

Helpdesk Research Report: Indonesian and Philippine engagement in South-South and Triangular Cooperation

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Query: How do middle-income aid recipients like Indonesia and Philippines engage in South-South and Triangular Cooperation?

- What countries do they cooperate with?
- What forms does that cooperation take?
- How significant are Indonesia and the Philippines as providers of development cooperation, compared with other regional players, especially China and India?
- How do these forms of development cooperation sit with traditional aid programs operating in those countries?

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Contents

1. Overview
2. Geographical scope and nature of cooperation
3. Comparisons with other regional players
4. How do these forms of development cooperation sit with traditional aid programs operating in those countries?
5. References
6. Additional information

1. Overview

South-South Cooperation (SSC) has been loosely defined as “an exchange of expertise between governments, organizations and individuals in developing nations” (South-South Info, 2011).¹ Triangular development co-operation (TDC) may be understood as “a type of development co-operation involving three partners, although it tends to focus on partnerships between *DAC Donors* and *Providers of South-South Co-operation* to implement development co-operation programmes / projects in *Beneficiary Countries*” (OECD, 2009a, p.1).

¹ A narrower definition has been proposed by the UN Economic and Social Council: “South–South cooperation is defined to include grants and concessional loans (Including export credits) provided by one Southern country to another to finance projects, programmes, technical co-operation, debt relief and humanitarian assistance and its contributions to multilateral institutions and regional development banks” (ESOSOC, 2009, p.iv).

This report examines how middle-income aid recipients, specifically Indonesia and the Philippines, engage in South-South and triangular cooperation. First, it identifies examples of cooperation to assess who Indonesia and the Philippines cooperate with and what forms this cooperation takes. Second, it looks at how significant Indonesia and the Philippines are as providers of development cooperation, compared with other regional players, especially China and India. Third, it examines how South-South and triangular cooperation sit alongside the traditional aid programs that operate in Indonesia and the Philippines to see whether these new forms of development cooperation are likely to displace or change the way traditional aid is done.

It should be noted from the outset that the evidence base on Indonesian and Philippine engagement in South-South and triangular cooperation is limited. Neither country has a long-term overall national policy on South-South and triangular cooperation, nor is information collected, compiled and reported to the public. No research studies that focus specifically on Indonesian or Philippine South-South cooperation were identified in the preparation of this report. Consequently, this report provides examples drawn from a range of materials, but is not a comprehensive list of all cooperation. Further research is needed to gain a better understanding of the nature and scale of development cooperation in both Indonesia and the Philippines, the conditions in which these new forms of cooperation are effective and how they can best be supported.

Key findings include:

- Both Indonesia and the Philippines provide considerable assistance to other developing countries, typically capacity building and sharing expertise about a range of development themes from agriculture and rural development to ICT, microfinance, education, health and welfare, amongst others.
- While most cooperation occurs at a regional Asia-Pacific level, Indonesia and the Philippines have also engaged in South-South and triangular programmes with African countries. Indonesia is also building links with other big middle-income countries such as Brazil.
- South-South cooperation occurs at various levels – between national governments and ministries, at universities, and between civil society organisations. For example, IBON Foundation in the Philippines is a leading voice in South-South Cooperation, coordinating the Reality of Aid, a collaborative, non-profit initiative involving NGOs from North and South, and Better Aid Coordinating Group, the global platform of over 700 CSOs working for better aid and development effectiveness.
- Both countries are active in triangular cooperation:
 - Indonesia has traditionally partnered with Japan to provide cooperation to a range of countries in Asia and Africa. Recently, however, Indonesia and Brazil have forged closer links and are keen to share their experience with other Southern countries through TDC. Indonesia has also been supported by multilateral organisations, such as the OECD and UN ESCAP. The evidence available suggests that the most common type of Indonesian TDC involves training and capacity building around the theme of agriculture and rural development, with other projects on health, microfinance and ICT.
 - The Philippines has been a beneficiary of triangular cooperation on agriculture from Indonesia and Japan. It has also partnered with Japan to provide support, for example on agriculture and rural development to Cambodia, on public-private partnerships to Vietnam, and on education to Kenya.

- Lack of up-to-date data makes it difficult to accurately assess how significant Indonesia and the Philippines are as providers of development cooperation in the region. Clearly China, South Korea and India are the major regional players, followed by Taiwan, Thailand, and Malaysia. A recent ESOSOC (2008) study of 18 developing countries providing ODA did not include Indonesia and the Philippines, as it was believed they were not providing 'significant' amounts of ODA at the time.
- At present, South-South and triangular cooperation in Indonesia and the Philippines appears to be largely complementary to traditional aid programs. However, there is evidence that China, South Korea and India are emerging as key donors to the Philippines, causing some concern among traditional bilateral and multilateral donors about the growing influence and lack of transparency of China in particular. There are no publicly available figures for the magnitude of Chinese, Indian or Korean aid to Indonesia, but it is thought that Indonesia does not receive as much Southern ODA as the Philippines.
- As provider countries, both Indonesia and the Philippines have expressed their commitment to South-South cooperation as a foreign policy priority. While national interests and maintaining cordial relations with countries that are regarded as having strategic importance and common interests is clearly a motivating factor (as it is for most forms of development cooperation in both the North and South), the Indonesian and Philippine Government have unsurprisingly not stated publicly what their underlying commercial, strategic or geopolitical interests might be, or how these new forms of development cooperation should sit alongside traditional aid programs.

2. Geographical scope and nature of cooperation

It is difficult to assess the exact magnitude and nature of South-South cooperation, with different agencies participating² and a lack of publicly available data. There are also no figures available on the scale of triangular cooperation, partly because DAC countries do not report it separately from bilateral cooperation (Kumar, 2009). Table 1 shows examples of Indonesian and Philippine involvement in South-South cooperation, some of which is hosted by multilaterals or northern donors (typically Japan). Based on the examples shown in Table 1 (and later in Tables 2 and 3), both Indonesia and the Philippines provide considerable assistance to other developing countries, typically capacity building and sharing expertise about a range of development themes from agriculture and rural development to ICT, microfinance, education, health and welfare, amongst others. While most cooperation occurs at a regional Asia-Pacific level, Indonesia and the Philippines have also engaged in South-South programmes with African countries.

² Participating agencies in the Philippines include, for example: National Economic & Development Authority (NEDA) and Technical Cooperation Council of the Philippines (based in the Department of Foreign Affairs). In Indonesia, agencies include: the Bureau for Technical Cooperation, State Secretariat (SEKNEG) & Directorate of Technical Cooperation, MOFA. Several NGOs and civil society actors are also involved in South-South Cooperation, for example the International NGO Forum on Indonesian Development (INFID) in Indonesia and IBON Foundation in the Philippines.

Table 1: Examples of South-South Cooperation involving Indonesia and the Philippines

Title	Theme	Countries involved	Details
JICA-ASEAN Regional Cooperation Meeting (JARCOM) (2002-2008)	Development, including agriculture, business and industries, health and welfare, public administration, etc.	Cambodia, Lao PDR, Myanmar, Vietnam, Timor-Leste (mainly as recipients). Indonesia, the Philippines, Malaysia, Singapore, Thailand (mainly as providers). Japan (donor for the triangular cooperation).	JARCOM was a needs-oriented project formulation mechanism to promote South-South cooperation among its member countries under the technical cooperation framework of JICA. Between 2004 and 2007, 86 training projects out of 153 proposals were approved.
Africa Rice Centre - New Rice for Africa (NERICA)	Agriculture	China, Colombia, Philippines , Japan (as providers) Nigeria, Ghana, Benin, Sierra Leone, Togo, Cote d'Ivoire, Gambia, Mali, Liberia, and Burkina Faso (as participants) Support from UNDP, African Development Bank, FAO, USAID, Rockefeller Foundation, and the World Bank.	The project developed appropriate NERICA rice varieties by crossing African rice species (resistant to disease and drought) and Asian rice species (high yield potential). Experts from the Ministry of Agriculture in provider countries (including the Philippines) supported research and development as part of the project.
UNESCO's E-9 Initiative for SSC	Education	Bangladesh, Brazil, China, Egypt, India, Indonesia , Mexico, Nigeria, and Pakistan	E-9 initiative is aimed at exchanging good practices and technical expertise, and promoting SSC. Themes of Ministerial Meetings have covered the use of ICTs in education, early childhood care and education, collective and bilateral cooperation in education among others.
Colombo Plan	Economic and social development	Indonesia, Philippines , Afghanistan, Bangladesh, Bhutan, Brunei, Fiji, India, Iran, Lao PDR, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Papua New Guinea, Singapore, Republic of Korea, Sri Lanka, Thailand, Vietnam, Australia, Japan, New Zealand and the US	The Colombo Plan conducts a number of training programmes for officials of developing countries, including the Philippines . Between 1951 and 1991, 300,000 persons had been trained under the Colombo Plan course. Subsequently it has trained 13,000 persons.
South-East Asian National Human Rights Institutions Forum (SEANF)	Human rights	Indonesia, Philippines , Malaysia and Thailand. Supported by the European Union	The NHRIs work together to respond to human rights issues of common concern or with inter-border implications; international terrorism; trafficking in persons (particularly women and children); migrant workers; economic, social and cultural rights and the right to development; and human rights education.
South-South Cooperation (SSC) for Tsunami and Other Disaster Risk Management (DRM)	Disaster risk management	Bangladesh, India, Indonesia , Iran, Maldives, the Philippines , Sri Lanka and Thailand. Funded by Germany and supported by various UN agencies	The project allowed governments in the region to share expertise, experiences, and models for tsunami and disaster risk management.

East Asian Growth Area (BIMP-EAGA)	Trade, investment and tourism	Indonesia , Malaysia, Philippines , and Brunei Darussalam	EAGA aims to increase trade, investments, and tourism in the region, as well as the use of shared natural resources, technology and information.
Non-Aligned Movement Centre for South-South Technical Cooperation (NAM CSSTC)	Development	Founded by Indonesia and Brunei Darussalam, NAM CSSTC involves 118 Southern countries	NAM CSSTC acts as a centre for action and pooling resources as well as a forum for dialogue to attain the development objectives of both NAM member and non-member countries.
New African-Asian Strategic Partnership (NAASP)	Economic and technical cooperation	Indonesia and South Africa played major roles in the establishment of NAASP as co-chairs with 106 African and Asian countries involved	NAASP promotes cooperation between member states of the two continents in areas such as trade, industry, investment, finance, tourism, ICT, energy, health, transportation, agriculture, water resources, enhanced capacity building, human resources development among other areas.

Sources: based on information from Kumar (2009)

Indonesia

After the success of the BRIC countries, Indonesia has been identified by marketers and investors as the “next big thing” and forms part of the next tier of large emerging economies, known as MIST (Mexico, Indonesia, South Korea and Turkey) (Carmichael and Parekh, 2011). In line with its growing prospects, the evidence suggests that Indonesia plays an active (and growing) role in South-South cooperation. For example, Indonesia is:

- Co- chair (with Colombia) of the Task Team on South-South Cooperation (TT-SSC). The TT-SSC focuses on documenting, analyzing and discussing practice of SSC and their synergies with the aid effectiveness agenda.
- 2011 Chair of the Association of Southeast Asian Nations, ASEAN. In May 2011, Indonesia hosted the 18th ASEAN Summit carrying the theme “ASEAN Community in A Global Community of Nations.”³ Indonesia also held the First ASEAN-EU Business Summit which focused on five sectors: agrifood, automotive, healthcare, services and the energy sector.
- Founding member (with Brunei) of the Non-Aligned Movement Centre for South-South Technical Cooperation (NAM CSSTC), based in Jakarta.
- Co-chair and founder (with South Africa) of the New African-Asian Strategic Partnership (NAASP) which aims to boost cooperation between 106 African and Asian countries in areas such as trade, industry, investment, finance, tourism, ICT, energy, health, transportation, agriculture, water resources, enhanced capacity building, and human resources development.
- One of eight signatory members⁴ of the final protocol of the ‘Sao Paulo Round’ of the GSTP in December 2010, referred to as “a historical achievement for South-South economic cooperation and integration” by UNCTAD (2011, p.1).

³ In line with this, Indonesia proposed three priorities during its chairmanship of ASEAN in 2011, namely: to ensure significant progress in achieving the ASEAN Community; to ensure that the regional architecture and regional environment remain ASEAN-centered and conducive to development; and to commence deliberations on an ASEAN vision beyond 2015 namely “ASEAN Community in a Global Community of Nations” (Indonesia South-South Technical Cooperation, 2011).

⁴ The ‘GSTP 8’ are: MERCOSUR full member parties (Argentina, Brazil, Paraguay and Uruguay) along with the Republic of Korea, India, Indonesia, Malaysia, Egypt, Morocco and Cuba

South-South cooperation is one of Indonesia's foreign policy priorities (INSouth, 2011). Dinar Sinurat, the deputy director of the Indonesian Foreign Ministry's technical cooperation department, has commented that since 1998 Indonesia has been committing to technical cooperation programs with other developing countries: "We know that we receive much aid from other countries. So, it's important to keep developing bilateral and regional cooperation" (quoted in Xinhua, 2009).

Indonesia is also active in triangular cooperation. As can be seen from Table 2, Indonesia has traditionally partnered with Japan to provide cooperation to a range of countries in Asia and Africa. Recently, however, Indonesia and Brazil have forged closer links and are keen to share their experience with other Southern countries through TDC (Indonesian Ministry of Foreign Affairs, 2011). Indonesia has also been supported by multilateral organisations, such as the OECD and UN ESCAP. The evidence available suggests that the most common type of Indonesian TDC involves training and capacity building around the theme of agriculture and rural development, with other projects on health, microfinance and ICT.

Table 2: Examples of Triangular Cooperation involving Indonesia

Supporting partners	Theme	Beneficiary country	Project
Indonesia / Japan	Agriculture	Madagascar	Agricultural assistance
Indonesia / Japan	Agriculture	Cambodia, Lao PDR, Viet Nam, Thailand, Malaysia, Philippines, Timor Leste, Papua New Guinea, Fiji, Bangladesh, India, Sri Lanka, Mongolia, Sudan, Kenya and Zimbabwe	Training on artificial insemination of dairy cattle
Indonesia / Japan	Agriculture	Cambodia, Myanmar, Philippines, Thailand, Timor Leste, Egypt, Kenya, South Africa	Training of Trainers for Participatory Training Program on Agricultural Extension Methodology
Indonesia / Japan	Health	Afghanistan	Training Program on Public Health for Afghanistan Officials
Indonesia / Japan	Microfinance	Ethiopia, Kenya, Namibia, and Uganda	Microfinance for African Region: 'Managing Microfinance Institution'
Indonesia / Japan	Microfinance	Uganda	Sharia-based microfinance institution building and management
Indonesia / Philippines / Malaysia / Thailand / Japan	Rural development	Cambodia	Japan-ASEAN Rural Development and Resettlement Project
Indonesia / Brazil	Agriculture and rural development	Timor Leste	Reforestation project
Indonesia / UN ESCAP	ICT	Timor Leste	Training and ICT capacity building

Sources: OECD (2009a and 2010); UNDP Task Team on South-South Cooperation (2011); Indonesia South-South Technical Cooperation (2011); NAM CSTTC (2011); INSouth (2011)

Philippines

In 2011, the Secretary of Foreign Affairs, H.E. Albert F. Del Rosario, argued that South-South cooperation is one of the major pillars of the Philippine foreign policy. As shown in Table 1 earlier, the Philippines is active in South-South cooperation, both as a provider and (to a lesser extent) recipient. For example, the Philippines has provided expertise to JARCOM and the New Rice for Africa (NERICA) programme. It has been both a provider and recipient to JARCOM and the Colombo Plan. The Philippines has also engaged in South-South cooperation through regional organisations such as ASEAN, the South-East Asian National Human Rights Institutions Forum (SEANF), Non-Aligned

Movement Centre for South-South Technical Cooperation (NAM CSSTC), East Asian Growth Area (BIMP-EAGA), New African-Asian Strategic Partnership (NAASP), and South-South Cooperation (SSC) for Tsunami and Other Disaster Risk Management (DRM).

Compared with Indonesia, the Philippines has not played such a prominent part in founding or chairing key South-South institutions. It should however be noted that Philippine CSOs play a leading role in South-South cooperation. For example, the Director of the Philippine IBON Foundation (Antonio Tujan) is also the Chairperson of Reality of Aid, a collaborative, non-profit initiative involving NGOs from North and South. The network publishes annual reports on aid and development cooperation, including a Special Report on South-South Cooperation (2010). IBON Foundation also co-chairs the Better Aid Coordinating Group, the global platform of over 700 CSOs working for better aid and development effectiveness.

The Philippines has been a beneficiary of triangular cooperation on agriculture from Indonesia and Japan (see Table 3). It has also partnered with Japan to provide support, for example on agriculture and rural development to Cambodia, on public-private partnerships to Vietnam, and on education to Kenya.

Table 3: Examples of Triangular Cooperation involving the Philippines

Supporting partners	Theme	Beneficiary country	Project
Indonesia / Japan	Agriculture	Cambodia, Lao PDR, Viet Nam, Thailand, Malaysia, Philippines , Timor Leste, Papua New Guinea, Fiji, Bangladesh, India, Sri Lanka, Mongolia, Sudan, Kenya and Zimbabwe	Training on artificial insemination of dairy cattle
Indonesia / Japan	Agriculture	Cambodia, Myanmar, Philippines , Thailand, Timor Leste, Egypt, Kenya, South Africa	Training of Trainers for Participatory Training Program on Agricultural Extension Methodology
Philippines / Japan / Malaysia	Education	Kenya	Strengthening of Mathematics and Sciences in Secondary Education (SMASSE)
Philippines / Japan	Agriculture	Cambodia	Project of Capacity Building for Quality Control of Agricultural Materials (Fertilizers and Pesticides) (QCAM Project)
Philippines / Japan / US	Public-private partnerships (PPPs)	Vietnam	Innovative models for private-public partnerships – study tour of the Philippines for 14 key Vietnamese officials
Indonesia / Philippines / Malaysia / Thailand / Japan	Rural development	Cambodia	Japan-ASEAN Rural Development and Resettlement Project

Sources: OECD (2009a and 2010); UNDP Task Team on South-South Cooperation (2011); JICA (2010)

3. Comparisons with other regional players

In the Asia-Pacific, the key regional players (in purely financial contributions) are China, South Korea and India. In 2008, it was estimated that China's contribution to South-South ODA was US\$1.5-2 billion, South Korea's was US\$802 million, and India's was US\$547 million (see Table 4). However, few countries have centralized agencies administering foreign aid programs, making it difficult to

provide consolidated estimates of ODA. Further, these figures are based on ODA according to the DAC/OECD definition and exclude Southern contributions through multilateral facilities, as well as triangular development cooperation involving Northern contributors. It is likely that China's contribution is much larger when Chinese foreign assistance and government-supported economic projects in Africa, Latin America, and Southeast Asia is considered, and has been estimated at US\$25 billion in 2007 (NYU's Wagner School of Chinese Aid, cited in *The Reality of Aid*, 2010).

Exact figures are also not publicly available for the amount of South-South ODA flows from (or to) Indonesia and the Philippines⁵, making it difficult to accurately say how significant Indonesia and the Philippines are as providers of development cooperation in the region. Table 4 shows that China, South Korea and India are the major regional players, followed by Taiwan (US\$435 million), Thailand (US\$178 million), and Malaysia (US\$16 million). In ESOSOC's 2008 study of 18 developing countries providing ODA (from which some of the data in Table 4 comes from), both Indonesia and the Philippines were not included as ESOSOC believed they were not providing 'significant' amounts of ODA at the time.

Table 4: Disbursements of Selected South-South ODA Flows, 2008

	Amount (In US\$ million)	% of Gross National Income	% to total SSDC
Saudi Arabia	5,564	1.5 /a	40
China	1,500 - 2,000	0.06 - 0.08	14.4
Venezuela	1,166 - 2,500	0.71 - 1.52	18
Turkey	780	0.11	5.6
South Korea	802	0.09	5.8
India	568	0.05	5.8
Taiwan	435	0.11	3.1
Brazil	356	0.04	2.6
Kuwait	283	-	2
South Africa	194	0.07	1.4
Thailand	178	-	1.3
Israel	138	0.07	1
United Arab Emirates	88	-	0.6
Malaysia	16	0.01	0.1
Argentina	15	0.0025 - 0.0050	0.07
Chile	13	0.0026 - 0.0029	0.02
TOTAL	12,076.6 - 13,915.9		

Source: *The Reality of Aid* (2010, p.5)

Official government statistics suggest that South-South cooperation is relatively modest in financial terms for the Philippines. According to 2011 figures from the Department of Foreign Affairs, Php3.2million (US\$73,000) was allocated to the Technical Cooperation Council of the Philippines, representing approximately 3 percent of the total foreign affairs budget of Php11billion. Of the Php3.2 million for technical cooperation, almost Php1million covered personal services and Php2.2 million was spent on maintenance and other operating expenses. No data could be found for Indonesia. Globally, the lack of data on South-South and TDC has been identified as a priority for future research, with transaction costs and inputs still very much uncertain (OECD, 2010).

⁵ ODA data on several non-DAC donors, including Indonesia and the Philippines, has not been disclosed (OECD, 2009b).

4. How do these forms of development cooperation sit with traditional aid programs operating in those countries?

As the global economic landscape changes and traditional donors face the prospect of years of economic stagnation, middle-income aid recipients like Indonesia and Philippines are increasingly looking towards other developing economies for greater trade, investments and development cooperation (Reality of Aid Network, 2010). Antonio Tujan, Director of IBON International, a network of grassroots groups drawn from the global south and based in the Philippines, has noted how the OECD's legitimacy is being challenged by the new donors, especially China and India in Asia, offering millions of dollars in ODA with seemingly no strings attached: "Countries like Sri Lanka in South Asia, and Cambodia, Laos and Burma in Southeast Asia, do not have Western doors to knock on, cap in hand; they have these new ODA players to turn to" (quoted in Macan-Markar, 2011).

According to a recent report by the Reality of Aid Network (2010), chaired by the IBON Foundation, the real significance of these forms of development cooperation is not so much the growing magnitude of ODA or financial investment from Southern countries, but that the nature of the exchange is based less on policy conditionalities and more on principles of solidarity. For example, China's development assistance policy is based on the principle of equality and mutual benefit and India's foreign aid program is guided by the promotion of Southern cooperation and partnership for mutual benefit.

Nevertheless, some have argued that China and India's motives are not purely altruistic. Singh, Director of the Public Interest Research Centre, a New Delhi-based think tank, has suggested that, "China and India have entered this field with foreign policy and strategic interests in mind ... China wants to get natural resources in return for infrastructure investments, while India wants to secure geo-political returns – a greater voice in the international community" (quoted in Macan-Markar, 2011). In this respect, it could be argued that aid patterns (or at least motivations) are consistent with traditional donor programs which have long been influenced by commercial, strategic and historical interests (Neumayer, 2003).

Philippines as recipient of South-South cooperation:

Despite a long history of receiving foreign aid, the long-term trend since 1992 has been one of declining flows of ODA from OECD-DAC countries (Rotarou and Ueta, 2010). The last decade has seen the emergence of two Southern countries, China and South Korea, as key donors to the Philippines:

- China – development assistance to the Philippines has surged recently with US\$2billion pledged in loans each year from 2007-2009. More recent figures are not available, but are likely to be even higher. China appears to be filling the gap created by declining OECD DAC and should soon surpass Japan as the largest donor to the Philippines.
- South Korea – the Philippines is the largest recipient of Korean aid, with five framework agreements signed in 2011 worth Php1 billion (US\$23million) in priority sectors of agriculture, infrastructure, health and climate change (PHILKOFA, 2011).

The rapidly expanding ODA flows (and influence) of China have caused some concern among traditional bilateral and multilateral donors in the Philippines. For example, in 2007, the ADB lost a key water financing deal to China when the Philippines state water agency (MWSS) withdrew its application for a US\$70m loan to repair an aquaduct that supplies most of Manila's water needs. MWSS decided to borrow instead from the China Export-Import Bank, which promised cheaper rates

and faster flexibility. The ADB had hoped to showcase its new flexible lending facility, but were not able to move fast enough. The episode highlighted the changing nature of development cooperation, with an ADB official noting that multilateral development banks are no longer the only source of long-term, reasonably cheap funding for infrastructure (Landing, 2007).

The Philippine experience with Chinese development assistance has not been without controversy. Criticisms over the nature and characteristics of Chinese aid include: bloated project costs; lack of competitive bidding; giving the Chinese access to natural resources; lack of transparency; environmental risks; no regard to sustainability; and use of tied aid (Aquino Jr and Jensen-Joson, 2009). It should be noted, however, that these critiques are not new or unique to Chinese aid; there is a long tradition of the negative historical impact of aid in the Philippines (Rotarou and Ueta, 2010; Aquino Jr and Jensen-Joson, 2009).

India is also emerging as a key actor in the Philippines, with bilateral high-level visits increasing. Economic cooperation between India and the Philippines is expected to be significantly enhanced by the operationalisation of the India - ASEAN FTA in trade-in-goods which took effect in June 2011. The Philippines is also one of the beneficiaries of the Indian Technical and Economic Cooperation (ITEC) programme and Colombo Plan. In 2011-12, 35 slots each under ITEC and the Colombo Plan have been allocated to the Philippines. So far, more than 800 Philippine nationals have benefited under these schemes, covering a wide range of technical courses. Indian-Philippine military and diplomatic cooperation is also strengthening, with the Philippines supporting India's candidature for the non-permanent membership of the UN Security Council for the 2011-12 term and several Indian navy ships and Indian coastguard ships visiting the Philippines in 2010 and 2011 (India Ministry of External Affairs, 2011).

Indonesia as recipient of South-South cooperation:

The World Bank and Asian Development Bank (ADB) are the two major multilateral donors/creditors in Indonesia (Murut, 2011). Japan is currently the biggest bilateral donor with approximately US\$1.4 billion in ODA to Indonesia, followed by Australia (US\$334m), Germany (US\$198m), and the Netherlands (US\$165m) (OECD, 2011). The US and France also make substantial contributions, but the OECD only publish data on donors' top ten recipients, of which Indonesia is not one.

There are no publicly available figures for the magnitude of Chinese or Indian aid to Indonesia, but it is thought that, unlike the Philippines, Indonesia does not receive much Southern ODA. Lum et al (2008) have noted that: "Muslims in the region (Indonesia, Malaysia) look not so much to China as they do to the rest of the Muslim world for models outside their national settings. Given that Muslims represent approximately half the population of Southeast Asia, and are concentrated in maritime Southeast Asia, this should place limits on the extent of Chinese soft power influence there" (p.3). China and Korea have both provided disaster relief and reconstruction to Indonesia, although some foreign aid experts criticized China's "relatively limited" offers of disaster relief following the 2004 Indian Ocean earthquake and tsunami; China pledged US\$63 million to Indonesia compared to Taiwan's US\$50 million and the United States' US\$405 million (Lum et al, 2008).

Indonesia and the Philippines as providers

As provider countries, both Indonesia and the Philippines have expressed a desire to engage in south-south cooperation in order to share experiences and learn from other countries as a complementary form of development cooperation alongside traditional aid programs. SSC and TDC are key pillars of both the Philippines' and Indonesia's foreign policies and are viewed as integral to

maintaining cordial relations with countries that are regarded as having strategic importance and common interests – the ‘proximity of experience’⁶.

In this sense, much of the current Indonesian and Philippine cooperation is with ASEAN member states. Indonesia is also increasingly keen to strengthen cooperation with Brazil and is in the process of developing joint ventures, for example in the poultry sector (WorldPoultry.net, 2011) and deforestation and biofuel cooperation (McDermott, 2008). Brazil and Indonesia have also recently signed agreements, committing the two countries to forge closer bilateral cooperation in the fields of trade and investment as part of Indonesia’s efforts to increase its exports to non-traditional markets including Brazil (Maruli, 2011).

Indonesia, and to a lesser extent the Philippines, has experience of supporting and facilitating African countries with agriculture and microfinance projects, as shown in Section 2. Ruweido and Aryo (2011) have noted that “the focus of Indonesia-Africa bilateral relationship is based on long term interests on economic issues, such as: natural resources, energies, and potential market for industry/manufacture products. Nevertheless Indonesia’s policy prioritize Asia-Pacific (ASPAC) region which is surrounding Indonesia. Due to the ministry of foreign affair, ASPAC is more prioritized on short-term as well as mid-term policies” [sic] (p.4). While national interests are clearly a motivating factor for most countries’ development cooperation (in both the North and South), the Indonesian and Philippine Government have unsurprisingly not stated publicly what their underlying commercial, strategic or geopolitical interests might be, or how these new forms of development cooperation should sit alongside traditional aid programs.

At present, South-South and triangular cooperation by Indonesia and the Philippines appear to be largely complementary to traditional aid programs, with triangular cooperation acting as a bridge between South-South and North-South cooperation (as advised in the Bogota Statement, 2010). According to the ADB Managing Director General Rajat M. Nag, “SSC should be seen not as a replacement for, but as complementary to North-South cooperation” (ADB, 2010). Both Indonesia and the Philippines have had recent success achieving economic growth but are still afflicted by poverty and can benefit from traditional aid programs operating in these countries. As mentioned in Section 2, Japan in particular has used triangular cooperation as an effective aid modality in both countries, as have regional bodies and institutions. In this respect, the ADB (2010) has noted that the development community needs to identify:

- (i) ways to systematically create and manage knowledge on good practices in SSC; and
- (ii) appropriate institutional mechanisms for doing so, preferably through existing institutions rather than through creating new institutions.

⁶ The Nairobi Outcome Document of the High-level United Nations Conference on South-South Cooperation (2009) recognizes that proximity of experience is important and “developing countries tend to share common views on national development strategies and priorities when faced with similar development challenges” (p.3).

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6. Additional information

Key websites:

GSDRC, IBON Foundation, UNDP Special Unit for South-South Cooperation, ESCAP, The Reality of Aid, Indonesia South-South Cooperation, Non-Aligned Movement Centre for South-South Technical Cooperation (NAM CSSTC), The Colombo Plan, UNCTAD's Unit on Economic Cooperation and Integration among Developing Countries (ECIDC), South Centre, UNDP Special Unit for South-South Cooperation, Task Team on South-South Cooperation's (TT-SSC), Better Aid, ODA Watch, International Development Centre of Japan (IDCJ), Capacity Development for Development Effectiveness (CDDE), International NGO Forum on Indonesian Development (INFID), INSouth, JICA, ESOSOC

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