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Research Report

Triangular cooperation: Broader, more dynamic and flexible

Briefing Paper, No. 14/2020

Provided in Cooperation with:

German Institute of Development and Sustainability (IDOS), Bonn

Suggested Citation: Zoccal, Geovana (2020) : Triangular cooperation: Broader, more dynamic and flexible, Briefing Paper, No. 14/2020, Deutsches Institut für Entwicklungspolitik (DIE), Bonn, <https://doi.org/10.23661/bp14.2020>

This Version is available at:

<https://hdl.handle.net/10419/242598>

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Triangular Cooperation: Broader, more Dynamic and Flexible

Summary

Triangular cooperation (TriCo) has existed as a cooperation mechanism for about 40 years. The first implicit reference was made to it in 1978 in the United Nations Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, the Buenos Aires Plan of Action (BAPA). Reacting to the increased complexity of international development cooperation, and going beyond the North–South divide, TriCo aims to (i) foster relations between DAC donors and emerging economies, (ii) strengthen southern providers' capacity in international cooperation for development and (iii) promote international development.

Since 1978, TriCo has become broader, more dynamic and flexible, has increased the number of projects and stakeholders involved, and incorporated different processes and approaches (e.g. South–South–South cooperation), including larger partnership strategies. It is now perceived of as key to the sharing of costs, responsibilities and solutions in the implementation of the 2030 Agenda and the Sustainable Development Goals (SDGs).

TriCo was mentioned 73 times in the outcome document of the Second High-level UN Conference on South–South Cooperation (BAPA+40), held in Buenos Aires in March 2019. No longer was it a niche topic. It was afforded significance and broadly discussed in an internationally agreed document, thereby becoming a tool for development dialogue at policy level.

Official, verified and comparable data on TriCo are often lacking. Yet, many studies and reports shed light on this mechanism. This Briefing Paper is based on more than 30 in-depth interviews with stakeholders, and on analysis of documents and data. It makes three recommendations on ways to advance TriCo as a cooperation mechanism for all donors, and as a support mechanism for the 2030 Agenda: (1) avoid a “one-size-fits-all” approach; (2) integrate triangular cooperation into existing practices of development cooperation, e.g. as a component of financial and technical projects; and (3) better connect with the debate around multi-stakeholder partnerships (MSPs), in which stakeholders from at least three different sectors work together through an organised, and long-term engagement.

Origin and state of the debate

International cooperation is becoming increasingly complex as the number of stakeholders and practices increases. Sustainable Development Goal (SDG) 17 aims to “strengthen the means of implementation and revitalise the global partnership for sustainable development”. In this context, TriCo is key to the sharing of costs, responsibilities and solutions.

The Buenos Aires Plan of Action (BAPA), as far back as 1978, recommended that traditional donors should act as catalysts for co-operation between developing countries. At the beginning of the 21st century, the strengthening of South–South cooperation (SSC) led to changes in the cooperation system, and the international context became more conducive to TriCo. Under the perspective that emerging economies – Brazil, China, India and others – share development challenges with other developing countries, triangular cooperation advanced as a mechanism to combine the financial resources of an industrialised country with the cultural, scientific and technological domestic resources of a developing country. Concurrently, TriCo advanced both to support SSC and also to build a bridge between it and the traditional North–South cooperation.

Financing SSC initiatives or bridging the relation between North–South and South–South cooperation are no longer sufficient as stand-alone drivers of TriCo. An agreement developed among stakeholders engaged in the international debate that TriCo was not an end in itself; rather, it should assist international development and the achievement of the SDGs.

What is triangular cooperation? – No consensus

There is (as yet) no internationally agreed common definition of TriCo. Consequently, official and comparable data are lacking. For example, the India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund) is an initiative by those three countries. However, triangular cooperation is not mentioned in the programme guidelines, and the three countries involved do not report it as a TriCo initiative.

Nevertheless, some partner countries, such as Guinea-Bissau, report projects supported by the IBSA Fund as a TriCo initiative to the OECD repository (OECD, 2019).

The lack of official and comparable data makes it hard to provide accurate quantitative evidence that TriCo has been gaining significance consistently since 1978. Only in 2016 did TriCo initiatives start being monitored in the OECD DAC statistical framework (reporting period 2015). And in 2017 only Germany reported using the TriCo code, followed in 2018 by seven other members.

Moreover, there are diverging perspectives as to what TriCo is. The working definitions used by the UN and the OECD differ. The UN defines TriCo as “southern-driven partnerships between two or more developing countries, supported by a developed country(ies) or multilateral organisation(s), to implement development cooperation programmes and projects” (UN, 2016, p.5). According to this perspective, TriCo is strictly linked to the relation between South–South cooperation and traditional donors, excluding other arrangements. The OECD, on the other hand, defines TriCo as an arrangement that involves at least three partners, that fulfils three main roles: beneficiary, pivotal and facilitating. Partners include countries (at national and sub-national levels), international organisations, civil society, private philanthropy, private sector and academia.” (OECD, 2019, pp.4-5). This understanding is very close to the definition of multi-stakeholder partnerships (MSPs).

Stakeholders in triangular cooperation

The increase, not only of the number but also the diversity of stakeholders and, hence, of processes in the international cooperation system, adds to the complexity of TriCo. The mechanism plays a varying role in strategies and portfolios of different stakeholders. Despite the lack of comparable data, it appears that TriCo has a greater importance to Southern providers than to DAC donors (see also Box 1).

In the last OECD survey on triangular co-operation, published in 2017, Brazil and Chile were the Southern countries that reported the largest numbers of TriCo activities. In the case of

Box 1: The German Regional Fund for Triangular Cooperation in Latin America and the Caribbean (LAC)

Germany is currently the largest provider of TriCo in terms of number of projects, according to the OECD repository of triangular cooperation projects. However, TriCo projects account for less than 0.1% of total German ODA. German development cooperation identifies five goals for the engagement in this form or cooperation: (i) improving effectiveness of development projects; (ii) establishing partnerships for development; (iii) joint setting of global agendas; (iv) scaling up of bilateral cooperation; and (v) fostering South–South cooperation.

Latin America is a key regional destination of TriCo with German involvement. While a number of countries in the region increasingly got involved in South–South cooperation initiatives, the experiences of the emerging providers were inconsistent. Potential for improvement was sought in terms of impact and quality orientation and the sustainability of the measures. Germany expanded its engagement through TriCo and established the Regional Fund for TriCo in LAC in 2010.

Up to October 2019, there were 17 rounds of proposals, with a total of 69 projects approved, jointly financed by the German Regional Fund and its partners. The German contribution accounted for 37% of the total budget of projects managed by the Regional Fund (€51.453 million). The TriCo projects also count, with contributions from the Southern partner (39%), beneficiary country (22%) and other partners (2%), as other DAC donors or private sector. The total budget of the German Regional Fund was €24.15 million. The fund budget represents 55.9% of German spending on triangular cooperation, and is allocated not only to TriCo projects (around 74%) but also to political dialogue, capacity building and the administrative costs. For instance, joint finance was provided for four regional conferences (in Colombia, Mexico, Chile and Peru), with a fifth planned in Argentina in 2020. Much effort went into capacity development, with more than 30 workshops.

Source: Author

Brazil, TriCo represented 4.7% of the total federal government expenditure on international cooperation for development between 2014 and 2016, and up to 73.8% of the total budget of the Brazilian Cooperation Agency (ABC) in 2015. This comparatively high percentage is also related to UN organisations implementing much of Brazilian cooperation. In the case of Chile, TriCo initiatives are difficult to quantify. Nevertheless, Chilean officials argue that the Chilean Agency for International Development Cooperation (AGCID) was the first to deliver TriCo in the LAC region and that the mechanism is strongly institutionalised.

The mechanism is often associated with amplifying impact and strengthening SSC initiatives. Nevertheless, TriCo practices are no longer limited to three partner countries or limited to the “North–South–South” structure. According to OECD data, around half of the triangular cooperation initiatives involve four or more partner countries (OECD, 2019) and “South–South–South” initiatives are also increasing.

International organisations (IOs) are an additional important stakeholder of TriCo. Many agencies in the UN system are partners of triangular cooperation projects, the the United Nations Development Programme (UNDP) being the IO reported as most active (OECD, 2019). Many of them have already developed reports of TriCo initiatives and also guidelines and strategies for engaging in this modality, such

as the Food and Agriculture Organization of the United Nations (FAO).

Despite being a very state-centred debate, non-governmental stakeholders are highly involved in TriCo. The Global Partnership Initiative (GPI) on Effective Triangular Cooperation reports that more than 40% of the initiatives involve actors other than national governments, such as private sector, civil society, institutional philanthropy, academia and sub-national actors. Most of the involvement of non-governmental actors on TriCo is during project implementation.

Transaction costs as a critical point?

TriCo is discussed as having a number of strengths and weaknesses compared to other forms of cooperation (see Box 2). As a key criticism, the high transaction costs – be it direct financial costs or the increase in the complexity of processes – are usually pointed out as one of the main challenges of TriCo. However, until now there have been no empirical analyses of the real increase of costs compared to other initiatives, be they bilateral or other multilateral arrangements. Indeed, equal partnership adds complexity regarding the political setting and the process. This is, however, a debate that transcends TriCo, and includes the effectiveness of all modes of international cooperation, and all actors involved.

In the case of TriCo, the possible increase of monetary and, primarily, non-monetary costs related to the partnership

Box 2: TriCo’s strengths, weaknesses, opportunities and threats	
The following table provides an overview of key points, including further opportunities of/for TriCo and threats to it.	
<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Fits with SDG 17: Partnership between different actors (traditional donors and Southern providers), raising the level of trust among them. • Fosters strategic partnerships (also relevant as a foreign policy instrument). • Increases the ownership of development projects. • Maintains/strengthens regional cooperation. • Allows for the application of lessons learnt in different contexts. • Sharing of: cost, responsibilities, solutions knowledge and practices. • Key instrument for strengthening the cooperation capacity and portfolio of Southern providers. 	<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • The provision of negotiation space among different partners in the global governance agenda. • The linking of TriCo and multi-stakeholder partnerships. • The updating of cooperation strategy (thinking about DAC donors), i.e. learning from SSC. • A scaling-up of regional solutions. • The potential to support regional integration. • The incorporation of the knowledge and practices of traditional donors into TriCo scale-up solutions. • The integration of TriCo into existing ODA practices.
<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Adds political and process complexity to traditional ODA practices. • Possibly increases transaction costs in comparison to bilateral cooperation (the difficulty of measuring it turns into a contested point). • Operates alongside regular cooperation mechanisms within the traditional providers’ portfolio. • Lack of common definition results in many different perspectives. • Lack of measurement system and comparable data. 	<p style="text-align: center;">Threats or future challenges</p> <ul style="list-style-type: none"> • The current weakening of multilateralism in international politics may reduce the interest in TriCo. • Deterioration into primarily an instrument of foreign policy, if focused only on relation between North–South and South–South cooperation. • Risks similar to bilateral cooperation: potential for patronising, lack of ownership, etc.
Source: Author	

approach, should rather be considered an investment in partnership for development. TriCo partnerships not only allow the identification and exploitation of comparative advantages among different stakeholders, but also raise the level of trust among them. Those benefits would compensate for higher costs due to the increase in the number of partners. Fostering long-standing partnerships with common guidelines and practices would reduce the transaction costs of initial or ad hoc triangular initiatives.

Recommendations

TriCo – being broad, dynamic and flexible – opens up space for collaboration between different groups, focusing on the intersections of initiatives, rather than differences in political narrative and position.

Triangular cooperation has become more complex over the years and has drawn greater attention in the past decade. How should it be incorporated into the practices of different stakeholders?

- (1) Improve data, foster guiding principles and strategies, but not aim for a “one-size-fits-all” for TriCo engagement.

Due to the broad diversity of stakeholders that TriCo incorporates, there is no single approach for engaging in this modality. We still lack an internationally agreed definition and evaluation criteria. The GPI on Effective Triangular Cooperation presented nine guidelines for effective TriCo. They remain voluntary, broad, flexible and dynamic. However, the absence of internationally agreed processes enables innovative partnerships between different stakeholders. Dimensions such as approach, strategy and evaluation systems are usually

negotiated among partners and allow for close collaboration among stakeholders who, despite different positions in the international arena, share an interest in fostering implementation of Agenda 2030.

- (2) Integrate triangular cooperation into existing practices of traditional cooperation

TriCo is a mechanism strongly associated with South–South Cooperation and integrated into southern providers’ mindset. As the comparison of German ODA and TriCo numbers shows, this is, however, not the case for traditional providers. While TriCo has already been incorporated into some of the DAC practices, such as DAC peer review and ODA reporting mechanisms, it still gets few professionals’ attention and is not broadly internalised in country portfolios. Professionals will need to understand TriCo’s characteristics and the possibilities it opens up, incorporating it into broader strategies. For instance, TriCo can be a component or a scale-up of a bilateral ODA initiative.

- (3) Unlock the potential of the interconnections with the debate around multi-stakeholder partnerships (MSPs).

TriCo can be key to the nurturing of partnerships for development between governments, the private sector and civil society, as called for by Agenda 2030 SDG 17. Despite the fact that actors other than national governments are part of almost half of the TriCo projects reported by the GPI on Effective Triangular Cooperation, the international debate often remains state-centred. Not all TriCo projects are multi-stakeholder, and not all MSPs are TriCo initiatives. Yet, there are significant intersections between those agendas.

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Research developed under the auspices of the German Chancellor Fellowship of the Alexander von Humboldt Foundation and published with financial support from the Federal Ministry for Economic Cooperation and Development (BMZ) and via the Managing Global Governance Programme at DIE.

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“South-South cooperation, triangular trilateral cooperation and Brazil international cooperation”

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DOI: 10.23661/bp14.2020



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