



Programme for South-South Cooperation between Benin, Bhutan, Costa Rica and the Kingdom of the Netherlands

Case Studies




SUMMARY

The Programme for South-South Cooperation between Benin, Bhutan, Costa Rica and the Kingdom of the Netherlands (henceforth PSC) grew out of Bilateral Sustainable Development Agreements signed in 1994 between the Netherlands and each individual country. In 2005, based on the priorities agreed at the World Summit of Sustainable Development (Johannesburg) and the Millennium Development Goals, Costa Rica, Benin and Bhutan came under the umbrella of South-South Cooperation, with a US\$13.2 million grant from the Kingdom of Netherlands. The PSC was meant to execute reciprocal projects of common interest between 2007 and 2011, focusing on four components of sustainable development: economic development, social development, environmental protection and gender equality. The objectives of PSC were to contribute toward the eradication of poverty, change in patterns of production and non-sustainable consumption, improvement of sustainable tourism, efficient use of energy and management and protection of natural resources. Gender equity was a crosscutting theme throughout all the projects, since this was a major concern in all partner countries. PSC strives to function as a political, administrative and financial framework to develop South-South Cooperation (SSC) with the intention of making this a replicable model.

The unique nature of this collaboration between countries in three different continents with vastly distinct languages, cultures and geographical settings has raised many eyebrows, but PSC has shown that with the right kind of planning, commitment, partners, and reciprocal respect this sort of South-South collaboration can produce impressive results on a very small budget. Language and cultural difference cease to matter when collaborators share their technology and knowledge in a reciprocal setting, and most beneficiaries have adapted the skills that they learned during PSC projects to improve their incomes in an environmentally sustainable manner.

While SSC is an innovative approach to development, the role of the North in this collaboration cannot be ignored. Traditional North-South cooperation, while commonly criticized for its problems, has developed essential tools of project management, organization and accounting that PSC has successfully applied in the SSC context. In other cases, many ideas being implemented in SSC were generated in the North and are not being adapted to the realities of the global South. PSC's experience indicates that a trilateral North-South-South Cooperation based on mutual respect, reciprocity,



participation and the willingness to teach and be taught can provide a new and improved path towards achieving global development goals.

The foreign policy and national plans of each partner countries incorporate SSC into their international relations agendas. This made possible the effective implementation of PSC on the development of each of the 36 reciprocal projects. However, it's important to go further, this means that policy makers take into account the results and outcomes as a part of policy instruments.



CONTEXT AND BACKGROUND

Previous relationships: Bilateral Sustainable Agreements (1994)

Collaborative relationships between the Republic of Benin, the Kingdom of Bhutan and the Republic of Costa Rica go back to 1994. In the wake of the UN Conference on Environment and Development (1992) in Rio de Janeiro, Benin, Bhutan and Costa Rica separately entered into bilateral Sustainable Development Agreements (SDA) with the Kingdom of Netherlands being formalized in 1994.

Entering into similar agreements with 188 other countries was rightly recognized as infeasible. However, a partnership between The Netherlands (representing “the North”), and a limited number of selected “South” countries, namely Bhutan (in Asia), Benin (in Africa) and Costa Rica (in Latin America) emerged as a manageable pilot experiment. It was hoped that such a partnership would (1) bridge the gap between four world regions; (2) inspire clustering of many similar small partnerships and real commitments between other countries; and (3) promote alliances between a wide array of local, national and international stakeholders.


To that extent, National Mechanisms were established in each country to act as coordinators and to serve as platforms to articulate, learn from and accelerate promising seed initiatives of sustainable development. In this early stage, it was agreed that in the Netherlands the National Mechanism would be represented by the Royal Tropical Institute (KIT), in Costa Rica by Fundecooperación para el Desarrollo Sostenible (Fundecooperación for Sustainable Development), in Bhutan by the Sustainable Development Secretariat (SDS) and in Benin by the Beninese Center for the Durable Development (CBDD) and later Centre de Partenariat d’Expertise pour le Développement Durable (CePED) created in 2007.

Under the SDAs, the Netherlands Ministry for Development Cooperation funded three types of projects: Type 1: Projects in one partner country; Type 2: Projects in the Netherlands, Type 3: reciprocal projects between 2 or more partner countries.

Push for SSC: Mid-term review of SDAs (2001)

By 2001 it became painfully clear that the SDAs had become just another development program, and the targets articulated in agreements were far from realized. The mid-term review highlighted several themes for reflection that suggested that a revamp of the program was in order.

- 1) Under the SDA “development cooperation framework” the Netherlands found itself playing the traditional role of the donor, with more than 90% of the budget going to Type 1 projects in one partner country. This only reinforced that traditional development project framework, which is what the SDAs had been aiming to avoid.
- 2) Type 1 projects cost about 16 times more than Type 3 projects.
- 3) Most SDA projects were small and medium scale and at best produced scattered and inconsequential results.
- 4) Knowledge generated from these projects was fragmented and there was a lack of best practice sharing mechanisms.

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- 5) In spite of getting only 8.5% of the overall budget, Type 3 reciprocal projects were the most innovative and seemed to be producing the best results. The argument in favor of reciprocal projects was further strengthened when the midterm review revealed that 56% of the projects executed under SDA were Type 3 projects.

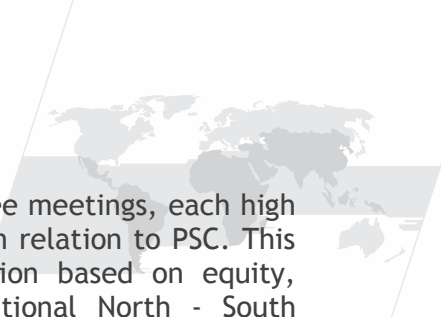
Following the midterm review of the Sustainable Development Agreements (2001), the Netherlands decided to discontinue Type 1 and Type 2 projects citing their aid ineffectiveness, and the National Mechanism in the Netherlands was dissolved. The Netherlands continues funding Type 3 projects, this time under narrower objectives, but this change too failed to produce desired results. Partner countries attributed this to several challenges that needed to be overcome.

- 1) There was a lack of adequate instruments for systematization of experiences and best practices.
- 2) Micro-level initiatives needed to be buttressed by intermediate, second-tier efforts if they were to have a direct impact in the national policy arena.
- 3) Overburdened with the proposal, implementation, monitoring and administration of the project, National Mechanisms were unable to focus on broader development objectives. Additionally, they lacked grassroots participation. A bottom-up, grassroots initiative approach would be required to propel the project forward.
- 4) Ebbing national attention to sustainable development detracted from the results of the project. To survive, the cooperation project would have to devise ways to steer national priorities towards sustainable development goals.

In this context, the SDA partner countries met at the World Summit on Sustainable Development in Johannesburg in 2002. To reaffirm their commitment to pursuing sustainable development goals and mutual cooperation, Benin, Bhutan and Costa Rica signed a Strategic Partnership Agreement with the Kingdom of the Netherlands. What followed was a decade of promoting and supporting hundreds of projects implemented in the three countries, of delivering joint declarations at multilateral forums and of debating policies towards achieving sustainable development.

Formalization of SSC: Establishment of the Programme of South-South Cooperation (PSC)

The partnership was dealt a heavy blow in 2004, when the Netherlands Minister of Development Cooperation decided to hibernate their active participation in the SDAs. In the wake of this decision however, Benin, Bhutan and Costa Rica realized the enormous potential for South-South cooperation and sustainable development that their past collaborations presented. South-South cooperation could greatly complement North-South cooperation, providing an alternative to the traditional donor-recipient dialogue. Despite marked geographical, cultural and religious differences, the three countries had collaborated successfully since 1994. Over the years they had developed bonds of trust and understanding that had enabled them to contribute to each other's national development strategies. Mechanisms were already in place to facilitate South-South cooperation among not just the National Mechanisms, but also among governments, educational institutions, civil society and the private sector. Instead of terminating their relationship then, the Netherlands, Costa Rica, Benin and Bhutan in 2005 established a Programme for South-South Cooperation on Sustainable Development (henceforth, PSC),



through the first Joint Committee meeting. In the Joint Committee meetings, each high level representatives discusses achievements and developments in relation to PSC. This initiative would create an innovative framework of collaboration based on equity, reciprocity and participation that would re-imagine the traditional North - South relationships in development cooperation. The Netherlands agreed to transfer funds up to an amount of US\$ 13.2 million to support the PSC, and it was decided that Fundecooperación para el Desarrollo Sostenible, the Costa Rican National Mechanism in PSC, would act as the Secretariat and the Administrator for this PSC fund.

A trust fund called “Fidecomiso Cooperación Sur-Sur” (in Spanish) was established in Costa Rica under Scotiabank to handle the funds. The fiduciary bank provides additional control and audit system as part of the transparency of the Programme.

PSC was adopted into the foreign policy and national plans of each partner country by the respective High Level representatives. This set the stage for each government to incorporate SSC into their international relations agendas. In Bhutan this agenda was included in the 5-year Development Plan, Benin adopted it into its national policy and Costa Rica incorporated SSC into its National Development Plan and state policy in 2007.



The SSC Activity

Purpose, goal, expected results


Aiming to convert ideas exposed in the Strategic Partnership Agreements and the Millennium Development Goals into concrete results, the four countries attended a multi-stakeholder workshop, a reunion where priorities, common challenges, and opportunities for collaboration were identified. Specifically, PSC identified four development goals that it would work towards.

- 1) Develop reciprocal projects that will generate knowledge and empower stakeholders. The results of these projects would be used as inputs for sector strategies and policy making.
- 2) Mobilize national governments, the civil society, and the academic and private sectors in partner countries to renew and reinforce commitment to sustainable development.
- 3) Contribute to sustainable development and poverty reduction in partner countries, taking into account environmental, economic and cultural idiosyncrasies.
- 4) Explore the potential of South-South partnership to promote international commitments and mutual cooperation for sustainable development and experiment with a new North - South - South model of development cooperation.

These goals were set around four thematic areas which included: 1) sustainable tourism, 2) sustainable production and consumption chains, 3) conservation and sustainable use of biodiversity, 4) access to sustainable energy and efficient energy use. Gender equity and women empowerment was a cross-cutting theme emphasized in all PSC projects.

PSC was expected to last for 4 years, from May 2007 till September 2011, with the first six months of the program dedicated to a start-up phase to strength and staff the PSC Secretariat, assess the National Mechanisms of Benin and Bhutan and iron out administrative glitches. The remaining three and a half years were dedicated to funding grassroots reciprocal initiatives in partner countries. At the end of the specified time frame, and depending on the success of the program, PSC was hoping to find additional funds to continue the program. Given the commendable results that PSC has achieved over the years, efforts are currently underway to find a new source of funding showcasing PSC as a successful model of cooperation that can be easily replicated and improved with the participation of more partner countries of the South, PSC evolved into partners for South-South Cooperation (PSSC), with the intention of including new partner countries.

Reciprocal projects developed under these thematic areas were expected to generate results that would empower local communities but also provide inputs for national policies. In areas where grassroots initiatives were already well developed, PSC hoped to start second phase projects that would form the bridge between the micro and macro level implementation. PSC was aiming to initiate grassroots and micro-level projects the results of which would inform multi-stakeholder policy dialogue in the three partner countries. PSC projects were also expected to facilitate policy dialogue between the private and public sectors. PSC would also streamline and systematize knowledge transfer and best practices generated by the projects to allow for ease of transfer to beneficiaries within and outside of the projects.



PSC Programme systematically records all their activities and accomplishments through annual reports from the three partner countries. Each National Mechanism prepare annual reports with the technical, financial and promotional information of the PSC Programme conducted in each country. These reports include information on three different levels:

- Local level describing the projects in each country.
- National level describing the accomplishments of the Annual Plans by each National Mechanism
- International level summary of the success of the whole PSC Programme

PSC's Global Timeframe


The PSC timeframe is summarized in Table 1.

Table 1: PSC's Global Timeframe

Stage	Time-span	Main activities
Start-up phase 6 months	May 15 th - November 15 th 2007	Strengthening and staffing of PSC Secretariat, assessment of National Mechanisms, promotion of PSC, development of Annual Plan 2008, establishment of Handbook of Procedures, meetings of Management Board and Joint Committee.
Year 1	November 16 th 2007- November 15 th 2008	First call for proposals, monitoring and assessment of reciprocal projects, promotion of PSC, development of Annual Plan 2009, meetings of Management Board and Joint Committee.
Year 2	November 16 th 2008- November 15 th 2009	Second call for proposals, monitoring and assessment of reciprocal projects, promotion of PSC, development of Annual Plan 2010, meetings of Management Board and Joint Committee. External mid-term review
Year 3	November 16 th 2009- November 15 th 2010	Third call for proposals, monitoring and assessment of reciprocal projects, promotion of PSC, development of Annual Plan 2011, meetings of Management Board and Joint Committee.
Year 4	November 16 th 2010- September 30 th , 2011	Closure of reciprocal projects, promotion of PSC, fundraising, accountability of PSC.
Year 5 →	Continuity of PSC with t additional partners.	

Bumpy Road to Success

Despite being an innovative idea, the PSC's road to success was initially a bumpy one. The program was started with a fair bit of skepticism, especially from the Netherland Ministry for Development Cooperation. Many individuals felt that the project was too ambitious to succeed. Costa Rica, Benin and Bhutan were not only drastically different culturally and in languages, but the vast geographical distances also meant very expensive and complicated overhead. When the donors transferred the funds to the PSC



Secretariat, most took it for granted that the program was bound to fail. However, a year into the program, PSC had overcome the pessimism, and had convinced even the most ardent of skeptics that the program was set to succeed.

Although today the PSC program is running smoothly and part of the effort goes to open a new face of the programme, all National Mechanism representatives interviewed for this case study admit that the initial logistical coordination was a challenge. To begin with there were the language and culture issues. All three organizations selected as National Mechanisms were fluent in English, but often the same word could be interpreted differently in each country. Rinchen Wangdi, the head of Bhutanese Management Board delegation recalls a case at the onset of the program when the National Mechanism of Benin had a hard time understanding what was expected of them because of language difficulties. “But this was resolved at later Management Board meetings”, he adds.

Language differences were further exacerbated by cultural differences. “When we want to say something negative in Costa Rica we use an indirect way, we use many euphemisms. The Bhutanese are a lot more direct while the Benenise are also indirect, like us”, explain Mauricio Castro, the head of the Costa Rica Management Board delegation. Such cultural norms were bound to create misunderstandings and hurt feelings, and the partners decided to attend a three day communications workshop in Bangkok to over these language and cultural barriers.

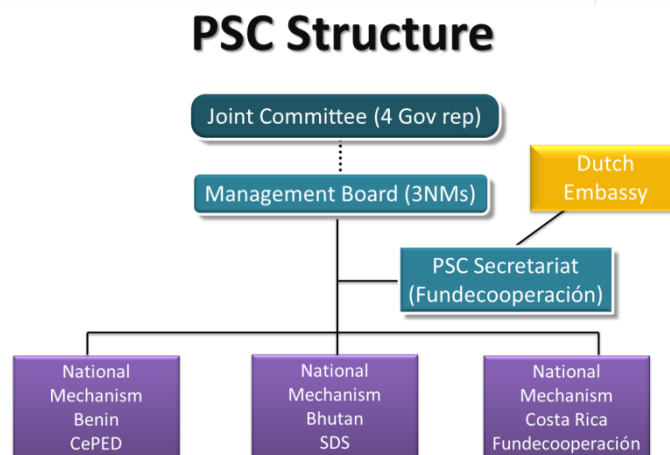
Interestingly, language and cultural disparities were an issue only for coordinators. None of the 23 project beneficiaries and coordinators mentioned language as a barrier. Furthermore, when prompted to talk about any language difficulties, all mentioned that they had had no problems. While most project coordinators helped as translator, they were often not unnecessary. Cecilia Mora, a project coordinator who began by translating between the Costa Rican indigenous communities and Bhutanese artisans soon realized that they were communicating without her. “They understood each other perfectly through signs and signals. After the introductions, they didn’t need me anymore, they easily expressed their common knowledge on what they were doing... they understood each others”, she recalls.

Another challenge that PSC had to overcome during its nascent stage was the difference in time and technological infrastructure. There is a 12 hour time difference between Costa Rica and Bhutan and a 7 hour time difference between Costa Rica and Benin. Conference calls and any other type of communication had to be scheduled to accordingly, which meant that coordinators had to often work late into the night to accommodate the times in another partner country. Long distance communication was also hindered by technological differences. The Costa Rica national team had installed a telecommunications system between the three countries, such that the teams in Benin and Bhutan could dial 9 before a Costa Rican number and talk for free. However, they soon realized that this system would not work because Bhutan had interference on the internet than Costa Rica and Benin was suffering from electricity problems. However, given the advantages of the Internet, new channels of communications were established through Skype accounts, private website chats, virtual meetings, social networks, etc. To further ensure efficient running and administration of the PSC, Fundecooperacion reinforced their technical, administrative and financial departments, hiring new staff and updating their technical capacity. New software for financial planning, budgeting and accounting was acquired to allow for constant income-expenditure monitoring. To ensure financial accountability, Fundecooperacion also decided to outsource auditing to an external and impartial auditor.

All the challenges notwithstanding, by the end of the first six months, PSC was well off the ground and successfully working towards achieving its goals.

Distributing Roles and Responsibilities

The PSC was organized according to the diagram in Figure 1.



The nucleus of the PSC program is formed by the National Mechanisms in each partner country. The National Mechanisms are designated by the governments of Benin, Bhutan and Costa Rica and are responsible for the daily running of the program in their respective countries. Once a year they issue calls for proposals that solicit project proposals from their local communities. The National Mechanisms then work with project coordinators to fine tune the proposals and to help them identify partner organizations in other PSC countries. The National Mechanisms become the main link between grassroots projects and the PSC and it is their responsibility to present these proposals to the Management Board for approval and funding decisions. Each national mechanism has its own administrative budget for the implementation of the programme. The overall administration of the PSC is the responsibility of the Secretariat, run by Fundecooperación in Costa Rica. The main roles of the Secretariat include implementing Management Board decision, monitoring PSC progress, administrating the PSC funds, preparing and storing all official documents (multi-year plans, annual reports and annual audits) and promoting the results and impacts of the program.

The Management Board is the highest decision making body that includes three directors or formally appointed representatives of the National Mechanisms in Benin, Bhutan and Costa Rica. The Board jointly decides the policies governing the PSC, approves projects presented and allocates funds to PSC projects and components. Each partner country gets one vote and has equal standing in the Management Board.

Finally, at the very top is the Joint Committee of the PSC which is composed of high level government and civil representatives from each partner country providing political support and policy direction to enhance the implementation of the PSC, and the viability, sustainability, and eventually, enlargement of the South-South partnership and concept. At international conferences, they make the South-South partnership voice heard by joint declarations.

The Embassy of Netherlands in Costa Rica is kept informed of all PSC activities and decisions and is free to offer suggestions or express reservations at any point in the process. The Embassy receives financial and technical reports and is often consulted by PSC staff in Costa Rica for advice or opinion.



Impressive Results

The value of allowing the Southern partners take ownership is reflected in the impressive results achieved by PSC to date. Only 4 years in running, and with a relatively small fund of US\$ 13.2 million, PSC has involved over 180 organizations to achieve the following results:

- 26.706 direct beneficiaries
- 3.575 people trained in sustainable technologies
- 1.513 people trained on communication and information technologies
- 1.280 people participating in productive activities
- 1.227 people that are working in a productive activity related to the training
- 477 communities benefited
- 1.533 indigenous people trained
- 673 new products and 179 new services developed.
- 1160 women involved in decision making
- More than \$250.000,00 of sales on 2010, for families of lower income (usually less than \$5 a month).

The results obtained by each of the projects over-achieved the indicators that were planned since the beginning of the programme. All interviewees stressed the positive impact that the PSC projects have had on their lives. To date, all projects visited are still continuing and most are being expanded, even though the funding from PSC has ended. For example, one project that was initially started to commercialize indigenous art and handicrafts in Costa Rica and Bhutan (Project code 24-B-08), was then expanded into Benin with the coordinators' own funds, independent of PSC funding.

PSC ensures sustainability:

Counterpart organizations and stakeholders selected were willing and capable to implement a specific project with reciprocal characteristics. PSC recognized that the participation of local and community organizations ensures project continuation in the medium and long run, by creating a strong sense of ownership among the stakeholders. In order to be eligible for PSC funding, the projects had to establish their sustainability in three ways:

- Organizational: each project described the organizational structure in place when the contractual relationship (between the PSC and the organization) would end. Roles and responsibilities, and the authority and control that will be exercised over the operations in each participating country were clarified at the onset.
- Economic: each project was expected to develop mechanisms that allowed actions to continue once the funding from PSC ended. These mechanisms included the development of new commercial products and services, income generation, new jobs options, improvement of efficiency in micro enterprises, development of new microenterprises.
- Environmental: each of the projects intended to efficiently manage water resources, energy, solid and liquid waste, and CO2 emissions during project implementation.”

PSC catalyses the transition to sustainability by supporting innovation in policies, seeding initiatives, replicating successes, establishing new partnerships with civil society organisations between the partner countries, and disseminating information.





OWNERSHIP AND MUTUAL ACCOUNTABILITY

A common concern raised by skeptics of SSC is that South-South exchange partners are still battling national commitments and accountability in their respective countries. The experience of PSC between Costa Rica, Bhutan and Benin has strongly disproved these claims. In fact, evidence gathered from research for this case study suggests that PSC *increased and strengthened* national commitments and accountability to development goals.

PSC increased local and national commitments

As mentioned above, the Secretariat is responsible for the smooth running of the PSC program and for financial oversight of all the PSC projects. The Secretariat coordinates all communications between the National Mechanisms of the partner countries, keeps tracks of progress and ensures that projects are in line with PSC development objectives. The national ownership of PSC however is reflected through the National Mechanisms.


Since the National Mechanisms are designated by the governments of each country, they are a reflection of each government's commitment to SSC. All National Mechanism representatives state that PSC objectives and project selection criteria were set on the basis of the national priorities in the partner countries.

In Costa Rica, for instance, PSC priorities were identified based on the objectives set out in the National Development Plan. In Bhutan PSC is aligned to the 9th 5-Year Development Plan and in Benin, where the government has identified six priority areas to concentrate on in the upcoming years, PSC directly contribute to three, namely capacity building of women and rural communities, strengthening economic infrastructure and promoting educational and social development¹.

At a more grassroots level, PSC has matured long-term relationships with and contributions from counterpart organizations and stakeholders. The effective involvement of stakeholders and counterparts has been a key factor for the success achieved. The project coordinators that receive funds for the project also contribute to SSC activity and local development. Each project involves at least a bilateral knowledge exchange on skills that help promote national development agenda. For instance, a project on organic mushroom growing (Project 16-P2-07) involved a team from Bhutan teaching Costa Rican farmers how to organically grow mushrooms in tree trunks. Since this group of Costa Rican farmers live in a national park where cutting trees for agriculture is not permitted, this project aimed to help the farmers earn an income while supporting the government's attempts at environmental conservation. Another project (Project 03-B-07), allowed Costa Rican farmers help farmers in Benin grow organic pineapples, doubling their yield from 30,000/ ha to 60,000/ ha. Pineapples are an important agricultural product in Benin, but traditional pineapple growing methods are extremely destructive to the environment. One of the aims of the project was to help Benin protect the environment, without losing the profits earned from pineapple farming.

The Government of Costa Rica realized the potential of SSC for development many years ago. SSC is mentioned in the Sustainable Development Agreement signed between the

¹ From personal interviews with National Mechanism representatives.




Government of Costa Rica and the Kingdom of the Netherlands in 1994. “This makes it easier for us to approach the government for help”, explains Mr. Mauricio Castro, “the ratification of this agreement obliges the government to make SSC a priority”.

The PSC Joint Committee which is composed of high level government representatives met twice during the execution of the PSC to ensure that their objectives were in line with national goals of the partner countries. However, PSC also works with the national governments on a more daily basis. In Costa Rica, all final decisions taken and executed by Fundecooperacion are determined by an Administrative Board. This Board is composed of: a representative from the Ministry of the Environment, Energy and Telecommunications, representative from the Ministry of State and National Planning, representative from the Non-Governmental Organizations, representative from the academic sector, representative from the local government, representative from the entrepreneurial sector and the executive director and the general manager of Fundecooperacion. The members of the Administrative Board were selected with the purpose of representing diverse perspective of Costa Rican society, to ensure that Fundecooperacion’s objectives and projects could best facilitate the country’s development.

PSC works equally closely with the government in Bhutan. Each of the 22 PSC projects approved in Bhutan went through a rigorous prioritizing procedure based on the 9th 5-Year Development Plan. Furthermore, each project then works in close collaboration with the government department closest to the project’s activities. For example, an agriculture project would have a national stirring committee which would include a representative from the Ministry of Agriculture and Forests, or at time even from specific departments like the Livestock Department. Additionally, since all foreign funds coming into Bhutan from the outside are channeled through the Ministry of Finance, the government keeps track of any funds that are allocated to PSC projects. The National Mechanism of Bhutan sends a list of all the approved projects to the Ministry of Finance for fund approval. This allows the government to monitor the projects and keep financial checks in case of any fund mismanagement. While some may be uncomfortable with such high level of government control, the National Mechanism of Bhutan is very satisfied with this kind of relationship. “It only takes a few days for the Ministry of Finance to transfer fund to us and having a collaborative relationship with other government agencies has allowed us to implement project easily and ensure their continuity”, states Mr. Rinchen Wangdi.

PSC also works closely with the government of Benin, although the government does not maintain such stringent control as in Bhutan. While approving project, the National Mechanism in Benin ensures that all projects conform to the priorities outlines by the government. Additionally, since the economic means at the disposal of the Beninese government are very limited, PSC often steps in to compliment or facilitate initiatives that the government alone cannot achieve. For instance, a solar energy project (Project 05-T-08) between Costa Rica, Bhutan and Benin took upon itself the responsibility of bringing electricity to a village that the government was unable to assist. “the government wants to provide electricity to all its citizens, but our village is so remote from the main electricity grid that it would be many years before we can hope to get any energy”, says project coordinator, Mr. Josea S. Dossou-Bodjrenou. To help accelerate the government’s attempts, the Costa Rican team trained the beneficiaries in Benin on the use, installation and management of solar batteries. This project received a lot of support from the mayor of the district, who during the interview for this case study expressed profound gratitude for PSC’s help with the national government objectives.



While PSC objectives are informed by national agendas, all three National Mechanisms have recognized the need to foster national capacities to eventually be able to hand over the management of the project to the government. A good example of a project handover is a trilateral project that investigated the socio-economic benefits of national parks and protected natural areas. The project started as a pilot project with three national parks in Costa Rica, but was eventually expanded to Benin and Bhutan. The results of the project provided empirical evidence of the significant socio-economic contributions that national parks and protected areas make to the livelihoods of the communities living in the vicinity. These results were then presented to corresponding ministries and government representatives in each country to help them formulate an argument for natural resource protection with empirical findings. Besides informing national policy debates, the project also trained government representatives in the project's methodology so that the same research can be done by the government in the future.

SSC: More Equal Relationships


With PSC came the change in relationships between the providing and receiving partners. Under the SDA, the Netherlands acted as a provider to Costa Rica, Benin and Bhutan separately. Under PSC the Netherlands provided funds, but otherwise withdrew from the collaboration. This permitted the South partners flexibility that they had not had before.

All National Mechanism representatives as well as the Dutch Ambassador to Costa Rica agree that PSC allowed the South partners to take ownership of the project. Instead of having solutions handed to them by the providing partner, the PSC program allowed the partner countries to define on their own what the main problems were, where their priorities lie and what strategies should be adopted. PSC projects are proposed by the local community who identifies the problem and proposes a project for the solution. Since all 3 National Mechanisms have a collective say in project approval, this ensures that problems are defined and solved collectively by the partners, with counterparts in each country sharing their knowledge and experience. This has led to a more equal relationship between the provider and the receiving partners.

Fostering Mutual Ownership

All interviewees for this case study agreed that SSC has helped create a much greater sense of ownership than past North-South development cooperation. The biggest impact has been in a change of attitude of the receiving party. Traditional North-South relationships had engendered an expectation of the beneficiaries that the North will always give them money as a “gift”. So when the funding ran out, projects would stop because the beneficiaries were expecting the donor to give them more money and to tell them what to do with it. The role of the beneficiary was that of a passive recipient with very little hope for project sustainability.

The PSC has done a lot to change this attitude. PSC was formed as a result of signed commitments from the governments of each country. This binds the governments to support the program and to ensure its success in ways that traditional North-South aid does not. SSC also creates a sense of horizontal accountability among the governments. Since the three South partners in PSC work so very closely together on an equal footing, it's very easy for them to monitor and put checks and balances on each other. This horizontal accountability has allowed the North partner to take the backseat. Subsequently, the less active role of the North has given the South partners a greater sense of responsibility.



An illustrative example of how a traditional North-South collaboration limits accountability and ownership of the receiving partner is a Japanese infrastructure construction project in Bhutan. The project took three years to finalize, with Japan sending in experts to complete feasibility studies and to decide how best to implement the project. It then had to go through diplomatic channels which took another couple of months. When all was finally ready for the commencement of the project, Bhutan was informed by their Japanese counterparts that due to the economic crisis, Japan could not invest as much funds as was initially promised and the project had to be significantly downsized. “In this case we are beggars. We have no say. There is no ownership and accountability on our side”, laments an interviewee from Bhutan. “But in SSC, the North provides us with funds. The rest is taken care by us ... There is much less red tape, a lot more respect and independence in decision making.”

By creating a sense of ownership, SSC has made the Southern partners a lot more active in their projects. “[Our relationship] went from one partner only giving and the other partner only taking to a relationship of give-and-take”, explains one interviewee. “Giving” for the South partners in this case takes the form of sharing or teaching their knowledge and best practices with other partners. The opportunity to teach has forced the partners to play a much more active role in the project, since they know that the quality of the information passed on to the other partners depends entirely on how much effort they put into the venture. The onus is now on them to ensure that the project succeeds.


Another advantage of SSC in creating a sense of ownership is the issue of relevance. A common complaint that arose during the interview process was: “The North chooses a fashionable development trend and the South is expected to follow it. But this trend keeps changing.” A developing country with limited resources and weak infrastructure cannot keep up with the changing priorities of the North, especially when a given priority might not necessarily be the most pressing issue that the Southern partner is faced with at that moment. This often results in countries committing only half-heartedly to a cause that is being imposed on them. SSC removes this barrier to commitment by allowing the South countries identify their own priorities. In the case of PSC, one of the most pressing needs identified by the countries is the issue of climate change and environmental protection. Hence, all PSC projects have focused on sustainable development through organic farming, clean technology, innovative energy use and environmental restoration. The Costa Rican government for instance, officially committed to making Costa Rica Carbon Neutral by 2021 and the private sector is already taking strides to making that happen.²

“SSC is like a child that is allowed to mature. Traditional North-South collaboration is like the parent always telling the child what to do”, illustrates Marianella Feoli. Like a growing child the South will make mistakes and will learn from them. SSC prevents the North from being an overbearing parent that doesn’t allow the child to mature, but SSC will always need the North to guide it.

Fostering mutual Accountability

Perhaps even more impressive than the results and the benefits that PSC has achieved, is the program’s stringent financial accountability. Realizing the enormous impacts that even the smallest financial impulses can have on the lives of the local communities, PSC

² Examples of private companies supporting the Governments Carbon Neutral initiative includes Dole (<http://www.doleorganic.com/programs/carbon-neutral-program.html>) and Florida Ice and Farm Co (http://www.florida.co.cr/responsabilidad_social/rse.php)



has been very careful with how and where it invests the funds donated by the Netherlands. Each project goes through a strict auditing process, submitting a six-month and final financial and technical reports to the corresponding National Mechanisms. The National Mechanisms themselves also undergo several audits including:

- Annual audit of the PSC Secretariat / Fundecooperación (compulsory).
- Annual audit of the Fundecooperación Trust Fund / Fiduciary (compulsory)
- Annual audit of the National Mechanisms in Benin and Bhutan (ordered by the PSC Secretariat) (compulsory)
- Preventive audit services in the PSC Secretariat / Fundecooperación (controller, out-sourced services)
- Preventive audits of periodical financial reports in project coordinating counterpart organizations.

To further ensure transparency and accountability, PSC decided to involve the North as an independent third party monitoring body. To that end it has presented its results and accounted for the use of funds at several international forums including the European Parliament, Dutch Parliament, External Cooperation Infopoint, European Development Days (Brussels), and Third Annual Global South-South Development Expo (Geneva). “Our auditors are very happy with how Fundecooperación has used the funds”, confirms the Dutch Ambassador of Costa Rica.


Receiver's role in PSC

Although PSC was the brain child of Dr. Jan Pronk³, the providing country has chosen to take the backseat in this venture. To a large extent PSC is run by the receiving countries. Daily administrative tasks are taken care of by the PSC Secretariat in Costa Rica, while all operative and policy decisions are made by the Management Board. The Board's decisions are influenced by national policies in the partner countries, and each National Mechanism works in close collaboration with their national governments to identify development priorities that will be presented to the Management Board. The Netherlands as the North partner in PSC only serves a monitoring function. It receives annual technical and financial reports on all PSC activities and is invited to all Management Board and Joint Committee meetings, although it does not have the right to vote. Any representative of the Netherlands is free to solicit information from PSC or provide suggestions when they see fit, but does not play an active role in decision making processes of the PSC.

All stakeholders interviewed for this case study expressed extreme satisfaction with this set up. Donor countries have a lot of priorities and often cannot afford to babysit every project that they fund. The horizontal accountability and individual ownership that PSC provides reduces the amount of donor attention that would have been required by a traditional program of similar magnitude. This not only decreases monitoring costs, but has also permits the Netherlands to concentrate on other concerns while continuing to promote social and economic development in partner countries.

This positive sentiment is echoed by the National Mechanisms in the receiving partner countries. The South is now looking for a role to play in its own development. It is capable of coming up with its own solutions. All it needs is the opportunity to try them out. Giving Costa Rica as an example, Mr. Matthij van Bonzel points out, “Costa Rica is

³ Minister of Development Cooperation of the Netherlands at the time.



not like other developing countries that do nothing but ask the North for money. It has the experience of successful projects and it does things well. The North should appreciate Costa Rica for that.” All National Mechanism representatives mentioned the autonomy to identify their own priorities and to develop their own strategies as one of the main advantages of SSC.



KEY CHALLENGE

Exploiting Comparative Advantages

Several Northern countries have expressed misgivings about their ambivalent role in SSC and some are worried that they may not be needed at all. PSC has shown that the role of the North is vital for any SSC venture to succeed. The SSC doesn't reject the role of the North. Rather it redefines it according to the comparative advantages of each partner.

The North's responsibilities to SSC go a very long way beyond a mere provider of funds. There is a general consensus that the SSC has a lot to learn from the North. National Mechanism representatives quickly point out that all the log frames, the management and organizational techniques, evaluation tools and the concept of stringent accounting practices used by PSC were learned from the North. Years of leading development projects have equipped the North with tools that are still lacking in the South today. "In the South we don't need to invent new tools, we can learn from the North", states Mr. Mathias Pofagi, the representative of the National Mechanism of Benin. SSC needs the North to make project management more systematic and project evaluation more objective. The South is still learning, and SSC will always be turning to the North for technology transfer and information sharing.

While the North can provide valuable development tools to the South, how and when those tools are used should be left to the discretion of the South. SSC has a comparative advantage in the partners' in-depth knowledge of the situation and needs on the ground. Only SSC partners can correctly define and identify the more pressing development problems in their countries, and ample past experience has shown that the best solutions come from the grassroots and the beneficiaries themselves. Given the Southern partners' closer grassroots connections, SSC is more likely to develop solutions that the local communities can identify with and are hence more likely to take ownership of. The tools provided by the North then should be placed into the local context and at this stage the North should defer the authority to the Southern partners.

Many beneficiaries pointed out that it was easier to identify with their Southern counterparts while engaging in a knowledge exchange project. For instance, one beneficiary of a project that reforested mangroves in Benin and Costa Rica (Project 06-P2-07) admitted that although "foreign experts" had told his fishing community that mangroves were important, the point never hit home until the team from Benin came to Costa Rica. Talking with people from a similar economic background as himself and seeing how and why they value mangroves finally made him realize the grave danger that mangrove destruction posed to his community. This experience made him an ardent conservationist, even though previously he had paid very little attention to natural resources in the area.

That being said, all interviewees agreed that a reciprocal relationship with the North would be relevant. While the grassroots beneficiaries find it easier to identify with their counterparts from the South, the overall coordination of projects can only be successful if it brings together the comparative advantages of the North-South and South-South collaborations. Development projects often benefit from outside perspectives. The North can often shed new light on a problem or offer creative solutions that the South partners might not have considered before, but this has to be done in an environment of mutual trust and respect between the partners.



A successful technical cooperation and Knowledge exchange.

The success formula of PSC was independence from donors, emphasis on real reciprocity and equality between members. Through PSC the three countries have come together sharing skills and knowledge on agriculture, environmental issues, efficient use of energy and much more. The reciprocal knowledge exchange and mutual learning had strengthened sectors such as academic, governmental, non-governmental organizations, private and civil society, and at the same time had increased cost effectiveness, promotes transfer of appropriate technologies and ensures local ownership, leadership and capacity building.

This experience has shown that South-South cooperation can help developing nations overcome the constricting donor-recipient relationships and learn best practices from each other. "By working closely together we are able to tap into the diverse knowledge of each partner. We taught Costa Ricans the value of edible insects for fodder, while Costa Ricans helped us to introduce organic pineapple farming, which opened up new export markets for our small-scale farmers and generated much needed additional income," said Mathias K. Pofagi.

Although skeptics might question the value of collaboration between such culturally and geographically distinct countries, it is precisely their differences that helped develop great results. Due to their first-hand familiarity with the problems on the ground, actors in South-South cooperation have been more efficient and effective in identifying and implementing solutions. Just as an example, Beninese farmers have learned from their Costa Rican counterparts how to grow organic pineapples while Costa Ricans learnt from colleagues in Benin how to use edible insects to feed their cattle. "Since the beginning of our cooperation we managed to help Beninese farmers doubling their pineapple production," explained one interviewee, a Costa Rican farmer helping Beninese farmers grow organic pineapples. "But the most interesting is that this project builds long lasting capacities and leads the way to short and long term sustainability".

The contributions of the 36 projects, to more than 25.000 beneficiaries in the three countries, have been not only financial but also technical, including services (training, technical assistance, information and business development services), market access, technology transfer, research and others. This was possible by adapting to the national reality of each of the partners, the knowledge and the technics exchanged. To demonstrate, the project that investigated the socio-economic benefits of national parks and protected natural areas, established the basic methodology to determine the benefits of these areas earlier in Costa Rica, and following several training sessions, the project has now been successfully replicated in different local contexts, adapted to a national scale and internationally transferred to Bhutan and Benin. The South-South cooperation between these countries permitted not just the exporting of a Costa Rican methodology, but also provided the feedback, monitoring and evaluation needed to ensure a successful national scale up. In these case, scaling up a local level project to the national level is an endeavor that cannot be accomplished without structural support from laws and policies. This is true in Costa Rica as well as around the world. The scale up of the project was realized within a context of strong policy initiatives taken by the Government of Costa Rica, and the international transfer of the Project was facilitated by supportive national policies in Benin and Bhutan.

The learning and knowledge sharing that resulted from this PSC partnership was largely responsible for the success of the Programme in each country.



LESSONS LEARNED

In conclusion, the PSC experience highlights several very important lessons for future SSC activity and for North - South - South triangular relationships.


South-South Cooperation can and has produced very impressive results despite initial skepticism surrounding the idea. At the start of PSC many were worried that the overhead and management of a program between three vastly different Southern nations would be too complicated for a successful development initiative. 3 years and 26,706 direct beneficiaries later, the PSC results speak for themselves. The program has indisputably shown that once momentum is gathered, the running of SSC is neither complicated, nor expensive.

Language, culture, religion and geography are not barriers to cooperation. Although language and culture posed some difficulties at the start of PSC, six months down the line these problems were long forgotten. None of the project coordinators or beneficiaries interviewed for this case study cited language as a problem in their project. If anything, experiences from PSC projects have showed that language ceases to be an issue at the grassroots level where beneficiaries learn through hands on experience. All interviewees were eager to learn about the culture of their partners and most project involved cultural learning along with technology and skill transfers.

Permitting greater autonomy and responsibility among the Southern partners leads to a strong sense of ownership and accountability and hence more efficient results. PSC has shown that when the providing partner is willing to allow the receiving partners make their own decisions, the receiving partners take on responsibility for the project's success. They become accountable not only to their constituencies and to the provider, but also to each other. This horizontal accountability serves several purposes. First, it allows the providing partner to concentrate on more pressing issues, knowing that the SSC project will be managed well. Second, it permits the receiving partners identify and solve concerns that are most relevant to them. Finally, it ensures more efficient fund management by the receiving parties because they are not accountable to many other stakeholders. The fact that many outcomes of PSC projects have been used and incorporated by national governments of the corresponding countries is living proof that autonomy of South partners produces results that are useful on a macro-level.

Technology and knowledge transfer is most efficient when counterparts identify with each other. A common theme mentioned in all interviews with beneficiaries and project coordinators was the comfortable learning environment between Southern counterparts. Many beneficiaries mentioned that it would have been different if they had been taught, for instance, organic farming skills by “experts” who had developed techniques in a laboratory but had never implemented them in real life. Being able to see firsthand the success of other farmers or producers using the same techniques that they were teaching proved to be a lot more convincing for beneficiaries than any set of empirical evidence would. The hands on learning experience also allowed them to retain more, and all beneficiaries mentioned that they use, to varying degrees, the skills that they learned during the projects.

South-South Cooperation has to be based on reciprocity, equality, and participation in order to succeed. The absence of any one of these pillar would distort the SSC, hampering the comfortable and conducive environment that allows partners to freely express their views. PSC's experience shows that it is best to include these principles in the agreement document that the partners sign at the beginning of the collaboration.



This ensures that all partners are on the same page and everyone ones that they have the right to complain if they feel that one of these principles is violated. While PSC has not had any problems in this context, it is a measure that all partners appreciate.

Participatory management is vital for sustainability. As the experiences in Costa Rica, Benin and Bhutan indicate, efforts are successful only when they are matched by participatory management. On the macro level this cooperation translates into better government initiatives, more effective peer monitoring and more notable results.

Time is a valuable and imperative investment in setting up a successful South-South Collaboration. A common problem that PSC encountered was the lack of time invested in getting to know the partners. This was true from the National Mechanisms to the local projects. Members of National Mechanisms admitted that they wished they had invested more time in getting to know their partners better. That would have avoided many unnecessary misunderstandings that arose at the beginning of the program. A similar concern was echoed by project coordinators who stated that it became easier to execute their project after the first several months because they had learned enough about their counterparts by then. They agreed that investing more time into getting to know their partners prior to the onset of the project would have helped them achieve results much faster.

Professionalism and systematization need to be focused on and can be learned from the North. While PSC has been praised internationally for its impressive project organization and fund management, this is something that the National Mechanisms had to learn the hard way. The first six months of the program were dedicated entirely to strengthening the organizational capacities of the National Mechanisms and to professionalizing their institutions. Today this has paid off and all agree that this investment was imperative for the program's success. Following the mid-term review of PSC, it became apparent that the program did not employ the used of indicators to predict its success. This then prevented PSC from comparing actual results to expected results. Following the review this was corrected, and it served as a valuable lesson for PSC. These are techniques that the North has used extensively in their vast development experience and are one of the things that SSC can learn from the North.

The North need not be afraid of being misplaced out of SSC. PSC's North-South-South collaboration shows that development will only be possible if both the North and the South come together under a respectful and reciprocal partnership that makes the best of each other's comparative advantages and allows each partner to put in the greatest effort. Each partner has a lot to learn from the other and achieving development goals without help from the North would be impossible. The North has a vital role to play in SSC provided this role permits the South partners the autonomy needed to carve out their own paths towards development.


Appendix 1: List of Interviewees



Name	Affiliation	Date
Sonia Garcia Morale	Beneficiary, Project 05-B-07	01 July, 2011
Rogelio Martinez	Beneficiary, Project 05-B-07	01 July, 2011
Martin Kelber Salazar	Beneficiary, Project 16-P2-07	06 July, 2011
Isaac Gutierrez Funez	Beneficiary, Project 06-P2-07	07 July, 2011
Giselle Bianco Cordoba	Beneficiary, Project 06-P2-07	07 July, 2011
Eduardo Barroso	Beneficiary, Project 06-P2-07	07 July, 2011
Osvaldo Calvo Rodriguez	Beneficiary, Project 05-B-07	07 July, 2011
Alberto Chinchilla	Coordinator, Project 03-B-07	11 July, 2011
Jorge Sanchez	Coordinator, Project 03-B-08	12 July, 2011
Marilu Villalobos	Beneficiary, Project 04-P2-07	12 July, 2011
Mauricio Castro	National Mechanism, Costa Rica	13 July, 2011
Mathias Pofagi	National Mechanism, Benin	14 July, 2011
Marianella Feoli	PSC Secretariat, Costa Rica	14 July, 2011
Cecilia Mora	Coordinator, Project 24-B-08	14 July, 2011
Bernardo Aguilar	Coordinator, Project 06-P2-07	15 July, 2011
MariaLuis	Beneficiary, Project 05-B-07	19 July, 2011
“La negrita”	Beneficiary, Project 05-B-07	19 July, 2011
Dawa Penjor	Coordinator, Project 02-T-07	19 July, 2011
Dema Dolkar	Beneficiary, Project 02-T-07	19 July, 2011
Lawang Norbu	Beneficiary, Project 02-T-07	19 July, 2011
Kinga Wangdi	Coordinator, Project 04-B-07	20 July, 2011
Sanjay Rinchen	Beneficiary, Project 04-B-07	20 July, 2011
Matthijs van Bonzel	Dutch Ambassador to Costa Rica	4 August, 2011
Josea S. Dossou-Bodjrenou	Coordinator, Project 05-T-08	2 August, 2011
AMEGANKPOE Claudia	Coordinator, Project 06-P2-07	2 August, 2011
Clement D. Gnonlonfoun	Beneficiary, Project 05-T-08	2 August, 2011
Goglagonou Peirre	Beneficiary, Project 05-T-08	2 August, 2011
Rinchen Wangdi	National Mechanism, Bhutan	2 July, 2011

Appendix 2: Interview Questions for National Mechanism Representative

- 1) How would you describe your role/ responsibility in PSC?
- 2) How did your relationship with partner countries change after entering PSC?

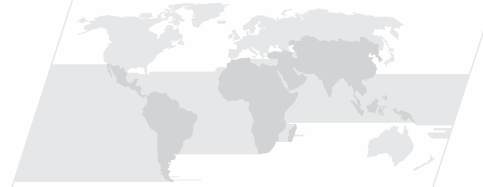
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- 3) What challenges had to be overcome?
 - 4) What and how much (financial, human capital, etc) did you have to invest in PSC?
 - 5) In your opinion, what are the most important results achieved by PSC so far?
 - 6) Do you think these results are sustainable?
 - 7) Are you satisfied with the results? Are they what you were expecting? Would you like to see anything more?
 - 8) What are the main lessons you have learned through collaboration?
 - 9) What things worked best for PSC?
 - 10) What things didn't work? What would you recommend to avoid them?
 - 11) What could be improved?
 - 12) How does PSC fit into national development plans of your country?
 - 13) How has PSC increased the national capacity in the country?
 - 14) How does PSC work with other national actors (eg: ministries, parliament, etc)?
 - 15) In your opinion, how has South-South (S-S) collaboration been different from North-South (N-S) collaboration?
 - 16) What in your opinion are the innovation/advantages of the S-S collaboration compared to N-S?
 - 17) What role can the North play in S-S collaboration?
 - 18) What can S-S collaborations learn from N-S collaborations? And vice versa?
 - 19) What advice would you give to other countries wishing to start S-S collaboration?
 - 20) In one phrase, how you will describe PSC Programme or PSC success?

Appendix 3: Interview Questions for the Dutch Ambassador to Costa Rica

- 1) What role / responsibility have Holland in PSC?
- 2) What expectations they had of the program? The PSC achieved these expectations?
- 3) In your opinion, was worth the investment you made?
- 4) What kind of challenges / problems had to overcome?
- 5) How the relationship with each of the countries has changed after the program began?
- 6) Do you think that SS cooperation is an innovative model that could be more efficient than NS cooperation?
- 7) In your opinion what are the most important outcomes that the program achieved?
- 8) Can you comment on the sustainability of these results?
- 9) What are the advantages of the PSC? What are the disadvantages?
- 10) What are the differences between S-S and N-S?
- 11) What is the role of the N in S-S?
- 12) Can the N learn of S-S? What can learn S-S of N-S?
- 13) Would you recommend PSC for other countries?
- 14) What should be avoided in the future?
- 15) What can be improved?
- 16) What suggestions do you have for countries that want to start a program in SS?

Appendix 4: Interview Questions for Project Coordinators and Beneficiaries

- 1) Tell me a little of the project.
- 2) What results were achieved?



- 3) Contributions to Benin and / or Bhutan of the project?
- 4) What did you learn from them?
- 5) What did you teach?
- 6) Are you satisfied with the collaboration? Would you collaborate in other projects with them?
- 7) Did the project have challenges or problems during the collaboration?
- 8) Can you tell me things that did not work?
- 9) Can you give recommendation for future projects?
- 10) In one sentence, what it meant for you to participate in a project like this?
- 11) In one sentence, how would you summarize your project?

