TRIANGULAR CO-OPERATION: EMERGING POLICY MESSAGES AND INTERIM FINDING FROM ANALYTICAL WORK

DAC meeting, 30 October 2012

This document is submitted for DISCUSSION under Item 4 of the Draft Annotated DAC Agenda [DCD/DAC/A(2012)12]. It would be a background/technical paper for the HLM.

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Emerging messages for policy makers on triangular co-operation

Triangular co-operation has received increased international attention and recognition in recent years. This brings with it a need for more clarity on what triangular co-operation is, how it is being implemented and how it can support development effectively. Drawing on the interim findings from inclusive analytical work carried out to address these issues, the following messages for policy makers are emerging:

- Knowledge sharing, mutual learning and capacity development are at the heart of triangular co-operation. Triangular co-operation is a way to build on the comparative advantages and complementarities between different development actors, so as to create opportunities for sharing knowledge and expertise among all partners involved.
- The value of triangular co-operation resides in long-term capacity development of developing countries to create and share development solutions.
- Triangular co-operation should be seen as a complement – not a substitute – to bilateral co-operation. It builds on and adds value to bilateral relationships as resources and expertise are brought together to make a whole that is greater than the sum of its parts.
- There is no single model of triangular co-operation, but rather a diversity of approaches designed to capture opportunities for collaboration and learning. The international community should embrace this diversity instead of limiting it to one definition.
- Identifying solutions that can be shared through triangular co-operation can be difficult. Countries and international organisations can use their knowledge networks to identify good practices and innovations that can be shared. International organisations and bilateral donors can help by i) mapping valuable knowledge or innovation that can be transferred among developing countries and ii) connecting them to scale up development solutions. Centres of excellence in developing countries should be strengthened and made more visible.
- New institutional mechanisms for triangular co-operation are not necessarily required; dedicated funding can help start-up triangular co-operation, but sustainability can be ensured through existing mechanisms.
- There is a need to better assess – and therefore better understand – the impact of triangular co-operation. Regular evaluation would help understand its contribution to development and draw lessons on how to meet its challenges.
- There is a need to track statistics and information on triangular co-operation (in the reporting of both in-coming and out-going development co-operation).
- The effectiveness of triangular co-operation is improved through political support. Strong political commitment helps to ensure good implementation of triangular co-operation. To do so, implementation agencies should be mandated and supported to participate in triangular co-operation. Funding for triangular co-operation should be more predictable.
- Moving this agenda forward should be a joint effort by all partners in triangular co-operation. Each partner can contribute its own perspective and comparative advantage to promote, collectively, better and more effective triangular co-operation.

Once completed, this analytical work and policy messages will be presented and discussed at a global policy dialogue in early 2013 in Lisbon. A final report will subsequently be forwarded to the Global Partnership for Effective Development Co-operation.
INTERIM FINDINGS FROM ANALYTICAL WORK ON TRIANGULAR CO-OPERATION

Background

1. Triangular co-operation has received increased international attention and recognition in recent years. This interest has been prompted by the economic growth and development in several middle-income countries, as well as by the renewed focus on knowledge sharing as a powerful engine for development. As a result, bilateral donors, international organisations and middle-income countries are becoming more involved in triangular co-operation. Furthermore, recent high-level meetings on development co-operation - including the United Nations High-Level Conference on South-South Co-operation in 2009 in Nairobi and the 4th High-Level Forum on Aid Effectiveness in 2011 in Busan - have recognised the importance of triangular co-operation as a means of achieving development results.

2. This increased attention and recognition brings a need for more clarity on what triangular co-operation is, how it is being implemented and how it can support development effectively. With this objective in mind, the OECD Development Co-operation Directorate (DCD) is carrying out some analytical work on triangular co-operation in 2012 and 2013. The DCD is adopting an inclusive approach to this work, involving all key partners in triangular co-operation, i.e. bilateral donors, developing countries and international organisations. The following products are being prepared:

- A literature review, up-dating the 2009 report “Triangular Co-operation and Aid Effectiveness” (OECD, 2009)\(^1\).
- A survey of countries and organisations involved in triangular co-operation, based on 73 responses received (out of 150 requests sent) from 26 bilateral donors, 16 international organisations and 31 developing countries (see Annex I for the list of respondents).
- A brainstorming meeting with 24 experts with in-depth knowledge and practical experience of triangular co-operation (see Annex II for the list of countries and international organisations represented).

3. Drawing from the interim findings from these three pieces of work, this note discusses what triangular co-operation is, maps the current “state of play”, identifies the characteristics and the conditions for good triangular co-operation and proposes some options for the way ahead. These findings will be further elaborated in a summary report to be presented and discussed at a global policy dialogue in early 2013 in Lisbon. After completion, the report will be forwarded to the Global Partnership for Effective Development Co-operation.

What is Triangular Co-operation?

4. There are multiple descriptions of triangular co-operation but no internationally agreed definition.

5. The literature review and the survey found that descriptions of triangular co-operation vary according to the actors involved (some descriptions include non-state actors, such as civil society organisations and the private sector, as well as governments and international organisations), roles of each partner and the modalities used. At the same time, there is a widely held understanding that triangular co-operation involves at least one bilateral donor or one international organisation joining forces with one

\(^1\) The 2009 report is available on the Internet at: http://www.oecd.org/dac/46387212.pdf
or more providers of South-South co-operation (SSC) to facilitate a sharing of their knowledge and experience or otherwise promote development in other developing countries.

6. Participants in the brainstorming meeting preferred to describe triangular co-operation by focusing on the role of partners involved. According to these technical experts, there are three types of partners in a triangular co-operation:

- The **facilitator** helps to connect countries and organisations to form a triangular partnership and gives financial and/or technical support to the collaboration.
- The **pivotal partner** shares its knowledge and expertise.
- The **beneficiary** is the target for the development results to be achieved by the initiative and is responsible for ensuring that results are sustainable.

7. These roles of **facilitator**, **pivotal partner** and **beneficiary** are sometimes clearly attributed to each partner; but partners can also play simultaneous roles in a triangular co-operation. In addition, there can be more than one country playing the role of facilitator, pivotal and/or beneficiary partner in triangular co-operation.2

8. All three pieces of work show that there are many ways of establishing triangular co-operation. As pointed out during the brainstorming meeting, since triangular co-operation is designed to capture opportunities for collaboration and learning, there is no single way for triangular co-operation to happen. Initiatives may flow from:

- A facilitator connecting two (or more) developing countries to share innovations and development solutions.
- A facilitator supporting a pivotal partner to share its knowledge and expertise with one or more beneficiary partners.
- A facilitator supporting some existing SSC (be it bilateral, regional or cross-regional).
- Bilateral co-operation is replicated in a third country.
- A pivotal partner joins an existing bilateral co-operation activity to provide knowledge and expertise.

The “state of play” in triangular co-operation

9. The literature review and the survey show that triangular co-operation is happening in every region. The survey shows that many initiatives happen in Africa, Asia and Latin America. Some of the key countries engaged in triangular co-operation are Brazil, Chile, China, Japan, Germany, Mexico, South Africa, Spain and the United States. Among the international organisations, the United Nations’ agencies play an important role, but many other organisations are involved as well. According to the literature review, triangular co-operation tends to take place in the same region, among countries with common features (e.g. geographical proximity, same language or similar cultural heritage).

10. Another common finding from these two pieces of work is that triangular co-operation is implemented in many different sectors, particularly through technical assistance projects. The sectors most

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2. As advised by the technical experts, the expressions “facilitator”, “pivotal” and “beneficiary” are used throughout this note.
often cited in the survey were: government and civil society, agriculture, health and multisector/cross-cutting issues (e.g. environment and climate change).

11. It is difficult to estimate the volume of triangular co-operation activities since there is very little information available in the literature and many survey respondents could not provide their exact number of triangular co-operation activities or the amount of financial resources involved. Thus, the findings from the survey give an indication of the level of respondents’ participation in triangular co-operation, but do not reflect the exact volume of activities. The survey shows that most respondents have engaged in less than 10 triangular co-operation initiatives, most donors invested less than USD 10 million per year and most developing countries received less than USD 5 million in total through triangular co-operation. This lack of information indicates that better tracking of the number and volume of triangular co-operation activities is an important area for future work.

**Distinctive characteristics of triangular co-operation**

12. A strong message from the survey, which was echoed by the participants at the brainstorming meeting, is the value of knowledge sharing, mutual learning and capacity development through triangular co-operation. Triangular co-operation usefully builds on the comparative advantages and complementarities between the different actors involved, so as to create opportunities for sharing knowledge and expertise. Participants at the brainstorming meeting also noted that, as developing countries innovate and avail themselves of development solutions, triangular co-operation offers an opportunity for disseminating their successful experiences, thus promoting learning among all partners involved.

13. The brainstorming meeting concluded that triangular co-operation is most often linked to bilateral relationships – be it North-South or South-South - building on and complementing these. Through bilateral co-operation, partners can identify knowledge to be shared through triangular co-operation. Bilateral co-operation can also provide institutional arrangements to support implementation of triangular co-operation. Therefore, new mechanisms are not necessarily required: dedicated funding can help to start-up triangular co-operation, but sustainability can be ensured through existing mechanisms used in bilateral co-operation. In turn, triangular co-operation adds value to bilateral co-operation, as resources and expertise are brought together to make a whole that is greater than the sum of its parts. Participants in the brainstorming meeting further concluded that triangular co-operation is most successful when it is anchored in, or related to, existing bilateral co-operation between the partners.

14. Participants in the brainstorming meeting also considered that triangular co-operation should have a “multiplier effect”, strengthening developing countries’ capacity to share their development experiences, knowledge and innovations with other developing countries.

15. Co-ordination and communication are perceived as two important challenges for triangular co-operation. According to the survey, the co-ordination challenge arises particularly from differences in work style, a lack of specific guidelines for engaging in triangular co-operation, a lack of developing countries’ capacity to engage in development co-operation as well as a lack of flexibility in donors’ requirements when negotiating with developing countries. The challenge is therefore to be flexible and adaptable to the needs, culture and contexts of different partners while ensuring that triangular co-operation also follows guidelines and quality standards. Participants at the brainstorming meeting noted that many of these issues also arise in bilateral co-operation; however, they agreed that the existence of three or more partners in triangular co-operation does make communication slower and more difficult, which can impact negatively on co-ordination.

16. There is an assumption that the larger number of partners involved in triangular co-operation could lead to more difficulties and delays in negotiation, communication and co-ordination. Indeed, both
the literature review and the survey indicate that difficulties in co-ordination can lead to higher transaction costs, in comparison to bilateral co-operation. However, participants in the brainstorming meeting did not reach a consensus on whether transaction costs are necessarily higher than those in bilateral co-operation. Some participants questioned whether this is a common trait of all triangular partnerships; if the impact is taken into account to evaluate the cost/benefit of triangular co-operation, even though it may be harder to co-operate with additional partners involved, the results can be scaled up and have a broader reach. The results achieved may more than offset the costs involved.

17. There is a general lack of monitoring and evaluation of triangular co-operation, a clear finding from both the survey and discussions at the brainstorming meeting. This hampers greater understanding of triangular co-operation and makes it difficult to demonstrate its results and impact.

Conditions for good triangular co-operation

18. The draft conclusions of the brainstorming meeting and the interim survey results identified some of the features required for “good” triangular co-operation:

   a) Shared objectives, even though partners have different interests.

   b) Strong commitment and involvement of all partners, ensuring ownership of the beneficiary partner.

   c) Establishment of needs-driven partnerships, which depend on the ability of beneficiaries to clearly articulate their needs and priorities as well as on a clear commitment by all partners to respect beneficiaries’ national priorities and promote the socio-economic well-being of the local population.

   d) Agreement on implementation mechanisms and the division of responsibilities – including financial – among partners. Partners can build on and adapt established mechanisms of bilateral co-operation which minimises the time-consuming process of establishing new mechanisms for triangular co-operation.

   e) Regular monitoring and evaluation as well as mutual accountability among partners. Partners should agree on common indicators so that evaluation and accountability involves all parties.

   f) Strong communication among all partners, with a common understanding of technical language. Communication can be facilitated by: i) using existing bilateral channels of communication, ii) establishing focal points for each partner, and iii) involving donors’ country offices that have direct access to pivotal and beneficiary partners.

   g) Strong political support, which will ensure easier implementation.

   h) Achievement of development results and a multiplier effect in developing countries, which will ultimately lead to more sustainable development impact.

19. The brainstorming meeting also identified some features that tend to contribute to “good” triangular co-operation:

   a) Cultural, linguistic and institutional similarities among partners, which makes collaboration easier.

   b) Existing bilateral relationships can ensure a higher level of trust among partners and support implementation. At least two of the three bilateral links should be strong.
The way ahead

20. The interim findings from the three pieces of analytical work on triangular co-operation point to possible areas for attention in the future. Looking further ahead, partners could focus on:

a) Translating high-level political commitment into practice. Implementation agencies should be mandated and supported to participate in triangular co-operation. Funding for triangular co-operation should be more predictable.

b) Sharing experiences on how to build on respective comparative advantages and complementarities to create opportunities for sharing knowledge, learning and building capacity through triangular co-operation.

c) Better mapping of solutions that can be shared through triangular co-operation. Countries and organisations can use their knowledge networks to identify good practices and innovations that can be shared. International organisations and bilateral donors can help, particularly through their country offices, by: i) identifying valuable capacity, knowledge or innovation in a developing country that can be transferred to other developing countries; and ii) connecting two or more developing countries to scale up development solutions. Centres of excellence in developing countries should be strengthened and made more visible.

d) Sharing lessons on how to improve co-ordination and communication, particularly examining how to adapt existing institutional frameworks and arrangements to the needs of triangular co-operation.

e) Tracking statistics and information on triangular co-operation (in in-coming and out-going development co-operation).

f) Monitoring and evaluating triangular co-operation more regularly, to help understand its contribution to development and draw lessons on how to meet its challenges. Common standards for doing so could be developed, ideally building on existing agreed standards where they exist, for example on development evaluation.

21. Moving this agenda forward should be a joint effort by all partners in triangular co-operation. Each partner can contribute its own perspective and comparative advantage to promote, collectively, better and more effective triangular co-operation.
ANNEX I:
RESPONDENTS TO THE SURVEY ON TRIANGULAR CO-OPERATION

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<th>Bilateral Donors</th>
<th>International Organisations</th>
<th>Developing Countries</th>
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<td>Australia</td>
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<td>Austria</td>
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<td>Canada</td>
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22. Based on the literature review and the survey on triangular co-operation, the OECD Development Co-operation Directorate identified a small group of countries and organisations involved in this type of development co-operation and invited them to participate in a brainstorming meeting on 13-14 September 2012 in Lisbon, Portugal. Particular attention was paid to ensure a balanced representation of different types of partners involved in triangular co-operation. Representatives from the following countries and organisations attended the meeting:

- Bolivia
- Cameroon
- Chile
- Egypt
- Germany
- Japan
- Mexico
- Mozambique
- Portugal
- South Africa
- Tanzania
- Thailand
- Turkey
- United Kingdom
- United States
- UNDP Special Unit for South-South Cooperation