

# Transforming International Cooperation

Thoughts and Perspectives on Moving Beyond Aid



Juliane Kolsdorf | Ulrich Müller [eds.]

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# **Preface**

The formula is more international cooperation.

António Guterres, UN Secretary General, in September 2019, on his formula for addressing critical global issues

Development policy and the system of international cooperation are in constant flux and change, just like the world and its global order itself. Nevertheless, some of its features and structures remain rigid and untouched, often due to a lack of alternatives, whether perceived or real. This as such is not new and we, who have been working in this field for many years, are constantly dealing with these discrepancies, trying to minimise the gaps between normative intentions, societal necessities and political reality, together with our clients and partners. However, the world has become much more complex in recent years, and fundamental changes are happening at a faster pace. New actors are taking their places on the main stage – be it emerging countries, popular movements or private sector giants – while routine partnerships have come under new scrutiny. New technologies are connecting people and changing access to information, knowledge and solutions, but may also create risks that we haven't imagined yet. Many of today's challenges, such as inequality, societal reconciliation or the effects of climate-related events, are facing countries in the North and South alike.

This publication circles around a topic that combines the 'old' and the 'new' in international cooperation.

Since 1969, the concept of Official Development Assistance (ODA) has been the framework for cooperation between 'developed' and 'developing' countries, based exclusively on the assessment of their income per capita. A new situation in our growing world economy has emerged out of this very categorisation: an increasing number of countries, including G20 members such as China, Brazil or Turkey, but also a range of medium-sized and small (island) countries, are moving towards the high-income category – and thereby towards 'graduation' from ODA. Regardless of the categorisation of these countries, serious challenges to sustainable development often persist, such as high degrees of social or regional inequality or great exposure to external shocks. Moreover, with the world facing serious global crises with respect to climate change, violent conflict and the spread of infectious diseases, it is more important than ever to invest in global partnerships.

These transition processes must be also embedded in the broader political context and the major reforms of the development cooperation logic, set out mainly through the 2030 Agenda and the Sustainable Development Goals (SDGs). Under the new paradigm of universality, must we not question traditional structures, such as the donor-recipient logic and the narrow focus on income as a measurement of a country's development? Countries like Mexico, Chile, Uruguay or Indonesia have long demanded a different understanding of cooperation, including a truly mutual approach to learning and contributing solutions, and additional 'developing' countries are joining this call. It is important for international partners to understand and consider the demands and needs of countries moving towards graduation from ODA. How can the experiences and lessons of graduated countries feed into our modes of cooperation with other countries in transition? How can well-established, trustful relationships be secured and modernised in a post-ODA setting in order for us to jointly achieve our goals, as set out in the 2030 Agenda?

Together, we need to go even further and raise the question of to what extent the concept of graduation from ODA and the changing development cooperation system mutually affect and shape each other. How can we organise our work in a setting where the dichotomic distinction between 'donor' and 'recipient' no longer exists, to ensure that all actors needed to find the right solution can bring their share to the table? How can we make the best of our complex world, not without ODA, but with smart options for sustainable development and cooperation beyond categories? Last but not least: what does that mean for the ODA-regime itself?

By setting up a research-oriented project in 2018, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) aimed to shed light on ODA graduation processes and their implications for countries in transition, for international partners and for the development cooperation system as such.

As a first component, GIZ supported the Overseas Development Institute (ODI) in conducting case studies to analyse the experiences and needs of four countries at different stages of graduation (Botswana, Mexico, Chile and South Korea). These were published by ODI in December 2019, and we would like to express our gratitude to the authors Annalisa Prizzon and Rachael Calleja for their thorough and enriching research, and to our colleagues involved – specifically at the respective country offices – for their dedicated support.

In the second part of the project, the findings of these studies served as a fundamental basis from which to enhance and expand the discussion on ODA graduation. In a series of fresh and fruitful dialogues, policymakers, practitioners and academics from more than 15 African, American, Asian and European countries embedded the topic in the global political context and the ongoing changes in development cooperation, focusing on a range of systemic questions

surrounding the matter of ODA graduation and linking the topic to other debates on cooperation in the SDG era.

The result of these discussions is the collection of ideas and perspectives that you are holding in your hands. We hope it may contribute inspiring thoughts to the realisation of the 'new' system of international development cooperation: living out universality and vivid global partnerships, while leaving no one behind, with a smart use of ODA – and beyond.

Eschborn, May 2020

Dr Elke Siehl, Director of Corporate Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Dr Dirk Aßmann, Director General of the Sectoral Department, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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# Contents

List of abbreviations	11
Introduction Juliane Kolsdorf, Andrés Saravia, Ulrich Müller	15
Spotlight i: Official Development Assistance in 2020 – debated, disrupted and relevant, still <i>Ida Mc Donnell</i>	21
Spotlight ii: Moving away from aid – key results and recommendations from country studies  Annalisa Prizzon	27
Dialogue 1: The global context – ODA graduation in times of changing global relations and partnerships  Imme Scholz, Elizabeth Sidiropoulos	31
Dialogue 2: Implications, challenges and opportunities of ODA graduation for countries in transition  Noel González Segura, Xiaojing Mao, Karen van Rompaey	47
Spotlight iii: China – the developed developing nation  Thorsten Giehler	63
Spotlight iv: Civil society and ODA graduation – impacts, roles and opportunities  Rachel Hayman	67
Dialogue 3: Implications, challenges and opportunities of ODA graduation for DAC donors  Corinna Küsel, Ivan Pavletic, Annalisa Prizzon, Anna Rahm, Markus Schrader	71
Dialogue 4: ODA and the international (development) cooperation system: global goals and strategic partnerships  Joseph D'Cruz, Stephan Klingebiel, Yuefen Li, Philani Mthembu	91

## Contents

Dialogue 5: Financing for development in transition and beyond ODA Fanwell Bokosi, Shari Spiegel	107
Spotlight v: Transition finance – financing the journey towards sustainable development  Olivier Cattaneo, Cecilia Piemonte	123
Dialogue 6: Modes, ideas and innovations for cooperation beyond ODA Citlali Ayala Martínez, Semih Boyaci, Riad Ragueb Ahmed, Ulrich Wehnert	127
Spotlight vi: The role of global networks in settings beyond ODA – the example of the Global Alliances for Social Protection  Nora Sieverding	143
Spotlight vii: Building entrepreneurial communities and enabling innovation for sustainable development worldwide – the Impact Hub network  Semih Boyaci	147
Dialogue 7: The role of South-South and triangular cooperation in contexts beyond ODA  Orria Goni Delzangles, Nadine Piefer-Söyler, Martín Rivero Illa, Rita  Walraf	149
Spotlight viii: Scaling up South-South and triangular cooperation through digital technologies – the UN's South-South Galaxy as an example of knowledge sharing  Shams Banihani	165
Conclusions and outlook Ulrich Müller, Carolina de la Lastra, Juliane Kolsdorf	167
Bibliography	187
About the authors and contributors	197

# List of abbreviations

AAAA Addis Ababa Action Agenda

AFRODAD African Forum and Network on Debt and Development

AMEXCID Agencia Mexicana de Cooperación Internacional para el

Desarrollo (Mexican Agency for International

**Development Cooperation**)

ASEAN Association of Southeast Asian Nations

AU African Union

AUCI Agencia Uruguaya de Cooperación Internacional (Uru-

guayan Agency for International Cooperation)

AUDA-NEPAD African Union Development Agency – New Partnership

for Africa's Development

BAPA Buenos Aires Plan for Action

BAPA+40 Second United Nations High-level Conference on South-

South Cooperation

BRICS Brazil, Russia, India, China, South Africa

BMZ Bundesministerium für wirtschaftliche Zusammenarbeit

und Entwicklung (German Federal Ministry for Economic

Cooperation and Development)

CSO Civil Society Organisation

CSR Corporate Social Responsibility

DAC OECD Development Assistance Committee

DCD OECD Development Co-operation Directorate

DEval Deutsches Evaluierungsinstitut der Entwicklungszusam-

menarbeit (German Institute for Development Evaluation)

DFID Department for International Development, UK

DG DEVCO European Commission's Directorate General for Interna-

tional Cooperation and Development

#### List of abbreviations

DIE Deutsches Institut für Entwicklungspolitik (German Deve-

lopment Institute, GDI)

ECLAC United Nations Economic Commission for Latin America

and the Caribbean

EU European Union

FCO Foreign and Commonwealth Office, UK

FfD Financing for Development

FSD Financing for Sustainable Development

FOCAC Forum on China-Africa Cooperation

G7 Group of 7

G20 Group of 20

GDP Gross Domestic Product

GFATM Global Fund against AIDS, Tuberculosis and Malaria

GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit

GmbH (German Agency for International Cooperation)

Before 2011: Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ), Deutscher Entwicklungsdienst (DED) and Internationale Weiterbildung und Ent-

wicklung GmbH (InWEnt)

GNI Gross National Income

HIC High-Income Country

HIPC Heavily Indebted Poor Country

IDA International Development Association

IDFC International Development Finance Club

IsDB Islamic Development Bank

IMF International Monetary Fund

INGO International Non-Governmental Organisation

INTRAC International NGO Training and Research Centre

KfW Kreditanstalt für Wiederaufbau (German Bank for Recon-

struction and Development)

LDC Least Developed Country

LMIC Lower-Middle Income Country

MDB Multilateral Development Bank

MDG Millennium Development Goal

MDRI Multilateral Debt Relief Initiative

MENA Middle East and North Africa

MERCOSUR Mercado Común del Sur (Southern Common Market)

MIC Middle-Income Country

MPI Multidimensional Poverty Index

NAMA Nationally Appropriate Mitigation Action

NeST Network of Southern Think Tanks

NGO Non-Governmental Organisation

ODA Official Development Assistance

ODI Overseas Development Institute

OECD Organisation for Economic Co-operation and Develop-

ment

OOF Other Official Flows

SAIIA South African Institute of International Affairs

SDC Swiss Agency for Development and Cooperation

SDG Sustainable Development Goal

SECO Swiss State Secretariat for Economic Affairs

SEGIB Secretaría General Iberoamericana (Ibero-American

General Secretariat)

Sida Swedish International Development Cooperation Agency

SIDS Small Island Development State

SME Small and Medium Enterprise

SSC South-South Cooperation

TICAD Tokyo International Conference of African Development

### List of abbreviations

TrC Triangular Cooperation

TOSSD Total Official Support for Sustainable Development

UK United Kingdom

UMIC Upper-Middle Income Country

UN United Nations

UNCTAD United Nations Conference on Trade and Development

UN-DESA UN's Department of Economic and Social Affairs

UNDP United Nations Development Programme

UNESCO United Nations Educational, Scientific and Cultural Or-

ganization

UNGA United Nations General Assembly

UNOSSC United Nations Office for South-South Cooperation

US United States of America

USAID United States Agency for International Development

USD United States Dollar

WBGU Wissenschaftlicher Beirat der Bundesregierung Globale

Umweltveränderungen (German Advisory Council on

Global Change)

WTO World Trade Organization