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Editorial

We are pleased to present the second issue of the sixth volume of the Development Cooperation Review (DCR) that is now in your hands. Our dedication to providing insightful perspectives on development continues, gaining increased importance given the numerous crises we currently face. Embarking on a path of collaborative progress is no longer merely a choice, but a necessity. It is essential for us to continue to scrutinise the rise of inequalities, explore the complex challenges interconnecting social progress and natural resource conservation, prepare for potential future pandemics, and understand the implications of conflicts. Therefore, our discourse and strategy around development cooperation and sustainable solutions for the United Nations' Agenda 2030 must persist.

This issue attempts to address the above commitments and engagements through a diverse array of contributions.

Firstly, the issue presents articles addressing the development cooperation agenda of Southern countries at national or regional levels, much like past issues. Artemy Izmestiev's article, for example, dives into regional cooperation among Central Asian countries during the COVID-19 pandemic, providing suggestions for resilience-building. Maha Regragui explores Morocco's approach towards South-South Cooperation (SSC) through strategic partnerships built on shared values, with the goal of achieving prosperity within a sustainable development framework. Jhonny Edwards Rengifo Dávila discusses Peru's middle-income trap concerns and explores how international cooperation can stimulate economic, social, and environmental recovery. Thanuja Arachhige delves into the implications of the India-Sri Lanka SSC model for post-2020 recovery opportunities. The above articles collectively emphasise the increasing need for inclusive, affordable, and equitable cooperation between countries to create a path towards resilient and sustained development, where no one is left behind.

Secondly, this issue contains articles and interviews addressing international relations. These pieces will delve into how alliances, partnerships, tensions, and conflicts between countries considerably influence development and cooperation. For instance, Mario Pezzini and Eleanor Legge-Bourke highlight the lasting changes caused by colonisation and its end, the rise of non-OECD economies and the opportunities and

challenges this poses to development cooperation. They stress that despite a wider set of factors influencing the outcome of development cooperation today, the West cooperation agenda remains inertial and difficult to update and adjust coherently. Significant misunderstandings and obstacles to the perception of change prevent cooperation institutions from reinventing themselves to go beyond traditional objectives, modalities and actors. Gayle Smith, former Administrator of the US Agency for International Development (USAID) and the current CEO of the One Campaign, discusses the tensions in international relations and their impact on development cooperation in an extensive interview. French Ambassador Serge Tomasi stresses the need for a new international cooperation framework born out of the current multilateralism crisis.

Thirdly, the Review includes reports on relevant forums and discussions. John Patrick Omegere details the Global Development Centre's (GDC) participation at the 2nd Africa High-Level Forum of South-South and Triangular Cooperation for Sustainable Development, held in Kampala, Uganda.

Finally, we include a section on statistics. Dr. Sushil Kumar provides an analysis of the temporal changes in Official Development Assistance (ODA) provided by the European Union to Latin American and Caribbean countries.

We hope this issue delivers valuable insights and encourages thought-provoking discussions.

Towards a More Resilient Central Asia: Emerging Lessons for Strengthening Development Cooperation after COVID-19

Artemy Izmestiev*

Abstract: The paper provides an analysis of literature and lessons from development cooperation in Central Asia. As development cooperation budgets in donor countries are being squeezed by multiple crises, strategic allocation adopted to the local context can help the sub-region emerge more resilient.

Keywords: Development Cooperation, Central Asia, COVID-19

Introduction

There is a stark contrast between the widely recognised geo-political and geo-economic importance of Central Asia and the trends in the region's socio-economic development. Its strategic position provides the region with an enormous potential in facilitating global trade through trade corridors and thus, for instance, plays a strategic role in the Belt and Road Initiative. At the same time, despite relatively high levels of economic growth, poverty levels remain high¹, unemploy-

ment is widespread, and all countries of the region show a high dependence on commodity prices. Systemic challenges to Central Asian countries became particularly evident with the COVID-19 pandemic. The pandemic amplified disparities among the five countries of the region Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, further hampering integration efforts.

Some public health strategies admittedly failed to contain the spread of the pandemic in the region.² Fluctuation of global commodity prices following the

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The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations, UNDP, UNOSSC or United Nations Member States.

crisis highlighted the over-reliance of the economies of the region on a narrow range of commodities, and a low level of diversification. A decline in remittances that have been an important source of development finance, revealed another vulnerability. A high level of informality significantly affected governments' ability to provide social protection. The civil unrest in Kazakhstan in the beginning of 2022 also revealed numerous governance challenges that the region is facing.

Based on the experience from the pandemic, countries of the region need to improve resilience to future shocks such as future pandemics, security, climate change or economic woes. Countries' ability to respond to future challenges will be key for development in the region.

Over the past decade, development cooperation in the region has been on the rise, even though the patterns of Official Development Assistance (ODA) allocation have been varied. Kazakhstan experienced a gradual reduction of ODA, officially emerging as a provider of development cooperation in recent years. In some parts of the region, development cooperation continues playing an important role, among other things, in addressing the consequences of the COVID-19 pandemic.

This paper discusses how development cooperation can help Central Asia address its fundamental structural vulnerabilities and emerge as a stronger region following the COVID-19 pandemic. While the role of development cooperation is relatively well explored in the literature, the recent trends make it interesting for analysis. Obviously, Central Asia is a

diverse region comprising countries in different development circumstances. Some countries depend on development cooperation as a significant share of development finance, others are emerging as donors. While the region is diverse and comprises countries at different levels of development, some trends can be analysed on a regional level.

Trends in Development Cooperation in Central Asia

Development cooperation in the region significantly expanded starting from approximately USD100 million a year after independence and reaching over USD1.3 billion according to the OECD/DAC data³. Central Asia became the focus area of many development partners, both bilateral and multilateral. Consistent provision of development cooperation became an important factor in support of the reforms tackling development challenges. Most donors started their programmes with support for free market and democratisation, eventually switching their attention to security and later to a wide range of regional development challenges with an increasing focus on large regional programmes (Rudzite and Kluczewska, 2022).

Over the years, development cooperation architecture in some countries of the region became complex with a growing number of multilateral, bilateral, and nongovernment (some managing portfolios as significant as bilateral donors) providers leading to fragmentation. Even though the relative importance of ODA has been

decreasing, some countries recognise the allocation of development cooperation as significant. In the Voluntary National Review (VNR) of the Kyrgyz Republic, aid dependence is mentioned as one of the challenges (Government of Kyrgyzstan, 2020), while the national report on Implementation of Strategic Documents of the Country in the context of the Sustainable Development Goals for Tajikistan calls for “more active involvement of international aid in the country, and, therefore, more focused work with donors” (Ministry of Economic Development and Trade of the Republic of Tajikistan, 2017).

Although some experts find that development cooperation in the region is characterised by strong complementarity, with each provider concentrating the bulk of its efforts on a key sector⁴, others refer to fragmentation as one of the key challenges, undermining effectiveness (Kataev *et al.*, 2009). While some countries of the region put in place formal coordination structures, others preferred to deal with development partners bilaterally. In Tajikistan and Kyrgyzstan that receive the bulk of development cooperation in the region, there are well established coordination structures. In Tajikistan, the Donor Coordination Council was established in 2006 with membership comprising mostly ‘traditional’ donors and some non-DAC donors. It has a complex structure with several working groups. In Kyrgyzstan, the Development Partners’ Coordination Council was established in 2002 as a multi-stakeholder forum bringing together donors, government

agencies and civil society organisations. It became a functioning platform for collaboration and discussion on development priorities.

Analysis of allocation of development cooperation usually omits contributions by Southern and other non-DAC providers. China, India, Arab donors, Turkey and Russia have become active in the region. Available data on the development cooperation by such partners is difficult to analyse, as some projects and programmes blend public and private flows. Some countries in the region have quite comprehensive data collection factoring in these investments. However, although it is generally considered that the data on the activities of Southern providers is difficult to obtain, the experience of some Central Asian countries shows that they generally participate in the data collection efforts led by Governments.

In this context, the establishment in 2020 of the Kazakhstan International Cooperation Agency (KazAID) became an important milestone, as the first country in Central Asia to formally become a provider of development cooperation. Its geographic focus comprises countries in the region, including Afghanistan. Besides a successful “graduation”, the establishment of the agency and its launch amid the COVID-19 pandemic sends a message on the importance of investing in international cooperation.

Although the official data on ODA addressing COVID-19 pandemic is not available, some data available in the International Aid Transparency Initiatives databases⁵ and assessment by

the stakeholders in the region show that it played an important role in countering the effects of the crisis (in some of the countries).

Given the global trends, the allocation of ODA to the countries of Central Asia will likely remain limited. At the same time, the effective allocation of limited resources can be catalytic and help the region emerge stronger from the crisis. Development cooperation can have a significant impact on the countries of Central Asia if it is utilised efficiently and tailored to sub-regional realities.

Addressing Regional Capacity to Deal with Shocks

The COVID-19 crisis clearly highlighted the importance to build capacity to deal with shocks. While the challenge is universal, development cooperation can play an important role in this process through facilitating dialogue and leveraging global networks. Countries of Central Asia have significant experience in crisis planning (ESCAP, 2019). The region is overall prone to natural disasters and accumulated significant technical expertise in this domain. It is important to integrate the existing practices into a multi-dimensional resilience system. “Broadly, building resilience means enhancing the capacity of systems to not only absorb (or cope with) shocks, but to be ready to adapt and transform when shocks occur in order to minimise their impact” (OECD, 2020). Uncertainty related to the situation of Afghanistan, increasing water vulnerability in the region, the cyclical nature of commodity

markets and other factors require the adoption of risk-informed planning strategies.

Development cooperation can support national and regional crisis management policies and implementation capacity at all levels. It is important that the approach should go beyond the mere establishment or strengthening of dedicated ministries but involve planning and implementation in all sectors. This would heavily rely on data and information systems, which is one of the traditional areas of support by development partners.

Supporting Green Transition

Some countries of Central Asia are among the world’s most carbon-intensive economies. Economic diversification in Central Asia is directly linked to the ability of countries to ensure the green transition. At the same time, most countries in the region lack adequate policy frameworks. For example, in the area of energy, some countries of Central Asia still struggle to provide energy access to some of their citizens and in such a context maintaining focus on sustainability is difficult. Energy poverty remains a significant problem in the region, with relatively high household expenditures on energy (Umapathi, 2022) and frequent interruptions in rural areas (Metha *et al*, 2021).

Despite various initiatives providing climate finance, most countries in the region face fundamental challenges for accessing new opportunities. These include inadequate institutional capacity,

weak links between relevant plans and national budgets as well as difficulties related to national data systems.⁶ Countries of Central Asia have an opportunity to support sustainable growth and job creation through green investments, including sustainable energy and improved energy efficiency as well as sustainable agriculture and the preservation of the region's biodiversity.

Kazakhstan became one of the leaders in the region by launching in 2013 its ambitious Green Economy Plan aiming at a significant increase of sustainable sources in its energy mix (OECD, 2020). It also initiated the Green Bridge Partnership Programme to find ways to address the climate challenges in the Central Asian region and beyond. Uzbekistan adopted the Strategy for Transition to Green Economy in 2019. Regional approaches are also gaining traction. In the area of climate change adaptation, besides national strategies, the five Central Asian countries established a process of developing a regional climate change adaptation strategy to promote transboundary cooperation in strengthening climate resilience (Green Central Asia, 2021).

Development cooperation will play a major role to ensure the implementation of these plans, supporting the countries with access to new technologies, innovation, and finance. Regional approaches in this area can strengthen coherence and enable collective action on climate finance, addressing common challenges of access and maximising effectiveness in the use of the funds.

Leveraging Private Sector

Protecting livelihoods in the context of the COVID-19 pandemic required specific support to the private sector. Besides, the environment for the local private sector has been a focus area of development cooperation in the region for a long time. Some countries in the region struggled to advance their respective ratings in the World Bank's Doing Business. Some of these efforts were useful in building multi-stakeholder coalitions, achieving a common understanding of the objectives and advancing reforms of the regulatory environment. At the same time, some researchers find evident differences between standardised policy narratives and the experience of individual entrepreneurs (Kluczewska, 2021). When the World Bank abandoned its Doing Business publication, countries had to search for alternative approaches to advance reforms.

Development cooperation has an important role to play in supporting efforts in improving the business climate in Central Asian countries to create conditions that are more favourable for entrepreneurship, investment, and innovation.

Enabling Factors

The countries of Central Asia are at very different stages of development and their respective strategies on development cooperation will significantly differ. At the same time, some common enabling factors can support the strategic use of development cooperation for building greater resilience and fostering sustainable development in the region.

Investing in Development Cooperation

In 2020, Kazakhstan launched its international development cooperation agency KazAID. It was launched as a relatively small entity and its first projects are mostly implemented in collaboration with other partners in the context of triangular cooperation. At the same time, its establishment is significant and it can potentially become an important investment - not only enhancing Kazakhstan's soft power and reputation, but also strengthening infrastructure for regional collaboration. Other Central Asian countries can consider their own institutional models to invest in development cooperation. For instance, the current discussion on the concept of Global Public Investment (GPI)⁷ provides a framework for engagement of all countries, no matter their level of development, in dual capacity as recipients and providers at the same time. This could potentially enable countries of Central Asia to facilitate regional collaboration at a time when most of its development partners also use a regional approach for their development cooperation. In the context of triangular cooperation, it could help countries play a more active role in support of Afghanistan. While the establishment of a dedicated Government institution could be the most comprehensive way to engage in regional and global collaboration, countries can pursue their own national models.

Fostering closer collaboration with Southern providers

Southern providers of development

cooperation became some of the most important in Central Asia (Kassenova, 2008). While partnerships with all partners from North and South will continue being important, it is unlikely that ODA will be growing significantly in the region. In such a context, it could be particularly important to have comprehensive strategies for engagement with the Southern and other non-DAC providers.

Growing engagement by non-DAC providers marked a significant shift in development cooperation after 2010 (Rudzite Kluczevska 2021). The rise of their contributions showed that the emerging donors could “get things done”, closely aligned with the government priorities, in an effective and efficient way.

During the COVID-19 pandemic, South-South Cooperation played a very important role, transcending the traditional cooperation in the area of infrastructure and extending to the provision of vaccines and other important support to the countries of the region. India held a summit with the countries of Central Asia in early 2022 showing a growing interest in cooperation. Obviously during the time of the pandemic, Central Asian countries expressed a demand for sharing knowledge and learning about response strategies of other countries in the South.

Comprehensive strategies for partnership with Southern providers can help the countries of Central Asia maximise the benefits of development cooperation. Countries of the region need to develop strategies for engagement of Southern providers in support of their

development efforts, while not getting involved in geo-political rivalry.

Multi-stakeholder partnerships

While multi-stakeholder partnerships are widely acknowledged as fundamental for the implementation of the Sustainable Development Goals, their implementation at the country level differs. In recent years, despite significant efforts by donors to support civil society, Central Asia has seen its civil space shrinking (CIVICUS, 2020). The experience of different countries in the region shows that multi-stakeholder partnerships can be beneficial in the context of development cooperation. Overall, development cooperation played an important role in the establishment of an enabling environment for civil society in the region (Gussarova and Andzans, 2018) and in some countries, civil society organisations collaborate with governments through various multi-stakeholder arrangements. Most countries adopted a series of restrictions related to foreign funding for NGOs, making their engagement in activities related to development cooperation more complicated. Enabling effective participation by the civil society organisation is important both for ensuring accountability and reaching target communities.

Conclusion

The COVID-19 pandemic revealed structural weaknesses in countries around the world, including Central Asia. Despite significant investments in the region's stability made by the donors over the years, the region

remains vulnerable to the situation in Afghanistan compounded by the economic decline and environmental pressures. With an explicit focus on supporting stability, various programmes funded by development cooperation often contributed to maintaining the status quo. As the region is looking to the future after the COVID-19 pandemic, it is important to consider evolving priorities in the regional programmes of development cooperation. This includes strengthening the ability of countries of the region to deal with shocks, support the green transition and leverage the private sector.

While the role of development cooperation remains relatively limited, it can play a significant and catalytic role in supporting the region's transformation. It is important that the region's approach to partnerships encompasses a broad range of partners - traditional, Southern and Eastern. While it may not always be possible to ensure cooperation and synergies, countries of the region need to focus on complementarity. As some countries of the region become providers of development cooperation, they can strengthen strategic dialogue with their peers. The effective inclusion of civil society in various aspects of development cooperation (including platforms for coordination) can be beneficial for its quality and effectiveness.

The literature shows a number of areas for further research and analysis. There is still insufficient research on the role of the Southern providers in the region. Whereas most attention has been on China, very little research has been

done on other providers in the region, including the Arab funds. Also, while the strategic proximity of Afghanistan is broadly acknowledged and taken into account in development cooperation in the region, various aspects of interdependence deserve more attention. Also, while development partners increased the use of blended finance, the impact of these evolving modalities in the region can be better studied.

Development cooperation can be a tool for strengthening the resilience of the region and preparing it for future shocks. The sustainable recovery of the region and its prospects for attaining the SDGs will depend on the countries' ability to effectively cooperate with each other as well as with major partners outside. Effective partnership strategies that consider the lessons from the past and integrate new priorities can enable the region to emerge stronger from the ongoing crisis.

Endnotes

- ¹ The rate of poverty reduction in Tajikistan has decreased. From 2000 to 2015, the rate of poverty dropped from 83% to 31%. Since 2014, the national poverty rate has slowed to dropping by 1% each year.
- ² <https://www.reuters.com/article/us-health-coronavirus-uzbekistan-idUSKCN24H155>
- ³ OECD Creditor Reporting System
- ⁴ <https://www.devex.com/news/top-donors-to-central-asia-85083>
- ⁵ <http://d-portal.org>
- ⁶ <https://ca-climate.org/eng/news/zavershila-rabotu-tretya-tsentralno-aziatskoy-konferentsii-po-voprosam-izmeneniya-klimata/>
- ⁷ See <https://globalpublicinvestment.org/>

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Morocco's Approach to South-South Cooperation: An Overview of the Moroccan Experience in the African Continent

Maha Regragui*

Abstract: South-South cooperation is a strategic pillar of the Kingdom of Morocco's Foreign Policy. In fact, Morocco has included South-South cooperation in the preamble of its constitution, and Africa constitutes the heart of the Moroccan foreign policy. Under the leadership of His Majesty King Mohammed VI, Morocco is determined to further strengthen South-South cooperation through the establishment of strategic partnerships based on common values of freedom, democracy, solidarity, and mutual respect. It is also dedicated to the objectives of sustainable development and prosperity. This paper aims to introduce the reader to Morocco's South-South cooperation policy by presenting some examples of the Kingdom's actions in the African continent.

Keywords: Africa, South-South Cooperation, AMCI, Morocco.

Africa in South-South cooperation: A Strategic Pillar of Morocco's Foreign Policy

The development of the African continent attracts the attention of the world. As a southern country, Morocco has always expressed its desire to have close relations under a win-win policy with the countries of its continent of origin (Bakkacha & Touhami, 2019). Deeply rooted in Africa,

Morocco has always had close and deep ties with the countries of the South, especially those of sub-Saharan Africa. For centuries, Morocco has established cooperation relations with the countries of the African continent (UNDP, 2013).

Since its independence, Morocco gave great importance to the establishment of broad bilateral relations based on solidarity, mutual respect, preservation and promotion of common interests and

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ideals, while participating effectively and actively in efforts to resolve political, socio-economic and development issues at the regional, continental and international levels.

Strengthened by its secular, traditional, socio-cultural, spiritual and economic ties, particularly with a large number of African countries, Morocco has placed development issues at the heart of its foreign policy and is constantly working to create appropriate conditions to further strengthen its privileged relations. In order to structure the implementation of cooperation actions, Morocco and its partner countries from the African continent started establishing joint commissions to organise and manage bilateral cooperation in all the fields covered by the agreements, conventions and protocols signed between them in the 1970s.¹ These commissions created a favourable climate for periodic bilateral consultations, the increase of trade and investment exchanges, the strengthening of cooperation and the exchange of experiences in the technical, cultural, social and human fields and dozens of new cooperation agreements have been signed and implemented through this mechanism in the next decades.

Since his enthronement in 1999, His Majesty King Mohammed VI, who has pleaded for active solidarity in favour of sub-Saharan Africa, has given a new dynamism to the South-South cooperation actions of Morocco based on the multiplication of field actions that aim for human development. The King has himself made more than 50 official visits to several African countries.

During those Royal visits, about a thousand cooperation agreements have been signed in several fields in the public, private and civil society sectors such as health, agriculture and agri-food industries, fisheries, education and training, water management and irrigation, basic infrastructure and urban development, information technology, banking financial management and banking, etc. Thus, has established South-South cooperation as the main axis of its foreign policy and is working, by various means, to strengthen this cooperation at the regional and interregional levels. To this end, the Kingdom of Morocco has developed an ecosystem for the promotion of South-South cooperation for the benefit of Africa that includes actors from all public, private and civil society sectors: ministerial departments, public institutions and government agencies, private sector, banking institutions, schools & universities, and NGOs and civil society.

AMCI: Moroccan Agency for International Cooperation

One of the main actors within the ecosystem for promoting South-South cooperation is the Moroccan Agency for International Cooperation (AMCI), created in 1986 to contribute to the strengthening of Morocco's international cooperation, with a strong orientation towards the promotion of South-South cooperation.

AMCI's mission is to develop cooperation between people by contributing to the expansion and strengthening of cultural, scientific,

economic and technical cooperation between Morocco and its partner countries. It acts in close coordination with the Ministry of Foreign Affairs, African Cooperation and Moroccans Living Abroad in the implementation of actions carried out in partnership with the various Moroccan ministerial departments and the national partners concerned. The Agency's purpose is to be a major player in the implementation of Morocco's South-South cooperation, making use of the know-how and expertise the country developed in several fields to provide support to developing countries, mainly in Africa. Its actions are articulated around four main axes:

Scientific and cultural cooperation

Training of foreign students in Morocco (university, technical and professional), exchange of researchers, granting of Moroccan scholarships to foreign students and accommodation for foreign students.

Technical cooperation and sharing of expertise

The organisation of short and medium-term internships for working professionals as well as sending Moroccan experts on missions abroad.

Support for the implementation of sustainable human development projects

Assistance in the implementation of sustainable development projects in several areas: education, fisheries, health, agriculture and irrigation, drinking

water and sanitation, rural and urban electrification.

International humanitarian assistance

Emergency operations of humanitarian aid: donations of medicines, food, supplies and equipment.

Academic Cooperation: Sharing the Moroccan Teaching Experience

AMCI contributes each year to the training of thousands of international talents, including a large majority of African students, in disciplines essential to the growth of countries of the South, especially Africa. For the academic year 2019/20, approximately 14,500 foreign students were enrolled in Moroccan public institutions of higher education, including 12,500 students from 47 African countries. AMCI grants a significant number of scholarships from the Kingdom of Morocco to international students in higher education. Thus, more than 12,000 foreign students have benefited from the Kingdom of Morocco's scholarships for the year 2019/20 through AMCI, and 85% of AMCI's African students are scholarship holders.

Technical Cooperation: Reinforcing the African Capacities

Through AMCI, Morocco plays an important role in capacity building in Africa. Technical cooperation has grown considerably over the years. More than 10,000 public sector executives

from partner countries have benefited from AMCI's training programmes in several key development areas (diplomacy, customs, justice, water, electricity, agriculture, climate, etc.). These cooperation programmes aim at sharing Moroccan expertise through the principle of active solidarity with its partner countries.

The technical cooperation programmes set up by AMCI are the following:

- Organisation of short and medium-term training courses in Morocco for the benefit of active executives (professionals, managers, researchers and technicians);
- Organisation of visits and study trips to Morocco for international professionals; and
- Sending Moroccan experts abroad to provide capacity-building support, with the establishment of delocalised² training courses.

The deployment of these technical cooperation programmes by AMCI can take different forms, either in the framework of bilateral cooperation or in the framework of triangular or multilateral cooperation, by associating with donor countries, cooperation agencies of partner countries, international and regional organisations or multilateral donors.

The actions implemented by AMCI within this framework are guided by the principle of Morocco's active solidarity with its partners in the South and by the concern for the effective implementation of the guidelines underlying Technical Cooperation among Developing Countries (TCDC). Technical cooperation is experiencing

a notable craze due to the increase in demand from partner countries seeking to imbibe Moroccan expertise in a multitude of fields and specialties in which the Kingdom has a proven expertise at the regional, continental and international levels.

Cooperation Projects: Examples of Morocco's Sustainable Human Development Projects

AMCI works in close coordination with the Ministry of Foreign Affairs, African Cooperation and Moroccans Living Abroad, within the framework of its prerogatives, to implement sustainable human development projects in key areas of development in partner countries of the South, particularly in Africa.

Strengthening maternal health infrastructure: Djibouti.

- Project: Definition of a cooperation programme between Morocco, the Islamic Development Bank and Djibouti around a maternal health project.
- Assistance provided: Training and transfer of knowledge to 180 professionals in Djibouti's maternity wards in addition to the acquisition and installation of 45 cardiotocographs.
- Results: Human and technical capacity-building in the field of clinical and electronic monitoring of high-risk pregnancies and childbirth in Djibouti's maternity wards by capitalising on the rich experience of the Ibn Sina Hospital (Rabat University Hospital), through its Centre for Reproductive Health

(CRS).

ISCAE Guinea: Guinea Conakry

- Project: Creation of the Higher Institute of Commerce and Business Administration (Moroccan Business School) in Conakry.
- Assistance provided: Implementation of the project and provision of highly qualified Moroccan teachers.
- Results: Local training of several hundred Guinean and sub-regional executives.

Drinking water sanitation: Burkina Faso

- Project: Definition of a cooperation programme between Morocco, the Islamic Development Bank and Burkina Faso around the project of drinking water quality improvement.
- Assistance provided: Identification of technical partners from Morocco (ONEE) and Burkina (ONEA) who will work and propose the best biological solution to fight against the phenomenon of Eutrophication, through the introduction of silver carp fry in the ZIGA dam reservoir.
- Results: The technical teams of ONEE and ONEA are currently working together to combat eutrophication, through the introduction of silver carp fry in the ZIGA dam reservoir.

Emergency Humanitarian Operations: Assistance to Partner Countries

Humanitarian action has always been a lever of the Kingdom of Morocco's active solidarity towards countries that

are victims of natural disasters. AMCI coordinates, with the association of main national public bodies, the deployment of the Kingdom of Morocco's international humanitarian actions. This action takes the form of emergency operations generally consisting of donations of medicines, paramedical equipment, food products, tents, blankets, hygiene products, equipment, etc.¹ Morocco has also sent supplies to other African countries during the COVID-19 pandemic to strengthen continental capacity to respond to the pandemic (Boulaksili, Hajel, Marzouki, & Hamiche, 2020).

Generally, the humanitarian actions taken by Morocco are instructed at the highest level of the State, by the King, to be implemented by the main public bodies.³

Conclusion

The Kingdom of Morocco has a strategic vision of bilateral, tripartite and multilateral cooperation with the African continent. This vision aims essentially to contribute to the awakening, the strengthening and the emergence of the striving continent of Africa. Morocco is aware of the African potential, its strengths, its weaknesses and the hindrances to its development and has the ambition to contribute to its growth by sharing its expertise in many other areas. It is also determined to work with its African partners and develop partnerships, visits, and projects and learn from the experience of its African partners.

Endnotes

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- ² AMCI collaborates with the Office of Vocational Training and Work Promotion (OFPPT) in the field of technical cooperation. The Office is involved in 59 partnership agreements with 25 African partner countries. These agreements relate to two areas of support: support to partner countries in consolidating their professional training systems at the local level, and the reception of African trainees in OFPPT establishments in Morocco. The OFPPT also carries out diagnostic missions for vocational training systems in African countries, supporting the creation of training centers in 8 African countries, and provides training engineering, training of trainers and technical support through the establishment of vocational training centres meeting the needs of priority sectors in African partner countries (Alumni, s.d.).
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Peru's Development Cooperation Agenda: Towards the Achievement of Sustainable Development Goals

Jhonny Edwards Rengifo Dávila*

Abstract: The current international situation has shown the structural fragility of Peru as an Upper Middle-Income Country (UMIC). This situation has become an opportunity for strengthening international cooperation in order to contribute to economic, social and environmental recovery, as well as reduce gaps in the country, such as employment, production, social inclusion, environment sustainability, and strengthening the capacities of public institutions. Cooperation between developing countries has become an important mechanism for maintaining an active relationship in terms of South-South Cooperation, sharing experiences and capacities with clear alignment with international development agendas, such as Agenda 2030 for sustainable development.

Keywords: South-South Cooperation, International Technical Cooperation, SDGs

Peru's National Policy of International Technical Cooperation

The Peruvian government has a National Policy of International Technical Cooperation that was approved in 2012 addressing the development cooperation in the country. The government understands that this policy needs to be actualised because the world has changed during these years, for that reason the government is preparing a

new policy that is in process of approval. It includes the following elements: Peru's dual role which includes the point of view of both provider and recipient of international technical cooperation; contribution to the implementation of the 2030 Agenda and its Sustainable Development Goals; contribution to the country's sustainable and inclusive development, consistent with social and decentralised diplomacy; considering the context of crisis generated by COVID-19;

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and aiming to multiple development stakeholders; strengthening the National Decentralized System for International Technical Cooperation and international technical cooperation focused on results and aligned to international technical cooperation priorities and Sustainable Development Goals.

The public problem that the new National Policy of International Technical Cooperation seeks to address is about insufficient effectiveness of international technical cooperation intended to complement the efforts to achieve sustainable development, in line with the country's dual role. The current international technical cooperation context requires greater articulation and association between international technical cooperation actors to generate synergies, while at the same time responding to the specific needs of each actor as they contribute their resources and capabilities to the effort for joint development. These actors are donor countries, the public sector, the private sector, academia and civil society. This policy will have to consider the following objectives: consolidate the contribution of international technical cooperation to the national development priorities; generate new opportunities for cooperation between the National Decentralized System for International Technical Cooperation and development actors; situate Peru as a provider of technical cooperation in Latin America and the Caribbean and other regions; and consolidate Peru's international projection as a reference of international cooperation for development.

With a view to complement and contribute to the national development efforts, this new policy will cover twenty-three priority issues grouped into four priority areas which will intend to guide non-refundable international cooperation interventions in the country.

Social and development community well-being and equal opportunities

- Health system strengthening and social security.
- Food security
- Quality Education
- Safe water and basic sanitation services.
- Gender equality and equal opportunities
- Management of migrants and refugees

Democratic governance modernisation of state and decentralisation

- Justice system strengthening
- Public management and decentralization
- Fight against corruption
- Digital transformation of State
- Citizen Security
- Culture and management of cultural heritage

Economic development based on competitiveness, productivity and innovation

- Boosting micro, small and medium-sized enterprises (MSMEs)
- Family farming
- Science, technology and innovation
- Reactivation of tourism

- Productive diversification and competitiveness
- Exportable supply and market insertion

Conservation of the environment, biological diversity and disaster risk management

- Environmental management and climate change
- Improvement of the management of biodiversity and forest
- Use of renewable energies
- Sustainable use of water resources
- Disaster risk management

This policy will promote in line with the international commitments entered into by the country with respect to gender equality, disability and interculturality on a cross-cutting basis; and will consider a territorial approach to different potentials of territories, areas with the highest levels of poverty, areas affected by natural disasters and border areas.

Provider of International Technical Cooperation

It is important to highlight the rise of South-South Cooperation in the Latin American region. Cooperation between developing countries is not a new phenomenon but is associated with the progressive withdrawal of Official Development Assistance (ODA) from the Region. Latin America received approximately only 6 per cent of total ODA in 2019, as opposed to 14 per cent of what it received in the 1960s. The accelerated growth of South-South Cooperation in the region has boosted as a product of sustained economic growth,

which has generated certain national capacities for development to be shared. Thus, in the Latin America Region, there are six International Cooperation Agencies: Brazil, Chile, Colombia, Mexico, Peru and Uruguay, which confirm the importance of interacting at the level of South-South Cooperation and Triangular Cooperation projects.

Peru is reinforcing its action with regard to international development cooperation by sharing with other nations its experiences and capacities in issues and areas of its comparative advantage, which makes it not only an applicant country but also a cooperation provider country. In this context, Peru is investing its own resources in bolstering South-South Cooperation and Triangular Cooperation, with the latter being the more significant strategy acknowledged and advocated by Peru. Furthermore, the policy intends to respond to current trends in International Cooperation in the South American region, particularly in Upper-Middle Income Countries (UMIC). These are anticipated reduction and/or stagnation of North-South Cooperation, increased South-South and Triangular Cooperation; and diversification of the forms of cooperation, with greater involvement by Civil Society and the private sector, and by sub-national governments. It should be noted that this will continue regardless of whether global cooperation flows continue on a declining trend, as has been the case up to now.

Peru recognises South-South Cooperation as a tool of the country's foreign policy that complements North-

South Cooperation. In 2020, Peru, as a dual country (recipient and provider) of International Technical Cooperation, participated in eighty-one projects, of which thirty-one were implemented as a recipient country, thirty-two as a provider country (Catalogue of International Technical Cooperation) and eighteen were implemented as double via, i.e. both recipient and provider. The main partner countries are Colombia, Brazil and Chile, which concentrated approximately 40 per cent of South-South Cooperation projects. It should also be noted that in 2020, “Mixed Cooperation Commissions” were held on Technical and Scientific with Ecuador, Thailand and El Salvador, approving programmes of South-South Cooperation for the next two years.

With the purpose of managing the financial resources for the implementation of projects where the Peruvian country has a provider role, the Ministry of Foreign Affairs with the support of the Ministry of Finance created a fund for the promotion of the Peruvian Offer of International Technical Cooperation to attend the projects with other developing countries in its role as provider. With this, it is possible to fulfil one of the results of the National Policy of the CTI, regarding having greater participation in the SSC and Triangular Cooperation. In addition, for positioning Peru as a provider of technical cooperation, with the active participation of different national institutions, sectors and levels of government.

Catalogue for South-South Cooperation

Peruvian government has developed a Catalogue South-South Cooperation Offer portfolio as a collection of best practices of Peruvian governmental organisations recognized nationally, experiences which have been requested by other countries of the Global South, especially from South America and the Caribbean. Likewise, the catalogue considers practices aligned with Peruvian Foreign Policy objectives that directly contribute to equity cooperation within the agenda 2030 implementation framework along with its 17 Sustainable Development Goals.

This catalogue makes it easy for developing countries to identify Peruvian’s good practices and elaborate South-South Cooperation projects, knowledge exchange, technology, and methods. The projects will strengthen the capacities of public organisations to improve their national policies. A wide range of discussions have been documented in that catalogue including climate change, forests and biodiversity; water, sanitation and water resource management; education and gender equality; disaster risk management; sustainable cities and transport; public safety and organized crime; health and food safety; technological innovation, ICTs and productive chains.

Peru-Thailand South-South Cooperation

The Peruvian Agency for International Cooperation (APCI) and the Thailand

International Cooperation Agency (TICA) met in November 2020 for the “IV Meeting of Working Group on Technical Cooperation Between the Peruvian Government and the Kingdom of Thailand” to approve the Development Cooperation Programme for 2021-2023. The new Development Cooperation Programme includes six projects to be developed in the fields of Alternative development; Community-Based Tourism; Gastronomy Tourism; Science and Technology; Public Health; and Human Resources Development.

A project in the field of Community-Based Tourism was successfully executed between the Ministry of Tourism of Peru and Mahidol University from Thailand with the title “Strengthening the sustainability of the Community Based Tourist Product”. Regarding financing, both sides agreed that each of them is responsible for their international travel cost (including air tickets, accommodation and meals), while the host country should be responsible for the expenses incurred in the country, suitable for the implementation of the activities. The objectives were for improving and strengthening capacities through the provision of tools and instruments for the development and management of tourism in rural areas, which involves community participation. The main activities carried out were: (1) staying in a homestay of the Raqchi community, learning about the history of the historical area – The temple of Wiracocha, traditional culture of welcoming, and food culture; (2) travelling to the world heritage site,

Machu Picchu, learning about over tourism management, and the commercial traditional products sold in the train with special activities such as traditional dancing, story-telling from the show; (3) travelling to Posada Amazonas, the well preserved forest with a social enterprise model, how to support the community as well as preserving the forest and biodiversity. Eco-friendly lodging was shown as the best practice for developing the business with green practices; (4) travelling to the Potato Park, where we learnt about how to protect the potato species in different climates, and how the community has a strong commitment to climate change and solutions, not only for their community’s obstacles, but also for the world’s citizens’ survival.

Conclusion

Peru is considered an Upper-Middle-Income Country that shows positive economic indicators. The country has been severely impacted by the COVID-19 pandemic, and the challenge for population development is expected to be of enormous proportions. In light of this, we acknowledge that international cooperation has become an essential instrument of understanding and collaboration that complements, more than ever, the enormous economic and social efforts being made to combat the pandemic. The National Policy of International Technical Cooperation contributes to national development efforts and closing gaps. In line with Peru’s foreign policy and its aspiration to join the OECD, it contributes to the

implementation of the 2030 Agenda to SDGs and emphasizes the effectiveness of international technical cooperation, and also strengthening the alignment of partner countries with national development priorities. The Peruvian government is also looking to promote synergies between members of the National Decentralized System for International Technical Cooperation and other actors such as civil society, academia and the private sector, with a focus on positioning Peru as a development partner in Latin American countries and other regions through South-South Cooperation and Triangular Cooperation.

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South-South Cooperation in South Asia: Sri Lanka's Experience with India

Thanuja Darshika Sarath Kumara Jayasinghe Arachchige*

Abstract: This paper analyses the practice of South-South cooperation between India and Sri Lanka with recent experience. The paper explores the historic evidence of Indian cooperation in the context of the development integration process with a special focus on trade and investment and Lines of Credit offered to Sri Lanka as development assistance after 2020. The paper concludes that Sri Lanka needs to strengthen its South-South cooperation with India to recover from the economic crisis especially by accelerating export revenue. This paper posits that South-South Cooperation (SSC) initiatives bring potential benefits to Sri Lanka and function as a salient mechanism to strengthen the relationship securing the South Asian alliance. The study recommends furthering the research on this subject to furnish information that enables the stakeholders to formulate and implement suitable policies for Sri Lanka that target accelerating the achievement of development objectives together with the Sustainable Development Goals (SDGs).

Keywords: Development, South-South Cooperation, Development Assistance

Introduction

Development is a compounded term that involves a positive transformation in economic and social aspects. Gray and Gills (2016) have stated that the concept of the development historical project of the liberalisation of nations from a fragment of underdevelopment provides great hope for the betterment with mutual assistance. United Nations International Day for

South-South Cooperation, 12 September emphasizes that South-South cooperation is a manifestation of solidarity among peoples and countries of the South that contribute to their national well-being, their national and collective self-reliance, and the attainment of internationally agreed development goals, including the 2030 Agenda for Sustainable Development. Predominantly, the developing countries must find an alternative way to pool the

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inherited resources effectively so that they are not dependent entirely on aid from developed nations. Chaturvedi (2016) suggests the development assistance provided under the modern development compact can be categorised into five categories, namely, trade and investment; technology; skills upgrade; and lines of credits and grants. In the South Asian context, especially being the voice of the region, India has established a platform introducing its development cooperation programme to transfer their resources to other South Asian countries to get mutual benefits. According to Saxena (2016), the Lines of Credits mobilised through Indian Banks have developed as a prominent modality of development cooperation followed by the Indian Technical Assistance Programme (ITEC). The Lines of Credit are one of the instruments of development assistance pertaining to development finance which provides goods including capital and consumer and services to the partner countries under an agreement. As Saxena (2016) identifies, the Government of India's first phase of Lines of Credit continued until 2003, supporting 23 countries and providing USD 498.56 million in total and the second phase of Lines of Credit emerged in 2003 reflecting

the country's growing economic profile to respond to pressure from the North.

This paper explores Sri Lanka's development assistance prospects from India under South-South Cooperation especially the trade and investment and Lines of Credit after 2020 and recognizes its way forward.

Development Cooperation and Modalities

Sri Lanka's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) has been downgraded by Fitch from "C" to "RD" (Restricted Default) after the country experienced its worst economic crisis since it gained independence in 1948 as a result of its unsustainable debt and balance of payments in 2022. Similarly, the political instability followed by social unrest has caused poverty and inequality to surge while promoting a high inflation level pausing the achievement of Sustainable Development Goals (SDGs). In these circumstances, multinational and bilateral assistance from developed nations have drastically declined and the need for South-South Cooperation has emerged remarkably.

The historical evidence witnesses that Sri Lanka is continuously receiving

Table 1: Key Economic Indicators of Sri Lanka (Percentage)

Indicator	2020	2021	2022	2023 (f)
GDP Growth	-4.6	3.5	-7.8	-3.0
Inflation (Colombo Consumer Price Index-Annual Average)	4.6	6	46.4	24.6
Current Account Balance (Percent of GDP)	-1.4	-3.7	-1.9	-0.9

Source: Central Bank of Sri Lanka Annual Report 2022, Asian Development Bank. Asian Development Outlook 2022 Update (September 2022)

Note: (f) = forecast

support from India in various forms of development assistance. By the end of March 2016, Sri Lanka was the third among the development partners to whom the Lines of Credit were extended.

Even though a -3 percent growth rate was predicted for Sri Lanka's economy in 2023, it appears to be recovering compared to 2022. This is primarily a result of the persistent fiscal, external, and financial sector imbalances in the nation. Due to greater-than-anticipated price drops in volatile food and non-food goods, the country's inflation is predicted to further decline, from 46.4 per cent in 2022 to 24.6 per cent in 2023. Due largely to consolidation measures, it is anticipated that the current account balance as a proportion of GDP will decrease from -1.9 per cent in 2022 to 0.9 per cent in 2023. In the year 2022, Sri Lanka received USD 1000 million in Lines of Credit to import staple foods, fuel, pharmaceutical items, and industrial items where the country could not afford the dollar payments due to a significant decline in its foreign currency reserves.

Sri Lanka has continuously recorded a budget deficit in the last ten years and the resource gap is financed by domestic and foreign sources. However, in 2021 the government embarked on domestic sources to finance the overall budget deficit amounting to 12.3 percent of the GDP. Sri Lanka obtained financial assistance from the SAARCFINANCE swap of USD 400 million from the Reserve Bank of India (RBI) in the 2021 programme and a USD 100 million loan under bilateral official development assistance in 2021 to

mobilise foreign financing to strengthen public investment. Moreover, India offered grants of USD 16 million for the Enhancement of the National Traffic Database and Capacity Building Project, Construction Courses in Technical Colleges and Colleges of Technology in Sri Lanka and Forensic Drug Analysis in the Criminal Justice System in Sri Lanka in 2021.

Sri Lanka has benefited from the trade engagement with India over the years, especially after the two countries signed the Indo-Sri Lanka Free Trade Agreement (ISFTA) in 2000. In 2021 India was Sri Lanka's 2nd largest exporter under the free trade agreements, exporting USD 525.8 million of animal fodder, food beverages & tobacco, spices, Minor agricultural exports, and wood and paper products. By means of that, Sri Lanka is getting more opportunities to integrate with global value chains and diversification of exported goods, while broadening the export market.

Besides, India was recorded as the 3rd largest contributor to foreign direct investments (FDI) providing USD 2,227 million in 2021 which is 12.45 percent of total FDI. India is investing in the main growing sectors including petroleum retail, tourism & hotel, manufacturing, real estate, telecommunications, banking and financial services to expand value addition while Sri Lankan investors including Brandix, MAS holding, Damro, LTL Holding are surging, and taking advantage of the competitiveness of the Indian market.

Tourism in Sri Lanka accounts for around 12 percent of the Gross Domestic

Product (GDP) and the economic crisis followed by the pandemic hit the sector drastically by recording a 61.7 percent decline in 2021 compared to 2020. Gross tourist receipts recorded as Rs. 101,903 million in 2021, a 17.9 percent decrease in contrast to 2020. Nonetheless, India continued to be the single dominant country for tourist arrivals maintaining 56,268 arrivals in 2021.

Sri Lanka recommenced the tourism promotion campaign in India expecting high numbers of arrivals considering the cultural and religious tourism between the countries in 2021. Sri Lanka has entered into an open-sky agreement with India to operate unlimited flights to six Indian airports. Before the pandemic, Sri Lankan Airlines with the flagship of 4-star rating in the Major Airline Category was the largest foreign carrier in India operating 100 flights per week to 14 destinations.

South-South Cooperation: Sri Lankan Perspective of India and China

Recent political relationship between

Sri Lanka and India has remarked 2500 years of the historical bond between the countries to stand against international pressure. The India-Sri Lanka Foundation, established in 1998 to strengthen scientific, technical, educational, and cultural cooperation between the younger generations of the two countries, and the India-Sri Lanka free trade agreement entered in 2000 reinforced the commercial relations between the countries.

As the first country in South Asia, Sri Lanka extended diplomatic recognition to China in 1950. Nevertheless, the relationship between the two countries tremendously increased in recent years. Given Sri Lanka’s strategic location along the maritime silk way, China’s Encirclement policy in South Asia resulted in the 2005 proclamation of a “Round Cooperation Partnership of Sincere Mutual Support and Everlasting Friendship.”

China is the largest development partner of Sri Lanka which accounts for 27.3 per cent and 100 percent of the bilateral loans and market borrowing

Table 2: Economic Indicators of SAARC countries in 2022

Country	Real GDP growth (Percentage)			
	2021	2022	2023 (f)	2024 (f)
Maldives*	41.75	12.33	7.22	5.33
Sri Lanka*	3.5	-7.8	-3.0	1.48
India	9.05	6.83	5.89	6.33
Bangladesh	6.94	7.1	5.5	6.5
Bhutan	-3.33	4.32	4.68	3.4
Nepal	4.25	5.84	4.4	5.11
Pakistan	5.74	5.97	3.5	4.2

Source: Central Bank of Sri Lanka Annual Report 2022, Statista.com.

Note: (f) = forecast

in 2021 respectively. In 2021, China accounts for 8.5 percent ownership of the central government’s foreign debt obtained from the financial market. Sri Lanka received Rs. 72,079 million from China and Rs. 19,898 million from India in 2021 as foreign assistance loans. Sri Lanka’s main sources of foreign exchange are exports and tourism. In 2021, India maintained its lead with tourist arrivals in Sri Lanka while China accounted for very low numbers. India was the main trading partner with Sri Lanka and contributed to 42 percent of total imports and exports of Sri Lanka. In 2021, India was the destination for 6.6 percent of total exports and China continued to be the largest importer recording a share of 23 percent of total imports.

While India continued to play as the single largest trading partner for exports and tourism, it is a wonder that China does not appear as a strategic partner of Sri Lanka in terms of tourism and export trading. In 2021, the Central Bank of Sri Lanka allowed China’s National currency Yuan (renminbi) to be used in international transactions and the Indian Rupee has not been given the same privilege during the period concerned. However, India being the largest trading partner and one of Sri Lanka’s largest

donors and investors, the Central bank of Sri Lanka classified the Indian Rupee as a designated foreign currency with the approval of the Reserve Bank of India in 2022 which authorises the Sri Lankan and Indians to use Indian Rupees for international transactions instead of US dollars. This is another milestone in the South-South cooperation between India and Sri Lanka as it provides great potential for trade, tourism, and investments between the two nations.

Conclusion

Multiple economic crises after the pandemic have resulted in a wide fiscal deficit and a growing debt service pausing the achievement of SDGs in countries in the south. Many countries including Sri Lanka use GDP as the most common form of development indicator which failed to address social vulnerabilities. Over the past decades, Sri Lanka received assistance largely from China and India through South-South Cooperation. Contemporarily, the need-based South-South Cooperation that respects the sovereignty of the partner countries has increasingly been important to address the social vulnerabilities and economic recovery diversifying the global value chain. Sri Lanka needs to accelerate

Table 3: Exports and Imports by Destination: India and China

Country	Exports		Imports	
	2016	2022	2016	2022
India	5%	7%	20%	26%
China	N/A	N/A	22%	18%

Source: Central Bank Annual Reports of Sri Lanka 2021 and 2022

Note: N/A: Not Available

its development defeating the existing fiscal and debt pressure soon. In the short run, predominantly Sri Lanka should increase the dollar revenue as prominent action by way of increasing exports and promoting tourism. The India-Sri Lanka bilateral agreements expand access to the Indian market and a lot of similarities have been found in the culture between the countries providing opportunities to accelerate tourism. With the recent credit downgrade of the country and the recalibration of the long-term rating of prominent local banks, Sri Lanka continues to struggle to find foreign sources to finance the fiscal deficit. Consequently, Sri Lanka should seek uninterrupted support from South-South Cooperation to extend the Credit Lines, especially for essential commodities, pharmaceuticals, and fuel sectors. In conclusion, the South-South Cooperation from India in a participatory approach will comfort Sri Lanka against this backdrop and as a country, Sri Lanka further needs to ensure the transparency and accountability of adopting efficient guidelines to strengthen the relationship with the voice of South Asia.

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A Surprise Not to Be Wasted

Mario Pezzini and Eleanor Legge-Bourke*

Abstract: The paper questions the misunderstandings and expectations held by Western countries about their relations with the South and calls for a revision of the narrative surrounding the South's position on geopolitical maps. In particular, it focuses on three forms of denial: the belief in Western economic hegemony, the assumption of a bipolar world, and the conviction that hegemony equals power. The paper highlights the permanent changes brought about by decolonisation and the rise of non-OECD countries' economies, which have significantly changed the global socio-economic structure. However, it suggests that Western opinion and policymakers have been slow to acknowledge these changes, often clinging to traditional models of modernization. This reductionist view hinders the perception of change and ignores the diverse development trajectories and adaptations of emerging countries. The study calls for a shift from traditional narratives and orthodox thinking towards a more inclusive and nuanced approach. It proposes the establishment of networks of countries from the South and the North that engage in dialogue and build shared understandings of economic trends and policies. It emphasises the importance of expanding the cooperation agenda beyond traditional orthodox themes.

Keywords: North-South relations, development models, renewed multilateralism

Surprise is the soul of wit

So-called Western countries were surprised and bewildered that so many and such strategic Southern countries they deemed allies did not support the UN resolutions condemning Russia's aggression against Ukraine. What misunderstanding lurked in the expectations of Western Countries¹? And why had the real - and not phantasmal - state of the "West" and "South" relations remained invisible to many, despite several discordant signs²?

Western surprise is rather telling, a revelation not to be wasted. It invites the "West" to revise its narrative about the so-called "South" and the position assigned to the latter on geopolitical maps. It puts into question ways of thinking that have been ingrained over time and that purport to describe, explain, and justify Western judgments on the countries of the so-called "periphery." Such a deconstruction is essential and urgent if we are to move beyond the current 'interregnum' - a term used by Antonio Gramsci to describe

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the period between the death of an old paradigm and the birth of the new³ one - in Global relations.

Figures of the surprise

The detailed and exhaustive deconstruction that we propose goes far beyond what is possible in the present paper. It would require, for example, several voices debating in a comfortable public space. We will therefore limit ourselves to some suggestions that we hope could be expanded and further explored, for example, in the pages of the Development Cooperation Review. They concern forms of denial that should not go unchecked. Three in particular: the claim that Western economics are hegemonic; the claim that we are still in a bipolar world; the conviction that hegemony is merely power.

Is the Western economy the only one and the best?

Despite evidence of the profound impact of decolonisation and the rise of non-OECD countries' economies, many western policy actors still consider those powerful transformations as passing phenomena, rather than permanent changes of the global landscape. They often maintain that western economies and economic thinking were and continue to be hegemonic. The reality is that these permanent changes have affected multiple aspects of the global socio-economic structure, including trade, production, social bonds, and international finance, since the end of last century and should be fully recognised and inspire a new economic thinking and policy making.

Around 2010, GDP produced by non-OECD countries surpassed that of OECD countries in purchasing power parity. It was clear that this transformation would eventually alter international relations, the balance of power, and our ways of thinking, long held back by inertial ideologies. China became the main locomotive of change and the leading trade partner of Africa, emerging Asia, and several Latin American countries. It was joined by other countries such as India, Brazil, South Africa, Turkey, Russia, and the Asian Dragons. These countries had a profound influence on global value chains, and manufacturing relocated to the South in significant proportions, creating a window of opportunity for many developing economies. On the social level, extreme poverty was drastically reduced from 1.9 billion in 1990 to 735 million in 2015. Inequalities between countries, regions, and individuals have been radically redistributed, and a so-called "new middle class" emerged. Monetary reserves and financial assets have also shifted to the East and partly to the South. These powerful transformations moved at a relatively slow but inexorable pace, producing epochal changes that thoroughly contradicted the prevailing narratives, starting with that of 'the end of history'.

Nevertheless, it takes a long time for Western opinion and policy makers to register the above changes⁴. They have often continued to base their geoeconomic narratives on traditional models of modernization. Too often, they conceive development as the evolution of

“laggard” countries along a unique path originally laid out by Western countries. In fact, according to them, the countries of the South continue to be “hampered” by internal “obstacles,” such as archaic institutions, for which they alone are responsible and which they should get rid of as soon as possible. They should rather adopt a necessary condition for development: the standards of the *first comers*, the (Western) countries that “made it”, that know how to do it again and that are the most legitimate to replicate the *best practices* at the origin of their own success.⁵ Market mechanisms would then bring the population permanently out of extreme poverty and produce almost automatic economic convergence in the medium to long term. In short, Southern countries should aspire with impetus to an exclusive economic alliance with the West as the most enviable of treasures.

The conjecture about a single path of development is highly questionable and reductionist, yet it persists vigorously and is a powerful obstacle to the perception of change. In many cases Western standards are more the results and the consequences of development than its causes. In fact, there is no shortage of cases of emerging countries that have grown spectacularly, albeit not by Western standards. These countries may have considered some of the *best practices* of the West, not necessarily always the same; but they have generally adapted them to their context of *second comers*. They have often taken into account the asymmetry of their production structures with respect to those of already developed countries. This asymmetry induces difficulties for

developing countries further productive transformation, and they have elaborated subsequent industrial policies, although orthodox thinking bans them.⁶ Nor is there a shortage of cases of ‘diligent’ countries that have not benefited from the ‘orthodox’ recommendations, for example integrating into international trade networks yet remaining poor or even becoming further impoverished. Finally, successful Western countries themselves have followed different practices in the past from what they preach as prerequisites for development in the present.⁷

What to do? Some attempts to go beyond the *normative logic* as it is practised today do exist. For instance, networks of countries meet regularly to share information and experiences and, if possible, build shared new understandings of economic trends and policy tools. These *tables*, in theory, could develop a *setting*, a structured framework for a dialogue between ‘peers’ and engage a revision of traditional narratives. Sometimes they could subsequently agree on standards concerning specific topics if global representativeness is guaranteed around the table. Unfortunately, today around these tables the countries of the South are sparingly invited or, even more often, continue to be excluded.⁸ Moreover, around these asymmetrical tables the contents of cooperation continue, with few exceptions, to focus on traditional orthodox themes. Very little is on social inclusion workers’ rights, territorial development, or public investments that have been crucial, for one, in European integration. Even less about the *sui generis* characteristics of development in

the countries of the South. Thus, words like ‘development’ and ‘cooperation’ have turned into synonyms for ‘economic growth’ and ‘assistance’ or ‘aid’. A phase of “experimental multilateralism” is needed.

Are we still in a bipolar world?

In the midst of the current interregnum, some have insisted the world be divided into two opposing and exhaustive blocs: the “free world” against an “autocratic” bloc, with no alternatives between them. This idea has its roots in the 1930s and was revived on several occasions, including before the war in Ukraine for example, with the intent of promoting a Concert of Democracies or a Summit for Democracy. The Russian invasion has reinvigorated the concept. Now, while the fight for human rights, bottom-up participation, social democracy, electoral transparency, independent press, and condemnation of fake news should be widely shared and supported, the specific call for a “free world” to be assembled seems to be more of a nostalgic and ideological reminder of the power dynamics of the Cold War.

Today the international landscape is increasingly complex and cannot be reduced in an easy way by a simplistic moral essentialism. Moreover, although the Russian-Ukraine war seems to take us back to the Cold War and a Westphalian world with zero-sum games between powers seeking to subjugate other countries to their will, it has produced *unexpected results* and reactions other than bipolarity. Let us stress two of them in particular.

First of all, the countries of the “South” are hardly convinced by the

appeal of bipolarism and they have not merged into either bloc, although they are suffering the indirect consequences of the war. Even countries that are supposed to belong to a bloc have frequent, repeated and even dense interdependent relations (economic, social, cultural) across the boundaries of their bloc. Furthermore, the bloc’s characteristics are less homogeneous and more nuanced than is sometimes suggested. For example, in the Western “democratic” bloc, there is a certain erosion of democratic principles, with some countries adopting criteria that limit pluralism and transparency. Finally, while the appeal assumes an immediate return to a hegemonic mission for the United States, the US’ international responsibilities and commitments are challenged by deep-seated tensions in American society and politics, the so-called polarisation of the political debate as illustrated by the storming of the Capitol on January 6th 2021, and the Trump campaign motto of “America-First”.

Secondly, the countries that are supposed to make up the purported core of the two blocs are less cohesive and aligned than claimed.

In the “West”, while NATO has been strengthened, space for European “Strategic Autonomy” has also reopened. See, for example, the position of “strategic autonomy” French President Emmanuel Macron spoke of over his recent trip to China, or the changed German position on defence that adds to the famous ‘*whatever it takes*’ and the *Next Generation EU* plan to *potentially* reinforce European

autonomy.⁹ There are, however, at least two conditions for strategic autonomy to be further strengthened. The first is that Europeans take ownership of it with determination and spend more together, recognising that the costs of a European solution are much lower than the costs of not having one¹⁰. The second condition is that Europe invests in building partnerships (not charity) with countries of the South, cultivating solid alliances, instead of assuming they are already acquired.

But countries are less cohesive and aligned, in the other “bloc”, as well. For example, China is not, at least not yet, part of a bloc. It is rather in a complex situation, the outcome of which is less predictable than some actors would have us believe. It has a visible aversion to uncertainty and lack of stability in international relations, it tends to prioritise sovereignty and territorial integrity in relations between states, defends the UN Charter when borders between states are threatened, and abstained in recent UN votes. However, China has entered into a partnership with Russia, with which it shares over 4,000 km of borders. China also distrusts the United States, which sees China as a strategic adversary. China, in turn, fears that the end result of the conflict will be hostile and destabilising for it. In short, the weights and interactions of the above various factors are still uncertain. It therefore does not seem reasonable to try to intimidate China into allegedly yielding to Russian demands and pushing it into a premature and proxy marriage with Russia, the outcome of which could

be as uncontrolled as it could be disastrous. In short, not only the global economic geography, but also the traditional geography of alliances are changing and new initiatives for international dialogue seem indispensable.

Can't King Lear but be alone?

In this interregnum, one often encounters a third denial related to ‘power’, ‘alliances’ and, more generally, to ‘solidarity’ and ‘cooperation’ with the countries of the South.

The ongoing war in Ukraine helps to explain why *Power* and *Might* are insistently invoked these days when discussing international relations with the ‘*other*’. For example, in Europe some thought leaders insist that the continent should accept itself as a ‘*hard power*’ and argue about the priority for a European defence policy. However, there is a general question that the surprise at the *other* should raise: who is the *other*? Is it only the ‘enemy’ or the ‘subject’? Is it only the one who would like to impose his or her ‘difference’ on our ‘identity’ by power and force, or who is willing to bow his or her head to our power? Are we destined to construct our narrative as that of an increasingly besieged island devoid of interactions and bonds other than the dependence of others, or our own or pure market interest?

Beyond the rhetoric, the *others* have obviously different profiles, they have different interests and different perceptions of the relationships we weave with them.¹¹ Alongside *enemies* or *clients* there are potential *allies* with whom we should build and cultivate, to different

degrees and in different ways, strategies of *solidarity/loyalty/reciprocity* and not only of *law/market/power*.¹² In other words, *solidarity* doesn't dwell only within the borders of the "*self*" (for example Europe or NATO, however readjusted), otherwise it would rather risk looking fusional. Assertion of *self* and power is probably a component of community building, but it cannot be its essence. We are convinced that one must think deeply about interactions with others, particularly in a phase of polycentrism.

There are positive and not just negative sum games that are indispensable for future development strategies. Going back to the European example, it goes without saying that Europe has and will need to maintain dialogue and cooperation also with countries that did not vote for UN declarations, but with which it is necessary to address the common challenges of the so-called 'Global Public Goods' and of the management of commons. It is equally clear that the new global geography requires a new development consensus between the South and the West as well as within the South; one that is development-oriented rather than charity-oriented; that does not try to preserve the influence of the colonial past or the imperialisms of the present but provides equal voices to all actors; one that redefines objectives and modalities taking into account the singular development trajectories¹³.

It would be indispensable to relaunch, alongside *hard power*, a real *soft power*, and a reform of multilateralism that could start with experiments open to actors from all regions. An inclusive

public space to avoid the risks of growing misunderstandings and vicious circles, where individual development paths and the forms of international cooperation to accompany them could be discussed in detail. It would be a matter of dialogue, instead of claiming to know developing countries and considering them recipients of standards, the definition of which was reached without their participation.

Conclusion

Today there are different narratives interpreting development and the resulting geopolitical and geoeconomics landscape. The relationship between these different narratives may be conflicting, but is often the result of different memories resting on different histories, different traumas, different development paths and cultures, with their respective silences and removals, but also their respective perceptions, visions and expectations. We have to build a renewed public space to dialogue as equals, particularly if, as we argued, Western old prejudices about the global geoeconomics are obsolete, if the appeal to the old bipolarity does not seem convincing, if powers are not sufficient to define countries' positions in the world, and if the instruments of cooperation at our disposal are obsolete.

We will also have to rethink our conceptual tools more calmly in the future.¹⁴ St. Augustine condemned man's passions excluding only *libido dominandi*, if combined with a strong desire for praise and glory, equally exalted by the chivalric ethos. But the destructive consequences of *libido dominandi*, evident among other things

in wars, prompted the search for new solutions beyond philosophical morality and religious precepts.¹⁵ Thus, Adam Smith, moral philosopher, attempted to promote a category of passions - the interests - relatively harmless, in his view, to neutralise the other more dangerous and destructive ones. A few centuries later, we experienced some decades of neoliberal ideology and a dominant paradigm that claimed to exalt the interpretation of all human actions in terms of self-interest. Today, the idea that self-interest rules the world¹⁶ has lost much of its primitive appeal. The same for the idea that the expansion of trade would be necessarily accompanied by the spread of 'ingentilisation' and lead to peace (Montesquieu's *douceur*).

Economics cannot oust politics. But is it then inevitable to resign oneself to the power, rapacity and cruelty of sovereigns and their *grands coups d'autorité*? If one considers the traditional geopolitics where the *primum movens* remains *the libido dominandi* (*the passion for power*) and where the games are zero-sum, it is likely that not only relations between powers, but also those with developing countries will result in conflict, domination, or charity. Conversely, if it is thought that, once a certain threshold of stability and security is assured, *the libido dominandi* can be contained, then other avenues become viable, even if countries maintain political and economic systems that are at least in part different. In short, in addition to market and power mechanisms, it would be worth reconsidering the logic of collective action, social processes, and

collective spaces for communication as inescapable factors of international interactions.

This paper was inspired by another published in French, Spanish and Italian in Le Grand Continent in May 2022.

Endnotes

- ¹ Another crucial question would be of course: why did many southern countries vote and still vote that way? Since Russian aggression goes against a number of cornerstones consistently defended by them, such as, for example, the respect for national sovereignty in Africa. But here we will limit our analysis only to the surprise of the West.
- ² One such sign appeared a few days before the aggression at the European Union/African Union summit held in Brussels in February 2022, few days before the aggression of Ukraine. While the European side wanted to announce a "new alliance" between Europe and Africa and thought it would meet with easy compliance; the African side preferred to speak only of a "renewed partnership." SEM Macky Sall, President-in-Office of the African Union, was explicit on the subject: "Cette Afrique en pleine mutation veut des partenariats consensuels et mutuellement bénéfiques; des partenariats co-construits sur le fondement de priorités et valeurs partagées, sans injonction civilisationnelle, sans exclusion, ni exclusivité.»
- ³ The crisis consists precisely in the fact that the old dies and the new cannot be born: in this interregnum the most varied morbid phenomena occur" Antonio Gramsci, 1929-1937, Quaderni del Carcere, Einaudi, 1971, quaderno 3, pg.311, Einaudi, in English: The Prison Notebooks, 2011, Columbia University Press.
- ⁴ For example, the OECD Development Centre Report "Perspective on Global Development: Shifting Wealth" was published in 2010 and already highlighted the major changes described here. It was received with suspicion by different Western Policy makers.

- ⁵ Similar considerations apply also to “democracy” since Western opinion makers claim there is a biunivocal relationship, not clearly defined, between economic success and democracy.
- ⁶ The destiny of industrial policies seems today rapidly changing as part of an undeclared and often incoherent “adjustment” of the economic orthodox thinking.
- ⁷ See for example Ha-Joon Chang “Bad Samaritans”, RH Business Books, 2008
- ⁸ <https://www.ispionline.it/en/publication/oecd-60-years-later-comeback-development-28671>
- ⁹ Remember that these terms were rejected outright no more than two years ago, despite the fact that the cracks in the Atlanticist charm had increased under Donald Trump.
- ¹⁰ See Josep Borrell, “L’Europe dans l’interrègne: notre réveil géopolitique après l’Ukraine” in *Le Grand Continent* 2022.
- ¹¹ See on this matter Tzvetan Todorov “The Fear of Barbarian” 2010, University of Chicago Press.
- ¹² We are comforted in this by the fact that an important political thinker such as Antonio Gramsci considers that hegemony requires both strengths to impose itself and alliances to endure.
- ¹³ Under the heading of “Development in Transition” and in review like the Development Cooperation Review an important debate is underway on needed reform of the international development cooperation system.
- ¹⁴ These few paragraphs are inspired by Albert O. Hirschman “The Passions and the Interests”, Princeton University Press, 1977.
- ¹⁵ For instance, in the coercion of the sovereign, however at the risk of excessive cruelty or (less) clemency.
- ¹⁶ Since the love of money would ensure constancy, pertinacity, and immutability....

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A Conversation with Gayle Smith

Development cooperation as a concept is at a crossroads. Traditional ideas are facing considerable scrutiny. We met with Gayle Smith, a prominent practitioner in international development, to understand her views in this context. She has contributed to shape the North-South cooperation in different roles, for example as Administrator of the United States Agency for International Development (USAID) and as Special Assistant to President Obama at the US National Security Council. AS CEO of the ONE Campaign, she expresses her independent critical view on a series of issues concerning the traditional cooperation. She emphasizes the renewed need for multilateral cooperation, for a strategic approach to managing global public goods, and for expanding humanitarian and economic assistance. Readers interested in South-South cooperation will find value in her insights on the complex responses of developing countries to conflicts and the importance of engaging in dialogue to understand their perspectives. Additionally, Smith's discussions on the changing dynamics of Africa's relationships with China and the West provide interesting opinions into the evolving landscape of South-South cooperation and its implications for development efforts.

What is your perspective on the impact of the war in Ukraine on international cooperation?

It is enormous. Most notably, it exposes one of the tensions of international cooperation: resources for development are finite, military funds are not.

The economic cooperation basket of resources is fixed and as a result a great deal of assistance is going to Ukraine, as it rightly should, but the size of the pie is not being increased. Thus, it's taking a finite amount of resources that were already stretched thin and stretching it even thinner.

The world should be responding to Russia's aggression in Ukraine in the way

it does, but then we have chronic conflicts in Syria, North Africa, Ethiopia, Sudan, or Yemen that are beyond description. Afghanistan has massive needs, Pakistan faced devastating floods. We have a growing demand and far less supply. One of the main impacts on international cooperation is the pressure on the finite amount of assistance.

There is a second aspect: in 2015, when Europe experienced a high influx of refugees trying to escape the war in Syria, some countries were very responsive, but some were very negative and that was the beginning of the intense anti-refugee, anti-immigration stance in many parts of the world. In the case of Ukraine, the

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Interviewers: Ramona Bloj (editor-in-chief of Green magazine) and Mario Pezzini (Economist and Former Director of the OECD Development Centre Based in Paris, France)

good news is that the reception and the welcoming of Ukrainian citizens has been as it should be. Nevertheless, that is not the case for other refugees from other countries. Then, a lot of countries are now using international development assistance and humanitarian assistance for refugees within their own countries. That is further shrinking the overall supply and it's very easy for people to say or suggest that it's a trade off that Ukraine is being assisted at the expense of someone else.

That is not my view. I believe we need to make the pie bigger and have the same flexibility that we do with military assistance. The situation demands it. We should not have a finite count on humanitarian and economic assistance. There's always a danger that the world has difficulty managing more than one crisis at a time and if you look around the world right now there are multiple crises that need to be managed. The conflict in Ukraine adds to that list. But is it really distracting attention? To some extent, sure. However, it is a false choice to say should we be helping the people of Ukraine, or should we be supporting global health and the fight against climate change? We must find a way to do both.

Official Development Assistance increased less than 5 percent last year despite the major COVID-19 crisis and there was low debt relief...

It is indeed a very modest increase! Especially because the demand has been growing for years, particularly the

humanitarian demand. We must take into account that a lot of the conflicts around the world are chronic.

Regarding the reactions to the war in Ukraine, countries in Africa and Latin America did not align automatically behind the West as most policymakers in Europe assumed they would. Were we wrong about understanding developing countries?

It is always wrong to assume countries will just follow your lead. It is always wiser to check first. We were wrong to assume, after the vote, that so many countries supported Russia, either. It is an oversimplification to assume that their vote was the reflection of supporting Russia. The reality is just very complex. I spoke with several leaders of developing countries and their priority is to manage the impact of the war. Just to give you an example, the prices of fertilisers skyrocketed. Some countries may think the Russian invasion was entirely wrong, but the war needs to end because they cannot afford the cost of food and energy. What many observers missed was that if you are looking at Ukraine from the position of a low-or middle-income country, that is quite frankly dependent to some extent on the West and to some extent on China and Russia, it is very hard to take a position. That's the number one reason why we were wrong. Some countries are too poor to pick sides. One of the most eloquent statements about the state of the world was made by the Kenyan permanent representative. It was exquisite on the rights and wrongs, on the

historical meaning of the conflict. Another reason is that there is a lot of fear that we're entering a new era very similar to the Cold War. There is a hesitation on the part of countries to fall into the trap of picking a side. I believe that if it was a secret vote, it would have overwhelmingly been against the invasion.

There's a tendency of some countries to see this as the re-emergence of the non-aligned movement. During the Cold War nonalignment translated to the rejection of imperialism. It was a very political statement. Today, countries may non-align but I don't think it is a political stance. It's very practical. Most African leaders think Russia is out of control and it's astonishing and horrible what is happening in Ukraine.

Some of them might say that we should also look at conflicts in Africa that nobody seems really bothered about, which are arguably as bad. Lavrov is all over the African continent all the time trying to get votes. It is a huge geopolitical battle between Russia and the West. Africans do not want to get in the middle of that. I worry that their position is overinterpreted.

What could be the consequences of this non-alignment of developing countries?

It would be a shame if countries decided to curtail their development assistance because a country abstained from a vote at the UN. Somebody once said to me "talk to people where they are not where you think they should be". If the purpose of your development cooperation is to get countries to vote for you then you should

just give countries a check and tell them how to vote in the next Security Council.

What should Western countries do?

There must be a dialogue. We need to talk to these countries. Most of them would say that if it was a secret vote, they would have absolutely voted with us. Most of them might say that we should never take their vote for granted because that's just patronising.

It is important to engage in a conversation of how this is interpreted differently. African countries are seeing the whole world realigning. The AU-EU Summit in February was positive, but will this first impulse grow into something that could have the depth and scope in terms of financing compared to the relationship between African countries and China? Most of them would prefer having that relationship with Europe and the US. But we haven't put the capital that China does.

This dialogue needs to be part of a longer conversation about how they see the world in this fragmented, dangerous moment, and how they see it over the next 25 years.

We need tables for this conversation to take place. Where can you really listen to the African countries or the Latin American countries and discuss with them?

We do not have a long tradition of strategic deliberations between the world's wealthiest countries and the world poorest countries. There is dialogue, but the kind of strategic conversation that happens, for example, between NATO

Member States, it's very different. A prominent African business leader told me that he was very worried about the impact of the war in Ukraine on food and fertiliser prices and the economic ripple effects of it. He told me that they don't know who to talk to and where to have the conversation, because it's not a simple meeting, it's a strategic dialogue that looks at the dependencies of the world. It isn't a conversation about how we can get more food to the World Food Programme, it's more long term and strategic.

I think the G7 needs to start a series of strategic conversations with Africa, Latin America and Asia. And not just once, not one meeting of two hours and talking points. They need to come together in the same room to define what the war in Ukraine means for us, where we think, this is going to take over the world in the next 10 years and decide what we need to do. That kind of strategic conversation is important. It's starting to happen but in little bits and pieces.

When it comes to global public goods, such as health and environment, do we have the organisations, the forums to support them?

Looking at vaccines, I would say no. The world tried to create a mechanism through Covax that could address, in part, the issue of Global Public Goods. The initiative was able to deliver a few successes, but it proved insufficient to address the bigger problems.

The interesting discussion on global public goods right now is about the

World Bank. Secretary Janet Yellen made one of the first calls about reforming the development banks a few months ago, and she mentioned that the bank needs to figure out how to deal with global public goods. In the case of the COVID-19 vaccine, the World Bank couldn't play a very effective role because it is very old-fashioned.

We've got some of the institutions that could provide that function, but I don't think we've exercised their muscles sufficiently. Covax was a great idea, but nobody guaranteed that the initiative would have 20 percent of the vaccines on the market. It was left up to the latitude of the companies, whether they wanted to sell or not. If we want to manage global public goods, we must design a more deliberate approach.

In 2009, China became the first commercial partner for Africa, and the first partner of Latin American countries such as Argentina, Chile, Brazil, Peru. Did our governments realize that this transformation was taking place?

I don't think so. China is thinking about how to fuel its economy over the next 25 years. The Belt and Road is an important part of this larger strategy. I don't think we, in the West, think about the next 25 years in the same way because if we did, we would have a deeper, more strategic relationship with Africa. The relationship with Latin America would look different. Then, we have the tendency to build on the past, while China is a relatively new player.

Is the Belt and Road initiative still a viable option for China to ensure economic development in the future?

I suspect it is not. It is becoming very unwieldy and there is a bit of a backlash. But China does tend to have a learning process and pay attention to things. I wouldn't call it a failure. I would say it is going to be in need of dramatic adjustment to make it sustainable. However, it has been impactful. We can talk about the quality of the projects but at least there is all sorts of infrastructure that was not there before, that we did not finance through our capital markets.

Do you think that Africa as a continent, especially its regional dimension is taking more and more importance on the international level?

I believe the regional dimension in Africa is much stronger than it's ever been and in a very positive way. Look at the African Continental Free Trade Area (AfCFTA). When the Sustainable Development Goals were negotiated, Africa came in with a common position that had been agreed to by heads of state. When peacekeeping reform was on the agenda of the United Nations, Africa came in with a unifying position because of their unique situation — African troops were mostly on the front lines of the peacekeeping missions, so they came in with a common position.

Over the last several years, in advance of a G7 or a G20 summit, behind the African Union chair, a number of African leaders have consistently gotten together to figure out how Africa wants

to position itself. During the pandemic, Africa created a supply chain platform for Africa and the Caribbean and set up its vaccine acquisition trust in order to buy vaccines for the continent.

There is a regional consciousness of its political and practical rights. It's about security, economics but also about confidence.

Africa working as a bloc is one of the most significant trends on the world stage. It is a big voting bloc. When they came to the SDG negotiations with a common position, they had real influence. Africa has much more political clout as a bloc.

How did this play out at the European Union - African Union Summit?

African countries came to the summit with the expectation that if we are going to talk about a new partnership then it really needs to be a new partnership. It must not be the kind of donor-recipient relationship. They came with the mindset that we should talk about a relationship between equals.

I also feel that there is a lot of dignity. What I found interesting about the summit, after their experience of the vaccine allocations during the pandemic, is that they spoke about health sovereignty. They do not want to be dependent again during a crisis. It's a positive trend that we have been a bit slow to recognize.

Do you feel that Europeans also started to see Africa as a possible partner because they need to relocate and diversify supply chains, to diversify energy supply sources in the context of

the war in Ukraine? Is this change also perceived on the African side?

I would be hesitant to speak in the name of Africans. I heard after the EU summit, that there is a growing awareness on the European side. From where I sat a few months before the summit it looked like it could be a little disappointing, but it turned out to be much better than was anticipated.

The impression that I got from Africans was that Europeans are starting to get it, but I don't think they're quite there yet. If you look, for example, at the need to replace Russian gas. There are a couple of ways to do it? What is it?: there could be individual conversations between individual European countries and individual African countries or there could be a conversation between Europe and West Africa. One way is a bit more strategic than the other and a more long-term focused. It looks that, so far, Europe is having a hard time thinking strategically.

How about Latin America?

When I went back to the State department, I saw that other regions were very interested in what Africa did in terms of supply chains and purchasing vaccines and there's an interest in replicating the model in Latin America and ASEAN too.

So, there were discussions, delegations were sent to Africa. Africans however display more of a need to further unite as a bloc politically to get onto the world stage, more of a perceived need anyway, than ASEAN or Latin America. Regional blocs are likely to grow more in

a political sense, although Africa is much better equipped, and has the capacity to think strategically on this subject.

The Special Drawing Rights have not been redistributed as promised and more and more, African countries will have to turn to the markets. Rating matters a lot. What should we do? One idea was the creation of an African rating agency.

There needs to be some dialogue. I don't know if credit rating agencies are as rigid as they are perceived to be. Maybe it is entirely possible to say "let's all take a step back".

If you look at their analysis of how much risk investors could afford: one says 11 percent, others say 40 percent which doesn't make much sense. There could be a dialogue to see whether the standard operating procedures of the credit ratings agencies really applies to the circumstances of countries.

The second element regarding an African credit rating agency is that capital markets in the US aren't going to allow that. However, Africa has a good track record on measuring and then compelling progress because they have done a lot of this in agriculture and other things in peer reviews where some countries have been very willing to be rated if it's by other Africans. And it's been an incentive to see improvements. The desire for these countries to perform well is just as strong, if not stronger on the continent than it is in Brussels or Washington. Thus, there's merit in looking at what a domestic African credit rating agency would look like.

In general, there should probably be more than just three credit rating agencies, all of which evolved and came from the north and from developed wealthy economies. Globally it probably makes sense to have greater balance.

Is multilateralism still effective in a world dominated by power politics today?

It's not as effective as it has been in the

past. But it is needed even more than it has been in the past. The response to the pandemic was extremely difficult. It is difficult to get countries together because of power politics and the fragmentation of the world system. Countries are looking inward. They are focusing on bilateral agreements, and we hope that will prepare us for the next crisis, but we can risk being confronted with a member of loopholes.

From the End of History to the Crisis of Multilateralism, A Plea for International Cooperation

Serge Tomasi*

In his paper Serge Tomasi, a development economist and former French ambassador, explores the shift from the belief in the end of history to the current crisis of multilateralism. He discusses how in his view the world has become more fractured and analyses the factors that have contributed to this, including the Iraq war, the Libyan crisis, and the failure of multilateral efforts in climate change. Tomasi highlights the structural upheavals in the global economy, the rise of autocratic regimes, and the Russian invasion of Ukraine as key turning points. In the face of these challenges, he argues for the urgent need to rebuild multilateralism and cooperation, emphasizing the integration of interdependence and global public goods into international agendas, and the reform of the United Nations charter to reflect the realities of the 21st century.

The Illusion of the end of History

Just over thirty years ago, the fall of the Berlin Wall and the collapse of the USSR marked a historic break: the end of the division of the world into two irreconcilable blocs and of an ideological confrontation that had lasted half a century. The West appeared to be the winner of this confrontation, a political victory without recourse to arms, in perfect illustration of Sun ZI's adage ("the supreme art of war is to subdue the enemy without fighting").

This geopolitical shift was accompanied by a movement towards liberalisation of the world economy, notably with the acceleration of international trade, which then became an essential engine of growth for emerging countries. China, which had liberalised its economy through the reforms of Deng Xiao Ping in the 1980s, is the figurehead of this economic take-off of the South: thanks to a development model based on external growth, it established itself in a few years as the "workshop of the world". It soon joined the WTO and forged

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links with the OECD. At the turn of the 2010s, the G20 was born, providing a relevant forum for economic policy coordination to curb the financial crisis of 2008/2009. There were even discussions about possible Russian membership of the OECD!

This movement of political convergence was illustrated in the major UN conferences that throughout the 1990s paved the way for the Millennium Declaration and the adoption of the Millennium Development Goals in September 2000 by the UNGA: the international community then adopted a common agenda and came together around a declaration that affirms common principles and values. It was a time for optimism and multilateralism. Francis Fukuyama captured the era perfectly in his book “The End of History and the Last Man”, which predicted a natural convergence of nations, with the end of the Cold War marking for him the definitive victory of liberal democracies and the end of ideological confrontations.

The Return to Machiavelli: 30 years later, the world appears more fractured than ever. How did it come to this?

Machiavelli (The Prince), as early as the Renaissance, warned: “there are two ways of managing relations between nations, either by force, which is the animal kingdom, or by the rule of law, which is the beginning of civilisation. But sometimes, even under the rule of law, the use of force remains necessary”.

The Iraq war decided by George W. Bush is, along with the World Trade Center

attacks, the event that turned the world upside down. The American decision was a serious mistake: the American lie about weapons of mass destruction being held by Saddam Hussein’s regime seriously undermined the credibility of Western democracies; the illegal use of force, since it was not authorised by the Security Council, was a violation of the United Nations Charter. America won the war but lost the peace, unable to stabilise the country and the region. France, in a resolutely Gaullist posture, opposed this military adventure in the name of UN principles (speech by D. de Villepin at the UNSC in February 2003). This declaration led to a lasting deterioration of Franco-American relations.

The Crisis of Multilateralism: In the wake of the Iraq war, multilateralism entered a deep crisis due to three blockages at the UNSC, the WTO and finally at the Convention of the Parties on Climate Change:

- The Libyan crisis, with the Western intervention led by NATO forces, definitively ruins trust between the permanent members of the UN Security Council. While the UNSC had approved an intervention to protect the people of Benghazi, it ended with the death of Colonel Gaddafi and the fall of his regime. China and Russia will then multiply the vetoes, while discussions on the reform of the Council get inexorably bogged down. With the UNSC blocked, there is no longer any institutional mechanism for regulating conflicts.

- The profound upheavals in the global economic balance exacerbate relations between the two great powers, who clash over the issue of China’s

status at the WTO. Indeed, China, which is on its way to becoming the world's second largest economy in the 2010s, is still considered by international organisations as a developing country that enjoys privileges reserved for the poorest countries in many forums, notably the most favoured nation clause (at the WTO) or eligibility for ODA (at the OECD's Development Assistance Committee). This issue will plague all multilateral negotiations, and for a time block the functioning of the WTO dispute settlement body.

- Finally, multilateralism suffered one of its most bitter failures at the 15th Conference of the Parties on Climate Change in December 2009 in Copenhagen. Despite the presence of many leaders, member countries proved unable to share a common goal to limit global warming.

The following years saw a relative upsurge in multilateralism with the creation of the G20 in 2009 and especially in 2015, with the adoption of both the Paris Climate Agreement and the Sustainable Development Goals by the UNGA in the same year. However, these successes are not enough to put multilateralism back at the centre of the game, around a common agenda and shared values.

The time is indeed more for confrontation than for cooperation, as the world is marked by structural upheavals that prevent the return of a willingness to cooperate in the service of common objectives:

- Economic confrontation due to the shift in wealth: In the early 2010s, the OECD Development Centre published

a report ("The Shift in Wealth") which showed that the centre of gravity of the world economy was shifting from the North Atlantic to Asia. The report predicted that the EU and China, which at the time accounted for 30 percent and 11 percent respectively of global GDP, would see their relative share of global wealth reverse by 2030 (15 percent for the EU and 30 percent for China). It also showed that China could become the leading economic power by 2040/2050, overtaking the USA. From then on, competition for world economic leadership will be fierce and trade liberalisation will be called into question in many countries.

- Political confrontation with the rise of populism and autocratic regimes, which accelerates the withdrawal into oneself. In a relatively short period of time, authoritarian regimes have asserted themselves in many regions of the world, often proposing an alternative model of governance to liberal democracies, which analysts describe as "autocratures". All these regimes have in common that they give priority to national interests ("America First") and distance themselves from international organisations, in particular the UN.

The world today appears more fractured than ever. The shift in wealth, the disruption of the major geopolitical equilibriums and the exacerbated competition between great powers for world leadership are once again leading a growing number of actors to give priority to national ambitions over the common interest.

Finally, the Russian invasion of Ukraine marks a new and particularly

dramatic turning point. This conflict between Russia and Ukraine, which is fraught with threats to the continent's stability, goes far beyond the bilateral relations of the two protagonists, and even beyond the European framework: it is the first "globalised" conflict, with political, economic and humanitarian consequences affecting the entire world population because of the interpenetration of societies.

Getting back on the path of multilateralism and cooperation

In this tense international context, what should be done?

For the European Union, it is urgent to rebalance the European project, which for too long has been focused on its economic aspect, with the strengthening of a military and diplomatic pillar. Only a united Europe, politically, economically, diplomatically and militarily, can enable us to be a player in international relations in the future, and not just a subject. From this point of view, the debate on strategic autonomy is essential and will largely determine our ability to play a role on the international scene in the future.

It is also a necessary condition if we hope to build an international order based on the rule of law, in the image of the European Union: a continent scarred by centuries of confrontation that has chosen the path of appeasement, of overcoming and of state-to-state relations governed by the rule of law. The path of civilisation according to Machiavelli.

We must then advocate a new world order, taking better account of today's geopolitical realities, namely the emergence of new political, economic, military and demographic powers, but also fully integrating the issue of interdependence and Global Public Goods.

In a conversation with Michel Rocard in 2010, he shared with me his conviction of the need to integrate the issue of interdependence between countries into the international agenda. He thought that to meet this challenge, we would not escape a reform of the UN, including a revision of its charter. This charter, inspired by the political context that prevailed at the time of its drafting, with the aspiration of the populations of the South to their independence, is in fact organised exclusively around the rights of nations. Historically dated, it seems outdated in the world of this new millennium, characterised by globalisation and the development of interdependence. It is therefore time to rebalance this founding text by integrating, alongside the affirmation of the right of each State to respect its national sovereignty, its duty to take due account in the conduct of national policies of the question of interdependence between countries, the externalities (spill over) of these policies, and the defence of the higher interest of the international community (climate, public health, biodiversity, etc.). In this new world, we are indeed condemned to cooperate to manage interdependencies and promote Global Public Goods.

GDC's Participation at Second Africa High-Level Forum of South-South and Triangular Cooperation for Sustainable Development

John Patrick Omegere*

The High-Level Africa Forum of South-South and Triangular Cooperation for Sustainable Development provides a platform for African countries to share experiences and best practices towards addressing shared problems and setting the agenda for South-South and Triangular Cooperation in Africa. The following article reports on the Global Development Centre's (GDC) participation at the Second Forum. It highlights the potential role of the African Continental Free Trade Area (AfCFTA) in promoting South-South trade and investments among African countries and with other developing countries. The article also stresses that the GDC stands ready to share technology, experiences, and best practices from India's flagship programmes and development interventions. It also highlights the potential for India-Africa development cooperation to contribute to equitable and sustainable development for both parties and the importance of South-South and Triangular Cooperation for achieving the United Nations Sustainable Development Goals and the African Union Agenda 2063.

South-South and Triangular Cooperation in Africa

South-South and Triangular Cooperation (SSTrC) is an important modality for catalysing attainment of the United Nations (UN) Sustainable Development Goals (SDGs). SSTrC is particularly critical for fostering peer learning and collective self-resilience among developing countries

through exchange of experiences and best practices, capacity building, technological transfer, trade and investment, among others.

Africa has made commendable progress in defining its own priorities and setting the agenda for SSTrC, including through the adoption of Agenda 2063, the implementation of developmental goals through the New Partnership for Africa's Development

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(NEPAD), and its transformation into the African Union Development Agency (AUDA). But more importantly, most African countries actively participate in SSTRC both as recipients and providers. Leveraging indigenous knowledge and accumulation of development experiences, African countries are sharing homegrown development solutions as per the requirements of other developing countries. There has also been an effort to institutionalise South-South Cooperation through the creation of SSTRC agencies, units, and networks of focal points. The African Peer Review Mechanism (APRM) – a specialised agency of the African Union, works on fostering SSC through Voluntary National Reviews (VNRs). It is also worth highlighting the potential role of the African Continental Free Trade Area (AfCFTA) in promoting South-South trade and investments among African countries and with other developing countries.

Second Africa High-Level Forum of South-South and Triangular Cooperation

The Africa High-Level Forum of South-South and Triangular Cooperation (AHFSSTRC) provides an opportunity for countries in Africa to share experiences and best practices towards addressing shared problems. The forum also provides a platform for African government and non-government agencies to engage with South-South and Triangular Cooperation partners on priorities and modalities of strengthening South-South and Triangular Cooperation in Africa.

Further, AHFSSTRC is an avenue for the sharing of experiences, good practices and lessons learned in efforts to implement Agenda 2030 and Agenda 2063.

The second AHFSSTRC was convened under the theme: *Building National Capacities for South-South and Triangular Cooperation Ecosystem in Africa and Forging Horizontal Partnerships for Sustainable and Resilient Societies*. The forum aimed to generate the following outcomes:

- A declaration with specific recommendations to support the implementation, monitoring and evaluation of the outcome document of the Second UN High Level Conference on South-South in Africa held in 2019 pursuant to the UN agenda 2030 and African Union Agenda 2063.
- A set of initiatives and key messages to the High-Level Committee on SSTRC of UNGA to move forward the sustainable development agenda.
- An outcome document to highlight the state of implementation of ecosystems for SSC in Africa and the role of APRM in supporting this for promoting good governance in the continent.

The second AHFSSTRC was co-organised by APRM, Islamic Development Bank (IsDB), United Nations Office for South-South Cooperation (UNOSSC), and the Government of Uganda. It was hosted in Kampala, Uganda from 17 to 19 January 2023. The forum attracted participation of political leaders, international organisations, and heads of corporations

and institutions from key private partners and public institutions. The event was also graced by H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda as the chief guest.

Africa Exhibition on South-South and Triangular Cooperation

An Africa exhibition on SSTRC was held during the AHFSSTRC with the objective of showcasing innovative development initiatives implemented in the continent. The exhibition also showcased local initiatives by entrepreneurs especially youth and women.

With participation of South-South Cooperation agencies, international organisations, government agencies, regional organisations, civil society organisations, among others, the exhibition focused on SDGs particularly: Goal 1 – No Poverty, Goal 3 – Good Health and Wellbeing, Goal 4 – Quality Education, Goal 5 – Gender Equality, Goal 8 – Decent Work and Economic Growth, Goal 10 – Reduced Inequality, Goal 13 – Climate Action, Goal 16 – Peace, Justice and Strong Institutions, & Goal 17 – Partnership for the Goals.

Global Development Centre Participation at the Africa exhibition on South-South and Triangular Cooperation

In line with GDC's mandate of fostering SSC and mutuality of themes for the exhibition and GDC thematic areas, the three-day exhibition was leveraged to

showcase GDC programmes and India's development cooperation initiatives. At the exhibition, GDC showcased India's successful development interventions and GDC's programmes aimed at sharing technology, experiences and best practices from India's flagship programmes and development interventions. GDC exhibition covered the following sectors:

- **Agriculture:** India's flagship programmes showcased include National Mission for Sustainable Agriculture (NMSA), National Water Mission, National e-Agriculture Market (e-NAM) and Climate Smart Agriculture.
- **Health:** Initiatives for advancing access to affordable quality health; digital health (Ayushman Bharat Digital Mission, Co-WIN), Health Insurance (Ayushman Bharat), Traditional medicines, among others.
- **Science Technology and Innovation (STI):** Harnessing technology for accelerating inclusive development focusing on Unified Payment Interface (UPI), Aadhaar Digital ID, Aadhaar Enabled Payment System, Direct Benefit Transfers (DBT), and RuPAY, among others.
- **Development Practices and New Frameworks;** Climate Change, Disaster Risk Reduction, Women's Economic Empowerment, and Gender Development, among others.

During the exhibition, GDC held highly productive interactions with multiple stakeholders aimed creating awareness on GDC objectives and fostering future partnerships. Prominent

political leaders from Africa with whom interactions were held include Hon. Amos Lugolobi, Minister of State, Ministry of Finance, Planning and Economic Development, Uganda; and Hon. Kwaku Ampratwum-Sarpong, Deputy Minister, Ministry of Foreign Affairs and Regional Integration, Ghana. Hon. Amos was briefed about the meeting held on 17 January 2023, between GDC, NPCI International Payments Limited (NIPL) and the technical leadership of officials from the Ministry of Finance, Planning and Economic Development, Uganda. Hon. Amos highly appreciated GDC's initiatives and promised the ministry's full technical support to the ongoing engagements. Upon being briefed about GDC's work, Hon. Kwaku expressed his support for the endeavours in enhancing India-Ghana development cooperation.

Promise of Mutually Beneficial Future Collaborations of GDC in and for Africa

During the Forum and the exhibition, discussions were held with APRM and other African Union agencies on possible collaboration for strengthening South-South Cooperation between India and Africa countries. Prospects for GDC-RIS collaboration with APRM and other partners to conduct capacity building programmes, joint publications, facilitating India-Africa exchange of experiences on development planning, convening high-level events on SSTRC involving stakeholders from Africa and Asia, among others. Given APRM's pioneering work on SSC through VNRs

and strong connect with Ministries of planning and national planning authorities across the Continent, collaboration opens up opportunities for GDC to expand its footprint in Africa.

Further, GDC held very productive meetings with officials from Cameroon, Rwanda and Uganda, all of whom expressed interest in taking the conversation forward through their respective agencies. Specific interest was shown by Cameroon to collaborate with GDC for moving forward its plans to leverage digital technology for social-economic transformation especially in Agriculture and Health sectors. Exchange of experiences and best practices between Rwanda and India on renewables focusing on clean cooking solutions, and solar energy, was another promising potential collaboration. Discussions on collaborative exchanges with the National Planning Authority (NPA) of Uganda on Agriculture, Health, and STI and digital technologies and with the Ministry of Works and Transport on climate resilient infrastructure, innovations in infrastructure development and capacity building programmes were useful outcomes in the engagements with Ugandan officials.

Discussions with officials from the United Nations Development Programme (UNDP) officials from Uganda and Rwanda, Saudi Fund for Development (SFD) and International Fund for Agricultural Development (IFAD) demonstrated promise of institutional collaboration.

Conclusion

SSTrC is critical for catalysing the attainment of the UN Agenda 2030 and the African Union Agenda 2063. The AHFSSTrC has emerged as an important platform for African governments and development partners to discuss modalities of strengthening SSTrC, showcasing successful experiences and best practices, and engaging with SSTrC agencies. GDC's exhibition at the Forum provided an important avenue for useful

discussions with African governments, regional and international organisations on opportunities for advancing India-Africa development cooperation. Leveraging on success stories in India and Africa, long-standing relations and similar socio-economic dynamics, India-Africa development cooperation has great potential of contributing to equitable and sustainable development for both parties.

ODA Flow from the EU to Latin America and the Caribbean

Sushil Kumar*

On 17-18 July 2023, the third EU-CELAC Summit of Heads of State and Government will be held in Brussels. In this context, this article analyses the flow of Official Development Assistance (ODA) from the EU member states to Latin America and the Caribbean. The EU member States are the largest donors of Official Development Assistance (ODA) in the globe, contributing 46 percent of total aid. The global bilateral ODA from the EU has increased from USD 26.3 billion in 2000 to USD 52.5 billion in 2021. During the same time period, it increased from USD 2.6 billion to USD 3.4 billion for Latin America and the Caribbean, making the EU the largest donor in the region. The analysis also shows that the three European Union countries—France, Germany, and Spain accounted for 85 percent of total aid provided to the LAC region in 2021, and the social infrastructure and services sector accounted for roughly 41 percent of total EU aid to LAC in 2021.

The European Union (EU) is a significant partner for Latin America and the Caribbean (LAC) in the international arena based on a historical relationship and reciprocal migratory flows (Andrés & Pont, 2018). From an institutional point of view, there have been historical dialogues and partnership processes between the two continents. The first LAC–EU Summit, held in Rio de Janeiro, Brazil, in 1999, when a strategic partnership was forged between the EU and the LAC countries, aimed to consolidate a space for political agreement and inter-regional cooperation that would complement the establishment of a free-trade zone (FTZ) (Serbin et al., 2018). It is worth mentioning that in 2010, 33 LAC countries decided to consolidate the Rio Group¹ and the Summit of Latin America and the Caribbean on Development and Cooperation (CALC) into one forum: the Community of Latin American and Caribbean States (CELAC) and the 1st EU-CELAC Summit took place in Santiago, Chile, on January 26-27, 2013. On June 10 and 11, 2015, the EU and CELAC leaders met in Brussels for the second EU-CELAC Summit. There, they agreed to strengthen the regional partnership between the two regions based on mutual interests, and respect for human rights. The upcoming third EU-CELAC Summit in July 2023 provides an opportunity to discuss the current development relations between EU and CELAC member

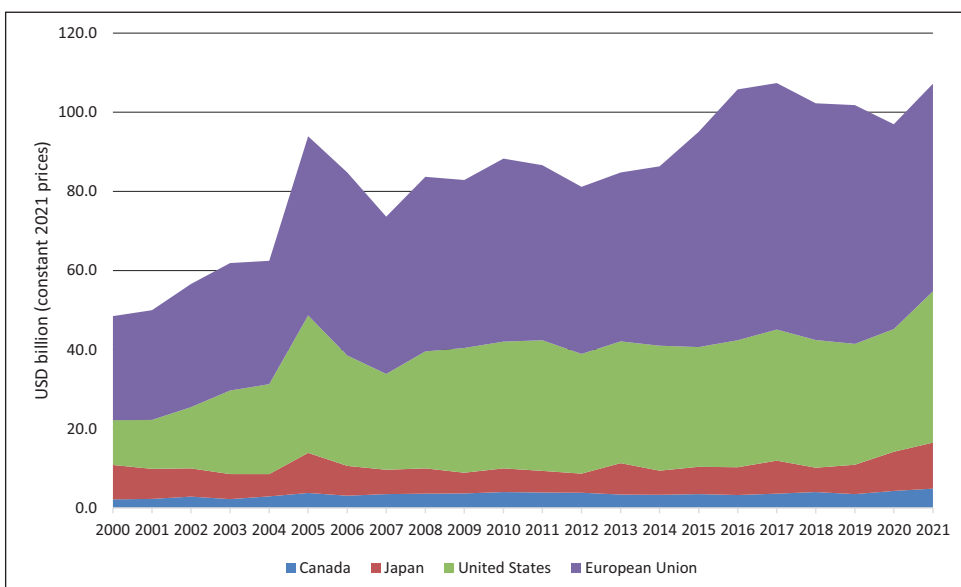
* Assistant Professor, RIS. Views are Personal

states. This write-up analyses the flow of official development assistance from the EU member states to LAC and offers recommendations for the upcoming Summit in the context of the development partnership.

A. The EU's ODA in a Global Context

The total amount of Official Development Assistance (ODA) provided by the EU member states increased from USD 26.3 billion in 2000 to USD 52.5 billion in 2021², growing at a compound annual growth rate (CAGR) of more than 4 percent, except the years between 2008 and 2012 where the world, including the EU countries, was affected by the global financial crisis (2008) and fiscal consolidation in the eurozone (2012) led a group of countries to implement budget adjustment programmes that resulted in a decline in the total amount of global ODA (ECLAC, 2014). During this period, the total amount of ODA provided by the EU member states remained steady (see Figure 1). Overall, a steady increase in the ODA flow from the USA, Japan and Canada (the share of these countries was 30 percent, 9 percent, and 3 percent respectively in total ODA from DAC in 2021) was also observed during the years 2000 to 2021 (see Figure 1).

Figure 1: ODA flow from EU, Japan, USA and Canada towards all recipient countries between 2000-2021, USD billion (constant 2021 prices)



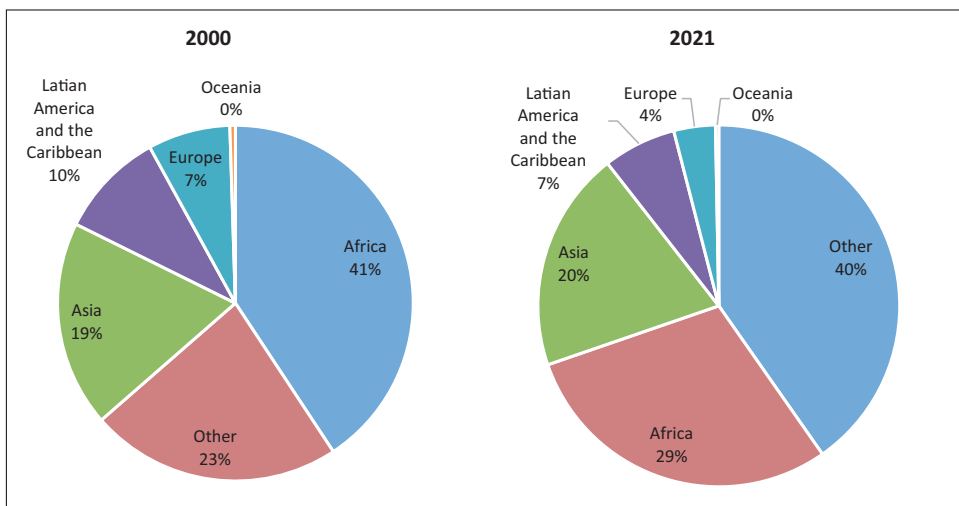
Source: OECD stat. (Data extracted on 01 May 2023 05:30 UTC (GMT) from OECD.Stat). Due to the United Kingdom's withdrawal from the European Union on February 1, 2020, the UK was included in the total figure of the EU up to 2019. In 2020 and 2021 UK provided ODA of USD 13.14 billion and USD 9.82 billion respectively.

As for the distribution of EU member states' ODA by region, the importance

of LAC declined: the region accounted for 10 percent of the total in 2000–2001 and 7 percent in 2021–22 (see Figure 2). However, the breakdown of ODA received by LAC during the past twenty-one years demonstrates that the EU member states as a whole are the largest donor, accounting for 41 percent of total ODA.

Figure 2: EU member states’ ODA in 2000 and 2021, By recipient region, USD billion (constant 2021 prices)

Source: OECD stat. (Data extracted on 01 May 2023 05:30 UTC (GMT) from OECD.Stat). Due to the



United Kingdom’s withdrawal from the European Union on February 1, 2020, UK included in the total figure of EU up to 2019. The United Kingdom allocated a total of USD 2.4 billion in Official Development Assistance (ODA) to Africa in 2021, USD 0.3 billion was disbursed for the Americas, USD 1.8 billion for Asia, USD 0.2 billion for Europe, USD 0.01 billion for Oceania, and USD 5.1 billion for other regions.

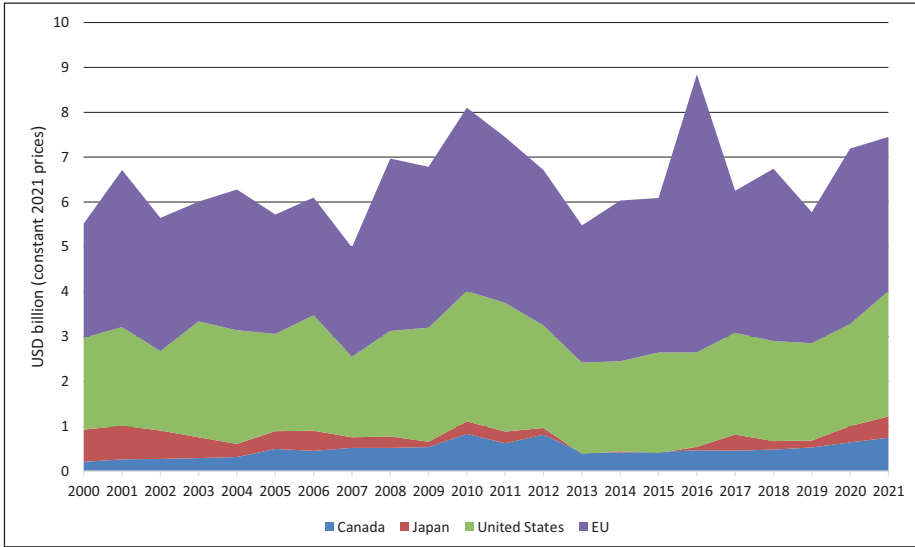
B. ODA to LAC, 2000-2021

DAC members slightly increased the amount of their ODA (bilateral) to the LAC region and countries. In the last twenty years, between 2000 and 2021, the amount of ODA to LAC from selected DAC donors increased from over USD 5.8 billion to over 7.5 billion. During the same time period, ODA from the EU member countries to LAC also increased from USD 2.6 billion to USD 3.4 billion (see Figure 3). In 2021, the EU member states extended USD 3.4 billion of ODA to LAC (41 percent of the total ODA received in the region) and were the main donor at the regional level.

It is essential to point out that ODA provided by three countries of the EU—namely, France, Germany, and Spain—accounted for 85 percent of ODA provided to the LAC region in 2021 (see Figure 4). Moreover, it is essential to recall that LAC countries, such as Chile and Uruguay, have ‘graduated’ from ODA. Following the increase in their GDP - mainly related to an increase in resources prices, but not necessarily to improved development - those countries cannot have any more

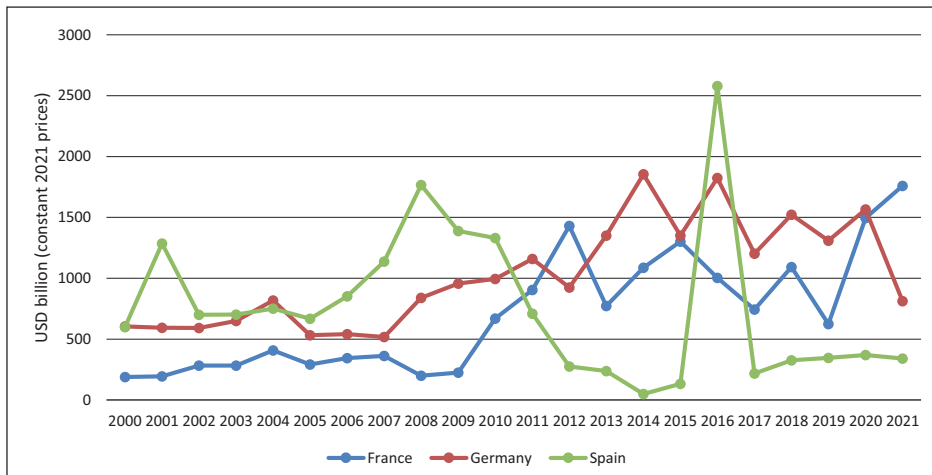
access to ODA.

Figure 3: ODA from selected DAC donors to LAC between 2000-2021, USD billion, (constant 2021 prices)



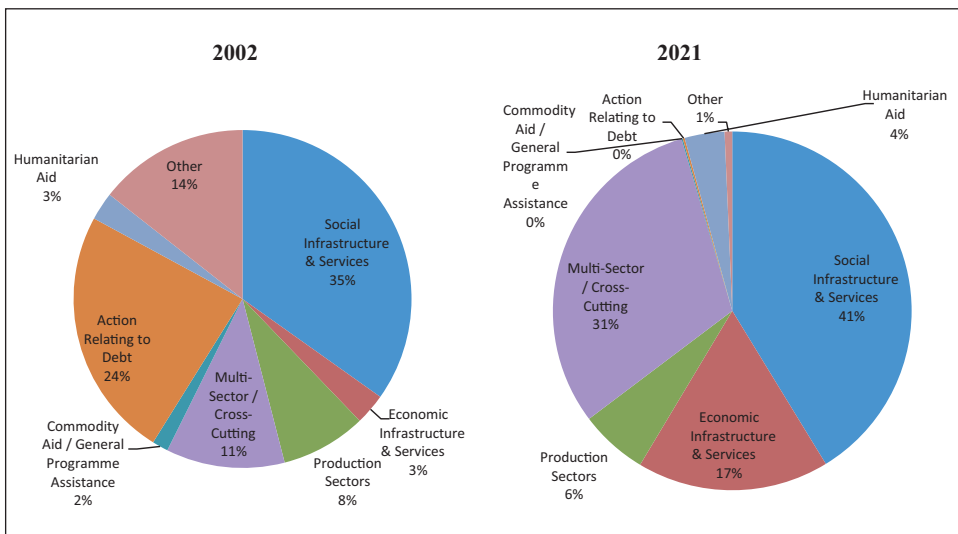
Source: OECD stat. (Data extracted on 01 May 2023 05:30 UTC (GMT) from OECD.Stat). Due to the United Kingdom’s withdrawal from the European Union on February 1, 2020, UK included in the total figure of EU up to 2019. In 2020 and 2021, the United Kingdom disbursed of ODA \$376 million and \$261 million respectively.

Figure 4: ODA from France, Germany, and Spain to LAC between 2000-2021, USD million (constant 2021 prices)



Source: OECD stat. (Data extracted on 01 May 2023 05:30 UTC (GMT) from OECD.Stat).

Figure 5: ODA flow from EU member states to LAC by sector in 2002 and 2021



Source: OECD stat. (Data extracted on 01 May 2023 05:30 UTC (GMT) from OECD.Stat).

Figure 5 demonstrates that the share of the social infrastructure and services sector in ODA provided by the EU Institutions to LAC has increased from 35 percent in 2002 to 41 percent in 2021 (data on ODA provided by EU member states to LAC by sector are available only from 2002 onwards), while the share of economic infrastructure and services has increased significantly from 3 percent to 17 percent. ODA for the production sector has decreased slightly over the same time period (see Figure 5).

The analysis suggests that ODA from EU member states to LAC has increased during 2000-2021, but in absolute terms, it represents only USD 3.4 billion in 2021. This amount should be increased as many LAC countries face multiple development challenges and lack access to external capital. Moreover, due to the COVID-19 pandemic, many low- and middle-income countries face the problem of debt sustainability/debt distress. In this context, DAC members should fulfill their commitment to allocate 0.7 percent of their GNI to ODA, which can help leverage public domestic financing, blended finance, and sustainable private investments. In the context of the upcoming EU-CLEAC summit, the EU and LAC countries should also focus on financing for SDGs and the climate change issue (Paris Agreement objectives), specifically climate finance.

Endnote

- ¹ The Rio Group was a permanent association of political consultation of Latin American and Caribbean nations, established on December 18, 1986 in Rio de Janeiro, Brazil, with the purpose of fostering improved political relations among the nations.
- ² ODA-total net (disbursements) and data is based on the constant 2021 prices.

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We invite contributions from interested readers on issues related to development cooperation in general and South-South Cooperation in particular. Contributions may also capture theory, practice and associated debates on development cooperation. Reviews of latest publications - books, monographs, reports - are also welcome. Any institutional upcoming events on development cooperation may also be captured in DCR. The contributions should be restricted to not more than 1500 words.

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2. Manuscripts should be prepared using double spacing. The text of manuscripts should not ordinarily exceed 1500 words. Manuscripts sent for peer review section may be limited to 5000 words. Such submissions should contain a 200-word abstract, and key words up to six.

3. Use 's' in '-ise' '-isation' words; e.g., 'civilise', 'organisation'. Use British spellings rather than American spellings. Thus, 'labour' not 'labor'. (2 per cent, 3 km, 36 years old, etc.). In general descriptions, numbers below 10 should be spelt out in words. Use thousands, millions, billions, not lakh and crore. Use fuller forms for numbers and dates— for example 1980-88, pp. 200-202 and pp. 178-84, for example, 'the eighties', 'the twentieth century', etc.

Reference Style: References should be appended at the end of the paper. References must be in double space, and same author(s) should be cited, and then arranged chronologically by year of publication.

All references should be embedded in the text in the APA style. For details, please refer to Course and Subject Guides: <https://pitt.libguides.com/c.php?g=12108&p=64730>

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Development Cooperation Review (DCR) aspires to capture holistic narrative around global development cooperation and fill an important knowledge gap towards theorisation, empirical verification and documentation of Southern-led development cooperation processes. Despite growing volumes of development partnerships around the Southern world, there remains an absence of detailed information, analysis and its contribution to global development processes. Even though there have been sporadic efforts in documenting some of the activities, a continuous effort in chronicling the diverse experiences in South-South Cooperation (SSC) is still absent. RIS, in joint publication with GDI, FIDC and NeST has endeavoured to launch DCR, a quarterly periodical, to fill this gap.


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About Network of Southern Think Tanks (NeST)

Knowledge generated endogenously among the Southern partners can help in consolidation of stronger common issues at different global policy fora. Consequent to the consensus reached on many of these issues at the High-Level Conference of Southern Providers in Delhi (March 2013) and establishment of the subsequent Core Group on the SSC within the UNDCF (June 2013), the Network of Southern Think-Tanks (NeST) was formally launched at the Conference on the South-South Cooperation, held at New Delhi during 10-11 March 2016. The purpose of the NeST is to provide a global platform for Southern Think-Tanks for collaboratively generating, systematising, consolidating and sharing knowledge on SSC approaches for international development.  @NeST_SSC

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