and Asian economies—beyond just the sixteen RCEP members—could possibly benefit Africa's trade, especially as far as its diversification is concerned.

Findings from the establishment of a large regional bloc encompassing Africa, RCEP members, as well as the rest of Asian economies, including Western Asia,[40] show that the inclusion of Asian nations besides RCEP members into an Africa-Asia bloc would indeed have a substantial impact on Africa's exports. Compared to a scenario where solely AfCFTA and RCEP are merged, an enlarged Africa-Asia bloc would boost further African exports by US$11.4 billion, with an expansion of Africa's exports of US$106.8 billion (or 11.5%) relative to the baseline in 2022, against an increase of US$95.84 billion (or 10.3%) when strictly AfCFTA and RCEP are merged.

As illustrated in Figure 10.15, these additional export gains for Africa would mainly come from new trade opportunities in Asian markets beyond RCEP members. However, it is worth mentioning that, outside of Africa's exports to India, the gains to the rest of RCEP members, obtained under a scenario assuming a merge between AfCFTA and RCEP, would be preserved when a larger Africa-Asia trade integration scheme is set up. Under the latter scenario, Africa's exports to India would only increase less for energy and mining products compared to the former scenario, and precisely as a result of some of India's imports of crude and refined oils from Africa being replaced by India's

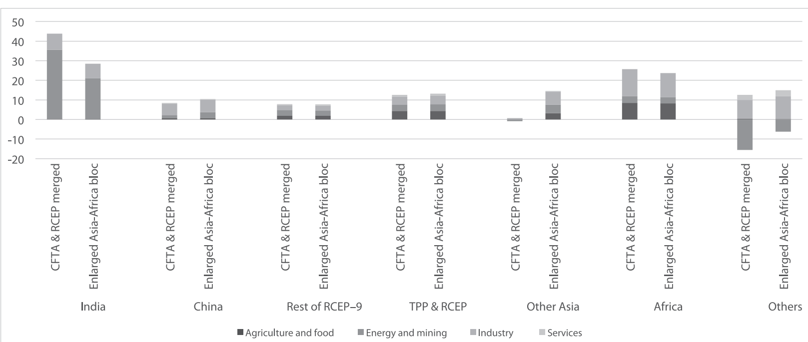


Figure 10.15 Changes in Africa's exports by main regions of destination and main sectors following the merging of AfCFTA & RCEP versus enlarged Asia-Africa bloc in place in the context of AfCFTA and MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

imports of the similar commodities from Western Asia, notably from Saudi Arabia. Nonetheless, as Western Asian economies join the broad Africa-Asia FTA and expand their trade with African and other Asian nations, including those members of the RCEP, competition on third country markets tend to become relatively less fierce, thereby allowing African economies to preserve some trade opportunities with countries outside Africa and Asia; justifying why the reduction of Africa's energy and mining exports to "Others," shown in Figure 10.15, is less pronounced under a broad trade reform between Africa and Asia than following a merge of strictly AfCFTA and RCEP.

Turning back to Africa's exports directed to Asian countries outside of RCEP—which would be negatively affected under a scenario where AfCFTA and RCEP are merged—they would be boosted if a large Africa-Asia trade bloc were to be established; exports from African countries to non-RCEP Asian economies would increase by US$14.6 billion (or 26%) as compared to the baseline in 2022. These trade benefits for Africa would be the largest in industry (with 45.3% of Africa's gains from exports non-RCEP Asian countries), followed by energy and mining (29.5%), and agriculture and food (22.6%). Therefore, and as suggested by the trade flow analysis, integrating with non-RCEP Asian nations would turn out to be a pertinent strategy for Africa to support its industrialization efforts. Nearly all the increase in Africa's exports towards the United Arab Emirates and Saudi Arabia—already well sourced in energy products—would be felt in industrial goods. Industrial products will also dominate Africa's export expansions to Turkey and the Rest of Asia, and still be considerable in the case of the Rest of Western Asia to nearly match increase in exports of energy and mining (see Figure 10.16).

As indicated in Figure 10.17, the range of additional industrial products that Africa would be expected to export to non-RCEP Asian economies would actually be significant, including textiles, wearing apparel, and leather products, metal products, and chemicals, as well as electronics, machinery, and transport equipment. It must also be emphasized that Africa has substantial potential to expand its exports of agricultural and food products, particularly meat products, cereals, and crops, to Asia (excluding RCEP countries), especially to Turkey and the Rest of Asia (see Figure 10.16).

Thus, Africa's trade creation with non-RCEP Asian nations would be quite varied in terms of product composition of Africa's exports, thereby offering bright prospects for export product diversification of

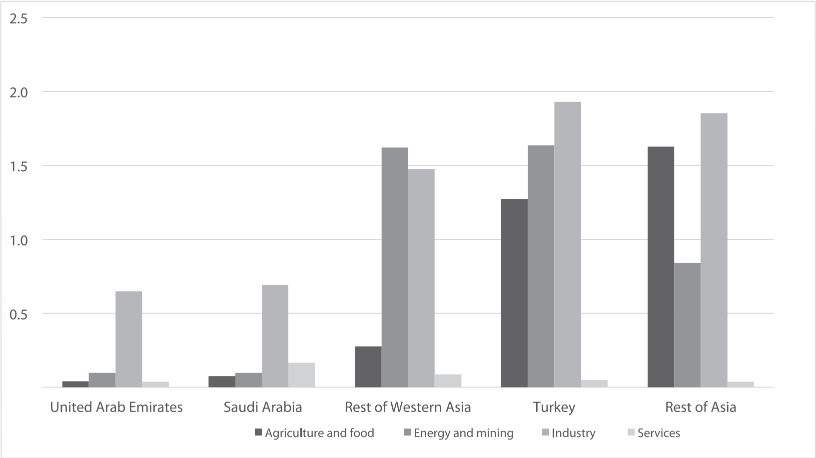


Figure 10.16 Changes in Africa's exports to non-RCEP Asian countries/regions and main sectors following implementation of an enlarged Asia-Africa bloc in the context of AfCFTA and MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

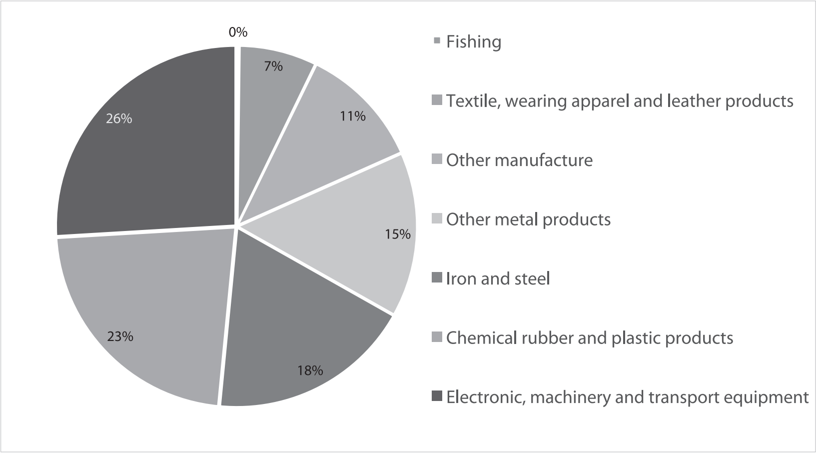


Figure 10.17 Composition of Africa's industrial export gains to Asia (excluding RCEP members) by industrial sectors following implementation of an enlarged Asia-Africa bloc in the context of AfCFTA and MRTAs, as a percent, 2022

Source: Author's calculations based on MIRAGE CGE model

African economies. Furthermore, gains for Africa would not be concentrated in just a few countries. While one could possibly fear that a handful of African countries, such as North African nations having already close trade relationships with Western Asian nations, would grab most of Africa's export gains, all African countries/regions considered in the analysis would benefit[41] (see Figure 10.18). For example, Nigeria's exports to Asian economies (outside of RCEP) would increase by 75.9% as compared to the baseline in 2022, with exports of meat products being most stimulated; Kenya's exports would augment by 53.8%, benefiting metal products, cereals, and crops the most; exports from Ghana would rise by 46.8%, stimulating exports of milk and dairy products but also a wide range of industrial goods.

As a consequence of both wider access obtained by Africa to Asian markets and preferred market access offered by Africa to its Asian counterparts, African countries would tend to trade slightly less with their African partners than under all previous scenarios that also include the AfCFTA. Of course, the lower increase for intra-African trade would be more than compensated by larger increases for Africa's exports traded outside the continent. Nevertheless, if the expansion in intra-African trade in 2022 is only US$2 billion less under a broad Africa-Asia FTA reform than under a strict merge between the AfCFTA and the RCEP, it is US$16.9 billion less as compared to a scenario that envisages the AfCFTA reform in the context of MRTAs

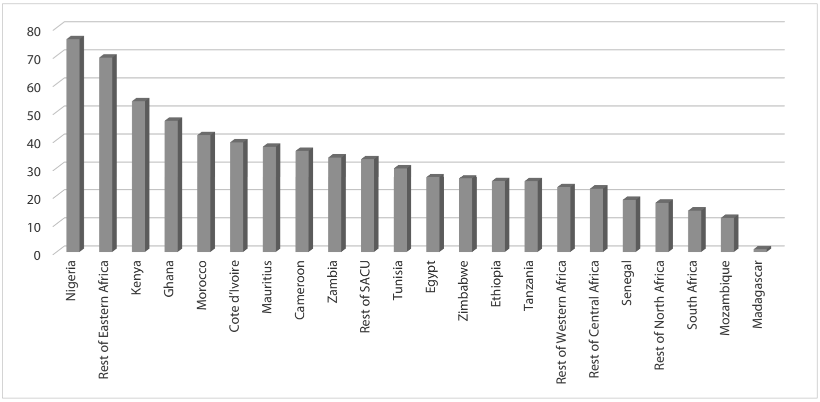


Figure 10.18 Changes in African countries' exports to Asia following implementation of an enlarged Asia-Africa bloc in the context of AfCFTA and MRTAs, as a percent, 2022

Source: Author's calculations based on MIRAGE CGE model

without any integration between Africa and South-South partners from outside the continent.

Implementing trade facilitation measures on top of tariff liberalization reforms is vital to preserve intra-African trade gains when Africa opens up with South-South partners; and it would help boost Africa's exports, especially in industrial products.

The question is surely not to dispute the necessity for Africa to open up strategically with South-South partners under reciprocal agreements, considering the huge trade benefits that are at stake for Africa, especially in reinforcing trade ties with Asian and particularly with Western Asian economies. Yet, for the AfCFTA to play its role in building a solid African market that can effectively support Africa's structural transformation agenda, it needs to be ambitious, and non-tariff barriers must be tackled thoroughly, along with trade liberalization efforts in goods but also services.[42]

Findings from a scenario envisaging the establishment of an enlarged Asia-Africa trade bloc with measures to facilitate cross-border trade[43] being undertaken in parallel, and in the context of AfCFTA and MRTA reforms, demonstrate that (1) Intra-African trade would expand as much as in the scenario where solely the AfCFTA is implemented along with MRTAs; (2) Africa's exports towards Asian economies, but also third countries would increase remarkably further, thanks to worldwide reduction in trade costs—in line with World Trade Organization's (WTO) Trade Facilitation Agreement (see Figure 10.19).[44] In other words, the trade facilitation reforms would generate additional US$63 billion gains for Africa's exports on top of the US$106.8 billion brought about by the liberalization of trade in goods within and between Africa and Asia, relative to the baseline in 2022. If the reduction of tariff barriers faced by African countries still matter, especially in certain sectors and vis-à-vis some countries, as illustrated by the results obtained from the various trade reforms analyzed, tariffs are not as significant as they were two decades ago. Thus, the magnitude of the gains generated by a reduction of only 25% of just some of the existing non-tariff barriers surely is not a revelation. It should also be noted that 52.9% of the extra gains for Africa generated by the trade facilitation reforms would be for just industrial products. Thus, trade facilitation measures would help further increase the share of industrial products in Africa's total exports, providing extremely positive

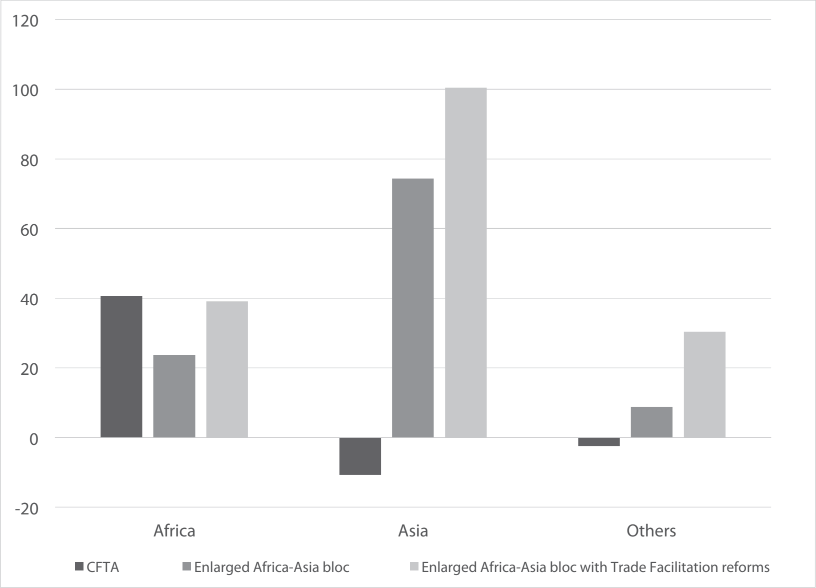


Figure 10.19 Changes in African countries' exports by main destinations following the implementation of AfCFTA alone, versus an enlarged Asia-Africa bloc, versus an enlarged Asia-Africa bloc with trade facilitation reforms in the context of AfCFTA and MRTAs, in US$ billions, 2022

Source: Author's calculations based on MIRAGE CGE model

impetus to Africa's structural transformation efforts. This observation would hold whatever the destination of Africa's exports—to Asia, Africa, and third countries—thanks to costs to trade across borders being reduced not only within Africa but also between Africa and the rest of the world.

Lastly, it should be highlighted that if Africa's global real income would slightly increase by US$0.4 billion (or 0.2%) under an Africa–Asia FTA, relative to the baseline in 2022, not all African countries would actually register positive variations. This would essentially be explained by significant reductions in tariff revenues implied by large tariff reduction vis-à-vis both Asian and African countries. Yet, in the case that trade facilitation measures are also implemented in parallel, those short-term fiscal costs would be more than offset, thanks in particular to considerable trade gains engendered by the reforms aiming at easing trade across borders. Consequently, Africa's real income would increase by

US$3.2 billion (or 1.6%) as compared to the baseline in 2022, and this time all African countries/regions considered in the analysis would see the positive variations as far as their real incomes are concerned.

Africa's deeper trade-related engagement with South-South partners will not only be in Africa's interests.

While the analysis grounds itself in an African perspective, it is worth noting that deepening trade integration between Africa and its South-South partners would be not just in Africa's interest but would bring large benefits to its counterparts as well.

A quick summary of the effects that the different envisaged scenarios have on exports of all main countries/regions considered for the analysis is provided in Table 10.1.

First, as already seen at the beginning of the current section of the chapter on "Key findings from the modelling exercise," MRTA members would all see their exports increase following the establishment of the main three MRTAs. Conversely, exports would decline for all third countries.

Second, when it is assumed that Africa implements its own MRTA—the AfCFTA—in parallel to the other MRTAs, findings presented previously did point out that Africa's exports would then increase significantly. However, these large export benefits brought about by the AfCFTA to Africa would only marginally affect MRTA members (whose exports would increase insignificantly less than without AfCFTA in place) and third countries (whose exports would decrease further but in tiny proportions).

Third, merging the AfCFTA with either the TPP or the RCEP or a vast Asian coalition would vigorously stimulate exports of respective regional bloc members, particularly in the case of a large Africa-Asia FTA; the broader the coalition the bigger the gains for all members (with the exception of TPP–RCEP group).[45] For third countries, however, export benefits would be more limited or in some cases reduced (specifically for those countries outside of any mega trade deals). The European Union would be the MRTA members most negatively affected when Africa engages in deeper trade integration with South-South partners. This is not a surprise considering that it is currently the first source of imports for African countries (see Figure 10.3).

Nevertheless, when trade facilitation reforms are effectively implemented worldwide, all countries—members of any mega

Table 10.1 Changes in countries/regions' total exports following implementation of various trade reforms, in US$ billions, 2022

	Regional bloc configurations	MRTAs	AfCFTA + MRTAs	AfCFTA + MRTAs & AfCFTA and TPP merged	AfCFTA + MRTAs & AfCFTA and RCEP merged	AfCFTA + MRTAs & Enlarged Africa-Asia trade bloc	AfCFTA + MRTAs & Enlarged Africa-Asia trade bloc with Trade Facilitation reforms
China	RCEP/Asia-Africa	339.1	338.3	335.8	369.4	406.8	723.0
India	RCEP/Asia-Africa	133.3	132.5	131.4	164.3	215.5	295.7
Rest of RECEP	RCEP/Asia-Africa	227.3	226.8	226.0	233.6	245.6	367.8
TPP & RCEP	RCEP/TPP/Asia-Africa	252.4	251.6	261.5	257.2	259.5	424.1
TPP–4	TPP	6.2	6.1	11.4	5.8	5.3	72.6
United States	TPP/TTIP	60.0	59.3	71.0	52.8	45.1	176.4
European Union	TTIP	9.0	4.9	-1.2	-15.0	-39.8	119.8
Africa	AfCFTA/Asia-Africa	-3.1	27.6	46.5	95.4	106.8	169.1
Western Asia	Asia-Africa	-2.8	-3.2	-3.7	-5.7	55.3	99.5
Other Asia	Asia-Africa	-3.4	-3.7	-4.1	-4.5	119.3	207.4
Rest of the World	none	-29.9	-30.5	-31.4	-31.4	-37.9	132.9
		988.0	1009.6	1043.3	1121.8	1381.4	2788.3

Source: Author's calculations based on MIRAGE CGE model

trading arrangement or not—would see their exports greatly expand. The export benefits associated with measures to ease trade across borders would be so large that they would more than offset any possible losses for third countries and help boost further export gains for members of vast regional trade agreements. A 25% reduction of trade costs worldwide undertaken in parallel to the establishment of a large Africa-Asia trade bloc, in the context of the AfCFTA and MRTAs, would result in a doubling of world exports.

Conclusion and Policy Recommendations

Findings from the analysis clearly indicate that the African Continental Free Trade Area (AfCFTA) is critical to mitigate expected negative trade effects that the formation of three major MRTAs—namely TTIP, TPP (now CPTPP), and RCEP—would have on African economies. Moreover, the establishment of the AfCFTA is foreseen to stimulate intra-African trade in industrial products the most. This could not only support Africa's efforts towards greater industrialization but also possibly help African countries building regional value chains as a prerequisite to moving up the global value chains (see ECA 2015). Deepening continental trade integration should, therefore, be seen as a key priority for Africa. Furthermore, establishing the AfCFTA will help bring about trade policy coherence in Africa. For example, while African countries are in the process of concluding the Economic Partnership Agreements (EPAs) with the European Union, it would certainly be unsatisfactory to have lower tariffs imposed by African economies on their imports from the EU than from their African partners. Hence, the AfCFTA must be established before the EPAs are fully implemented by strategically using the transitional periods offered under EPA reforms (see Mevel, Valensisi, and Karingi 2015).

However, establishing the AfCFTA will certainly not be sufficient to ensure that Africa does not remain marginalized on a rapidly changing global trade landscape; Africa's share in global trade is only 3% today and it has barely evolved over the last twenty years. In that sense, Africa needs to also start looking beyond its own, and still relatively small, continental market to expand its trade. MRTAs are an obvious expression of the need for many countries to quickly expand their trading relationships outside their own regions, and not wait for substantial progress to be made—as far as trade liberalization is concerned—within the WTO framework. While surely invaluable, the multilateral trading system (MTS) must adjust to be able to provide a meaningful response to a growing number of larger and larger regional trade agreements so that those do not become a substitute to the MTS but rather complement it, consistent with the objectives emphasized in Nairobi's Ministerial Declaration of the WTO.

Perhaps the most interesting and original element of the analysis undertaken and presented in this chapter is the special emphasis placed on assessing various options for Africa to deepen its trade integration beyond the continent. Whereas these may sound far easier to design on paper than in reality, they still provide worthwhile messages that can help African countries determine whether greater trade-related South-South Cooperation (SSC) is a viable pathway going forward. To that extent, three options are analyzed, each time starting from a situation where the AfCFTA and MRTAs are assumed to be already in place: (1) merging AfCFTA with TPP; (2) merging AfCFTA with RCEP; (3) merging AfCFTA with RCEP and with the rest of Asian economies—beyond just RCEP members. Findings suggest that if all three scenarios could considerably stimulate Africa's exports, although in different magnitudes, they do not provide the same scope as far as Africa's export diversification is concerned. The third option would actually best support Africa's desired efforts to structurally transform. While opening up on a reciprocal basis with RCEP economies would allow Africa to offset any of its trade deflection provoked by MRTA reforms (since trade diversion for Africa following MRTAs essentially takes place with India and China), further integration with non-RCEP Asian economies would create extremely interesting opportunities for Africa's industrial but also food exports. Besides, it must be underscored that those integration reforms would not just be in Africa's interest, as they would generate considerable export gains for the other implementing parties.

Yet, any of the three above-mentioned integration options would limit intra-African trade benefits generated by the AfCFTA reform, as African countries would tend to export more towards their South-South counterparts outside the continent at the expense of African partners. Even though there is no doubt from a trade perspective, as demonstrated by the findings of the analysis, that Africa would gain from opening up with South-South partners, the AfCFTA reform must be ambitious enough to maximize the benefits. Not only would AfCFTA have to forcefully eliminate tariff barriers to both trade and services within the African continent but it must be accompanied by an effective reduction in non-tariff barriers as well. Results show that the adoption of trade facilitation measures aiming at lowering costs to trade across borders worldwide would preserve intra-African trade benefits created by the AfCFTA reform when Africa engages in deeper integration with South-South partners. In addition, trade facilitation reforms would improve Africa's competitiveness and help further enhance Africa's exports, particularly of industrial products, to partners outside the envisaged regional blocs. Obviously, cost implications from trade facilitation reforms should not be overlooked. Therefore, once the TFA enters into force, WTO members must stand ready to honour their commitments to financially and technically assist developing countries in need, as well as LDCs, for them to be able to implement the agreement without delay.

In the current context with major MRTA reforms being envisaged or concluded, it is necessary for Africa to first establish the AfCFTA. When time comes for the implementation phase, African member States will need to respect their engagements to ensure that tariffs on goods and services can be rapidly eliminated and non-tariff barriers energetically combated in parallel. Nonetheless, African countries should not wait until the AfCFTA is effectively implemented to strategically enhance trade-related SSC as it could offer evident opportunities to support Africa's structural transformation agenda. This requires reprioritizing Africa's engagements and efforts into the various negotiation processes it is currently engaged in. It also calls for increased capacity building provided to African member States and that aim at better designing, negotiating, and implementing trade agreements. Greater emphasise must be placed on those trade reforms that seem most capable of responding to Africa's priorities, starting with Africa's regional integration and strategic engagement with South-South partners.

Notes

1. The author wishes to sincerely thank Mr. David Luke, Coordinator of ATPC, ECA, for his very valuable comments as well as Ms. Morgane Mathieu, former intern at ATPC/ECA, for her support with data on trade flow on an initial draft of the chapter.
2. WT/MIN(15)/DEC; see https://www.wto.org/english/thewto_e/minist_e/mc10_e/nairobipackage_e.htm.
3. Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.
4. Australia, Canada, Japan, Mexico, New Zealand, Singapore, and Vietnam.

5. See https://english.vov.vn/economy/cptpp-countries-to-start-accession-talks-for-new-members-in-2019-379467.vov.
6. Ten members of the Association of Southeast Asian Nations (ASEAN; Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam) plus six other major Asian economies (Australia, China, India, Japan, New Zealan, and South Korea). Negotiations for the RCEP started in November 2011. To date, there has been twenty-five rounds of negotiations.
7. TTIP negotiations were launched at the Caplin Conference, which was held in Washington D.C., in July 2013. So far there have been fifteen rounds of negotiations; the last one was held in October 2016.
8. See https://www.bloomberg.com/news/articles/2018-03-29/trump-willing-to-reopen-ttip-amid-eu-u-s-trade-spat-ross-says.
9. The empirical analysis was conducted before the US withdrew from the TPP and thus before the CPTPP was signed. Therefore, the empirical work considers the US along with the eleven signatories of the CPTTP. Nonetheless, as the results indicate (see IV.), the RCEP is the agreement that is expected to have the greatest impact on African countries; the TPP and TTIP having relatively more marginal effects on African economies. In addition, there is still a possibility that the US will join the CPTTP in the foreseeable future.
10. See Rollo et al. (2013), ECA and AUC (2014), Guimbard and Le Goff (2014).
11. Only Benin, Eritrea and Nigeria have not signed yet.
12. Chad, Côte d'Ivoire, Congo, Djibouti, Egypt, Eswatini, Ghana, Guinea, Kenya, Mali, Mauritania, Namibia, Niger, Rwanda, Senegal, Sierra Leone, South Africa, Togo, and Uganda.
13. All data in this section looking at trade flows are calculations of the author, based on UNCTADStat.
14. Cambodia, China, India, Indonesia, Korea, Laos, Myanmar, the Philippines, and Thailand.
15. Canada, Chile, Mexico, and Peru.
16. Australia, Brunei Darussalam, Japan, Malaysia, New Zealand, Singapore, and Vietnam.
17. MIRAGE stands for Modeling International Relationships in Applied General Equilibrium.
18. Full details for the MIRAGE CGE model are provided in Decreux and Valin (2007).
19. Description of the GTAP version 8 database can be found in Narayanan et al. (2012).
20. See Boumellassa et al. (2009) for more details about MAcMap-HS6 version 2 database.
21. See analysis in this chapter for further country details within each country group.
22. This empirical analysis was undertaken before the 2017 deadline was missed. However, it remains fully relevant as picking a different date for implementation would be expected to only marginally affect the results. Moreover, substantial progress was made towards the finalization of the negotiations of the AfCFTA, particularly as far as trade in goods is concerned, thus, analysis of the AfCFTA remains critical.
23. Based on author's calculations using the MAcMap-HS6 version 2 database; can be made available upon request to the author.
24. Japan, for example, considers the TPP a non-starter if the country has to make substantial tariff reductions in products such as dairy, rice, sugar, beef, pork, wheat, and barley.

25. Based on author's calculations using the MAcMap-HS6 version 2 database; can be made available upon request to the author.
26. See WTO revised draft agriculture modalities (Rev.4); https://www.wto.org/english/tratop_e/agric_e/ag_modals_dec08_e.htm.
27. The Nairobi Ministerial Declaration of the WTO (WT/MIN(15)/DEC) states that "many Members reaffirm the Doha Development Agenda, and the Declarations and Decisions adopted at Doha and at the Ministerial Conferences held since then, and reaffirm their full commitment to conclude the DDA on that basis"; see https://www.wto.org/english/thewto_e/minist_e/mc10_e/nairobipackage_e.htm. Therefore, even if there is a strong opposition by some countries, an outcome on DDA issues, including AMA, is not to be excluded in the future.
28. While such option is considered for the modelling exercise, it should be noted that the TFA that entered into force on 22 February 2017 has not been ratified by all African countries yet and that the pace of implementation varies across countries; see https://www.tfadatabase.org/timelines-for-notifications.
29. Based on authors' calculations based on MAcMap-HS6 version 2 database.
30. Author's calculations based on UNCTADStat; access on 15 February 2016.
31. Estimated shares calculated by the author, based on MIRAGE CGE model.
32. Chapter 5 from ECA's Economic Report on Africa (ERA) 2015 demonstrates that despite preferential market access offered to them by many developed and some emerging economies, African countries have not been able to diversify their exports towards preference-giving markets. Among the key reasons for underutilization of preferences are limited productive capacities and lack of adequate infrastructure for trade in African countries, but also often cumbersome rules of origin under preferential agreements, or still excluded products from preferential lists by preference-giving countries.
33. Mainly primary commodities and raw materials; see Figure 10.2.
34. Full details about changes in African countries' exports to Africa by sectors following implementation of both MRTAs and AfCFTA in parallel can be provided by the author upon request.
35. See also the Economic Report on Africa (ERA) 2015 of the United Nations Economic Commission for Africa (ECA, 2015).
36. Author's calculations based on UNCTADStat; access on 15 February 2016.
37. Full details about changes in African countries' exports to TPP members by sectors following merge of AfCFTA and TPP in the context of both AfCFTA and MRTAs can be provided by the author upon request.
38. Average over the period 2010–14. Author's calculation based on UNCTADStat; accessed on 15 January 2016.
39. Full details about changes in African countries' exports to RCEP members by sectors following merge of AfCFTA and RCEP in the context of both AfCFTA and MRTAs can be provided by the author upon request.
40. Please see remark under Appendix 10.2 for full details of nations included under "Western Asia" and "Other Asia."
41. Full details about changes in African countries' exports (including by sectors) to Asian countries (excluding RCEP members) following implementation of an enlarged Asia-Africa trade bloc in the context of both AfCFTA and MRTAs can be provided by the author upon request.
42. Liberalization of trade in services was not envisaged in the analysis due to data limitation.
43. See methodology for more details.
44. One of the main outcomes as part of the so-called Bali package of the 9th Ministerial Conference of the WTO, held in Bali, Indonesia, was the conclusion

on a Trade Facilitation Agreement (TFA). The TFA aims at undertaking necessary reforms to speed up movement of goods worldwide. It entered into force on 22 February 2017.

45. Nearly half of the exports from the TPP–RCEP group already go towards RCEP partners. While this share would expand further if the RCEP is established, competition with African countries on RCEP markets would slightly limit export benefits for the countries of the TPP–RCEP group to RCEP as compared to their export benefits when CFTA and TPP are merged and where African countries cannot compete the same way with countries belonging to the TPP–RCEP group on RCEP markets. However, it should be highlighted that the reduced trade expansion for countries of the TPP–RCEP group is extremely marginal, and they would still be better off in any alliance with African countries than under the sole MRTA scenario.

46. See World Bank (2005).

References

Ben Hammouda, H., and Patrick N. Osakwe. 2006. “Global Trade Models and Economic Policy Analyses: Relevance, Risks, and Repercussions for Africa.” ATPC Work in Progress No. 47. UNECA.

Bouët, Antoine, Betina Dimaranan, and Hugo Valin. 2010. “Modeling the Global Trade and Environment Impacts of Biofuel Policies.” IFPRI Discussion Paper No. 01018.

Boumellassa, Hussein, David Laborde, and Cristina Mitaritonna. 2009. “A Picture of Tariff Protection Across the World in 2004: MAcMap-HS6, Version 2.” IFPRI Discussion Paper No. 00903.

Decreux, Yvan, and Hugo Valin. 2007. “MIRAGE, Updated Version of the Model for Trade Policy Analysis: Focus on Agricultural and Dynamics.” CEPII, Working paper No 2007-15.

ECA. 2015. “Economic Report on Africa 2015: Industrializing Through Trade.” United Nations Economic Commission for Africa. Addis Ababa.

Guimbard, Houssein, and Maëlan Le Goff. 2014.‘‘Mega-Deals: What Consequences for Sub-Saharan Africa?’’ CEPII Working Paper No 2014-28. December 2014.

Jean, Sebastien, David Laborde, and Will John Martin. 2008. “Choosing Sensitive Agricultural Products in Trade Negotiations.” IFPRI Discussion Paper No. 00788.

Mevel, Simon, Giovanni Valensisi, and Stephen Karingi. 2015. “The EPAs and Africa’s Regional Integration.” Bridges Africa. Volume 4, issue 6, pp. 14–16. July 2015.

Minor, Peter, and David Hummels. 2011. “Time as a Barrier to Trade: A GTAP Database of ad valorem Trade Time Costs.” Latest version of the Research Report submitted to GTAP 11th Annual Conference, Helsinki, Finland.

Narayanan, G. Badri, Angel Aguiar, and Robert McDougall, eds. 2012. “Global Trade, Assistance, and Production: The GTAP 8 Data Base.” Center for Global Trade Analysis, Purdue University.

Rollo, J., P. Holmes, S. Henson, M. Mendez Parra, S. Ollerenshaw, J. Lopez Gonzalez, X. Cirera, and M. Sandi. 2013. ‘‘Potential Effects of the Proposed Trans-Atlantic Trade and Investment Partnership on Selected Developing Countries.’’ Report by CARIS, University of Sussex for the Department for International Development.

World Bank. 2005. “Global Economic Prospects 2005: Trade, Regionalism and Development.”

———. 2013. “Doing Business: Trading Across Borders.” 2013 Report.

World Trade Organization. 2015. “Nairobi Ministerial Declaration.” WT/MIN(15)/DEC. https://www.wto.org/english/thewto_e/minist_e/mc10_e/nairobipackage_e.htm

Appendixes

Appendix 10.1. Main MIRAGE CGE model features and assumptions

On the demand side, the model assumes, in each region, a single representative agent who allocates a fixed share of its income to savings, and devotes the remaining towards the consumption of goods. A Linear Expenditure System–Constant Elasticity of Substitution (LES–CES) function is used to represent agents' preferences across sectors. Horizontal (variety) and vertical (quality) differentiations in goods—for example, goods produced by developed countries are assumed to be of relatively higher quality than the ones produced by developing countries (the Armington hypothesis)—are allowed in the model.

A Leontief function—assuming perfect complementarity between intermediate consumption and value added—characterizes the supply side of the model. Five factors of production contribute to the value added, namely, unskilled and skilled labour, capital, land, and natural resources. It should be highlighted that skilled labour and capital are expected to be more substitutable between themselves than with other factors. Full employment of factor endowments is assumed through flexible wages that adjust so as to keep constant the level of activity in all regions. Whereas this assumption is strong and imperfectly reflects the reality, especially in the context of African economies, it is motivated by at least three reasons. First, the full employment assumption is arguably more coherent with the medium- to long-term analysis of trade policy shocks, as the ones analyzed here (see Bouët, Dimaranan and Valin 2010). Second, the reliability of unemployment (and underemployment) rates for African economies—when available—can often raise serious doubts. Third, while assuming fixed nominal or real wages to incorporate the presence of unemployment in CGE models is a feasible option, it is not necessarily more credible than the full employment hypothesis, in particular in situations where informal employment is assumed to be very significant, as it thought to be the case in Africa. Indeed, postulating flexible wages could actually be more consistent with the wage determination's process in developing countries (see Ben Hammouda and Osakwe 2006). In the case of unskilled labour, imperfect mobility between agricultural and non-agricultural sectors is assumed, but perfect mobility is envisaged among each group of sectors. Skilled labour is perfectly mobile between sectors. Rates of variations of labour are exogenously set to the demographic forecast in line with corresponding data from World Development Indicators of the World Bank. Land is imperfectly mobile between sectors. Natural resources and capital are both sector-specific, with natural resources being constant and capital accumulative. Investment is the sole adjustment variable for capital stocks; such as the capital stock for the current year depends on the investment made for the same year and the capital stock from the previous year, which has depreciated. Additionally, GDP growth is forecasted and affects total factor productivity.[46]

In each region, the current account is maintained constant and fixed to its initial value to ensure the macroeconomic closure of the MIRAGE CGE model. Therefore, any possible disequilibrium of the current account is to be offset by an adjustment of the real exchange rate. In other words, when trade is stimulated by a specific reform (for example, by the reduction in tariff barriers), then the real exchange rates appreciate if exports increase more than the imports or depreciate when the exports increase less than the imports.

Appendix 10.2. Country/region and sector decompositions

Country/region decomposition

#	Country/Region	Main region	Envisaged regional blocs for the CGE simulations				
1	European Union	European Union	TTIP				
2	United States	United States	TTIP	TPP			
3	TPP-4	TPP-4		TPP			
4	TPP & RCEP	TPP & RCEP		TPP	RCEP		ASIA/AFRICA
5	China	RCEP-9			RCEP		ASIA/AFRICA
6	India	RCEP-9			RCEP		ASIA/AFRICA
7	Rest of RCEP	RCEP-9			RCEP		ASIA/AFRICA
8	United Arab Emirates	Western Asia					ASIA/AFRICA
9	Saudi Arabia	Western Asia					ASIA/AFRICA
10	Rest of Western Asia	Western Asia					ASIA/AFRICA
11	Turkey	Other Asia					ASIA/AFRICA
12	Rest of Asia	Other Asia					ASIA/AFRICA
13	Egypt	Africa				AfCFTA	ASIA/AFRICA
14	Morocco	Africa				AfCFTA	ASIA/AFRICA
15	Tunisia	Africa				AfCFTA	ASIA/AFRICA
16	Rest of North Africa	Africa				AfCFTA	ASIA/AFRICA
17	Cote d'Ivoire	Africa				AfCFTA	ASIA/AFRICA
18	Ghana	Africa				AfCFTA	ASIA/AFRICA
19	Nigeria	Africa				AfCFTA	ASIA/AFRICA
20	Senegal	Africa				AfCFTA	ASIA/AFRICA
21	Rest of Western Africa	Africa				AfCFTA	ASIA/AFRICA
22	Cameroon	Africa				AfCFTA	ASIA/AFRICA
23	Rest of Central Africa	Africa				AfCFTA	ASIA/AFRICA
24	Ethiopia	Africa				AfCFTA	ASIA/AFRICA
25	Kenya	Africa				AfCFTA	ASIA/AFRICA
26	Madagascar	Africa				AfCFTA	ASIA/AFRICA
27	Mauritius	Africa				AfCFTA	ASIA/AFRICA
28	Mozambique	Africa				AfCFTA	ASIA/AFRICA
29	Tanzania	Africa				AfCFTA	ASIA/AFRICA
30	Rest of Eastern Africa	Africa				AfCFTA	ASIA/AFRICA
31	Rest of SACU	Africa				AfCFTA	ASIA/AFRICA
32	South Africa	Africa				AfCFTA	ASIA/AFRICA
33	Zambia	Africa				AfCFTA	ASIA/AFRICA
34	Zimbabwe	Africa				AfCFTA	ASIA/AFRICA
35	Rest of the World	Rest of the World					

Western Asia includes the United Arab Emirates and Saudi Arabia, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, State of Palestine, Syria, and Yemen.

"Other Asia" includes Turkey, Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Georgia, Iran, Israel, Kazakhstan, Democratic People's Republic of Korea, Kuwait, Kyrgyzstan, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, Tajikistan, Timor-Leste, Turkmenistan, and Uzbekistan.

Sector decomposition

#	Sector	Main sector
1	Paddy and processed rice	Agriculture and food
2	Cereals and crops	Agriculture and food
3	Vegetable, fruit and nuts	Agriculture and food
4	Plant-based fibers	Agriculture and food
5	Livestock	Agriculture and food
6	Milk and dairy products	Agriculture and food
7	Sugar	Agriculture and food
8	Meat products	Agriculture and food
9	Other food products	Agriculture and food
10	Crude and refined oil	Mining and energy
11	Other energy and mining	Mining and energy
12	Fishing	Industry
13	Chemical, rubber and plastic products	Industry
14	Textile, wearing apparel and leather products	Industry
15	Iron and steel	Industry
16	Other metal products	Industry
17	Electronic, machinery and transport equipment	Industry
18	Other manufacture	Industry
19	Transport services	Services
20	Other services	Services

CHAPTER 11

Learning from Peers: How Brazil and Indonesia Are Structuring Institutional and Operational Models for South-South Knowledge Exchange[1]

Karin Costa Vazquez

Introduction

The acceleration of globalization and the "rise of the South" (UNDP 2013) have opened up opportunities for experimentation on the design and implementation of development policies across the developing world. As the knowledge base of what works and does not work in international development increases, the willingness to learn from these experiences grows. The emphasis on knowledge as an instrument for catalyzing development change becomes evident through the international community's growing preference for practical experiences on how to tackle development challenges over financial lending and other more traditional development instruments (World Bank 2011). Likewise, countries that have experienced significant social, political, and economic development in recent years are examining how they can more effectively share their expertise.

Development solutions may come from anywhere, and increasingly they come from developing countries. An analysis of the knowledge exchanges recorded by the United Nations and the World Bank shows that upper and lower middle-income countries in South America and Asia that experienced accelerated growth and human development over the last decade figure among the top providers of knowledge on how to tackle development challenges. Conversely, low-income and lower middle-income countries in Africa with poor human development indicators figure among the main knowledge seekers. There is additional evidence of knowledge transfers from low-income countries to other low- and middle-income countries, and among middle-income countries (World Bank, n.d.; UNEP, n.d.; UNDP, n.d.).

This knowledge is being shared proactively, often giving evidence to a great richness and diversity of development experiences (World Bank, n.d.; UNEP, n.d.; UNDP, n.d.). Benin, Bhutan, and Costa Rica's experience in implementing the trilateral Non-Timber Forest Products (NTFPs) project provides an example of a knowledge exchange in new marketable and sustainable products. The Bhutanese expertise in cultivating mushrooms, the Beninese expertise in collecting insects, and the Costa Rican expertise in systematizing traditional ecological knowledge are all examples of knowledge exchange related to the cultivation and collection of non-forest products among the three partners. Experts from Benin shared their experience on the value of edible insects as a source of nutrition and income with Costa Rican and Bhutanese technicians. The Costa Ricans adapted Benin's nutritious snack as a cattle feed supplement, reducing feed costs for livestock farmers. In exchange, Benin and Bhutan learned from Costa Rica how to translate their traditional knowledge on fungi and insects into scientific knowledge so that it can be passed on to future generations because traditional knowledge is being lost.

These knowledge flows can take different modalities, including direct exchanges at the bilateral and regional levels, as well as triangulation through another developing country, countries benefitting from the Organisation for Economic Co-operation Development's Development Assistance Committee (DAC), and other international organizations (Correa 2010). A typical bilateral knowledge exchange begins when a country expresses interest in learning from another country's experience through diplomatic channels, policy dialogues, and other consultation processes. This demand is received and analyzed by the Ministry of Foreign Affairs of the knowledge provider, with sectoral and technical support from government departments. If the knowledge provider is able to offer expertise, the knowledge exchange is then designed and implemented by the development agency of the knowledge provider along with the government of the beneficiary country, based on the principles of horizontality and mutual benefits.

At the regional level, the free flow of goods and services and the integration of markets have led to deeper interdependence and prompted an increasing demand for policy coordination beyond trade (World Bank 2012). Regional partners can address common challenges by pooling the existing knowledge to improve both "software" (policy and regulation) and "hardware" (infrastructure) integration (Correa 2010). This is the case for the Single-Based Social Security System for MERCOSUR project (IADB 2011) between Argentina, Brazil, Paraguay, and Uruguay, which drew from the four partner countries' experiences in social protection to create a Single Database for Social Security Institutions (SDSI) in the region. The SDSI integrates the social security systems of the MERCOSUR countries (IADB 2011), to allow for the accrual and accumulation of pension benefits by citizens who work in one or more partner countries.

Knowledge exchanges between two or more developing partners can be further supported and fostered by brokering services, financial assistance, and other types of support provided by both DAC countries and international organizations, including through trilateral cooperation arrangements. For instance, Japan has been a strong proponent of SSC and TrC since the 1970s, mainly through the Partnership Program (PP) between the Japanese government and the government of a pivotal country that jointly implement technical cooperation initiatives to support the development efforts of other developing states and regions (UNOSSC 2013).

Knowledge exchanges span a large number of sectors, in particular food security, health, and energy (UNOSSC 2013). Examples of knowledge exchanges in the field of food security are often seen in watershed management and the development of seeds adaptable to the climate conditions of developing countries. For example, China's experience in watershed rehabilitation is being shared with Asia, Africa, and other regions facing similar challenges through workshops and study tours (World Bank 2012). In the health sector, knowledge exchanges include research and development of the pharmaceutical drugs and vaccines most needed in developing countries, such as the training and technical oversight of the production, management, and quality control of antiretroviral drugs that Brazil provides to Mozambique (Laing 2011). In the energy sector, examples of knowledge exchange are commonly found in sustainable renewable energy and energy supply to rural areas.

Although most of these knowledge exchanges take the form of training and study tours, countries are increasingly using innovative models such as communities of practice, twinning arrangements, dialogues, and expert visits (World Bank 2012). Combining two or more knowledge exchange models with technical, political, and financial instruments is also being done in more complex, robust initiatives (G20 2011) known as "Structural Impact Projects." (The concept and practice of Structural Impact Projects will be discussed later in this chapter.)

Peer-to-Peer Learning as a Driver of Development Cooperation

The exchange of practical knowledge on what works and what does not work in development through customized learning approaches among developing countries is evidence of a new modality of South-South Cooperation (SSC). South-South Knowledge Exchange (SSKE) is complementing the North-South paradigm in international development through the transfer of both technical and human capacities among peers. In contrast to traditional aid flows, SSKE involves the exchange of development solutions and building capacity in other developing countries. These exchanges happen in an increasingly complex mosaic of governmental and nongovernmental actors that want to share their experiences and learn to avoid the pitfalls of their peers in other developing countries (G20 2011).

SSKE is also shifting the role of knowledge in international development by placing more emphasis on collaborative approaches between equal partners than on technical assistance—a hallmark of the past fifty years. Since the end of the Second World War, development cooperation has centred on the transfer of resources from the rich countries in the North to the poor countries in the South. Knowledge was prescriptive and lacked an integrated perspective on capacity development. Funding and technical expertise tended to focus on training, which was supplemented by ad hoc policy advice. The provision of personnel and the use of project implementation structures were often taken as a given, with no analysis of their appropriateness to the local context. A significant proportion of technical assistance continues to be supply-driven, with an overall low level of local ownership.

Standard, one-size-fits-all approaches are less likely to work in international development. Development happens when performance and results are locally owned and scaled up by local actors. In this context, SSKE can advance development through customized collaborative exchanges among development practitioners, as well as provide access to unique tacit knowledge and experiential learning. SSKE is further fostered through knowledge-sharing networks around a common set of challenges within and across regions.

Consolidating Institutional and Operational Capacities for SSKE

The international community has acknowledged (UNOSSC 2013) the role of SSKE in development and has been supporting country-led efforts to share knowledge more systematically. Over the past years, developing countries have been building agencies, departments, and specialized platforms to increase their profile and to play a more proactive role in development. Some developing countries are using national agencies hosted at Ministries of Foreign Affairs, such as the Brazilian Cooperation Agency (ABC) and the Mexican International Agency for Development Cooperation [*trans.*] (AMEXCID). There are also long-standing sectoral experiences in implementing agencies like the Brazil Agricultural Research Corporation [*trans.*] (EMBRAPA), which maintains a growing number of offices in partner countries. Apart from these government institutions, the Singapore Cooperation Enterprise (SCE), a public-private company, pioneers an innovative approach to joining efforts among public sector and business partners. However, these efforts are often disconnected from other national organizations engaging in SSKE and with each other, and there is still limited guidance and evidence on how to share knowledge in a more effective and sustainable way.

As the interest to learn from other countries' development experiences grows, countries have been increasingly seeking approaches to exchange knowledge in a more predictable way and at a larger scale. One approach is through knowledge hubs—an organization, or part of an organization, dedicated to sharing and exchanging development experiences and models with partners from other countries (World Bank 2012). These hubs facilitate collaboration among national and international experts on issues relevant to their countries' progress, and provide mechanisms for a more effective dissemination of development solutions. At the political level, they can leverage budget allocations, facilitate coordination, assure quality and accountability, and design measures to achieve positive results. They also play a role in formalizing international partnerships and embedding knowledge exchange into an external affairs approach based on horizontality, mutual benefit, and soft power.

Developing countries have been pioneering institutional and operational models of knowledge hubs in different forms. A national knowledge hub ensures the inclusive engagement of all relevant national actors beyond government and formalizes cross-country partnerships with a clear long-term perspective. These hubs may coexist with sectoral knowledge hubs, which coordinate expertise, ensure results, and maintain networks to enhance impact and sustainability in a specific sector. A mix of national resources, international support, cost-sharing models, and private-sector engagements are being promoted through these hubs, conferring more stability over time and across changes of government. Operational tools for knowledge hubs, such as monitoring and evaluation systems, are advancing quickly, although in a rather fragmented manner.

More recently, Indonesia and Brazil have drawn on their own concrete experiences in areas such as poverty reduction, macroeconomic management, democratic transition, and agricultural development to exchange knowledge with other developing nations, build coalitions, and strengthen their leadership abroad. These political, capacity, and impact considerations have motivated Brazil and Indonesia to advance the implementation of institutional and operational models for SSKE and enhance cooperation with other developing countries.

Nonetheless, these countries still face many challenges in managing the increasing demand for knowledge on how to tackle development challenges, scale up initiatives, and realize the full potential of SSKE. As the first formally constituted knowledge hub, Indonesia has made substantive progress in designing policy frameworks and national coordination mechanisms for SSKE. However, the country is still assessing appropriate mechanisms for program design and implementation.

Brazil's long-standing experience in Africa, Latin America, and Asia, in turn, has advanced innovative program design and partnerships with both governmental and non-governmental organizations. However, the country still lacks a development cooperation policy as well as efficient coordination mechanisms among the different actors involved in its knowledge exchange initiatives with other developing countries.

Indonesia

SSC and SSKE are at the heart of Indonesia's strategy to consolidate itself as a middle-income country and exert its leadership in Southeast Asia and the Pacific. Inspired by the Buenos Aires Plan of Action on South-South Cooperation (G20 2011), Indonesia began to provide development cooperation to other Association of Southeast Asian Nations (ASEAN) and South Asia and African countries in 1981.

That same year, the government established the Indonesian Technical Cooperation Program, under the coordination of the (Indonesian) Ministry of Planning (BAPPENAS), Ministry of Foreign Affairs, Ministry of Finance, and Ministry of State Secretariat (SEKNEG). The Technical Cooperation Program was set up to coordinate and share Indonesia's development experience in over ten departments, mostly through training programs supported by DAC countries and international organizations.

More recently, Indonesia's SSC program has expanded to new areas and modalities with an increased focus on knowledge exchange. This was due to the country's efforts in transitioning to democracy, reducing poverty, and stabilizing the economy, as well as the better systematization of its knowledge and the deeper understanding of the drivers of the country's development.

The third largest democracy in the world, Indonesia saw the shift to a democratic government begin amid intense social unrest. After President Suharto stepped down from power in 1998, subsequent governments started a series of reforms to consolidate fair representation and improve freedom and transparency in the political process. The first of these reforms consisted of removing constraints on media, unions, and political parties. Indonesia also sought ways to guarantee popular representation by avoiding a disproportionate concentration of political power, instituting direct popular vote, and implementing a checks-and-balances system among the executive, legislative, and judicial powers. Non-violent conflict resolution mechanisms were also explored, mainly in the Aceh region, including through the Helsinki Memorandum of Understanding, signed in 2005 (UNDP 1978).

The factors that have contributed to Indonesia's transition to democracy are being identified and organized based on interviews with academics, local government officials, members of parliament, NGO representatives, local leaders, and journalists. These interviews reveal at least three contributing factors to the democratic transition and the peace process in the country: traditional values and institutions that served the local leaders as unwritten guidance to keep communities united during and after the conflict; the role of women in a predominantly Muslim society as advocates of dialogue and leadership behind the male-dominated peace negotiations; and the notion of fair representation, which has roots in local values and has played a significant role in consolidating peace. These lessons are being shared with other countries in the region through multilateral and bilateral dialogues such as the Bali Democracy Forum in the Asia Pacific region initiated by Indonesia in 2008, training and workshops on conflict resolution and constitution–building, and expert exchanges and study tours to conflict countries.

Indonesia also made substantive progress in reducing poverty between 2001 and 2011, with a decrease of more than 10 percent in the number of people living below the poverty line (The Jakarta Post 2011). One of the critical steps in Indonesia's efforts to reduce poverty was the adoption of community empowerment approaches and the participation of community leaders and members in public policy. Interviews with mayors, facilitators, program monitors, consultants, and village leaders showed that community empowerment in Indonesia depends on three factors: ensuring regular access to leaders; taking the time to consult and educate the public; and reaching out to marginalized groups (Shamboh 2011). These factors helped build mutual trust, transparency, and motivation within the local communities—all lessons being shared with other countries in Southeast Asia through training programs to government officials, NGO practitioners, and facilitators who deal with poverty reduction programs in their home countries. The training programs comprise classroom lectures and field visits covering a range of topics, such as donor coordination mechanisms, budget planning, policymaking, as well as field-level learning with a focus on community institutions and local governance structures (Shimoda 2012).

Government finance in developing countries is often constrained by the weak capacity to collect taxes. Tax collection in developing countries is often hindered by the lack of accounting information on informal businesses, the difficulty to impose income tax withholdings among the self-employed, and corruption. Indonesia was no exception to these challenges. Economic growth and stability in the last few years in that country have been underpinned by government's efforts to reform the tax system (Shimoda 2012). In 2011, domestic tax revenues represented 75 percent (Rp 878.9 trillion; approximately US$15 trillion) of overall state revenues (Rp 1,169.91 trillion; approximately US$19 trillion) (Shamboh 2011). This increase in domestic tax revenues was possible, among other measures, through the establishment of the Tax Contact Centre to provide tax information and solutions for taxpayers—an initiative that created trust in broader reform. These experiences were catalogued and are being shared in the region.

The expansion of Indonesia's SSC program was also prompted by the country's emergence as a global economic and political player, and its increased profile in development cooperation. The endorsement of the Paris Declaration on Aid Effectiveness in 2005 and the Accra Agenda for Action in 2008 shed light on Indonesia's commitment to promote SSC and knowledge exchange in a more systematic way. However, the weak coordination mechanisms established in the 1980s no longer met the country's level of ambition. Government departments, the Ministry of Foreign Affairs, BAPPENAS, the Ministry of Finance, and SEKNEG were disconnected from each other, compromising the effective planning, funding, and implementation of SSC.

SSC initiatives and knowledge on Indonesia's development efforts were thus fragmented and dispersed across various ministries, government agencies, universities, and NGOs. Funding for its SSC programs depended heavily on states' budgets and DAC countries' contributions, which were channelled through a myriad of departments and implementing agencies that had poor coordination mechanisms and lacked a national focal point. This contributed to ad hoc, activity-based initiatives that featured low scalability and sustainability (interviews conducted between 2012 and 2014).

The mismatch between Indonesia's international commitments and national structures compelled the government to review its policy, institutional, and operational frameworks and mechanisms for SSC. The first step in this review process was to include SSC in the country's Long-Term National Development Plan (2005–2025) and Mid-Term National Development Plan (2010–2014). The next step was to develop two policy frameworks for SSC in Indonesia. The first policy frameworks—the Grand Design—set a vision and mission for Indonesia's SSC based on the use of knowledge-exchange mechanisms in democracy, poverty reduction, macroeconomic management, and other areas in which Indonesia had practical experiences to share with other countries. The Blue Print policy framework set seven action points for implementing the broader goals of the SSC program: outlining legal frameworks; establishing a national focal point; allocating a budget; integrating of the country's flagship programs; disseminating and communicating information; establishing information systems; and monitoring and evaluating programs.

The Grand Design and the Blue Print were developed by the National Coordination Team on SSC and TrC. Established in September 2011, the team is led by BAPPENAS and comprises a steering committee, chaired by the BAPPENAS vice-minister; a technical committee, chaired by a senior representative from each participating organization; and a secretariat, with representatives from BAPPENAS, SEKNEG, and the Ministry of Foreign Affairs. Collaboration with the Ministries that coordinated the Indonesian Technical Cooperation Program in 1980s resulted in clearer mandates and reporting lines, with the technical committee overseeing coordination with departments, the donors, private sector, and NGOs.

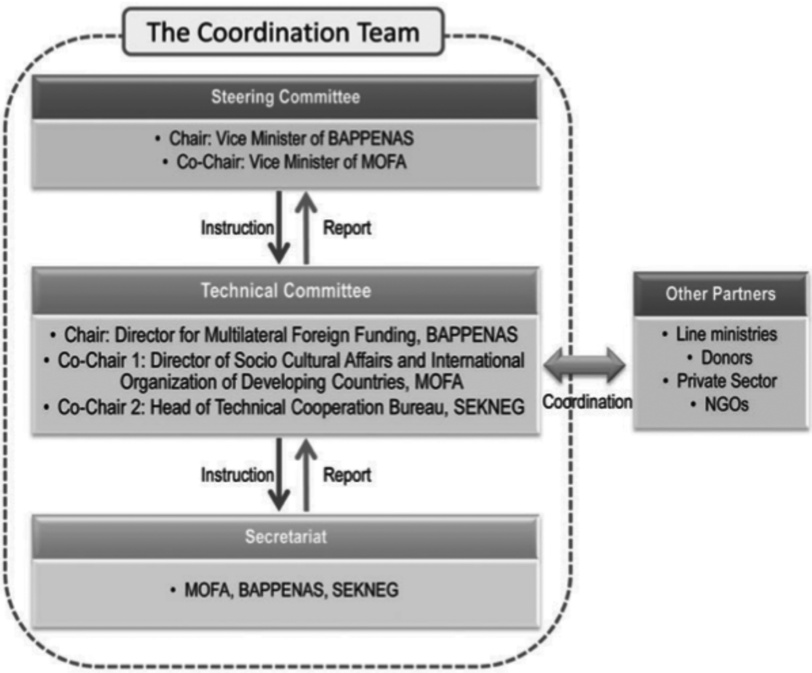


Figure 11.1 The Indonesian Knowledge Hub
Source: Shimoda and Nakazawa 2012.

The National Coordination Team is tasked with implementing Indonesia's medium- and long-term policy goals for SSC and TrC. The medium-term goals consist of a series of measures designed to increase intra-government coordination and revitalize institutional and operational mechanisms, such as program development, funding, information systems, knowledge management, and monitoring and evaluation. These institutional and operational reforms are a milestone for the country's long-term goal to become a partner for innovative and inclusive SSC by 2025, which involves ensuring the SSC program is aligned with the policies and priorities stipulated in the Grand Design and Blue Print.

Indonesia's SSC program focuses on democratic transition, poverty reduction, and macroeconomic management. Indonesia has not only demonstrated expertise in these areas, but has also established programs through which knowledge exchange methodologies can be tested and refined. The identification and systematization of Indonesia's development experiences has been supporting the development of knowledge exchanges that are more tailored to partner countries' local context and needs—for instance, the "working together" training courses, in which facilitators and policy planners from partner countries and Indonesia work together to improve facilitation skills and design policy tools for community empowerment and poverty reduction.

Brazil

Over the last two decades, Brazil has emerged as an increasingly influential country in international affairs by placing the concept of development at the centre of its domestic and foreign policies. While many important social and economic challenges remain to be addressed, Brazil can claim to be a legitimate international voice for development (Dauvergne 2012). Drawing on its own social, political, and economic development in recent years, the country has developed partnerships, built coalitions with other developing nations, and strengthened its leadership overseas.

Technical cooperation has been a central feature of Brazil's foreign policy—particularly relevant for bilateral South-South relations between African and Latin American countries. Brazilian total international cooperation grew from US$24.9 million in 2005 to more than US$482 million in 2009. In 2010, Brazil invested approximately US$923 million in development cooperation, an amount that represents a nominal increase of 91 percent over the previous year. In 2010, nearly 70 percent of Brazil's total international cooperation was directed to contributions to international organizations, regional banks, and peace operations, with the remainder directed to humanitarian aid (17.6 percent), technical cooperation (6.3 percent), educational cooperation (3.8 percent), and scientific cooperation (2.6 percent). Sub-Saharan Africa and Latin America and the Caribbean were the main recipient regions between 2005 and 2010, accounting for approximately US$238 million (IPEA 2014).

The expansion of Brazil SSC and knowledge exchange has fostered the development of innovative models of program design. One of these innovations is the Structural Impact Project, which supports large, long-term projects that result in significant multiplier effects in the beneficiary country (IPEA 2014). A typical project engages multiple stakeholders from both the provider and beneficiary country throughout the project life. Each partner has clear and complementary roles, from design to implementation, thereby ensuring a multidimensional approach to complex development challenges. Structural impact projects often combine more than one modality of SSC such as knowledge exchange, humanitarian cooperation, and financial cooperation. The concept stems from Brazil's experience with smaller, activity-based projects, which are less likely to deliver the expected results in the partner country.

Structural impact projects innovate in two ways. First, integrating human resources training, capacity-building, and institutional development presents the passive transfer of knowledge and technology. Second, an exploration of the endogenous capacities and capabilities in the beneficiary country helps to strengthen local institutions, foster local capacity and knowledge, promote dialogue, and empower local actors to lead the development process in their own countries (CEBRI n.d.).

With more than twelve initiatives exceeding a total of US$500 million over the next twenty years, structural impact projects have become the official approach of Brazilian cooperation (ABC/Ministry of Foreign Affairs). Projects in Africa and South America today follow this approach, offering a combination of training with capacity-building in research, teaching, and services to strengthen (or create) the partner country's institutional infrastructure: health systems, ministries of justice, schools of public administration, universities or technical courses (for example, medicine, dentistry, nursing), and so on.

ProSAVANA—a structural impact project—is based on a regional development program in Mozambique and has a twenty-year time frame. It is similar to an initiative undertaken in Brazil in the 1970s to boost the productivity of the Cerrado region, whose characteristics resemble those of African savannahs. From about 1970 to 2000, technical cooperation and funding from Japan helped Brazil adapt the soybean to the Cerrado—the most extensive woodland savannah in South America—turning the country into one of the world's largest producers of soybeans. Now both Brazil and Japan are partnering with the Mozambican government to transfer knowledge and technology as well as build infrastructure in much the same way.

Having contributed to its own domestic agricultural development, the EMBRAPA is providing on-the-ground agronomists and techniques

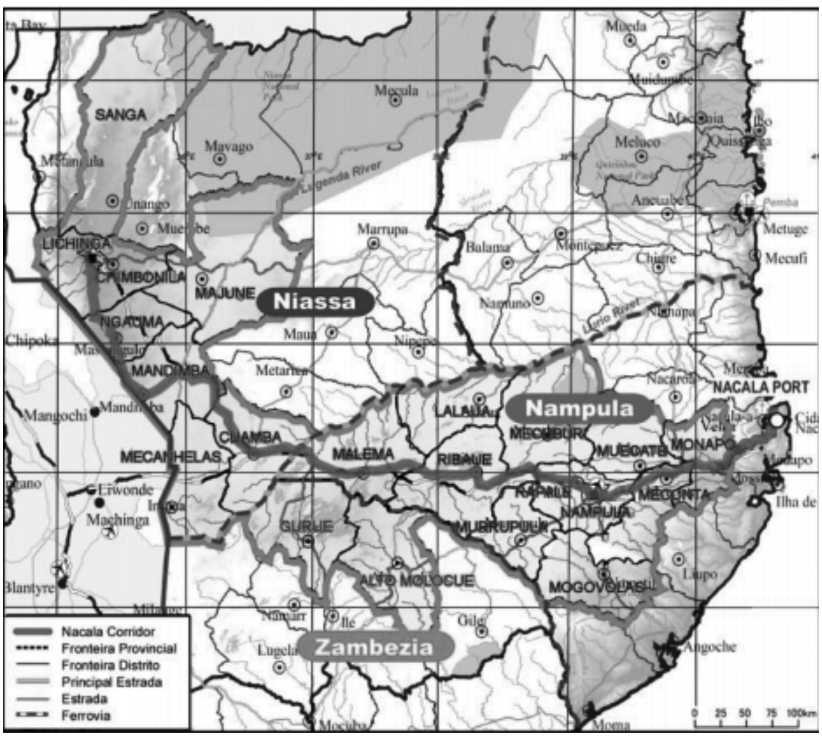


Figure 11.2 The Nacala Corridor

Source: ProSAVANA

for adapting soybeans, rice, and other crops to Mozambique's savannah. In addition, both Brazil and Mozambique are former Portuguese colonies and share a common language and similar cultural backgrounds. Continuing to leverage its own resources to support development, Japan is also helping Mozambique upgrade its infrastructure, including rail links, a port, and a 350 kilometre trunk road in the Nacala corridor in the North of Mozambique, to integrate the value chain and boost exports.

Innovative partnerships in the ProSAVANA are not limited to TrC among the governments of Japan, Brazil, and Mozambique. Other key partners in the project are the Brazil-Mozambique Chamber of Commerce and Industry, and the Brazilian think-tank Getúlio Vargas Foundation. These organizations have been instrumental in developing the master plan for the creation of agricultural clusters covering family, medium- and large-scale agriculture in nineteen provinces along the Nacala corridor, and for developing structured financing schemes for the various projects (Schlesinger 2013). According to the master plan, the ProSAVANA articulates both public and private interests, with the public sector participating in structural cooperation initiatives and the private sector participating in economic and commercial activities.

In September 2012, the ProSAVANA Development Initiative Fund (PDIF) was launched with an initial capital of US$750,000 from the Mozambican government to finance the first stage of private business activities. A call for proposals attracted fourteen proposals from agribusiness companies, which have gone on to grow maize, soya bean, and sunflower crops involving family farmers.

Among the priority projects in the master plan are what are termed Quick Impact Projects, or QIPs. QIP initiatives have the potential to produce visible short-term results, such as improving productivity and generating income. The expectation is that these projects will attract private investment for the larger projects identified in the master plan, as well as initiate preparations for the establishment of clusters in the nineteen provinces.

In contrast with the public-sector projects, QIPs developed by the private sector will be autonomous, developed and implemented in accordance with the business plan of each company. However, as most of these projects are expected to access ProSAVANA funding to cover the costs of the initial investment, the ProSAVANA Steering Committee will be coordinating these projects in concert with the agribusiness companies and the government agencies, in order to ensure compliance with the funding requirements.

Lessons Learned from Brazilian and Indonesian Knowledge Hubs

As Brazilian cooperation reaches maturity, the development of a policy framework that sets common goals for the actors involved and leverages knowledge from within the country becomes even more relevant. Unlike Indonesia, the Brazilian knowledge hub has many different institutional layers, a complex operational structure and coordination. At the top end, the ministries engaged in international cooperation represent the primary focal points for policy-making and policy coordination. The Ministry of Foreign Affairs is responsible for overall coordination with the Brazilian Cooperation Agency (ABC) is its main executive body. At the bottom end, more than one hundred public and private entities are involved in the design, negotiation, and provision of cooperation. While ABC is tasked with overseeing the design, approval, implementation, monitoring, and evaluation phases of technical cooperation programs, its coordination power is diffuse and its operations are fragmented.

Brazilian development cooperation is funded through four main channels. The first channel is federal funds directed to (i) ABC, to help finance technical cooperation initiatives; or (ii) ministries and governmental agencies' own budgets or thematic funds, for direct cooperation arrangements with their partners (without ABC's involvement) as part of their own institutional and international agendas. The second channel is external funding, mostly in the form of (i) loans and grants provided by international organizations like the World Bank and the Inter-American Development Bank; and (ii) cost-sharing arrangements between UNDP and the Brazilian government. The third channel is sale from products and services, like EMBRAPA's revenue with seeds, royalties, and research contracts with public and private institutions. The fourth and last channel is indirect funding (for example, private sector donation for specific events and publications, TrC arrangements with other governments, and partnerships with private foundations). This funding is distributed throughout a complex web of institutions, and very little is earmarked specifically for development cooperation.

Similar to the Indonesian case, a policy framework could help streamline operations and coordinate the activities of the different

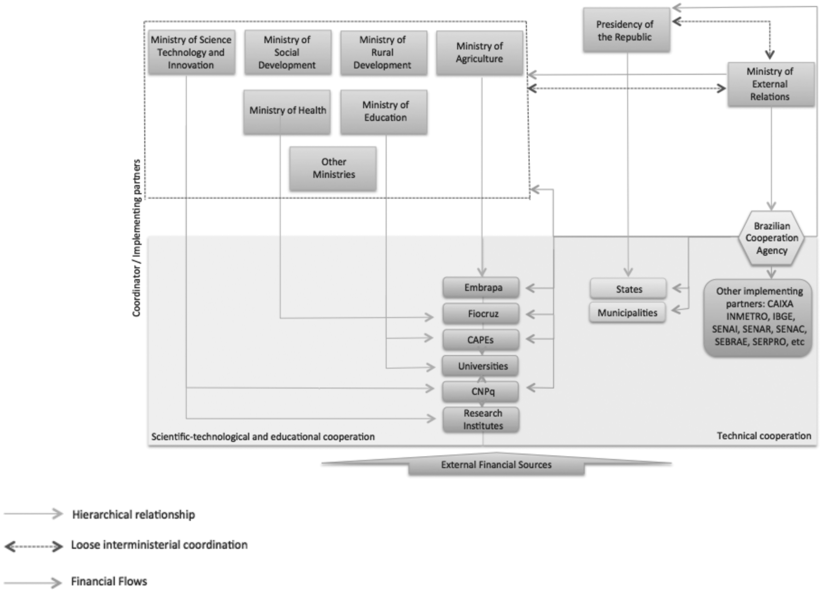


Figure 11.3 The Brazilian Knowledge Hub
Source: Author's own elaboration.

organizations involved in implementation. Knowledge management within the hub—and the way information is shared with other developing countries—would be improved. Currently, information on Brazil's knowledge exchanges is spread among a myriad of ministries, secretariats, municipalities, foundations, universities, companies, and NGOs.

Apart from a few sectoral knowledge hubs such as EMBRAPA and the Oswaldo Cruz Foundation (Fiocruz), Brazil still lacks an overall knowledge management mechanism to collect, systematize, analyze, and catalogue the country's breadth of development experiences, as well as share them in a way that is even more relevant to the partner country and sustainable in the long run. A policy framework for Brazil South-South Cooperation (SSC) would help redefine institutional roles, rationalize coordination mechanisms, and facilitate knowledge flows within the country.

In addition, such a framework could solve institutional and operational bottlenecks in the Brazilian cooperation system (such as the limitations to program set-up and implementation imposed by an outdated regulatory framework), human resource constraints, and poor monitoring and evaluation tools, among others. A more enabling environment could even catalyze innovation and partnerships.

In Indonesia, the maturation process of the country's SSC program is closely linked to the establishment of a central agency with management and oversight functions, similar to the model adopted by other knowledge hubs located in and outside the country. Similar to the Brazilian case, this national knowledge hub would help to facilitate partnerships with the private sector and strengthen economic cooperation through trade and investment. Technical and economic cooperation initiatives are expected to complement each other, leverage partnerships, and achieve more ambitious results. North-South Cooperation (NSC), in turn, can support partnerships on global issues such as aid effectiveness, human rights, climate change, and green economy. In both SSC and NSC, Indonesia would be able to draw upon its sectoral comparative advantages and cooperation modalities to innovate and forge new partnerships.

The Grand Design and Blue Print for SSC ushered in a new phase for Indonesian cooperation based on the country's own knowledge and experiences. As Indonesia's cooperation reaches maturity, new partnerships will likely flourish and knowledge-exchange initiatives will undoubtedly underpin more robust and complex interventions. In Brazil, partnerships within complex program designs are already happening, despite the lack of a clear strategy and a consolidated policy framework.

The Brazilian and the Indonesian national knowledge hubs have their roots in a time when these countries were recipients of development aid. However, the ABC was set up within the Ministry of Foreign Affairs and there it remained, making it easier to evolve as the country's international profile rose. The Indonesian program has relied on a complex coordination mosaic among four Ministries since its early stages. Without a robust policy framework, it will be challenging to keep the program from fragmenting.

Until now, having a policy framework was not as relevant to Brazilian cooperation as it was for Indonesian cooperation. Likewise, in Indonesia, more robust program designs involving both governmental and non-governmental partners could not flourish amid a scenario of fragmentation. Having bold policy frameworks in place was an imperative to advancing SSC in Indonesia.

Brazil has reached a stage in its SSC program that requires a developed policy structure similar to that in Indonesia in order to advance. This is how the two countries can learn from each other's experiences.

Conclusion

For decades, development cooperation has been about transferring money, technology, and solutions from the rich in the North to the poor in the South. Today, solutions come from anywhere, and increasingly from the South, from countries and regions that have achieved economic growth and social progress—achievements that seemed unlikely a few years ago.

Countries from all income levels want to learn from the practical experiences of their peers: the pitfalls to avoid and the practices to adopt. Practitioners want to be connected to each other, across countries and regions. This stems from a belief that development solutions work best when they are designed in concert with peers and partners who have gone through, or are going through, similar challenges. At the same time, countries with interesting development experiences to share are increasingly eager to do so. Sharing knowledge and experience is a way to develop meaningful international partnerships. As the demand for their development experiences grows, countries increasingly seek better conditions to exchange knowledge in a predictable way and on a larger scale.

As Brazilian and Indonesian cooperation programs reach maturity, the two countries have much to learn from each other's experiences in order to scale up their contribution in international development. Indonesia's knowledge hub focused on establishing its broader policy objectives and systematizing the country's own knowledge; yet, it still has not clustered activity-based initiatives into more complex knowledge programs, nor has it embedded robust partnerships into its knowledge programs. Brazil's knowledge hub, on the other hand, hinges upon the institutional apparatus created when the country was a recipient of aid. Nonetheless, this country's knowledge hub has managed to innovate in program design and partnerships.

Notes

1. This chapter is based on research conducted between 2012 and 2014.

References

Centro Brasileiro de Relações Internacionais. n.d. http://www.cebri.com.br/midia/documentos/minmarcofaranichinanaafrica972003.pdf

Correa, M.L. 2010. *Prática Comentada da Cooperação Internacional: entre a hegemonia e a busca de autonomia*. Brasília: Edição do Autor.

Dauvergne, P., and D. Farias. 2012. "The Rise of Brazil as a Global Development Power." *Third World Quarterly* 33, no. 5: 903–917.

Greenhill, R., A. Prizzon, and A. Rogerson. 2013. "The Age of Choice: Developing Countries in the New Aid Landscape." *ODI Working Papers*, Issue 364 (January): 9.

G20 Development Working Group. 2011. "G-20 Issues Paper: Emerging Lessons on Institutionalizing Country-Led Knowledge Sharing." World Bank Institute.

Instituto de Pesquisa Econômico e Aplicada. 2014. *Brazilian Cooperation for International Development, 2010.* Edited by Renato Baumann. Brasilia: IPEA

Inter-American Development Bank. 2011. *Regional Public Goods: An Innovative Approach to South-South Cooperation.* https://publications.iadb.org/publications/english/document/Regional-Public-Goods-An-Innovative-Approach-to-South-South-Cooperation.pdf

Government of Indonesia. n.d. http://www.ssc-indonesia.org/kcfinder/upload/files/Knowledge_Poverty.pdf

Laing, Aislin. 2011. "Mozambique to produce Its Own Antiretroviral Drugs." *Telegraph*, December 28, 2011. http://www.telegraph.co.uk/health/healthnews/8980651/Mozambique-to-produce-its-own-antiretroviral-drugs.html

New York Times. 2011. http://www.nytimes.com/imagepages/2011/10/20/education/20iht-SReducEmploy20-graphic.html?ref=education

Organization for Economic Cooperation and Development. n.d. http://stats.oecd.org/glossary /detail.asp?ID=2686

ProSAVANA. 2015. http://www.prosavana.gov.mz/what-is-prosavana/

Schlesinger, Sergio. 2013. *Cooperação e Investimentos do Brasil na África: O caso do Pro Savana em Moçambique.* Maputo: FASE.

Shimoda, Y., and S. Nakazawa. 2012. "Flexible Cooperation for Indonesia's Multi-Dimensional Challenges for South-South Cooperation Under a Shared Vision." In *Scaling Up South-South Cooperation*, edited by Hiroshi Kato, 149–171. Japan International Cooperation Agency Research Institute.

United Nations Development Programme. 1978. "Buenos Aires Plan of Action (1978)." https://www.unsouthsouth.org/bapa40/documents/buenos-aires-plan-of-action/

———. 1999. *Human Development Report*, page 39. New York: Oxford University Press.

United Nations Environmental Programme. n.d. South-South Cooperation Case Studies. http://www.unep.org/south-south-cooperation/case/

United Nations General Assembly. 2012. "State of the South-South Cooperation." A/67/208. https://undocs.org/A/67/208

UNDP. 1978. "Buenos Aires Plan of Action for Promoting and Implementing Technical Co-Operation Among Developing Countries." New York: United Nations.

United Nations Office for South-South Cooperation. 2013. *Enhancing Management Practices in South-South and Triangular Cooperation: Study on Country-Led Practices*. UN Office for South-South Cooperation/Japan International Cooperation Agency.

Vaz, Alcides Costa, and Cristina Yumie Aoki Inoue. 2007. "Emerging Donors in International Development Assistance: The Brazil Case." Canada: International Research Center.

World Bank. 2011. "The State of World Bank Knowledge Services: Knowledge for Development 2011." Washington, DC: World Bank.

———. 2011. "Using Knowledge Exchange for Capacity Development: What Works in Global Practice? Three Case Studies in Assessment of Knowledge Exchange Programs Using a Results-Focused Methodology." Washington DC: World Bank Institute.

———. 2012. "Indonesia: Developing Institutions that Are Champions in Knowledge Exchange." Press release, July 10, 2012, http://www.worldbank.org/en/news/press-release/2012/07/10/indonesia-developing-institutions-that-are-champions-in-knowledge-exchange

———. n.d. South-South Knowledge Exchange Tool Capacity Development http://wbi.worldbank.org/wbi/devoutreach/article/529/south-south-knowledge-exchange-tool-capacity-development.

———. n.d.b World Bank Country and Lending Groups http://data. worldbank.org/about/country-classifications

World Bank Institute, n.d. World Bank Institute Knowledge Exchange http://wbi.worldbank.org/wbi/about/knowledge-exchange

CHAPTER 12

An Emerging Donor in Retrospect: Understanding Turkey's Development Assistance Activism

Aylin Yardımcı

Introduction

When the G20 asserted its position as the leading forum for debate on international cooperation and consultation at the Pittsburgh summit in 2009, it did not take long for scholars and experts in the field to reflect on the possible implications of this important new twist. The replacement of the G8 by a larger and more diverse group of countries only rendered the traditional North-South paradigm outdated, but also suggested a shift "as significant as the collapse of the bipolar world order after the fall of the Berlin Wall" (Kloke-Lesch and Gleichmann 2010, 13). The implications of this shift sparked countless analyses focusing on the role of the emerging powers in global finance, trade, development, and resources, and ignited prompt discussion on the role of these emerging countries in the international development assistance community (Mawdsley 2012; Manning 2006, 371–85; Woods 2008, 1205–21; Mohan and Power 2008, 23–42; Naim 2007, 95-96).

The growing number of emerging and non-traditional donors of official development assistance (ODA) is a major area of debate in development studies, with their increasing influence across the global South generating questions related to their adherence to existing international development aid norms, regimes, and institutions (Harmer and Cotterell 2009; Severino and Ray 2009). Many of these concerns are rooted in the fact that the aid provided by the new donors does not meet the traditional criteria set by the OECD's Development Assistance Committee (DAC). If the international development aid community is indeed witnessing a silent revolution by donors outside the Western-dominated DAC regime, a deeper insight into the policies, practices, and consequences pertaining to the aid activities of these donors is crucial (Woods 2008).

With a nearly fifteen-fold increase in its ODA spending over the past decade, Turkey—an emerging, non-traditional, non-DAC member donor of development assistance—is one of the many countries to claim a share from the wide pool of terms coined to identify the countries associated with the South-South Cooperation (SSC) agenda. Positioned in the epicentre of Europe, Asia, and Africa, Turkey has been a metaphoric bridge between the East and West for centuries. Concomitantly, it holds a hybrid and ambiguous identity within the global North-South divide. Its status as a middle-income country, its membership in the OECD and European Union candidacy, and its recent transformation from aid recipient to donor complicate its position within the framework of the conventional understanding of North-South relations. While the volume and impact of Turkish ODA is relatively modest in comparison with emerging donors such as China, Brazil, and Russia, the range and dynamics of its development assistance activities are rapidly increasing.

Changing Dynamics of International Development Aid

Alongside countless other fundamental rearrangements in the international institutional architecture, the end of the Cold War paved the way for the monopolization of development assistance by the DAC member states under OECD (Kragelund 2011, 585). With the previously influential eastern European donors having retreated from the international development community to concentrate on their arduous transition from planned to market economy, the international aid regime became exclusively dominated by Western donors—a situation that is rapidly changing, due to a flux of emerging donors, most of which are not native to the established aid regime, along with many DAC donors reducing their ODA budgets in order to implement financial austerity measures as a result of the financial crisis in the Eurozone (OECD 2013).

Within this context, South Korea's admission to the DAC as the first former aid recipient in 2010 denotes a significant point for the future of the international development aid regime. Others, including

Turkey, are aspiring potential DAC members waiting in line. The Fourth High Level Forum on Aid Effectiveness, held in Busan, South Korea, in December 2011, marked a further milestone for the future of development aid—establishing a new framework for development cooperation that brought together for the first time traditional and non-traditional donors, South-South cooperators, Brazil, Russia, India, China, and South Africa (BRICS) civil society organizations, and the private sector as partners in international development cooperation (OECD 2013).

It is possible to view the emergence of new ODA donors as a new multipolarity in international development and as a growth of non-Western sources of development aid (Mohan and Power 2009, 27). This multipolarity, however, may be regarded as a contestation of the aid regime established by the traditional DAC donors (Tan-Mullins, Mohan and Power 2010, 857–81). Competitive pressures exerted by the emerging donors within the existing system pose a serious challenge to the current development assistance regime, and may lead to scrutiny on future trends in the donor community (Woods 2008, 2). Nevertheless, some remain cautious about the functions of the DAC, refraining from its dismissal as a mere "rich club" by drawing attention to the influence of DAC in promoting democratic values and defining central concepts and best practices in development assistance (Rowlands 2008, 555–84).

Emerging Donors under Scrutiny

Despite the growing challenges to DAC's legitimacy and debates on whether conforming to the DAC standards is still relevant for the development community, emerging donors are not immune to critique. A major criticism has been their propensity to support rogue states and regimes. In a 2007 article in *Foreign Policy*, Moises Naim described the generous foreign aid programs of China, Venezuela, and Saudi Arabia as toxic (Naim 2007). The lack of attention paid by these emerging donor states to the established aid institutions and standards undermines important concerns about regional and global security and environmental protection. Naazneed Barma and her colleagues claim that evolving Western notions of liberal internationalism, particularly ideas like political conditionality on development aid, have no place in this framework and view emerging donors as a potential threat to the future of development aid (Barma, Ratner and Weber 2007, 27). Other observers warn that concerns over non-traditional aid are valid due to the potentially hampering social, political, economic and ecological consequences they may yield for developing countries, and that these claims should not be dismissed altogether (Mawdsley 2010, 363). Such concerns are widely voiced when it comes to Chinese aid, which is often considered to be more efficient in reaching its target than the majority of Western aid countries (Brautigam 2009). The main hazard, however, is that efficiency is often a trade-off for central values and principles, as it occurs "at the expense of governance, human rights and the environment" (Tan-Mullins, Mohan, and Power 2010, 861).

Without a doubt, the policies and modalities of non-DAC donors and their practices in the field require thorough research if and when such claims are to be assessed. It remains an uneasy task to accurately judge the challenges and opportunities induced by non-DAC donors with the limited knowledge accumulated thus far. Therefore, the deeper analyses on the experiences, policies, and practices of new donors such as Turkey hold significant value.

Turkey as an Emerging Donor

In line with the broader changes in the Turkish economy following the 2001 crisis, and as a product of the renewed foreign policy outlook under the Justice and Development Party [*trans.*] (AKP), Turkey's experience with development assistance has evolved considerably over the last decade. The country has effectively transformed from a former aid recipient into an emerging donor. Reported annual ODA figures rose from US$85 million in 2003 to US$339 million in 2004, with a further increase from US$780 million in 2008 to nearly US$1.3 billion in 2011 (TIKA 2012, 20). More importantly, Turkey's ODA showed a striking 98.7 percent increase from between 2011 and 2012 (OECD 2013). As part of its recent proactive foreign policy shift, Turkey has also discovered new instruments to reinforce its renewed foreign policy, including but not limited to peacekeeping missions, post-conflict reconstruction efforts, and public diplomacy.

SSC constitutes an important aspect of Turkey's development cooperation agenda. In an address delivered at the Least Developed Countries Conference Ministerial Meeting in New Delhi in 2011, Turkish Foreign Minister Ahmet Davutoğlu emphasized Turkey's support for SSC while reminding the audience that Turkey's experience as an emerging donor of development aid is rooted in the spirit of solidarity and common interests (Davutoğlu 2011). The Turkish Ministry of Foreign

Affairs reports that between 2002 and 2007, the amount of Turkey's net disbursements of SSC aid increased by twenty times, compared to four times for South Korea and three times for Colombia (MFA, n.d).

Turkey's burgeoning economy makes it a major powerhouse in the region, fostering economic dynamism and creating spillover effects in favour of the surrounding developing economies. Historically, Turkey has maintained dynamic cultural and economic ties not only with its immediate neighbours—comprising the Middle East, Balkans, and the Caucasus—but also with Europe and Turkish-speaking Central Asia. Despite persisting regional inequalities, the country is no longer confronted by absolute poverty, with only 0.21 percent of the total population living under US$2.50 per day (Turkstat 2012). Although it is still in a learning process when it comes to fully adopting the DAC guidelines in ODA provision, Turkey aspires in the medium term to become a member of the DAC once it achieves an annual ODA/GNI ratio of 0.2 percent (Özkan and Demirtepe 2012, 658). In other words, having endured years of poverty eradication efforts, and now emerging as a donor of development aid with a vibrant civil society and private sector acting as facilitators of development assistance, Turkey's history as an ODA recipient offers valuable insights.

Turkey's History as an ODA Recipient

Turkey's history as an ODA recipient country dates to the onset of the Cold War. In line with US foreign policy priorities of containing the spread of Soviet communism and rebuilding European economies after the Second World War, the Marshall Plan offered a substantial amount of ODA to Turkey and Greece in the 1940s. The total amount of aid received by Turkey during the 1950s within the framework of the Plan is calculated at US$150 million (Marshall 2008, 99). In contrast, the total amount of all development-related loan and grant flows from the US to Turkey is reported to have surpassed US$12.5 billion by the end of 2005 (USDoS, n.d.).

Two other major sources of ODA to Turkey—Japan and Germany—initiated technical cooperation with Turkey in the early 1970s through project-type activities administered by, respectively, the Japan International Cooperation Agency (JICA) and The German federally owned international cooperation enterprise or German Technical Cooperation Agency (Gesellschaft für Technische Zusammenarbeit, GTZ). Although JICA's official engagement with Turkey started in

1965, the first technical cooperation project began in 1973, with the total budget allocated at about US$286 million (Fidan and Nurdun 2008, 99). GTZ's technical cooperation activities with Turkey began in 1970 through the German-Turkish Technical Cooperation initiative and, as of 2003, provided a total of €271 million in technical assistance (Fidan and Nurdun 2008, 99).

Multilateral actors have also played a part in Turkey's development, the most visible being the United Nations Development Programme (UNDP). The program has played an active part in shaping and supporting Turkey's development agenda for three decades through the implementation of projects in various areas such as democratic governance, poverty reduction, and sustainable development. In 2000, the total technical assistance received by Turkey from the UNDP was US$33.12 million (Fidan and Nurdun 2008, 99). Apart from UNDP, the Asian Development Fund (ADF), and the International Bank for Reconstruction and Development (IBRD) have also contributed to Turkey's economic development.

Despite still being on the DAC list of ODA recipient countries, Turkey launched its own aid program in 1985 with a comprehensive aid package to the Sahel countries. Worth US$10 million in total, aid consisted of institutional capacity-building projects in Gambia, Guinea, Guinea Bissau, Mauritania, Senegal, Somalia, and Sudan (Birtek 1996, 37). One reading of this initiative has attributed its main motivation to the foreign policy activism during the Turgut Özal government in the 1980s, which prioritized the promotion of Turkey's positive image both domestically and in the international arena (Kulaklıkaya and Nurdun 2010, 133–134. The improved domestic economic environment enabled the utilization of foreign aid as an instrument to foster trade relations between Turkey and the less developed countries of Africa. After decades of import substitution policies, the export-oriented period following 1984 was regarded as one during which Turkey's economic policies were increasingly aligning with the realities and demands of globalization. This paved the way for the adoption of not only liberal economic policies, but also of ODA as a peaceful foreign policy instrument (Pamuk 2008, 268).

Turkey's role as an ODA donor, however, did not gain momentum until the establishment of the Turkish International Cooperation and Development Agency [*trans.*] (TIKA) in 1992, shortly after the disintegration of the Soviet Union. TİKA was originally founded to provide financial and technical assistance to the Turkic and neighbouring countries in Central Asia, the Caucasus, and the Balkans during their transition to a market economy (TİKA, n.d.). Although the need for immediate assistance to these countries was the official rationale for the establishment of TİKA, it is possible to read the actual motives of Turkish policymakers of the time as an attempt to contribute to the state-building processes that followed, and thereby to transfer Turkey's knowledge and experiences to these newly independent republics (Özkan and Demirtepe 2012, 649).

In spite of the initial hype and enthusiasm, TİKA remained an inactive and weakly organized aid agency throughout the 1990s. Constrained by a number of domestic and external factors, TİKA was unable to make adequate progress to fully meet its initial goals. It is possible to identify two important limitations as the major impediments to TİKA's performance during the 1990s. First, the Gulf War acted as a major source of vulnerability for the Turkish economy, which in turn had a negative impact on the ODA budget (Özkan and Demirtepe 2012, 652). Second, a change of government in 1995 and political turmoil as a result of the Islamist Welfare Party's (*Refah Partisi*) victory in the 1995 general elections further exacerbated the country's economic performance by increasing uncertainty and instability.

At the end of this turbulent decade, TİKA entered a phase of rebirth in 2003, shortly after the election of AKP to government. Major organizational changes took effect, paving the way for a rapid improvement in reporting schemes, a quick increase in ODA spending, and the diversification of development assistance activities. In tandem with the new foreign policy of the AKP government, TİKA widened its geographical scope, shifting its sole focus on the post-communist states of Central Asia and the Caucasus to also include the Middle East and North Africa, Balkans, South Asia, and, most recently, sub-Saharan Africa. In retrospect, it is indeed a fitting argument that the most important hurdle faced by TİKA as a development aid agency was in fact its own (as well as the other government institutions') "failure to understand how a modern development aid agency operated successfully" (Özkan and Demirtepe 2012, 648).

Proactive Foreign Policy and Shift to Development Assistance Activism

In order to make sense of the transformation of TİKA and the emerging development assistance activism pursued by the Turkish government, it is essential to understand the recent changes in the Turkish foreign policy under the Justice and Development Party [*trans.*] (AKP) government. Following decades of a relatively static, reactive, and largely Western-oriented foreign policy agenda with marginal variance across different political parties, Turkish foreign policy is said to have experienced a paradigm shift with the AKP (Sözen 2010, 103–23).

Critics have approached this claim with caution, warning against a shift of axis, one suggestive of a departure from the Euro-Atlantic orientation prevalent since the end of the Second World War toward a more Eastern-oriented foreign policy (Loğoğlu 2009). Enthusiasts, on the other hand, responded with optimism, anticipating a deepening of Turkey's engagement with regional politics and international organizations (Aras 2009). A more cautious and moderate analysis suggests that although the AKP-style activism considerably differs from the previous wave of foreign policy activism in the 1990s, it is not free of elements of continuity, such as a multilateral approach to policymaking (Öniş and Yilmaz 2009, 7–8).

Moreover, Turkish foreign policy has experienced a proactive turn within the same period, with an increasingly assertive agenda that reflected "a desire to act as an independent regional power" (Öniş 2011, 50). This proactive shift in Turkish foreign policy has been a fundamental factor influencing the recent upsurge of ODA provision and development assistance activism in Turkey, along with a number of others. The resultant geographical reorientation within the foreign policy, favourable domestic economic conditions, and the vital transformation of TİKA comprise the crucial elements that have helped shape Turkey's recent international development agenda.

The strengthening of Turkey's cooperation efforts with developing nations, particularly with the Middle East, Central Asia, and Sub-Saharan Africa, is a clear manifestation of the shifting geographical priorities in Turkish foreign policy. The theoretical basis of this reorientation is often attributed to Ahmet Davutoğlu's seminal book *Strategic Depth: Turkey's International Position*, published in 2001. The book became an academic bestseller following AKP's election to government in 2002 and continued its popularity through Davutoğlu's appointment as Minister of Foreign Affairs in May 2009. In *Strategic Depth*, Davutoğlu (2001, 536) contends that Turkey's earlier foreign policies deprived the country of its "natural sphere of influence," namely former Ottoman territories and regions with Turkic or Muslim populations). Davutoğlu (2008, 92) later stressed that "Turkey's natural interest lies in the proper utilization of its geography," pointing to a perceived need to re-engage with the geography with which Turkey possesses cultural, religious, and historical ties. Some policymakers and external aid agencies greeted this as a new geographic imagination—one that sought Turkey's real interests in the Eurasian region (Aras and Fidan 2009, 193–215). Other scholars received it with more caution, interpreting it as the Middle Easternization of Turkish foreign policy and its disassociation from the West (Oğuzlu 2008, 3–20). By all means, the revised geographical priorities were concretely manifested in the top ODA destinations after 2005.

Economic recovery and political stability have been key factors that paved the way for the AKP government to pursue a proactive foreign policy and to overcome the obstacles that had prevented previous governments from engaging in a more active overseas development agenda. Following its election to government in 2002, AKP continued the economic stabilization program designed by Kemal Derviş in the wake of the banking crisis of 2001, and committed to fiscal discipline and tight monetary policies as proposed by the program (Özkan and Demirtepe 2012, 655). Moreover, an IMF-EU-US nexus was key in the restructuring of the post-crisis economy, where the International Monetary Fund's active involvement shaped by the post-9/11 security concerns of the US and with the EU conditionality served as an anchor for political and economic reform in the country (Öniş and Şenses 2008, 271). As a result, inflation decreased to 8.39 percent in 2007 from 68 percent in 2001 (Özkan and Demirtepe 2012, 655). Fiscal balances improved as well and the share of budget deficit in overall GDP was reduced to 41 percent in 2007 from 90 percent in 2001 (Özkan and Demirtepe 2012, 655).

The restructuring of the economy and political stability prepared a suitable domestic setting for financing ODA programs. Combined with the proactive turn in foreign policy and new geographic priorities, TİKA became a key soft power instrument for the AKP government's new foreign policy vision (Özkan and Demirtepe 2012, 648). Following more than a decade of modest ODA programs with little international visibility, TİKA entered a phase of reorganization in 2003. Due to a considerable budget increase and as a result of complying with the DAC guidelines for data collection and reporting, a sharp increase in ODA was recorded between 2003 and 2004, rising from US$76 million to US$339 million (Figure 12.1) (Kulaklıkaya and Nurdun 2010, 138). However, effective data collection remained

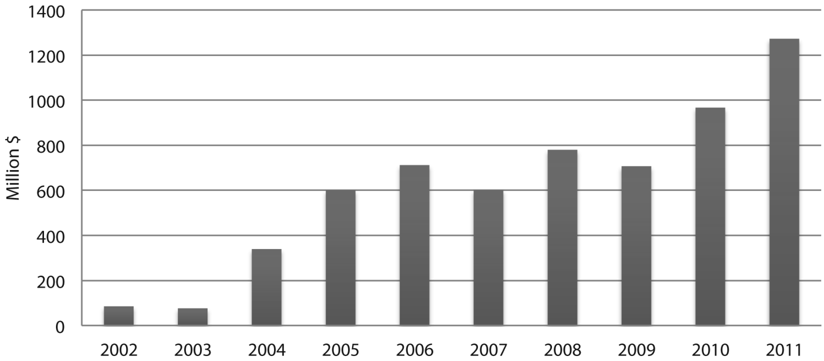


Figure 12.1 Turkish ODA, 2002–2011

Source: TİKA Development Assistance Report 2011

a persistent difficulty due to the lack of awareness on coordination, inadequate communication between different state institutions, incomplete data, and under-reporting (Kulaklıkaya and Nurdun, 2010, 138). In order to overcome these issues, TİKA was designated as the central institution to collect and report all ODA data in 2005, replacing the Turkish Statistical Institute [*trans.*] (TÜİK) (Kulaklıkaya and Nurdun, 2010, 138).

Following the centralization of aid coordination under TİKA, ODA figures went up dramatically, displaying a nearly ten-fold increase from US$76 million in 2003 to US$601 million in 2005 (Figure 12.1). In previous years, annual ODA figures were reported as less, as the aid provided by numerous other state institutions were not being reported to TÜİK (Kulaklıkaya and Nurdun, 2010, 138). As a result, the reported ODA figures for 2002 and 2003 remained as low as US$85 million and US$76 million, respectively.

In accordance with the new foreign policy vision of the AKP, geographical trends for Turkish ODA also portrayed a visible change. While the Central Asian countries continued to receive substantial amounts of ODA, the distribution of recipient regions underwent a noticeable diversification after 2003. In 2011, the Middle East claimed the second highest share of Turkish ODA at US$292.64 million, next to South and Central Asia, which received US$572.05 million, and followed closely by Africa, which received US$269.68 million of Turkish ODA (Figure 12.2). Meanwhile, Pakistan was the top ODA recipient in 2011, receiving US$204.95 million as part of an urgent aid scheme following the floods of 2010, and Syria came second, receiving US$162.03 million following

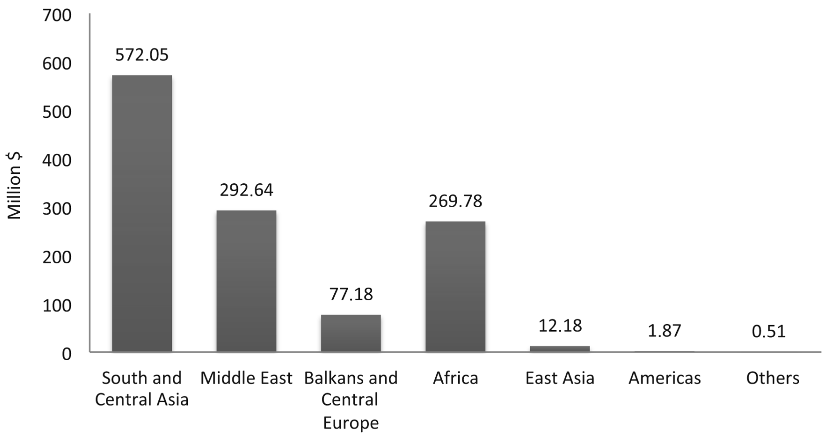


Figure 12.2 Top recipients of Turkish ODA by region in 2011
Source: TİKA Development Assistance Report 2011

the political uprising in 2010 (Figure 12.3). Among all regions, African countries constitute a significant figure, given that TİKA's encounter with Africa prior to its restructuring was limited. The ODA figures of 2011 to Somalia and Sudan (although not as high as those to Pakistan, Syria, and Afghanistan) therefore suggest an interesting breakthrough in Turkey's development assistance experience in Africa.

In addition to the improvements in data collection and reporting, the private sector and civil society have been crucial factors for

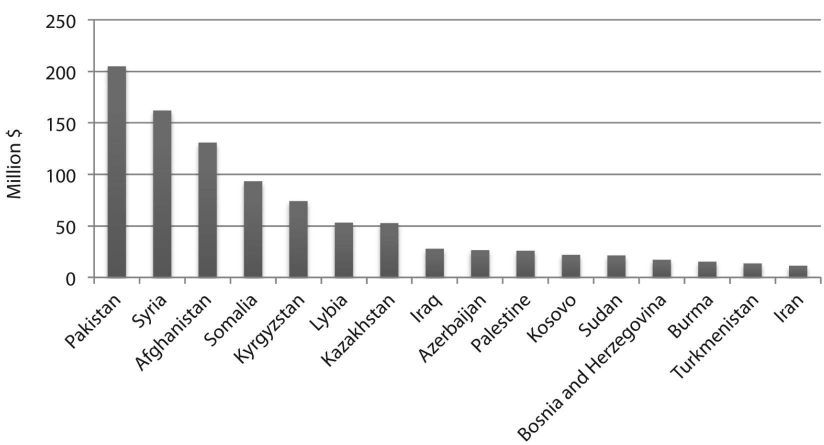


Figure 12.3 Top recipients of Turkish ODA by country in 2011
Source: TİKA Development Assistance Report 2011

the increase in ODA spending. Following the post-crisis economic restructuring, the private sector's recovery enabled Turkish firms to make direct investments in developing countries. Civil society and non-governmental organizations, on the other hand, also contributed to this change, as TİKA started collecting aid data from NGO providers in 2005. Growing cooperation between TİKA and NGOs resulted in an increase in the number of NGO-led projects financed by public funds (Kulaklıkaya and Nurdun, 2010, 138).

The shifting geography and evolving priorities of Turkey's development assistance have also signalled the role of ODA as an effective instrument to elevate Turkey's presence in regional affairs. Turkey has been an active contributor in peace-building and post-conflict reconstruction activities in neighbouring countries, including in the South Caucasus, the Balkans, and the Middle East (Murphy and Sazak 2012). Afghanistan, as a case in point, became a central focus of Turkey's reconstruction and peace-building efforts after the collapse of the Taliban regime in the country in 2001. According to figures reported by TİKA, Turkey's contributions to Afghanistan totalled nearly US$20 million between 2006 and 2011 (TİKA 2006). Its contributions to Afghanistan continue on a multilateral basis, both in military (through NATO) and non-military (post-conflict reconstruction) terms.

In line with its proactive foreign policy vision, and its role as a rising international player, Turkey has relied on ODA to extend its global reach and to actively attend to issues of global concern. With its commitment to the Millennium Development Goals (MDGs), Paris Declaration, and Monterrey Consensus, eradication of extreme poverty has recently been an area of focus for Turkey's development assistance agenda, along with a new and unprecedented focus on Africa. In 2011, ODA disbursements to the African continent totalled US$269.78 million, with the majority being channelled to projects in Somalia and Sudan (Figures 12.2 and 12.3). This tendency complies with the main concerns of the MDGs as Turkey has also taken Africa as a focus region. The year 2005 was declared The Year of Africa in Turkey, as a concrete continuation of its Opening Up to Africa policy, which was initiated by a policy document from 1998 (Özkan and Akgün 2010, 532). Particular importance was attached to capacity development projects in Africa, with vocational training courses targeting specific sectors according to the needs and priorities of the partner countries (Kulaklıkaya and Nurdun 2010, 137). Furthermore, TİKA opened offices in Ethiopia, Senegal, and Sudan to improve the coordination of its development projects across the continent.

Non-governmental Organizations as Aid Providers

Non-governmental organizations have played a key role in facilitating the recent development assistance activism in Turkey. The total aid provided by Turkish NGOs nearly quadrupled in six years, increasing from US$56.7 million in 2005 to almost US$200 million in 2011 (Figure 12.4). The total contributions of various Turkish NGOs (including the Turkish Red Crescent) are estimated by the Turkish Foreign Ministry to surpass those made by the government (MFA 2013). The comparative flexibility of NGOs in comparison with national donor agencies and their low profile in aid delivery have made them well-received actors in recipient countries (Fidan and Nurdun 2008, 98). It has been argued that Turkey's interest toward Africa was driven to a large extent by the agenda-setting efforts of Turkish humanitarian NGOs, as a result of their growing influence in policy processes (Kardaş 2013, 4). A concrete example for this influence was the appointment of Kani Torun, a former medical NGO official with Doctors Worldwide, as Turkey's first ambassador to Mogadishu.

Due to the increasing role of Turkish NGOs as providers of international development and humanitarian assistance, TİKA set up the Department of Coordination and Cooperation with NGOs in 2009 (TİKA 2010, 21). This was an important organizational arrangement to harmonize TİKA's official aid programs with those of various NGOs operating in the same sectors, and hence to avoid project overlaps and

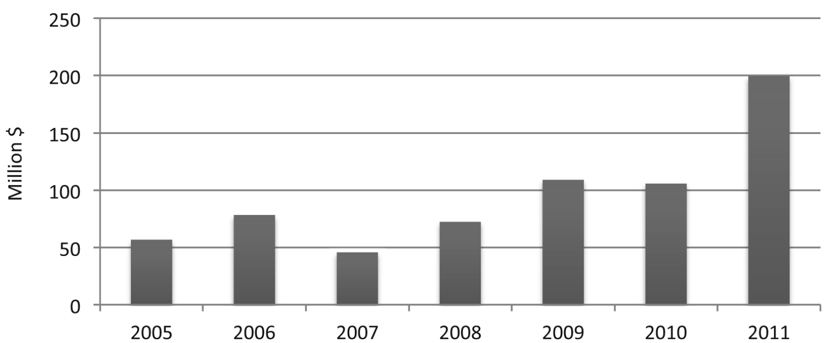


Figure 12.4 Aid by Turkish NGOs, 2008–2011

Source: TİKA Development Assistance Reports 2010, 2011 minimize transactional costs (Kragelund 2008, 557). The accommodation of non-governmental and private donors as partners was motivated by TİKA's aim to incorporate sector-wide approaches (SWAps) in its ODA management (Apaydin 2012, 8). SWAps have been identified as a departure from an orthodox aid modality focused solely on project-based aid toward a mixed modality, integrating project-based aid with a sector-wide approach (Kragelund 2008, 557). By definition, SWAps involve cooperation between governmental and non-governmental donors at a sectoral level (for example, health care, education) and within a common sectoral policy, where the government plays a key role in setting standards and priorities (Foster 2000). In sum, with the attention it has paid to align non-governmental aid donors with its own ODA activities through the adoption of new approaches, TİKA has taken an important step in diversifying its ODA modalities.

Health Care Aid

An important field of humanitarian and development assistance in which Turkish NGOs have been active is health development. As part of the extensive Turkish mobilization for Somalia in 2011, Doctors Worldwide Turkey launched a comprehensive medical project, which included the construction of Shifa Hospital in the Hodan district of Somalia. With a capacity of sixty-two beds, the hospital aims to provide health care to 300,000 patients annually (Reliefweb 2012). Humanitarian Aid Foundation [*trans.*] (IHH) also provides health care assistance. For example, accounting for 27 percent of the total Turkish NGO aid in 2011, it has provided Libya with 682 tons of food and medical supplies and a €2 million mobile hospital during the country's political crisis, and built 340 clean water supply systems for Somalia (TİKA 2011, 73).

Educational and Cultural Aid

Education and culture are also important areas of aid provision for Turkish NGOs. Türk Dünyası Araştırmaları Vakfı (Turkish World Research Foundation Humanitarian Aid Foundation [*trans.*], TWRF), a close partner of TİKA, has implemented educational projects in developing countries, such as opening and supporting numerous schools, faculties, and public programs across the Turkish-speaking developing world, including the Jalalabad Faculty of Social Sciences in Kyrgyzstan, the Baku Faculty of Management in Azerbaijan State

University of Economics, the Turkish Language and Literature Department in Kazakhstan's Kyzylorda State University, and Baku Atatürk High school in Azerbaijan (TİKA 2011, 74). Türk Diyanet Vakfı (Turkish Religious Foundation [*trans.*], TRF) has opened schools and provided scholarships for Turkish-speaking or Muslim students in Bulgaria, Romania, Azerbaijan, Kyrgyzstan, and Kazakhstan (Türkiye Diyanet Vakfı 2013). TRF has also undertaken several restoration and renovation projects for public buildings, schools, historical sites, and mosques in these countries (TİKA 2011, 77).

TIKA's Partnerships with Non-Governmental Agencies

The majority of Turkish non-governmental aid providers with which TİKA has cooperated are Islamic charity organizations, including the Kimse Yok Mu (Anybody Out There?) Association, Deniz Feneri (Light House) Association, Doctors Worldwide Turkey, and Humanitarian Aid Foundation (IHH). Although most of these organizations, most notably IHH, state that their aid activities have a universal focus, their activities are shaped by Islamic discourse, and the majority of their regular aid recipients are Muslim communities around the world.[1] The religious inclination of these organizations has met with criticism: the Deniz Feneri Association has been involved in a major corruption scandal,[2] and IHH's active participation in the 2010 Gaza flotilla incident caused controversy.[3]

Certain aspects of TİKA's partnership with NGOs, however, have been subject to criticism. A major source of controversy has been the Africa Cataract Project of IHH. The project started in April 2007 with the aim of treating 100,000 cataract patients across Mali, Niger, Burkina Faso, Somalia, Ethiopia, Sudan, Ghana, Benin, Togo, and Chad. Between 2007 and 2012, a total of 68,035 cataract surgeries and 270,194 eye examinations across all ten of the target countries were performed.[4] However, both the project and IHH's presence showed an expansion in Sudan that was facilitated by the shared legacy of Sunni Islam between the two countries[5]—which drew criticism as a means to help Sudanese leader Omar Al-Bashir's efforts to gain external support and legitimacy for his regime's controversial practices.[6]

Role of the Private Sector and Non-ODA Financial Flows

Despite pertaining to a sphere outside of official development assistance (ODA) activities, the private sector in Turkey has played an important role in the provision of development assistance to a number of developing countries, particularly in the Middle East and Africa. It was constrained by the increasingly uneasy global economic climate and fuelled at the same time by the fundamental transformation of small- and medium-sized businesses at home. Indeed, some recent accounts of Turkish foreign policy activism have carefully drawn attention to the crucial role played by economic factors, both at the global and domestic levels, in helping to shape AKP's foreign policy vision, which prioritized international development assistance (Öniş 2011, 33–55; Ayata 2004).

The global financial crisis of 2007–08, in parallel with the Eurozone crisis, has had a consolidating effect on the new Turkish policy as well as on the promotion of international development assistance. While the economy of the EU as Turkey's main trade partner was troubled by the difficulties stemming from the crisis, the need to reach new markets became a primary driver of Turkey's foreign policy activism toward neighbouring countries (Öniş 2011, 56). This activism has proven to be an important tool in the ability of the AKP government to maintain domestic popularity during a difficult phase marked by the negative impact of the global financial crisis (Öniş 2011, 56). In other words, Turkey's new regional orientation and its revival of international development assistance as a central component of foreign policy is significantly owed to the interplay of global structural conditions.

At the domestic level, the Turkish business sector was as influential in the blooming of Turkish international development assistance. Starting as early as the 1990s, the rise of a new wave of industrialization in Turkey spurred the emergence of new centres of capital across different cities of Anatolia, marked by an increasing interest in non-European markets such as the Middle East and Africa (Tok 2008, 81–89). This wave (commonly referred to as the "Anatolian tigers") was aided by a firm coalition of civil initiatives such as the Union of Chambers and Commodity Exchanges of Turkey (TOBB), the Independent Industrialists' and Businessmen's Association [*trans.*] (MÜSİAD), and the Turkish Confederation of Businessmen and Industrialists (TUSKON), all of which have helped shape the direction of Turkish foreign policy in recent years. Rather than being confined by a mere interaction with government agencies, these interest groups enjoy a visible ease of access to the government itself (Kirişci 2011, 46).

The influence of private sector actors in Turkish foreign policy has been highly visible through the recent business cooperation events involving the Middle East and Africa. One of the most prominent of these initiatives has been the Turkish-African Business Forum of August 2008 in Istanbul, organized jointly by the TOBB, the Turkish Foreign Economic Relations Board [*trans.*] (DEİK), and the Under-Secretariat for Foreign Trade. This forum was held in tandem with the Turkey-Africa Cooperation Summit, a meeting of high-level government representatives hosted personally by Turkish President Abdullah Gül. The summit provided bilateral meetings between African representatives and Turkish Prime Minister Recep Tayyip Erdoğan as a way to facilitate relations and increase cooperation (Özkan and Akgün, 2010, 536). As Africa had previously not been perceived as a region where Turkey held visible geopolitical interests, this move was interpreted as a manifestation of the private sector shaping foreign policy (Kirişci 2011, 50). Indeed, Foreign Minister Davutoğlu acknowledged that private business actors had become a major driver of Turkish foreign policy (Kirişci 2011, 42).

The influence exerted by the private sector on the direction of Turkish foreign policy has been moreover visible in the foreign direct investment (FDI) and credit flows from Turkey to its development partners. For the first time in 2006, TİKA's annual report included data on private flows to partner countries as a new field of development assistance activities. As a result of consultations with government organizations such as the Central Bank of Turkey, direct investments made by Turkish businesses and entrepreneurs were recognized as part of the national development assistance program (Kulaklıkaya and Nurdun 2010, 140).

Recent FDI data reported by TİKA suggest a close relationship between the changes in Turkey's outward FDI and its foreign policy initiatives. Following a slight decrease between 2007 and 2010, Turkey's total outward FDI flows have made a quick return in 2011 (Figure 12.5). The geographical breakdown of outward FDI since the Turkey-Africa summit of 2008 particularly pointed to an increasing share of FDI flows to Africa (Figure 12.6), with total FDI to Africa more than doubling in two years, from US$89.78 million in 2009 to US$224.6 million in 2011.

In addition to ODA and FDI flows, TİKA also reports non-ODA flows to its partner countries. These are primarily constituted by the credits made available by the Turkish Export-Import (Eximbank)

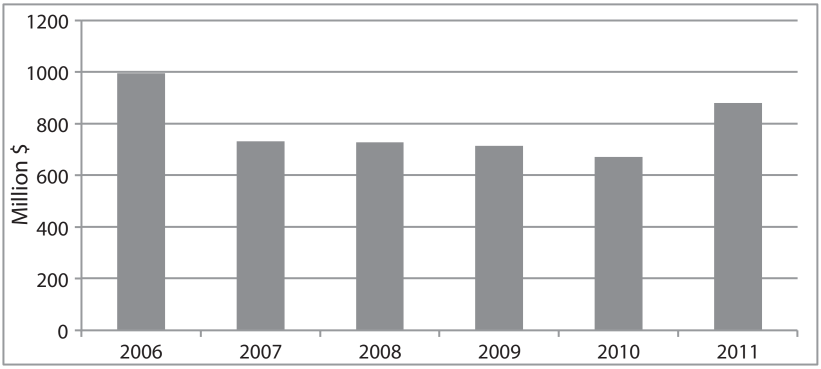


Figure 12.5 Turkey's total outward FDI, 2006–2011
Source: TİKA Development Assistance Reports, 2006–2011

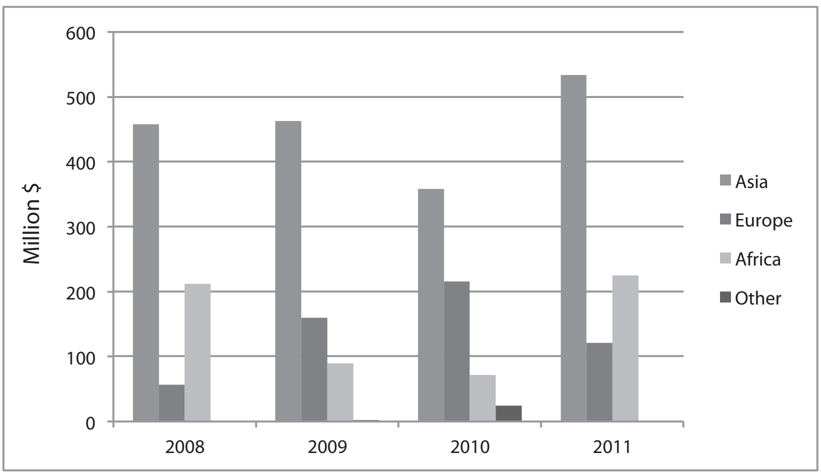


Figure 12.6 Turkey's outward FDI by region, 2008–2011
Source: TİKA Development Assistance Reports, 2008–2011

within the Country Credits and Guarantees Program for Turkish firms investing abroad (Eximbank, n.d.). In the recent years, the Turkish Eximbank has continuously provided credit for projects being implemented in Sudan, where TİKA and partner NGOs—most notably IHH—have been actively carrying out development assistance projects. The Turkish Eximbank provided €21.13 million in credit to the Sudanese Ministry of Finance in 2011 to be used in the construction of a centralized sewer system in the Bahri region of Khartoum (TİKA 2012, 63). The project is expected to serve 134,000 people following its completion. The Turkish Eximbank has also provided credit for the construction of the Al Halafaya bridge in the north of Khartoum. This project received €13.9 million in 2009 and US$1.4 million in 2010 (TİKA 2011, 36). Overall, the credit flow data reported by TİKA provide further evidence that the geographical orientation of Turkish exports and investments abroad intersect with those regions prioritized by Turkey's recent foreign policy initiatives and development assistance targets.

Conclusion

Starting from the Cold War era and throughout most of the past century, Turkey has been a net recipient of development aid. Its recent economic revival and increasingly proactive foreign policy orientation have transformed the country into a new and rising player on the international development assistance scene. As an emerging donor, Turkey's experience holds great potential and promise for the future of South-South Cooperation (SSC). The increasing role of local and transnational civil society organizations and the active contribution of the private sector are useful tools in efforts to boost more effective and elaborate development assistance policies within the framework of SSC. As development assistance constitutes an essential component of SSC, a retrospective look at Turkey's evolution in ODA provision is important to pinpoint the policies and practices within this framework.

Although it is still a learning process, Turkey's recent performance in developing and implementing aid policies sets a useful example to other emerging donors. Given that it has aimed to reach an annual ODA/GNI ratio of 0.2 percent, it is clear that Turkey aspires to become a DAC member while continuing its quest to improve the application of DAC guidelines. What stands out in Turkey's progress as an emerging donor is its commitment to cooperate with civil society and business actors in the field, while also focusing on capacity-building measures at home. Indeed, Turkish foreign policy as a whole is "no longer the monopoly of politicians and diplomats," but gradually more driven by civil society and economic factors (Öniş 2008, 55). As more recipient countries begin to look beyond DAC donors for assistance, and as the framework of SSC gains further momentum within global dynamics, understanding the development assistance activism pursued by new aid donors such as Turkey will likely generate a growing need for further research in this field.

Notes

1. For a detailed analysis on whether DAC norms remain relevant, see Kim, Soyeun, and Simon Lightfoot, 2011, "Does 'DAC-Ability' really Matter? The Emergence of Non-DAC Donors: Introduction to Policy Arena." Journal of International Development 23, no. 5: 711–21.
2. Sahel countries: Senegal, Mauritania, Mali, Niger, Chad, Sudan, and Eritrea.
3. For a detailed account of the 1995 general elections, see Carkoglu, Ali, 1997, "The Turkish General Election of 24 December 1995." Electoral Studies 16, no. 1: 86–95.
4, Davutoğlu was formerly a professor of international relations at International Islamic University Malaysia and Marmara University, and chief foreign policy advisor to Turkish Prime Minister Recep Tayyip Erdoğa.n
5. "Direct investments […] are evaluated within the development assistance context due to their potential to trigger economic development in the target country." Kulaklıkaya and Nurdun, 2008, 145, ff 6.
6. For a detailed account of Turkey's presence in Afghanistan, see Bayer, Reşat, and E. Fuat Keyman, 2012, "Turkey: An Emerging Hub of Globalization and Internationalist Humanitarian Actor?" Globalizations 9, no. 1.

References

Apaydin, Fulya. 2012. "Overseas Development Aid Across the Global South: Lessons from the Turkish Experience in Sub-Saharan Africa and Central Asia." *European Journal of Development Research* 24, no. 2: 261–282.

Aras, Bülent. 2009. "Davutoğlu Era in Turkish Foreign Policy." *SETA Policy Brief* 32.

Aras, Bülent, and Hakan Fidan. 2009. "Turkey and Eurasia: Frontiers of a New Geographic Imagination." *New Perspectives on Turkey* 40: 193–215.

Ayata, Sencer. 2004. "Changes in Domestic Politics and the Foreign Policy Orientation of AK Party." In *The Future of Turkish Foreign Policy*, edited by Dimitris Kerides and Lenore Martin. Cambridge: MIT Press.

Barma, Naazneen, Ely Ratner, and Steven Weber. 2007. "A World Without the West." *The National Interest* 90 (July/August): 23–30.

Bayer, Reşat, and E. Fuat Keyman. 2012. "Turkey: An Emerging Hub of Globalization and Internationalist Humanitarian Actor?" *Globalizations* 9, no. 1: 73–90

Bayer, Yalçın. 2010. "İHH'ye tanınan olanaklar ÇYDD'ye neden tanınmaz?" *Hürriyet*, June 4, 2010. http://www.hurriyet.com.tr/yazarlar/14928585.asp.

Bilgin, Pinar, and Ali Bilgiç. 2011. "Turkey's 'New' Foreign Policy Toward Eurasia." *Eurasian Geography and Economics* 52, no. 2: 173–195.

Birtek, Nuri. 1996. "Türkiye'nin Dış Yardımları Ve Yönetimi." Ankara: State Planning Organization of Turkey.

Brautigam, Deborah. 2009. *The Dragon's Gift: The Real Story of China in Africa: The Real Story of China in Africa*. Oxford: Oxford University Press.

Carkoglu, Ali. 1997. "The Turkish General Election of 24 December 1995." *Electoral Studies* 16, no. 1: 86–95.

Davutoğlu, Ahmet. 2001. "Stratejik Derinlik: Türkiye'nin Uluslararası Konumu (Strategic Depth: Turkey's International Position)." *Küre Yayınları, İstanbul* 2001: 536.

———. 2008. "Turkey's Foreign Policy Vision: An Assessment of 2007." *Insight Turkey* 10, no. 1: 77–96.

———. 2011. "Harnessing the Positive Contribution of South–South Cooperation for the Development of LDCs." Paper presented at the Least Developed Countries Conference Ministerial Meeting, New Delhi, February 19, 2011.

Eyben, Rosalind, and Laura Savage. 2012. "Emerging and Submerging Powers: Imagined Geographies in the New Development Partnership at the Busan Fourth High Level Forum." *The Journal of Development Studies*, 49, no 4: 457–469.

Fidan, Hakan, and Rahman Nurdun. 2008. "Turkey's Role in the Global Development Assistance Community: The Case of TİKA (Turkish International Cooperation and Development Agency)." *Journal of Southern Europe and the Balkans* 10, no. 1: 93–111.

Foster, Mick. 2000. *New Approaches to Development Co-Operation: What Can We Learn from Experience with Implementing Sector Wide Approaches?* London: Overseas Development Institute London.

Harmer, Adele, and Lin Cotterell. 2009. "Diversity in Donorship: The Changing Landscape of Official Humanitarian Aid." London: Overseas Development Institute.

Kardaş, Şaban. 2013. "Turkey's Development Assistance Policy: How to Make Sense of the New Guy on the Block." *German Marshall Fund*, February 4, 2013. http://www.gmfus.org/archives/turkeys-development-assistance-policy-how-to-make-sense-of-the-new-guy-on-the-block

Kim, Soyeun, and Simon Lightfoot. 2011. "Does 'DAC-Ability' Really Matter? The Emergence of Non-DAC Donors: Introduction to Policy Arena." *Journal of International Development* 23, no. 5: 711–721.

Kirişci, Kemal. 2011. "Turkey's 'Demonstrative Effect' and the Transformation of the Middle East." *Insight Turkey* 13, no. 2: 33–55.

Kloke-Lesch, Adolf, and Colin Gleichmann. 2010. "Global Development Beyond the North-South Paradigm." In *G20 and Global Development: How Can the New Summit Architecture Promote Pro-Poor Growth and Sustainability*, edited by T. Fues and P. Wolff, 13–17. Bonn: Deutsche Institut für Entwicklungspolitik.

Kragelund, Peter. 2008. "The Return of Non-DAC Donors to Africa: New Prospects for African Development?" *Development Policy Review* 26, no. 5: 555–584.

———. 2011. "Back to Basics? The Rejuvenation of Non-Traditional Donors' Development Cooperation with Africa." *Development and Change* 42, no. 2: 585–607.

Kulaklıkaya, Musa, and Rahman Nurdun. 2010. "Turkey as a New Player in Development Cooperation." *Insight Turkey* 12, no. 4: 131–145.

Loğoğlu, Faruk. 2009. "Ab'den Uzaklaşan Türkiye Ortadoğu Ülkesi Gibi Davranıyor' (Turkey Acts Like a Middle Eastern Country as It Moves Away from the EU)." *Radikal*, February 27, 2009.

Manning, Richard. 2006. "Will 'Emerging Donors' Change the Face of International Co-Operation?" *Development Policy Review* 24, no. 4: 371–385.

Mawdsley, Emma. 2010. "Non-DAC Donors and the Changing Landscape of Foreign Aid: The (in)Significance of India's Development Cooperation with Kenya." *Journal of Eastern African Studies* 4, no. 2: 361–379.

———. 2012. *From Recipients to Donors: Emerging Powers and the Changing Development Landscape*. Zed Books.

Milliyet. 2008. "İşte Başbakan'ı sinirlendiren iddianame." September 8. http://siyaset.milliyet.com.tr/iste-basbakan-i-sinirlendiren---font-color-red---blink---iddianame---blink---font-/siyaset/siyasetdetay/08.09.2008/988376/default.htm.

Mohan, Giles, and Marcus Power. 2008. "New African Choices? The Politics of Chinese Engagement." *Review of African Political Economy* 35, no. 115: 23–42.

———. 2009. "Africa, China and the 'New' Economic Geography of Development." *Singapore Journal of Tropical Geography* 30, no. 1: 24–28.

Morvaridi, Behrooz. 2013. "The Politics of Philanthropy and Welfare Governance: The Case of Turkey." *European Journal of Development Research* 25, no. 2: 305–321.

Murphy, Teri, and Onur Sazak. 2013. "Turkey's Civilian Capacity in Post-Conflict Reconstruction." Istanbul: Sabancı University Istanbul Policy Center.

Naim, Moises. 2007. "Rogue Aid." *Foreign Policy* 159 (March–April): 95–96.

OECD. 2013. "Aid to Poor Countries Slips Further as Governments Tighten Budgets." Accessed December 16, 2013. http://www.oecd.org//newsroom/aidtopoorcountriesslipsfurtherasgovernmentstightenbudgets.htm

———. 2013. "Busan Fourth High Level Forum on Aid Effectiveness Proceedings." Accessed December 16, 2013. https://www.oecd.org/dac/effectiveness/HLF4%20proceedings%20entire%20doc%20for%20web.pdf

Oğuzlu, Tarik. 2008. "Middle Easternization of Turkey's Foreign Policy: Does Turkey Dissociate from the West?" *Turkish Studies* 9, no. 1: 3–20.

Öniş, Ziya. 2007. "Turgut Özal and His Economic Legacy: Turkish Neo–Liberalism in Critical Perspective." *Middle Eastern Studies* 40, no. 4: 113–134.

———. 2011. "Multiple Faces of the 'New' Turkish Foreign Policy: Underlying Dynamics and a Critique." *Insight Turkey* 13, no. 1: 47–65.

Öniş, Ziya, and Fikret Şenses. 2008. "Global Dynamics, Domestic Coalitions and a Reactive State: Major Policy Shifts in Post-War Turkish Economic Development." *METU Studies in Development* 34, no. 2: 251–286.

Öniş, Ziya, and Şuhnaz Yilmaz. 2009. "Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey During the AKP Era." *Turkish Studies* 10, no. 1: 7–24.

Özkan, Güner, and Mustafa Turgut Demirtepe. 2012. "Transformation of a Development Aid Agency: TİKA in a Changing Domestic and International Setting." *Turkish Studies* 13, no. 4: 647–664.

Özkan, Mehmet. 2008. "Turkey Discovers Africa: Implications and Prospects." *SETA Policy Brief* 22 (September): 1–8.

Özkan, Mehmet, and Birol Akgün. 2010. "Turkey's Opening to Africa." *The Journal of Modern African Studies* 48, no. 4: 525–546.

Pamuk, Şevket. 2008. "Globalization, Industrialisation and Changing Politics in Turkey." *New Perspectives on Turkey* 38 (Spring): 267–273.

Reliefweb. 2012. "Opening Ceremony of Doctors Worldwide Turkey Shifa Hospital in Mogadishu." March 8, 2012. http://reliefweb.int/report/somalia/opening-ceremony-doctors-worldwide-turkey-shifa-hospital-mogadishu.

Republic of Turkey Ministry of Foreign Affairs. 2013. "Turkey's Development Cooperation: General Characteristics and the Least Developed Countries (LDC) Aspect." Accessed December 16, 2013. http://www.mfa.gov.tr/turkey_s-development-cooperation.en.mfa

———. 2013. "Turkish Emergency Humanitarian Assistance." Accessed December 16, 2013. http://www.mfa.gov.tr/humanitarian-assistance-by-turkey.en.mfa

Rowlands, Dane. 2008. "Emerging Donors in International Development Assistance: A Synthesis Report." PBDD Report. Ottawa: IDRC.

Severino, Jean-Michel, and Olivier Ray. 2009. "The End of ODA: Death and Rebirth of a Global Public Policy." *Centre for Global Development Working Paper no. 167*. Washington, D.C.: CGD.

Sözen, Ahmet. 2010. "A Paradigm Shift in Turkish Foreign Policy: Transition and Challenges." *Turkish Studies* 11, no. 1: 103–23.

Tan-Mullins, May, Giles Mohan, and Marcus Power. 2010. "Redefining 'Aid' in the China-Africa Context." *Development and Change* 41, no. 5: 857–881.

TİKA. https://www.tika.gov.tr/en.

TIKA. 2005. "TİKA Development Assistance Report 2004 (Tİka Kalkınma Yardımları Raporu 2004)." TİKA, Ankara.

———. 2006. "TİKA Development Assistance Report 2005 (Tİka Kalkınma Yardımları Raporu 2005)." TİKA, Ankara.

———. 2007. "TİKA Development Assistance Report 2006 (TİKA Kalkınma Yardımları Raporu 2006)." TİKA, Ankara.

———. 2008. "TİKA Development Assistance Report 2007 (TİKA Kalkınma Yardımları Raporu 2007)." TİKA, Ankara.

———. 2009. "TİKA Development Assistance Report 2008 (TİKA Kalkınma Yardımları Raporu 2008)." TİKA, Ankara.

———. 2010. "TİKA Development Assistance Report 2009 (TİKA Kalkınma Yardımları Raporu 2009)." TİKA, Ankara.

———. 2011."TİKA Development Assistance Report 2010 (TİKA Kalkınma Yardımları Raporu 2010)." TİKA, Ankara.

———. 2013. "TİKA Hakkında." TİKA, Accessed December 16.

Tok, Evren. 2008. "Anatolian Cities and the New Spirit of Turkish Capitalism." *Turkish Policy Quarterly* 7, no. 4: 81–89.

Turkish Statistical Institute. 2013. "Press Release: Poverty Study 2011." Accessed December 16. http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=10952.

Turkishtime. 2004. Interview with Ahmet Davutoğlu. "İş Dünyası Artık Dış Politikanın Öncülerinden." April–May.

Türkiye Diyanet Vakfı. n.d. "Eğitim Öğretim Faaliyetleri." http://www.gurcag.k12.tr/tr/hakkimizda/egitim-felsefemiz/egitim-ogretim-faaliyetlerinin-nitelikleri.

Türkiye İşbirliği ve Kalkınma İdaresi Başkanlığı (TİKA). 2010. "TİKA Activity Report 2009 (TİKA Faaliyet Raporu 2009)." TİKA, Ankara.

———. 2012. "TİKA Development Assistance Report 2011 (TİKA Kalkınma Yardımları Raporu 2011)." TİKA, Ankara.

U.S. Department of State. 2013. "U.S. Relations with Turkey." Accessed December 16, 2013. http://www.state.gov/r/pa/ei/bgn/3432.htm

Woods, Ngaire. 2008. "Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance." *International Affairs* 84, no. 6: 1205–1221.

Contributors

Manmohan Agarwal is the Reserve Bank of India Chair Professor at the Centre for Development Studies at Thiruvananthapuram, Kerala, India. After retiring as a Professor from Jawaharlal Nehru University, in New Delhi, India, where he taught for almost thirty years, he became a Senior Fellow at the Centre for International Governance Innovation (CIGI) in Waterloo, Canada, where he worked on issues of the world economy including the G20 and South-South Cooperation. He is also an adjunct Senior Fellow at Research and Information System for Developing Countries, New Delhi, and an adjunct Senior Fellow with the Institute of Chinese Studies. He worked for a number of years at the World Bank and the International Monetary Fund. His research has mainly focused on the areas of international economics and development economics. More recently he has been working on the role of the G20, South-South Cooperation, and the international monetary system.

Ajarat Bada was born and raised in Nigeria but moved to the United States for her college education. She graduated Magna Cum Laude from Drexel University in Pennsylvania and obtained a Master of Public Health degree from Loma Linda University in California and a Master of Public Policy degree from Hamad Bin Khalifa University in Qatar. As a student, she served as the editor of the student journal, the Astrolabe. She speaks four languages. Bada's academic and professional journeys of over a decade span Africa, Europe, Asia, the Americas and the Middle East particularly through her advocacy work with NGOs including the United Nations on the implementation of the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). She has worked on WASH, Emergency Preparedness, Natural Resources Management and Economic Diversification projects. She writes professionally and has successfully pursued this interest with the *Huffington Post* and a publication on governance in Africa as part of the *We Will Lead Africa* series. Currently, she works as a Quality Director at Kaiser Permanente in Oakland, California. She continues to serve as the Director for the Missing MDG Initiative, and is the Principal Managing Partner at Lampost Consulting, a boutique firm that works on international development strategies.

Hany Gamil Besada is the Senior Research/Program Advisor & Senior Research Coordinator of the UN Office for South-South Cooperation (UNOSSC), United Nations Development Programme (UNDP), and Senior Research Fellow, China Institute for South-South Cooperation in Agriculture, China Agriculture University. He is also Non-resident Senior Research Fellow with the UN University–Institute for Natural Resources in Africa; Senior Fellow, Columbia Centre on Sustainable Investment; Research Professor, Institute of African Studies, Carleton University, and Senior Fellow with the Centre on Governance at the University of Ottawa. Until very recently, he was Deputy Executive Director at the Diamond Development Initiative (DDI). Prior to that he was Senior Regional Advisor, African Minerals Development Centre at the United Nations Economic Commission for Africa (UNECA), Theme Leader, Governance of Natural Resources at the North-South Institute (NSI), and Research Specialist on the United Nations Secretary General's High-Level Panel Secretariat on the Post-2015 Development Agenda, United Nations Development Program (UNDP). Dr. Besada has published widely in international news media and academic journals. He is the author of more than eighty policy papers and peer-reviewed journal articles, seventy opinion pieces, and editor or author of thirteen books. He holds a PhD in Politics and International Studies from the University of Warwick.

Cristina D'Alessandro is a Senior Fellow at the Centre on Governance at the University of Ottawa, Canada, a Research Fellow at the Research Centre PRODIG (Université Paris 1 Panthéon Sorbonne, CNRS), Paris, France, and an Affiliate Associate Professor at Riara University in Nairobi, Kenya. Dr. D'Alessandro is an Economic and Political Geography Scholar with over twenty years of teaching and research experience. She has a strong academic and policy research background, serving as an international consultant with various organizations and institutions. Previously she served as a Scientific Manager at the French National Agency for Research, as a Professor at the Paris School of International Affairs (Sciences-Po), Paris, France, as Knowledge Expert at the African Capacity Building Foundation in Harare, Zimbabwe, and as a Professor at l'Université Lumière Lyon 2. Dr. D'Alessandro holds an Habilitation from l'Université Bordeaux Montaigne, France; a post-doctorate from West Virginia University, West Virginia, US; a master's and a PhD in development geography from l'Université François-Rabelais de Tours, France; and a bachelor of geography from the University of L'Aquila, Italy.

Arjan de Haan is the Director of IDRC's Inclusive Economies program. He leads a multidisciplinary team that strengthens policy research capacity in developing countries on issues of economic policy, governance, and health systems. He previously led IDRC programing on poverty reduction, employment, growth, and gender equality, including the Growth and Economic Opportunities for Women (GrOW) program. Before joining IDRC, Arjan was Social Development Advisor at the UK's Department for International Development for ten years, in the policy division; and his professional engagements in China and India led to work on poverty analysis and social protection. He also taught international development at the Institute of Social Studies in the Netherlands, at Guelph University in Canada, and at the University of Sussex in the UK. Arjan holds a PhD in social history from Erasmus University Rotterdam.

Barassou Diawara is a Knowledge Management Expert at the African Capacity Building Foundation (ACBF) and Coordinator of the Africa Think Tank Network housed at ACBF. Dr. Diawara is also a member of the Africa Capacity Report (ACR) team, which produces the ACBF Flagship Report, measuring and assessing capacities in relation to the development agenda of African countries. He holds a master's degree in Economics from Cheikh Anta Diop University in Senegal, and a master's and PhD in Economics from the Kyushu University Graduate School of Economics in Japan, where he was also a Research

Fellow before joining ACBF. He has published a number of articles in his areas of expertise, which include development economics, education, and poverty economics.

Natasha Fernando has over eight years' experience working in international development on policy, programs, and reporting. She has worked at organizations such as the Commonwealth Secretariat, International Labour Organization, World Health Organization, and United Nations Volunteers (UNV). She has an MS in Global Health and Public Policy from the University of Edinburgh. Apart from serving as an Alternate Representative on UNDG Working Groups and Human Rights Council sessions, she has also carried out UN Delivering as One reviews, inter-agency/NGO humanitarian aid coordination mapping, and South-South Cooperation best practices analyses. She has also written two UNV annual reports. Natasha is currently part of the Maternal and Child Health program at the International Development Research Centre in Ottawa, Canada.

Ariane Goetz is a Researcher at the Leibniz-Institut für Raumbezogene Sozialforschung (IRS Erkner) and Lecturer in global political economy. Her work focuses on foreign direct investment, land use, food and agriculture, energy at the intersection of international organization, national development, global restructuring, and sustainability politics. Her most recent book, *Land Grabbing Development* (Transcript Verlag, 2019), analyzes Chinese and British land acquisitions from the perspective of home country politics.

J. Andrew Grant, Undergraduate Chair and Associate Professor of Political Studies at Queen's University, is an Early Researcher Award recipient (Government of Ontario's Ministry of Research and Innovation) for his work on natural resource governance. Findings from his fieldwork across Africa appear in *International Studies Review*, *Land Use Policy*, *Resources Policy*, *Journal of Cleaner Production*, and *Contemporary Politics*. Dr. Grant's latest co-edited book is *New Approaches to the Governance of Natural Resources: Insights from Africa*.

Kobena T. Hanson is Co-Founder and Managing Partner at Strategic Outlooks, Ghana, and an Evaluation Capacity Development Expert with the African Development Bank. He is widely published on issues of capacity development, natural resource governance, regional development, and public policy. His most recent publications include *From Millennium Development Goals to Sustainable Development Goals: Rethinking African Development*, (2018), "Contemporary Regional Development in Africa," (2015), *Managing Africa's Natural Resources: Capacities for Development*, (2014), and *Rethinking Development Challenges for Public Policy: Insights from Contemporary Africa*, (2012). He holds a PhD from Queen's University, Kingston, Canada.

Christina Lengfelder has been a Research Analyst with the Human Development Report Office at the United Nations Development Programme (UNDP) since 2014. In this function she is responsible for drafting chapters of the global Human Development Reports. Prior to this assignment, she worked for the Inter-American Development Bank in Washington, DC, United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) in Trinidad, and Tobago and Santiago de Chile, and as a Lecturer at the Universidad Católica de Chile.

Leah McMillan Polonenko is a Project Evaluator and Applied Researcher, specializing in international development, social policy, and experiential learning. She has worked in higher education in Canada and the United Arab Emirates, and served as an evaluation consultant and researcher for a variety of development projects, with regional expertise in Sub-Saharan Africa. She is currently Program Coordinator, International Development Studies in the Centre for Critical Development Studies at the University of Toronto Scarborough.

Simon Mevel is currently working as an Economic Affairs Officer for the United Nations (UN) Economic Commission for Africa (ECA). Prior to joining the UN in 2011, he worked successively for the Centre d'Études Prospectives et d'Informations Internationales (CEPII), the International Food Policy Research Institute (IFPRI), and the World Bank. He has fifteen years of experience in the assessment of trade and environmental reforms, with a focus on development issues; he has authored nearly forty publications to date.

M. Evren Tok is Associate Professor and Assistant Dean for Innovation and Community Advancement, Program Coordinator for the Islam and Global Affairs Program at College of Islamic Studies, Hamad Bin Khalifa University. He is the co-editor of *Policy Making in a Transformative State: The Case of Qatar*, published by Palgrave MacMillan, 2016. His newest publication is entitled *Global Governance and Muslim Organizations*, published by Palgrave MacMillan in 2018. He has been the Lead Project Investigator for the Qatar National Research Fund Priority Program for three years on "Localizing Entrepreneurship Education in Qatar." Dr.Tok has top-notch experience in building disruptive mechanisms in education and learning in post-graduate studies. He is the founder of the first makerspace in Qatar Foundation built around the concept of "Green Economies, Social Innovation and Entrepreneurship."

Karin Costa Vazquez is the Executive Director of the Center for African, Latin American and Caribbean Studies (CALACS) and Assistant Dean for Global Engagement at O.P. Jindal Global University School of International Affairs, India. Her research lies at the intersection of South-South Cooperation, sustainable development, and development financing, with emphasis on Brazil, Russia, India, China, and South Africa (BRICS) and the New Development Bank. She has held senior advisory positions in multilateral development banks (World Bank, Inter-American Development Bank, Islamic Development Bank), United Nations agencies—United Nations Development Programme (UNDP), United Nations Framework Convention on Climate Change (UNFCCC)—, and the Ministry of External Relations of Brazil.

Ward Warmerdam is Senior Financial Researcher at Profundo (research consultancy) in the Netherlands. He is the author of numerous articles and chapters on various aspects of China's foreign aid principles and practices, with a focus on China's engagement with Africa. His current research also covers the nexus between the financial sector, corporate practices, and sustainability issues.

Karolina Werner is a Researcher affiliated with the Centre on Governance, University of Ottawa, Canada. Karolina's work focuses primarily on governance integration, inclusion, peacebuilding, and fragile states in sub-Saharan Africa, as well as natural resource governance and conflict. Her past affiliations include the Centre for International Governance Innovation, the United Nations Industrial Development Organization, and the International Institute for Applied Systems Analysis. She is finalizing a PhD in Global Governance at the

Balsillie School of International Affairs; she holds a Social Sciences and Humanities Research Council (SSHRC) Doctoral Award as well as an International Development Research Centre (IDRC) Doctoral Research Award.

Aylin Yardımcı is a PhD candidate in International Relations and Political Science at Koç University in Istanbul, Turkey. She holds an MS in European Political Economy from the London School of Economics, and a BA in Social and Political Studies from the University of Sheffield. Her doctoral research focuses on emerging donors and non-DAC (Development Assistance Committee) providers of official development assistance (ODA); her research interests include development cooperation, Turkish foreign policy, and the political economy of foreign aid.

Page left blank intentionally

Index

V

W

Studies in International Development and Globalization

Series editor: Lauchlan T. Munro

The *Studies in International Development and Globalization* series presents new perspectives on a range of topics in development and globalization studies—including Indigenous peoples, women, social movements, labour issues, agriculture, governance, and migration—revealing the tensions and conflicts that occur in the wake of development and highlighting the quest for social justice in global contexts.

Previous titles in this collection

Mahmoud Masaeli and Lauchlan T. Munro (eds.), *Canada and the Challenges of International Development and Globalization*, 2018.

Stephen Brown, Molly den Heyer and David R. Black (eds.), *Rethinking Canadian Aid*, Second Edition, 2016.

Henry Veltmeyer (dir.), *Des outils pour le changement*, 2015.

Pierre Beaudet et Paul A. Haslam (dir.), *Enjeux et défis du développement international*, 2014.

Andrea Martinez, Pierre Beaudet et Stephen Baranyi (dir.), *Haïti aujourd'hui, Haïti demain. Regards croisés*, 2011.

Daniel C. Bach et Mamoudou Gazibo (dir.), *L'État néopatrimonial. Genèse et trajectoires contemporaines*, 2011.

Jacques Fisette et Marc Raffinot (dir.), *Gouvernance et appropriation locale du développement. Au-delà des modèles importés*, 2010.

Pierre Beaudet, Jessica Schafer et Paul Haslam (dir.), *Introduction au développement international. Approches, acteurs et enjeux*, 2008.

Isabelle Beaulieu, *L'État rentier. Le cas de la Malaysia*, 2008.

Saturnino M. Borras, *Pro-Poor Land Reform. A Critique*, 2007.

This book presents novel approaches to further South-South Cooperation (SSC) on a global scale. The evolving aid architecture and mounting development challenges demand an urgent and critical review of existing aid modalities, policy-making and forums for international cooperation. With the rise of emerging powers, we face an important question: Is the changing global order transforming the nature of development cooperation? Promoting equitable broad-based growth in order to alleviate poverty, calls for a new understanding of the principles of development assistance, good governance, transparency, ownership, and accountability.

"Breaking down the divide between traditional and emerging development partners, this book provides critical insight into the dynamic landscape of South-South Cooperation."

Hany Gamil Besada is the Senior Research/Program Advisor and Senior Research Coordinator of the UN Office for South-South Cooperation, United Nations Development Programme, and Senior Research Fellow, China Institute for South-South Cooperation in Agriculture, China Agriculture University. He is also Non-resident Senior Research Fellow with the UN University–Institute for Natural Resources in Africa; Senior Fellow, Columbia Centre on Sustainable Investment; Research Professor, Institute of African Studies, Carleton University, and Senior Fellow with the Centre on Governance at the University of Ottawa.

M. Evren Tok is the program coordinator of the Islam and Global Affairs Program and an Associate Professor for College at the Islamic Studies at Hamad Bin Khalifa University. Tok is the Lead Project Investigator for a research grant funded by Qatar National Research Fund on entrepreneurship education and co-lead investigator for a research project on the Qatari perspective on natural resource governance in Africa.

Leah McMillan Polonenko is a Project Evaluator and Applied Researcher, specializing in international development, social policy, and experiential learning. She has worked in higher education in Canada and the United Arab Emirates, and served as an evaluation consultant and researcher for a variety of development projects, with regional expertise in Sub-Saharan Africa. She is currently Program Coordinator, International Development Studies in the Centre of Critical Development Studies at the University of Toronto Scarborough.

University of Ottawa **Press**
International Development and Globalization
press.uOttawa.ca