

UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL



BACKGROUND STUDY
FOR THE
DEVELOPMENT COOPERATION FORUM

*Trends in South-South and
triangular development cooperation*

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ACRONYMS AND ABBREVIATIONS

ADFD	Abu Dhabi Fund for Development
AfDB	African Development Bank and Fund
AFESD	Arab Fund for Economic and Social Development
AsDB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
BADEA	Arab Bank for Economic Development in Africa
BANDES	<i>Banco de Desarrollo Económico y Social de Venezuela</i>
CIRR	Commercial interest reference rate
CEMLA	<i>Centro de Estudios Monetarios Latinamericanos</i>
DAC	Development Assistance Committee of the OECD
DCF	Development Cooperation Forum
DFI	Development Finance International Ltd
DFID	Department for International Development
DRI	Debt Relief International Ltd
DSF	Debt sustainability framework
EC	European Commission
EXIM	Export-Import
EU	European Union
FAO	Food and Agriculture Organisation
FSO	Fund for Special Operations
GE	Grant element
GNI	Gross national income
GTZ	<i>Gesellschaft für Technische Zusammenarbeit</i>
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
HIPC CBP	Heavily Indebted Poor Countries Capacity Building Programme
IADB	Inter-American Development Bank
IADG	Internationally Agreed Development Goal
IAI	Initiative for ASEAN Integration
IBSA	India-Brazil-South Africa
IDA	International Development Association of the World Bank
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IsDB	Islamic Development Bank
JICA	Japan International Cooperation Agency
KFAED	Kuwait Fund for Arab Economic Development
LDMCs	Least Developed Member Countries
LIBOR	London Interbank Offered Rate
LICs	Low income countries
MDG	Millennium Development Goal
MEFMI	Macroeconomic and Financial Management Institute for Eastern and Southern Africa
MICs	Middle income countries
NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OFID	OPEC Fund for International Development

OOF	Other official flows
OPEC	Organisation of Petroleum Exporting Countries
PBAs	Performance based approaches
PRC	People's Republic of China
PRGF	Poverty Reduction and Growth Facility of the International Monetary Fund
SDR	Special drawing rights
SFD	Saudi Fund for Development
SIDA	Swedish International Development Agency
TA	Technical assistance
TC	Technical co-operation
UAE	United Arab Emirates
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
WAIFEM	West African Institute for Financial and Economic Management
WHO	World Health Organisation

1. INTRODUCTION AND BACKGROUND

As part of the substantive preparations for the first biennial high-level Development Cooperation Forum (DCF) in July 2008, the Department of Economic and Social Affairs of the United Nations (UNDESA) is undertaking a review of recent trends and progress in international development cooperation. This review will inform the analytical report of the Secretary-General, which will serve as the main background document for the upcoming DCF. The present study, which focuses on recent trends and progress in South-South and triangular development cooperation, is part of this analytical effort¹.

South-South development cooperation has a long history, with some Southern institutions and developing countries and economies contributing development assistance for almost half-a-century. The Kuwait Fund for Arab Economic Development (KFAED), for example, the first fund of its kind to be established by a developing country, was set-up in 1961, with the Islamic Development Bank (IsDB) and Arab Bank for Economic Development in Africa (BADEA) in operation since the mid-1970s.

China has also been providing assistance to African countries for almost 50 years, including constructing the Tazara railway between Tanzania and Zambia in the late 1960s. The number of Southern development assistance contributors has since grown further with several developing countries taking steps to establish full-fledged development cooperation agencies while broadening the focus from mainly technical cooperation to more comprehensive development programmes.

Although the volume of South-South development cooperation remains limited, the relative decline in North-South development cooperation has made its growth seem more spectacular. South-South development cooperation also seems to evoke different sentiments amongst different actors. One reason for this charged debate may be lack of accurate data and information on different aspects of South-South and triangular development cooperation, with the latter receiving more attention in recent years as means to harness the expertise and experiences of developing countries while taking advantage of support from Northern donors.

The present study focuses on the following aspects of South-South and triangular development cooperation:

- The definition of official development assistance (ODA) and implications for determining the quantity of South-South development assistance;
- The key actors, i.e. governments and multilateral institutions, contributing South-South development assistance;

¹ The study was prepared by Alison Johnson, Bruno Versailles and Matthew Martin, Development Finance International. Opinions expressed in this paper are those of the authors and do not necessarily reflect the official views of the United Nations.

- The scale of South-South and triangular development cooperation flows and implications for the international development cooperation landscape;
- The scope, type and allocation of South-South and triangular development cooperation flows;
- The quality of South-South development cooperation, focusing inter alia on the advantages and disadvantages of Southern assistance as it relates to conditionality, channels of assistance, predictability, flexibility as well as alignment with programme country priorities for sectors, projects, policies and procedures, including tying of procurement; and
- The impact of South-South development cooperation, with emphasis on good practices in social and infrastructural areas.

The paper is organized as follows:

- **Chapter 2** reviews issues relating to methodology, coverage, definition of ODA and data collection;
- **Chapters 3-7** analyse South-South development cooperation, with particular focus on recent trends in scale, type, allocation and quality of assistance, as well as triangular development cooperation; and
- **Chapter 8** summarises the conclusions and recommendations of the study.

The study has been conducted as a North-South partnership with officials of nine programme countries as well as representatives of six Southern development assistance contributors providing inputs and comments. The study also draws on previous analysis undertaken by Debt Relief International (DRI) and its regional partners, *BCEAO/BEAC Pole Dette*, *Centro de Estudios Monetarios Latinamericanos* (CEMLA), Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI) and the West African Institute for Financial and Economic Management (WAIFEM) for the Capacity Building Programme of the Heavily Indebted Poor Countries. This work has resulted in the preparation of a Guide to Donor Practices, based in large part on analysis performed by programme countries.

2. METHODOLOGY

2.1 Coverage

In international development cooperation, donors are generally defined as bilateral governments that are members of OECD/DAC, major multilateral institutions, such as the World Bank and the International Monetary Fund (IMF), and regional development banks, including the African Development Bank (AfDB), Asian Development Bank (AsDB) and Inter-American Development Bank (IADB). International development cooperation is also characterized by complementary development support provided by a number of Southern development actors to developing countries and territories.

For the purpose of the present study, Southern bilateral contributors denote developing countries or economies that provide aid. This definition excludes developed countries and countries with economies in transition². Southern multilateral institutions denote institutions wholly owned by developing countries.

The present study focuses on eighteen developing countries providing development assistance as well as three of the larger Southern regional multilateral institutions:

- Ten major bilateral contributors (Brazil, China, India, Kuwait, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Arab Emirates and Venezuela) each with development assistance programmes of more than US\$100 million per annum³ and eight smaller bilateral Middle Eastern, Asian and Latin American contributors (Argentina, Chile, Egypt, Israel, Malaysia, Singapore, Thailand and Tunisia);
- Three Southern multilateral institutions which cover a large number of programme countries, namely the Arab Bank for Economic Development in Africa (BADEA), the Islamic Development Bank (IsDB) and the OPEC Fund for International Development (OFID). Sub-regional institutions have been excluded as information has been more difficult to locate.

The following bilateral contributors have not been included in the study:

- Algeria, Bahrain, Cuba, Indonesia, Mexico, Morocco, Nigeria and Pakistan, which are currently not providing significant amounts of development assistance;
- Iran, Libya and Qatar, which have announced promises of large amounts of assistance, but it has proved difficult to locate information on disbursements or programme country experiences.

Triangular development cooperation has been interpreted as OECD/DAC donors or multilateral institutions providing development assistance to Southern governments to execute projects/programmes with the aim of assisting other developing countries. At present, triangular flows do not appear to be a significant part of the global development cooperation architecture, although lack of data makes this difficult to ascertain.

2.2 Defining official development assistance

In examining trends in South-South development cooperation, it is important to be as accurate as possible in the definition of such flows. External financial resources available to developing countries fall into two main categories: (a) development assistance or concessional finance and (b) non-concessional or market-related finance. Many studies analysing South-South cooperation tend to mix these two types of financing.

² As defined by the United Nations Statistics Division (<http://unstats.un.org/unsd/methods/m49/m49regin.htm>).

³ As a major contributor of development assistance Taiwan Province of China is included separately.

As a starting point, there is no internationally agreed definition of what constitutes development assistance or the concessionality of loan finance. According to a 1969 OECD/DAC definition, ODA includes:

“those flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions which are:

- provided by official agencies including state and local governments, or by their executive agencies,;
- each transaction of which is:
 - administered with the promotion of the economic development and welfare of the developing countries as its main objective;
 - concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent)”⁴.

Unpacking this definition, ODA is grants or loans, which fulfil the following criteria:

- The donor is a government or its agency, so all private sector financing is excluded;
- The recipient is a developing country government or multilateral development institution, such as the World Bank, IMF, United Nations (UN), regional development bank and the main international non-governmental organisations (NGOs)⁵;
- The funding being provided is for the purpose of promoting economic development and welfare. This criterion is based on the donor’s intention, which may not be readily discernable. However it is designed to specifically exclude loans or grants for strictly commercial and export financing purposes, as well as all aspects of foreign direct investment. To reduce the scope for subjective interpretation and to encourage comparable data reporting by DAC-donors, the OECD classifies the following as not being ODA⁶:
 - military assistance, enforcement aspects of peacekeeping, policy services to control civil disobedience, sponsoring of concert tours or athletes’ travel costs, assistance to refugees with over one year stay in the donor country and military applications of nuclear energy;
 - loans and grants for representational or commercial purposes;
 - export credits extended by a donor government or its agencies are specially excluded,
 - loans with one or more years maturity and a grant element grant of less than 25 per cent, irrespective of the purpose, and short-term debt are also excluded⁷;

⁴ OECD (2007c) and OECD (2007d).

⁵ Full listing of the relevant institutions is found in Annex 2 of OECD (2007a).

⁶ Grants and loans, which do not meet the ODA criteria, are known as Other Official Flows (OOF).

⁷ Where concessional and non-concessional finance are combined as mixed credits or associated financing packages, the concessional components counts as ODA.

- subsidies (grants) to the private sector to soften its lending terms to developing countries;
- The types of flows classified as being ODA include programme and project assistance, humanitarian assistance, debt relief, costs of education provided to developing country nationals in the donor country, administrative costs of ODA programmes, subsidies to NGOs, and programmes to raise development awareness in donor countries;
- For a loan to qualify as ODA, it must be deemed concessional (see Box 1).

Box 1: Measuring loan concessionality

In defining ODA, the OECD identifies concessional loans as those with a grant element of at least 25 per cent, when using a 10 per cent discount rate. The grant element calculation, discussed in more detail in Annex 1, is designed to assess the actual cost of funds over time, with the discount rate representing the opportunity cost to the lender. However there are alternative definitions of concessionality used by the both OECD and IMF and the World Bank.

For OECD, an export credit is considered to be concessional if the grant element is at least 35 per cent (50 per cent for least-developed countries), when using the market-related currency-specific Commercial Interest Reference Rate (CIRR). The IMF uses the grant element calculation to monitor the concessionality of new borrowings by a developing country, as part of a macroeconomic stabilisation programme. In doing so the IMF uses a definition of concessionality similar to that used by the OECD for exports credits, whereby loans with a grant element of 35 per cent or more are classified as concessional⁸. However, the IMF does not use exactly the same methodology or discount rate as the OECD when assessing concessionality limits of its own programmes, as discussed in more detail in Annex 1. The IMF and the World Bank also use the grant element calculation for the purpose of assessing countries' long-term debt sustainability⁹. In this case, a fixed 5 per cent discount rate is used.

As a result of the different measures, loan terms may be classified as ODA according to the OECD methodology, but considered non-concessional and breaching the limits of a country's macroeconomic stabilisation programme as agreed with the IMF. For example, OPEC Fund loans are classified as ODA, but may not always be concessional new borrowings as part of an IMF programme (see Table 5). Furthermore in the recent low interest rate environment internationally, even some commercial loans may appear to be concessional on the basis of OECD's definition of ODA.

The lack of international agreement on how concessionality is measured has resulted in Southern contributors not necessarily knowing whether development assistance flows should be defined as ODA, or loan terms are breaching the concessionality limit of IMF country programmes. Faced with this conundrum, some Southern

⁸ In some Fund country programmes, the minimum grant element level of allowable borrowings may be higher than 35 per cent. For concessionality calculator using the IMF methodology, go to www.imf.org/external/np/pdr/conc/index.htm.

⁹ Using the Debt Sustainability Framework (DSF).

contributors, particularly the multilateral institutions, have been making efforts to ensure loan terms are more concessional, thereby complying with IMF borrowing ceilings, although in some instances this has required considerable technical consultations and negotiations as well as discussions with senior management and IMF-World Bank boards to change the loan terms. Difficulties can also arise when country-specific minimum concessionality levels in IMF programmes are raised from a 35 to 50 per cent grant element, with little or no discussion about potential implications for a country's ability to contract Southern development assistance loans.

Table 1 summarises the alternative measures of loan concessionality currently being used internationally.

Table 1: Alternative measures of loan concessionality

Organization	Purpose	Discount rate	Concessionality level
OECD	Define ODA flows	10%	> 25%
	Assess concessionality of export credits	6-month average CIRR	> 35%
IMF/World Bank	Assess new borrowing concessionality as part of macro stabilisation programme	10-year avg. CIRR for loans with maturity >10 years + margins; 6-month avg. for shorter-term loans	>35% or more for some countries
	Assess long-term debt sustainability of loan portfolio, using present value debt ratios	5%	Not applicable

While DAC-donors report data on the basis of the OECD definition of ODA, this is not necessarily the case for Southern contributors (see section 2.3). As a result, the current ODA definition does not adequately measure the genuine transfer of resources that takes place to developing countries. To address this issue, the DAC has recently introduced the concept of 'programmable aid', which excludes from ODA humanitarian assistance, debt relief, administration costs, in-donor country refugee costs and imputed student costs¹⁰, and as the DAC acknowledges, on which it is difficult to compile data. However, this discussion does highlight the issue of determining what types of flows should be considered part of development assistance, in particular, ODA. For example, should in-donor refugee costs or imputed student costs be part of ODA? Or should concessional export credits be considered ODA as they can contribute to economic development?

¹⁰ OECD-DAC (2008).

The need for an internationally agreed, uniform definition of concessionality of financial flows, to be used for defining ODA and assessing new financing in macroeconomic stabilisation programmes and debt sustainability, has therefore been raised¹¹.

2.3 Data issues

A second main problem hindering in-depth analysis of South-South concessional financing flows is lack of accessible and comprehensive information and data. This is highlighted in the latest OECD/DAC *Development Co-operation Report*, which states “it is highly desirable that consistent and transparent accounting of flows from these countries is put in place as soon as possible, perhaps through the new ECOSOC Development Cooperation Forum”¹².

Northern donors report on an annual basis to the OECD/DAC, which has developed a data processing and support system to organise and disseminate this data on a comparable basis through publications and via the web¹³. Even though some Southern contributors also report to the DAC, most do not, and, apart from the Coordination Secretariat of Arab National and Regional Development Institutions (which publishes twice a year, a *Summary of Loans and Technical Assistance Extended to Developing Countries by Arab National and Regional Development Institutions*), no Southern institution currently performs a coordinating role in compiling, processing and disseminating development cooperation-related data.

Hence, the data used in this study was gathered on a contributor-by-contributor basis. The main sources can be summarised as follows:

- Most agencies responsible for implementing Southern governments’ development assistance programmes publish an annual report, which generally provides some data on assistance patterns and procedures. These include the EXIM Banks of China, India, Republic of Korea and Turkey, and the development assistance agencies in Kuwait, Republic of Korea, Saudi Arabia Turkey and the three multilateral institutions¹⁴. Other publicly available sources include the government budgets of India, Malaysia and South Africa. There are difficulties associated with this bottom-up approach in that (a) data is not always comparable, as for example few of these reports use the DAC definition of ODA, and (b) substantial information gaps remain, for example, Arab contributors report thoroughly on new commitments made during the past year, but provide less data on annual disbursements. There is also a lack of data on humanitarian assistance provided by many Southern development partners, such as Arab assistance to the Occupied Palestinian Territory;
- Officials in Southern government institutions responsible for the management and implementation of aid flows were contacted to provide more information on concessional flows, with most of the information on Argentina and South Africa collected in this manner.

¹¹ Manning (2006).

¹² OECD-DAC (2008).

¹³ See www.oecd.org/dac/stats.

¹⁴ The development assistance agency in Taiwan Province of China also publishes an annual report..

The paper has also benefited from the help of some Southern research institutes/NGOs, which have more in-depth knowledge of local development assistance programmes;

- One of the more innovative sources of information utilised by this study is the Heavily Indebted Poor Countries Capacity Building Programme (HIPC CBP) ‘Guide to Donor Practices’, which provides a series of donor-specific profiles on development assistance policies and procedures, including inputs from 30 HIPC countries. The latter reflects programme countries’ assessment of donor alignment with national priorities in the context of HIPC CBP. Also, through this programme, access was established to the loan agreements of Southern lenders, which helped in better understanding the terms and conditions of such financing.
- Some Southern contributors do share information with the DAC, albeit to varying degrees. The Republic of Korea and Turkey report the same in-depth information as do DAC members, while Israel, Kuwait, Saudi Arabia, Taiwan Province of China, Thailand and the United Arab Emirates all report aggregate ODA statistics, but little in terms of geographical coverage, types of assistance or sectoral allocation. The three multilateral institutions covered in this paper (BADEA, IsDB and OPEC Fund) report aggregate ODA and geographical allocation as a group;
- While there was no systematic data collection for assistance programmes of Egypt, Singapore or Tunisia, examples of development assistance practices of these countries have been included, where appropriate¹⁵;

A particular problem is the lack of reliable data on triangular development cooperation. It is important to note that most triangular flows are not ‘additional’ development assistance provided by Southern contributors, but rather included as part of Northern donor flows to programme countries. The OECD/DAC indicates that there is no “tagging” in its system of how much development assistance from developed countries is executed by agencies in developing countries, and DAC-donors do not supply such data. There is, however, a relatively small proportion of triangular development cooperation in the form of flows from Southern partners which could be seen as additional assistance. Also, the present study does not report on concessional flows involving Southern civil society organisations or Southern contributors’ support for global funds.

There have been some initiatives in the past to gather information on South-South concessional flows. In 2005, for example, a questionnaire on development assistance was sent out by UNDESA, World Bank, OECD/DAC and the Special Unit for South-South Cooperation within UNDP to the governments of Brazil, Chile, Malaysia, Russian Federation, South Africa and Thailand. Chile, Malaysia and Thailand responded to the survey while others cited capacity constraints in compiling the necessary data, which often needs to be collected from a broad range of government agencies/ministries. The DAC has further helped countries improve ODA reporting systems (for

¹⁵ Details of specific data sources can be found in Annex 2. The major references used can also be found at the bottom of Table 2, with the other tables making use of similar sources unless otherwise indicated.

example the Turkish International Development Agency) and is currently assisting the governments of Thailand and Russian Federation.

These experiences show that there are three main constraints for developing a comprehensive information base on South-South development cooperation flows:

- *Technical and institutional problems of data definitions and collection:* Many Southern contributors are unclear about definitional issues such as the concessionality or purpose of assistance, or exclude in reporting sizeable amounts of some types of assistance included in OECD/DAC data, such as debt relief, refugee costs and imputed student costs (partly because such information is provided by other agencies). Some contributor countries also appear to collect and publish data largely on commitment rather than disbursement basis, and some with long lags after actual disbursements.
- *Lack of coordination of data collection at country-level:* Some assistance programmes are dispersed across many different ministries and agencies. The planned scaling-up by many Southern contributors and analysed in this paper has led to rethinking institutional arrangements for delivering concessional financing flows. Some countries have revamped development cooperation agencies (for example Thailand in 2004), some have been on major data collection drives (such as Turkey), while others are considering the establishment of overarching development cooperation agencies (for example, the proposed India International Development Cooperation Agency and South African International Development Agency). Nevertheless, for many Southern contributors, assembling a headline aggregate of development cooperation flows remains a cumbersome and labour-intensive process.
- *Lack of a forum for coordinating the collection of such data:* Some Southern contributors are uncomfortable with reporting to the DAC because it is seen as a 'Northern club', which may not always be open to specific South-South initiatives that do not fit into the current agenda on aid effectiveness.

Yet the scaling-up of Southern development cooperation and the planned changes in national institutional structures provide a window of opportunity to improve the collection and presentation of such data.

3. SCALE OF SOUTH-SOUTH DEVELOPMENT COOPERATION

In the 1990s, development assistance from the twenty-two DAC member countries accounted for about 95 per cent of all international flows, when using the OECD/DAC definition. While DAC-donors still provide the bulk of development cooperation flows, disbursements by non-DAC contributors have been increasing. Before the current study, initial estimates of the volume of such

cooperation were put at about US\$8.5 billion in 2006 (around 7.5 per cent) of total flows, of which about US\$7.1 billion (6.2 per cent of total ODA) was from Southern contributors¹⁶.

On the basis of more detailed analysis, the Southern contributors covered in the present study are estimated to have disbursed between US\$9.5 billion and US\$12.1 billion in 2006¹⁷, representing 7.8 to 9.8 per cent of total flows¹⁸. This estimate is between US\$2.4 billion and US\$5.0 billion higher than earlier figures. The range reflects considerable variation in the quality and availability of data from four major contributors, i.e. China, India, Republic of Korea and Venezuela (see Table 2). It should be noted that these figures most likely underestimate total Southern development cooperation as the flows of several smaller bilateral and multilateral contributions have not been included due to lack of data and differences in definitions of what constitutes development cooperation (as discussed in Section 2.3 above).

The largest Southern contributors, in terms of resource flows, are China, India, Saudi Arabia and Venezuela (providing each at least US\$1 billion per year), followed by the Republic of Korea and Turkey (providing more than US\$500 million per annum)¹⁹, as shown in Table 2. The contribution of Southern contributors to all multilateral institutions accounts for an average of about 18 per cent of ODA, compared with a DAC-donor average of 29 per cent. However the average masks a wide variation as shown in Table 2 and discussed in section 7.3.

If recent large pledges by Southern contributors materialise, development assistance flows may grow to around US\$15 billion by 2010 (depending on the pace of disbursements). In particular, China is planning a notable expansion of assistance to Africa and more widely, while Republic of Korea has indicated a doubling of flows (excluding assistance to the Democratic People's Republic of Korea) by 2010, with a further trebling by 2015. South Africa also has plans to become a contributor with the aim of achieving development assistance to programme countries of between 0.2 - 0.5 per cent of GNI in the foreseeable future. Furthermore, the IsDB has indicated a considerable expansion of its programme as well as US\$2 billion for its new poverty fund. Moreover, the scale and timing of the lending programme of the *Banco del Sur* is expected to have a notable impact on future South-South development cooperation in Latin America. Of Southern contributors, both Saudi Arabia and Venezuela are now providing more than 0.7 per cent of GNI in development cooperation flows (similar to Kuwait in the 1970s).

¹⁶ Martin and Stever (2007). The difference reflects development assistance provided by, for example, EU non-DAC countries.

¹⁷ See footnotes to Table 2 and Annex 2 for more details of data used to compile these estimates.

¹⁸ Total aid is based on final 2006 DAC data and includes an estimated US\$6.3 billion via global funds and private foundations.

¹⁹ Taiwan Province of China also provides more than US\$500 million per annum.

Table 2: Net disbursements of Southern development cooperation, 2006

(unless otherwise indicated - see also Annex 2 for more detailed information) ‡

	US\$ million		as % of GNI		% of aid to multilaterals	Future Quantity Intent
	lower bound	upper bound	lower bound	upper bound		
Bilaterals						
Africa						
South Africa (0)	194		0.07%		77%	- Policy proposal to increase aid to 0.2%-0.5% in the foreseeable future.
Asia						
China (1)	1,500	2,000	0.06%	0.08%	na	- Doubling aid to Africa to US\$ 1bn by 2009 - Debt relief for 31 HIPCs (US\$ 1.3-1.4 bn).
India (2)	504	1,000	0.06%	0.11%	7%	- Increase envisaged, but not detailed.
Korea, Republic of (incl. aid to N. Korea) (3) *	579	885	0.07%	0.10%	17%	- US\$ 1 billion by 2010 (excl. aid to N. Korea) - 0.25% of GNI by 2015 (=US\$ 2.8 billion).
Malaysia (4)	16		0.01%		36%	- 25% increase in technical co-operation over 2006-2010 (appr. US\$ 2.5 mn extra)
Thailand (3)	74		0.04%		12%	- Increase envisaged, but not detailed
Middle East & North Africa						
Israel (3)	90		0.06%		17%	- No information available
Kuwait (3) **	158		0.19%		3%	- No information available
Saudi Arabia (3)	2,095		0.70%		2%	- No information available
Turkey (3)	714		0.18%		10%	- Aims for 0.2% of GNI, no time-path announed
United Arab Emirates (3)	249		0.24%		0%	- No information available
Latin America & Carribean						
Argentina (5)	5	10	0.0025%	0.0050%	na	- Increase envisaged, but not detailed
Brazil (6)	356		0.04%		na	- No information available
Chile (7)	3.0	3.3	0.0026%	0.0029%	na	- US\$ 3,8 million by 2008
Venezuela (8)	1,166	> 2,500	0.71%	1.52%	na	- Amount of oil aid dependent on future oil price
Multilateral Development Institutions (non-OECD) ***						
Arab Agencies (AFESD, OPEC Fund, IsDB & BADEA) (3)	833		-	-	-	- BADEA's 2005-2009 five year plan budgeted at US\$ 675 mn. Planned total commitment of US\$ 200 mn by 2009. - IsDB aims for a total (concessional + non-concessional) of US\$ 4 bn in disbursements over the next 5 years. It has also mobilised US\$ 2 bn for a newly established poverty fund. - No information available on OPEC Fund.
Other						
Taiwan, Province of China	513		0.14%		4%	- No information available
Arab Support to Palestinian Adm. Areas (9)	456		-	-	-	
TOTAL	9,504	12,145	0.16%	0.22%	18.2%	(avg for % of GNI)

‡ Data on Egypt, Singapore and Tunisia not available. na = not available.

* Baseline OECD/DAC estimate does not include South Korean aid to North Korea, which was estimated to be between US\$ 125 mn (Korean Ministry of Finance & Economy, 2006) and US\$ 430 mn (Jerve, 2006) in 2005.

** Only includes aid from the Kuwait Fund for Arab Economic Development (KFAED), not other bilateral Kuwaiti aid.

*** DAC only reports aggregated aid statistics for the 3 Arab multilateral institutions covered in this paper. Publicly available disaggregated figures are often not up to date and are mostly commitment based (see Annex 1 on data issues). Data for AFESD is taken from the official website: <http://www.arabfund.org/ENINDEX.HTM>. As multilateral contributions of UAE, Kuwait and Saudi Arabia were very small in 2006, we include net disbursements from the Arab multilateral institutions (AFESD, OPEC Fund, BADEA and ISDB) in calculating total concessional financing amounts without a big risk of double-counting. Data excludes aid to West Bank and Gaza.

(0) Source: South African Treasury (2008). Figures correspond to 2007/08 budget commitments (all grants).

(1) Source: Based on Lancaster (2007) and Brautigam (2007). Figures correspond to gross disbursements.

(2) Source: Lower estimate from Indian Federal Government budgetary (gross) commitments (Indian Ministry of Finance, 2006). Upper estimate from 2007 budget speech by Indian Finance Minister (Indian Ministry of Finance, 2007).

(3) Source: OECD/DAC (2007a) - Table 33e (all net disbursements).

(4) Source: Multilateral aid was calculated on the basis of Government of Malaysia (2005), whilst for bilateral aid EPU (2007) was used. Figures are for 2005 and as Malaysia does not give out loans, hence net=gross disbursements.

(5) Source: Personal communication with official from Fondo Argentino de Cooperación Horizontal (FO-AR) (19.01.2008). As Argentina does not give out loans, gross disbursements = net disbursements. Excludes multilateral assistance.

(6) Source: Brazilian Ministry of External Affairs (2007) and personal communication. Excludes humanitarian assistance and peacekeeping operations.

(7) Source: lower bound based on estimate in AGCI (2007), upper bound based on OECD/DAC (2007b). Excludes multilateral assistance.

(8) Source: Government of Venezuela (2007) - Figures correspond to gross disbursements between Jan -Nov '07 (lower limit). PetroCaribe (2006) estimates for an upper oil aid limit were calculated to be at US\$ 2.5 bn (upper limit).

(9) Source: IMF (2007a) - these figures are not double-counting as the DAC database does not report any figure for ODA from Arab countries/agencies to the Palestinian territories.

4. TYPES OF SOUTH-SOUTH DEVELOPMENT COOPERATION

Virtually all Southern bilateral development assistance is in the form of project loans and grants. Unlike Northern donors, Southern contributors have not been providing significant amounts of general budget support, although India has provided such assistance to Bhutan, Nepal and more recently Afghanistan (the latter through the performance-based multi-donor trust fund) as shown in Table 3. The Republic of Korea has indicated that it will in the future deliver a higher proportion of its assistance through performance-based approaches, although HIPC recipients indicate it is still a low proportion. The Arab multilateral funds (including the OPEC Fund) and the governments of Kuwait, Saudi Arabia, United Arab Emirates and Venezuela have provided balance of payment support to finance oil imports. Arab contributors are also known to have contributed significant budget support (about US\$450 million) to the West Bank and Gaza in 2006²⁰.

²⁰ IMF (2007a).

Table 3: Types of Southern development cooperation

Bilaterals	
Africa	
South Africa	Currently, almost all South African aid is channelled through multilateral channels (including NEPAD, African Renaissance Fund, etc). Provides some debt relief.
Asia	
China	Most aid in form of projects, in-kind, Technical Co-operation and debt relief.
India	Aid fundamentally project oriented (including Technical Co-operation), with exceptions of Bhutan and Nepal and recently also Afghanistan (PBAs). Provides some debt relief.
Korea, Republic of	Technical Co-operation grants are 31%, project/programme grants are 22%, other grants 16%, and bilaterals loans are 31%. Full debt relief granted to HIPCs.
Malaysia	Bulk of aid through Technical Co-operation, which does involve some project-type assistance.
Thailand	80% in the form of project lending, remainder is Technical Cooperation.
Middle East & North Africa	
Kuwait	KFAED delivers mainly project and Technical Co-operation, with the Kuwaiti Gov't involved in budget & BoP support. Provides some debt relief.
Saudi Arabia	Saudi Fund gives mainly project-type assistance (but no Technical Co-operation), with programme aid historically 4% of total. Direct bilateral support includes some budget support and debt relief.
Turkey	Increasingly project & programme aid (30%), but still large part Technical Co-operation (26%). Also quite high is 'aid to refugees in donor countries'.
United Arab Emirates	ADFD offers aid in the form of projects and Technical Cooperation, with some debt relief given in 2006. Direct bilateral support includes some budget support.
Latin America & Caribbean	
Argentina	Mainly Technical Cooperation, but moving towards more long-term institutional engagement (e.g. in Haiti). Still projec focused however. Provides some debt relief.
Brazil	Brazilian aid mainly consists of Technical Cooperation. Provides also some debt relief and food/emergency assistance.
Chile	AGCI delivers aid entirely through Technical Cooperation and scholarships.
Venezuela	Venezuela's oil aid deals are essentially BoP support. Venezuela also gives some humanitarian assistance and project-type aid through BANDES.
Multilateral Development Institutions (non-OECD)	
BADEA	96% Project & programme aid (loans), rest Technical Cooperation (grants)
Islamic Dev't Bank	Net approvals for recent years have been around 50% trade finance and 50% projects, with Technical Cooperation less than 1%.
OPEC Fund for Int'l Dev't	Mostly Project & programme assistance (77%), and debt relief (13%).
Other	
Taiwan Province of China	Bilateral aid almost all projects and Technical Cooperation. Does provide some budget support.

Sources: see Annex 2 for details

Many Southern contributors notably the Republic of Korea, South Africa and the multilateral creditors have provided HIPC *debt relief*²¹, albeit not all on strictly comparable HIPC terms. China and India have written-off significant sums owed by HIPCs, with China going beyond the HIPC agreement in terms of country coverage. Of actors covered in this study, Taiwan Province of China

²¹ Debt relief is not included in the Table 2 data, except for Republic of Korea, South Africa and Turkey.

has to date not agreed to provide any debt relief to HIPC countries²² and some Arab and Latin American contributors have yet to provide HIPC debt relief in full, as illustrated in Annex 3 and Table 2.

Many of the smaller Southern contributors (for example Argentina, Chile, Egypt, Singapore and Tunisia) have focused on *technical cooperation* programmes, some of which have been in existence for more than 35 years²³. China and India have also a long history of providing technical cooperation, often as part of projects, such as Chinese technical assistance to the Tazara Railway²⁴. To date, India is estimated to have provided over US\$3 billion of technical assistance to 156 developing countries²⁵. The Republic of Korea, Thailand and Turkey have also significant technical cooperation programmes, as shown in Table 3. Technical cooperation is though a relatively small component of assistance provided by Southern multilateral institutions.

It is difficult to know the scale of South-South *humanitarian and emergency assistance* as data is not readily available. What is known is that Southern contributors have responded to catastrophic events, such as the Indian and South Asian countries' support following the Indian Ocean tsunami and floods in Bangladesh. Latin American contributors also provided significant assistance at the time of Hurricane Mitch and the floods in Guyana and Bolivia, and South Africa has delivered humanitarian assistance to the Southern African sub-region at times of natural disasters (e.g. cyclones, droughts and floods). Arab contributors are also known to have provided emergency assistance to Lebanon and the West Bank and Gaza in recent years.

5. TRIANGULAR DEVELOPMENT COOPERATION

Triangular development cooperation at present doesn't feature prominently in the global development cooperation architecture. It is also difficult to ascertain the amounts involved, although it is believed to represent a significant proportion of development assistance programmes of some Southern contributors such as Argentina, Brazil, Chile, Egypt, India, Malaysia, Republic of Korea, South Africa, Singapore, Thailand, Tunisia and Turkey. China has also recently been involved in some trilateral agreements with DAC-donors, but this constitutes an insignificant part of its overall assistance programme.

On the Northern donor side, the main participants are bilateral government aid agencies, such as those of Canada, Finland, France, Germany, Japan, Norway, Spain and Sweden, as well as multilateral institutions, including AfDB, AsDB, BADEA, EU, IADB, IFAD, IsDB, OPEC Fund, UN agencies and the World Bank. Japan is one of the major bilateral donors promoting triangulation in Asia and other regions, following the approval of its 2003 ODA Charter, which identifies triangulation as an

²² Other southern creditors such as Iran, Iraq and Libya have also not provided debt relief.

²³ The Tunisian Agency for Technical Co-operation, for example, was established in 1972.

²⁴ Centre for Chinese Studies, Stellenbosch University (2006).

²⁵ UNDP Special Unit for South-South Cooperation (2007).

effective aid modality. There is also some South-South trilateral cooperation where, for example, Argentina and Brazil are the original donors.

The rationale underlying triangulation is that Southern contributors, which are still themselves developing, are felt to be better placed and have the relevant experience to respond to the needs and problems of programme countries. In particular, many Southern contributors have come up with successful models or practices, which can be more appropriately transferred to other developing countries, than those of Northern donors.

In addition to having more appropriate technical expertise, such programmes can be more cost effective as experts from developing countries are often paid less than nationals in donor countries and training costs (fees, use of facilities, travel, accommodation etc) are generally lower than in developed countries. Furthermore the expertise or training can be conducted in the language appropriate to the programme country such as Brazilian technical assistance to Portuguese-speaking African and Asian countries.

Based on countries' experiences, examples of which are set out in Box 2, the main features of triangular cooperation can be summarised as follows:

- The scale is difficult to ascertain as Northern donors do not report separately on this modality to the DAC²⁶, nor is reliable data available from Southern collaborators. Furthermore most triangular assistance is not additional aid provided by Southern contributors but rather part of Northern donor flows;
- Japan and the UN agencies appear to be most active in providing triangular cooperation;
- At present triangulation is rather fragmented as there is an abundance of small triangular cooperation programmes, the majority of which focus on providing technical assistance in the form of experts and training/capacity building. Such expertise and training is not restricted to specific sectors but instead covers the whole gamut from public administration to social sector development in health to technical expertise in agriculture, communications and so on. The sectors supported by Southern partners often reflect the individual country's areas of expertise.
- Southern contributors are considered to have more relevant experience in responding to the needs and problems of programme countries e.g. through the transfer of appropriate technical skills and technologies.
- Much of the triangulation appears to take place within a region or sub-region (see Box 2 for examples of regional synergies).

²⁶ Triangular co-operation is likely to be a relatively small proportion of Northern donors' total spending on technical co-operation which was US\$22.3 billion in 2006 (OECD/DAC, 2008).

Box 2: Examples of triangular development cooperation

Argentina has been funding projects in collaboration with Brazil, Canada, IFAD, Italy, Japan and Spain, and it anticipates extending this support to new initiatives in collaboration with UNICEF and WHO. In principle, third party funding can only account for up to 30 per cent of project funding, with the remaining 70 per cent being Argentinean. One example of such triangular cooperation is the Haiti Food Security Project, funded in conjunction with Brazil, Canada, Spain and IFAD, whereby experts were trained in Creole with the aim of teaching Haitian women in the countryside how to strengthen food security.

Brazilian triangular cooperation initiatives with Northern donors and multilateral agencies have been focused on Portuguese-speaking countries in Africa, East Timor, Latin America and Haiti (with Argentina). Its partners have included Canada, ILO, Norway, Spain, World Bank and the United States. Its triangular programmes have covered areas such as vaccinations, school feeding, reforestation, malaria eradication and waste collection. Brazil has also set-up a triangular development cooperation project to train nationals of Angola and Guinea Bissau in public administration.

Chile's triangular cooperation is centred on the provision of technical assistance to Latin American and Caribbean countries in partnership with Japan (JICA), Germany (GTZ), Sweden, Finland, EU, FAO, the Organization of American States and the Inter-American Institute for Cooperation on Agriculture. For example, Finland has financed Chilean long-term technical assistance to develop small and medium-sized furniture production in Nicaragua. In 2006, Chilean technical assistance accounted for 7 per cent of the total cost of triangular projects, with Northern donors and programme countries contributing 49 and 44 per cent, respectively.

Malaysia's technical cooperation programme collaborates with international organisations, such as UNDP, UNIDO, UNESCAP and Japan, to provide training, study visits and practical attachments in Malaysia to third-country officials. The areas of support are varied and include technical and skills training in computer networking, technology, welding, electrical and electronic system servicing, as well as diplomacy and small-scale industries' development. Malaysia has also supplied technical experts, as under the ASEAN-Japan project, to assist in the reconstruction and development of Cambodia, by providing training to war veterans in the 1990s.

Singapore has partnership agreements with ten DAC-donors, Thailand, Holy See and seventeen international institutions and agencies, including the AsDB, IMF and many of the UN agencies. Furthermore, quite a number of Singapore's trilateral agreements cover the provision of assistance to neighbouring countries, such as Cambodia, Lao PDR, Mongolia, Myanmar and Viet Nam. Singapore is the first Southeast Asian country to work with the European Commission (EC) on a technical assistance programme in Cambodia, Lao PDR and Viet Nam and since 2004, a total of 114 officials have been trained in areas such as finance, trade promotion, World Trade Organisation matters and information technology.

South Africa has been involved in a small way in triangular arrangements, such as providing police training and capacity building in Rwanda, funded by Sweden, and in the Democratic Republic of Congo, funded by Japan.

Thailand, as a recent ODA net contributor²⁷, is considered well-placed to deliver appropriate development assistance, especially in the region. Hence, international organisations, such as UN agencies and the AsDB, and some bilateral donors coordinate programmes in South-East Asia with Thai development institutions. More recently, such coordination has also taken place for programmes outside the Greater Mekong region. For example, at the request of the Thai Ministry of Foreign Affairs, UNDP supported a needs assessment on avian influenza in Egypt, which was conducted in May 2007 in partnership with the African Union and the governments of Egypt and France.

Tunisia has carried out more than 64 projects within the framework of triangular cooperation with financial support from multilateral institutions, such as AfDB, BADEA, EU, IsDB, OPEC Fund, UNDP and the World Bank, and bilateral governments, including Canada, France, Germany and Japan. Tunisia has provided technical assistance and capacity building expertise, mainly to Arab and African countries, in a range of areas including basic and reproductive health services, agriculture, fisheries, vocational training, tourism, public administration and teaching. For example, France has funded the training of Nigerian doctors by Tunisian physicians and Japan has supported Tunisian experts in fishery techniques, navigation and shipbuilding mechanics to conduct training programmes in Mauritania.

In addition to bilateral triangular cooperation, Northern donors and multilateral institutions have also been providing financial support for Southern-led multilateral or regional capacity building and training institutions. One example is in the macroeconomic and financial management area, where institutions such as the Macroeconomic and Financial Management Institute for Eastern and Southern African (MEFMI), the *Centro de Estudios Monetarios Latinoamericanos* (CEMLA), BCEAO/BEAC Debt and Macro Management Training Programmes (*Pole Dette*) and the West African Institute for Financial Management (WAIFEM) have been funded. There are also academic collaboration programmes such as the African Economic Research Council (AERC), funded by Northern donors.

In addition to North-South-South triangular cooperation, trilateral cooperation between developing countries is advancing, although data are not readily available. One of the most prominent examples is the India-Brazil-South Africa (IBSA) Trilateral initiative, established in 2003, to promote South-South cooperation and exchange. IBSA has set up joint development projects in agriculture, education and science and technology, the focus of which include capacity development.

6. DESTINATION AND ALLOCATION OF SOUTH-SOUTH DEVELOPMENT COOPERATION

To date, geography has been a major factor in determining the direction of Southern bilateral development cooperation as can be seen in Table 4, albeit with few exceptions such as China. Focusing flows on the neighbouring region or sub-region makes sense for a contributor as there is likely to be a better understanding of countries' needs; language and cultural similarities; opportunities to improve trade; and it is probably less costly than administering a programme

²⁷ Thailand provides more ODA than it is receiving.

halfway around the world. It also allows Southern contributors to focus strongly on regional projects, which programme countries have often complained are under-funded by Northern donors. It should also be recalled that many Northern donors' programmes are still influenced by past colonial links, which are geographical. However, language links can be more far-flung as, for example, Brazil's technical cooperation programmes in Portuguese-speaking African countries (77 per cent of its total assistance to Africa) and East Timor (96 per cent of its total Asian assistance).

Southern contributors, like Northern donors, tend to focus development assistance on the poorer countries, perhaps with the exception of some Arab countries and institutions, which concentrate support more on other middle-income countries in the region.

Table 4: Allocation of Southern development cooperation by country and region, 2006 (unless otherwise indicated)

	Recipient countries	Top three recipients (% of bilateral aid)			Aid by income/region (% of bilateral aid)		
		1.	2.	3.	to LDCs	to SSA	Other focus areas
Bilaterals							
Africa							
South Africa	Mostly sub-Saharan Africa, and hence mostly directed towards LICs.						
Asia							
China	86	-	-	-	-	44%	Global - allocation linked to one China policy
India ‡	-	Bhutan (36%)	Afghanistan (25%)	Nepal (13%)	-	-	>85% to Asia
Korea, Republic of	123	Iraq (15.2%)	Sri Lanka (6.0%)	Bangladesh (5.9%)	24%	10%	61% to Asia
Malaysia - 2005 data	136	Indonesia	Myanmar	Cambodia	?	47 countries	non-TC aid mainly to South-East Asia region
Thailand	58	Laos (59.9%)	Cambodia (25.9%)	Myanmar (6.9%)	95%	1%	98% to Asia, mainly South-East Asia region
Middle East & North Africa							
Arab Countries *	40	Morocco (28.0%)	Sudan (13.8%)	China (11.3%)	7%	1%	
Turkey	84	Kyrgyz Rep (17.6%)	Afghanistan (9.0%)	Pakistan (8.8%)	13%	3%	83% to Asia
Latin America & Caribbean							
Argentina	Mostly Latin America (Bolivia, Ecuador, Peru, Cuba, Haiti), but extending to SSA (already in Angola, Mozambique, Zimbabwe)						
Brazil **	46	Haiti	Cape Verde	East Timor	33%	24%	Lusophone and Southern American countries.
Chile	-	Cuba	Guatemala	El Salvador	?	29%	All non-African aid to Latin America & Caribbean.
Venezuela	-	-	-	-	-	-	Oil aid limited to Latin America & Caribbean.
Multilateral Development Institutions (Non-OECD)							
Arab Agencies ***	66	Pakistan (11.2%)	Burkina Faso (9.1%)	Senegal (5.0%)	30%	17%	
Other							
Taiwan Province of China	47	-	-	-	-	-	allocation linked to diplomatic recognition

‡ Excludes export credits (i.e. Based on information from the Indian Federal budget, not on EXIM Bank information).

* Arab countries aggregate is taken from OECD/DAC database. Includes Kuwait, Saudi Arabia and UAE.

** Only includes aid disbursed through the Brazilian Cooperation Agency ABC.

*** Arab agencies aggregate is taken from OECD/DAC database. Includes BADEA, ISDB and OPEC Fund.

Sources: see Annex 2 for details

Political considerations have also influenced development assistance flows, with prime example being whether a programme country recognises China or Taiwan Province of China. For example Malawi has recently established diplomatic relations with China, and is receiving promises of substantial assistance; this has reduced the number of Taiwan Province of China programme countries in Africa to four. Political considerations have also been a factor in Venezuela's development assistance policy which focuses on Caribbean and Latin American countries, such as Bolivia, Cuba and Nicaragua, considered more sympathetic to a vision of a Latin America with greater self-reliance. One manifestation of this policy is the setting-up of the *Alternativa Bolivariana para las Americas* (ALBA), which focuses on integration amongst Latin American countries, through a 'socially-oriented trade bloc'.

The political dimension has also been a major part of some Northern donors' development policies, particularly during the Cold War years, and now with respect to policies relating to the Middle East or other strategic alliances. For example USAID sets out nine principles, which are 'fundamental to the success of assistance as an instrument of U.S. foreign policy and national security'²⁸.

Some Southern contributors have been criticised for not taking sufficient account of human rights when providing assistance to programme countries. However, as with some Northern donors, political and strategic considerations, as well as trade and investment opportunities, have been stronger motives for delivery of assistance than human rights. Most Southern assistance, in fact, does not go to countries with a poor human rights record. With the exception of Myanmar, many of the countries listed in Table 4 as the largest beneficiaries of Southern assistance also feature among top-ten recipients of aid from OECD/DAC countries²⁹.

Promoting bilateral trade and investment has also been a powerful motive for development assistance flows (as indeed for many Northern donors). Focusing development assistance and investment on resource-rich African countries, such as Angola, Nigeria, Sudan, Tanzania and Zambia, has been an aspect of China's policy in recent years³⁰, with obvious benefits for trade. The focus of Venezuela, under the *Petrocaribe* agreement, has been on energy resources and the promotion of regional energy integration. Arab contributors have also funded oil exports, and EXIM banks in China, India and Republic of Korea have provided concessional tied resources for trade and investment promotion. In some cases, this is closely linked to the regional focus of development cooperation as supporting neighbouring countries promotes regional growth, trade and investment (an explicit aim of Thai cooperation in the Mekong region for example).

Among the multilateral organisations, BADEA has a specific mandate for sub-Saharan Africa countries; IsDB support is available to its 56 member states; and all developing countries are eligible for assistance from the OPEC Fund, with the exception of its member states. These approaches are

²⁸ USAID (2007).

²⁹ OECD DAC (2008).

³⁰ Centre for Chinese Studies, Stellenbosch University (2006).

similar to those of other major multilateral institutions such as the IMF and World Bank, and regional counterparts, such as the AsDB, AfDB and Caribbean Development Bank, which lend only to member states, albeit this can be a large constituency.

However, Southern multilateral institutions do not emulate the practice of major Northern counterparts by establishing performance-based or other formal allocation mechanisms. Instead the Southern institutions aim to maximise the spread of financing across various constituency groups. For example, the IsDB tries to agree on a new loan per country on a yearly basis, with projects not exceeding US\$7 million, with larger requests requiring co-financing. BADEA also has a loan limit of 60 per cent of project costs with a maximum of US\$18 million or if the project cost does not exceed US\$15 million, BADEA can contribute 90 per cent.

7. QUALITY OF SOUTH-SOUTH DEVELOPMENT COOPERATION

Some of the recent debate on South-South development cooperation has centred on its quality, as well as on its advantages and disadvantages vis-à-vis Northern development assistance³¹.

7.1 Conditionality

Policy conditionalities

Southern assistance has little, if any, policy conditionalities compared with aid provided by Northern donors and the major international institutions. Many Northern donors also align country policies, especially for programme-based support, with those of the IMF and World Bank, which in turn often contain governance as well as macroeconomic conditionalities. In such cases, if a country breaches its IMF/World Bank conditionalities and is declared 'off-track', budget support flows from some of its Northern donors may be suspended. Some Northern donors have also opted to add new conditionalities to those already set by the IMF and World Bank.

In contrast, bilateral Southern contributors emphasize that development assistance should not interfere in the internal affairs of programme countries³². It is therefore not surprising that programme countries prefer such assistance which comes without macroeconomic or governance conditionalities. Southern multilateral institutions also do not usually impose any macroeconomic conditionalities, and disbursements are only suspended if a beneficiary falls into arrears with debt servicing. This paucity of conditionalities enhances programme countries' ownership, as governments have 'to jump through far fewer hoops' to access Southern assistance.

Some Southern contributors, including those aspiring to become DAC members in the medium-term (for example Republic of Korea and Turkey), have signed the Paris Declaration on Aid Effectiveness and indicated willingness to mainstream this agenda, which includes moving towards a more programme-based approach (PBA) in the delivery of assistance, into relevant development

³¹ The key donor policies and procedures are those analysed in the DFI 'donor profiles' (see Johnson, Alison and Martin, Matthew (2005) and Johnson, A., Martin, M. and Bargawi, H. (2004)) and OECD (2005a and 2005b).

³² For example, see Wang, Yue (2008).

cooperation policies. However, there are few indications so far, as to whether these Southern contributors intend to attach macroeconomic/governance conditionalities to PBA support. If Southern contributors do sign-up to multi-donor budget support programmes, they would be endorsing the conditionalities that are part and parcel of such initiatives. At this stage, it should not be assumed that the responses of Southern contributors to these new challenges will be uniform or result in policy conditionalities, indeed broader participation in such modalities, may potentially reduce the conditionalities demanded by DAC-donors. Either way, this may represent an important future policy challenge for some Southern contributors. In addition, should Southern contributor parliaments and/or electorates seek greater accountability of development cooperation expenditures, this too may present future policy challenges for some Southern contributors.

Procedural conditionalities

Southern development assistance tends to come with fewer conditions precedent, which must be met before a grant or loan agreement becomes effective, thereby enabling disbursements to commence sooner. These specific conditions include legal opinions, cross-financing clauses, financial conditions, counterpart funds, feasibility or appraisal studies, and the establishment of project implementation units (PIUs). All Southern contributors, similar to Northern donors, require a legal opinion before allowing disbursements to commence.

Some Southern contributors, such as BADEA and IsDB, may require the setting-up of a PIU, and a separate bank account, as they do not get involved directly in project execution, while many Southern bilateral contributors do not have such a requirement. Few Southern bilateral donors also require programme country governments to provide counterpart funds³³, although this may vary by country. In sum, the conditions precedent to loan or grant disbursements set by Southern contributors, are viewed by programme country governments as less onerous than those of Northern donors.

7.2 Concessionalality

In recent years, many OECD/DAC donors have adopted policies of providing only grants, and not loans, to the poorest programme countries so as to enable them to achieve the internationally agreed development goals (IADGs) and maintain long-term debt sustainability³⁴. The Northern bilateral donors and multilateral institutions, which still provide loans, usually do so on highly concessional terms for the poorest recipients and on less favourable terms for countries with higher income per capita. However, non-concessional export credits may include a grant element as part of mixed credits, with the total package sometimes designed to just conform to a programme country government's minimum concessionality level, usually 35 per cent.

While some Southern contributors provide entirely grants, and almost all provide technical cooperation in such form, programme and project assistance is primarily provided as loans. As illustrated in Table 5 below, Southern contributors also offer highly concessional loans to the poorest

³³ The OPEC Fund for example.

³⁴ Belgium, France, Italy, Japan, Portugal, Spain and the United States of America provided ODA loans to LDCs in 2005-2006; all other DAC donors provided grants only.

countries, and to a lesser extent, to middle and higher income level countries. Furthermore, the concessionality of the loan terms³⁵ provided to the poorest beneficiaries by most Southern contributors are above the more usual 35 per cent floor set in IMF adjustment programmes. However if programme country governments set a 45 to 50 per cent minimum concessionality level, then loans on the most generous terms from India, Taiwan Province of China, Thailand and Venezuela (*PetroCaribe*) may no longer be eligible borrowings for programme country governments.

As noted in Box 1, some Southern contributors have been flexible in changing loan terms to ensure that they do not breach the concessionality ceilings in IMF programmes. Also, the concessionality of Southern multilateral institutions is generally lower than that of the major multilateral institutions, such as the AfDB and World Bank, as shown in Table 5. As Southern development assistance is not necessarily less concessional than Northern donor assistance, it is not considered to carry increased risks of making low-income countries debt unsustainable.

³⁵ Calculated using the IMF methodology and CIRR rates as discount rates.

Table 5: Concessionalty of lending terms

Creditor	% Grants in total ODA disbursed	Loan Terms			Grant Element (%)	
		Maturity (yrs)	Grace period (yrs)	interest rate (%)	with CIRR rate ¹	10% disc. rate
BILATERAL CREDITORS						
Africa						
South Africa	100.0%	-	-	-	-	-
Asia						
China - Gov't of China loans	-	20	10	0.0%	62.5	75.1
- EXIM bank loans		10 - 25	0 - 7	1.0% - 3.0 %	14.3 - 54.1	24.2 - 67.6
India	80.2%	20	5	1.5% - 2.0%	38.6 - 46.6	53.1 - 56.5
Korea, Republic of	74.3%	10 - 30	5 - 10	0.5% - 3.0%	21.3 - 75.7	35.0 - 78.4
Malaysia	100.0%	-	-	-	-	-
Thailand - Finance Ministry	<20%	20	10	1.50%	48.7	63.5
- EXIM Bank loans		-	-	-	-	-
Middle East & North Africa						
Kuwait	1.8%	18 - 30	2 - 10	1.0% - 4.0% ³	19.4 - 62.6	33.9 - 74.2
Saudi Arabia	?	10 - 50	3 - 10	1.0% - 4.0%	12.4 - 70.4	26.6 - 80.8
Turkey	93.0%	-	-	-	-	-
United Arab Emirates	2.3%	No recent loans to LICs				
Latin America & Caribbean						
Argentina	100.0%	-	-	-	-	-
Chile	100.0%	-	-	-	-	-
Venezuela - BANDES low HDI	-	35	5	FSO interest rate = 0.25%	66.8	77.3
- BANDES medium HDI		20	5	LIBOR + (1.0% - 3.0%)	(-5.4) - 10.2	14.8 - 28.4
- PetroCaribe		25	2	1.0%	47.0	59.5
MULTILATERAL CREDITORS						
IDA (IDA-only countries)	24%	40	10	0.75%	66.7	80.5
IMF (PRGF)	0%	10	5.5	0.50%	33.0	49.1
AfDB	44%	50	10	0.75%	70.7	83.1
BADEA - to LICs	3.7%	30	10	1.00%	61.6	74.2
- to MICs		22 - 25	4 - 7	2.5% - 3.0%	31.0 - 40.2	46.5 - 56.0
OPEC Fund	22.9%	20 - 30	4 - 10	1.00% - 3.75%	23.9 - 61.6	39.9 - 74.2
IsDB - standard	-	15 - 25	3 - 7	1.5% - 2.5% ⁴	23.9 - 46.0	41.0 - 63.7
- to LDMCs		30	10	0.75%	61.0	76.3
OTHER						
Taiwan Province of China ²	na	20	5.5	2.75%	33.0	48.7

1. IMF methodology using 10-year average CIRR rate + margins for loans with maturity > 15 years and 6-month average CIRR rates for

2. Proportion of ODA as grants, not known. Terms based on data provided by HIPCs.

3. Includes 0.5% service charge

4. Administrative charge

Sources: see Annex 2 for details

7.3 Channels of assistance

For budget support and debt relief, Southern contributors channel development assistance through the budget of programme country governments which enhances mutual accountability and national

ownership. For project assistance, however, the picture is not as uniform. While some Southern contributors, such as the IsDB, Kuwait, Republic of Korea and Saudi Arabia, are reported by beneficiary HIPC countries to provide 75 per cent or more of total assistance to governments on budget, others channel their project assistance primarily via line ministries or other government agencies.

There are also examples of technical cooperation and humanitarian assistance, usually in small amounts, being channelled directly to projects implemented by line ministries or public sector agencies or through NGOs. The Republic of Korea, for example, in the past has channelled assistance through NGOs, and although the bulk of Venezuela's development assistance is government-to-government, it has provided some funding directly to Brazilian workers' cooperatives. In general, the situation is not that dissimilar to that of Northern bilateral donors and multilateral institutions whereby some have good record in channelling development assistance on-budget while others do not³⁶.

As shown in Table 2, the share of Southern development assistance channelled via multilateral organisations such as the IMF, World Bank, United Nations agencies and regional development banks varies. South Africa currently channels more than 75 per cent of its assistance via these organisations whereas for others the proportion is much smaller³⁷. In 2006/07, Venezuela announced that it will be switching from channelling its development assistance via international organisations, i.e. the World Bank and IADB, to Southern-led institutions such as *Banco del Sur* and its existing contributions to the OPEC Fund, although it is not clear how much of Venezuela's future development assistance will go through these new channels³⁸.

7.4 Priority sectors and projects

In recent years, Northern bilateral donors and multilateral institutions have been increasing aid provided as direct budget support and debt relief, as well as for the social sectors i.e. health and education, in order to assist programme countries in achieving the IADGs (i.e. MDG2 and 4-6). While the focus on social sector development has been in line with national development strategies of programme countries, it has to some extent meant less funding for infrastructure development and productive sector investments (which would be expected to contribute to overall poverty reduction through growth as included under MDG1), often a key priority for programme countries, as expressed in poverty reduction or national development strategies.

While Northern donors have focused more on social sector funding, Southern contributors, notably China, India, Kuwait, Saudi Arabia and the multilateral institutions (BADEA, IsDB and OPEC Fund), have been able to better support programme countries' priorities for infrastructure

³⁶ Johnson, A., Martin, M. and Bargawi, H. (2004).

³⁷ As Taiwan Province of China is not a member of the major international institutions, it does not make formal contributions, although it does provide limited funds to smaller regional organizations.

³⁸ In addition, as noted above, there is little data on southern assistance which goes via global funds, NGOs and the private sector, and this is to be included as a priority for future data collection.

development and productive sector investments. As shown in Table 6, funding for transport and communications, energy and other economic infrastructure development, accounts for 50 per cent or more of assistance from BADEA, IsDB, KFAED, OPEC Fund, and United Arab Emirates, and 48 per cent for SFD³⁹.

However, about a fifth of development assistance from the same Southern contributors has been allocated to the health and education sectors (MDGs2 and 4-6) as shown in Table 6. China and India also support health and education spending which, in the case of the former, focuses on the construction of health and education facilities⁴⁰. In addition, Brazil, Cuba and Venezuela are very prominent in the provision of teachers and doctors to other developing countries.

Some Southern contributors, such as China, India, Kuwait, Republic of Korea, Saudi Arabia, United Arab Emirates and Venezuela, have financed programme country government priority ‘prestige’ projects, including sport stadiums, presidential residences and conference facilities, as have Northern donors in times past. It appears that the stronger the political motivation for development assistance, the more likely it is that the contributor – Southern or Northern – is to fund prestige projects regardless of development priorities. However, due to lack of detailed data, it is not clear if such facilities have been financed mainly by Southern non-concessional lines of credit, rather than development assistance.

Some Southern contributors are also known to provide military assistance. While such financing can be seen as responsive to programme country governments’ priorities, these projects may not be formally part of a national development strategy. Northern donors at the same time have not been immune from similar criticism as some are large providers of military assistance.

³⁹ Sectoral data are not available for China and India.

⁴⁰ Southern contributors do not usually include scholarships or student costs in their assistance, whereas OECD/DAC donors do, which inflates the percentage of OECD/DAC donor aid to education.

Table 6: Sectoral distribution of Southern development cooperation

Bilaterals	
Africa	
South Africa	Information not available.
Asia	
China	Mostly energy, transport & communications, but also education & health (often construction of schools & hospitals)
India	Grants mostly rural dev't, education, health, Technical Co-operation. Loans for infrastructure.
Korea, Republic of	Heavily biased towards 'social and administrative infrastructure' (65%, 22% of which goes to education), then transport & communication (27%).
Malaysia	Mainly public admin, agriculture, poverty alleviation, investment promotion, ICT, banking & English language.
Thailand	More than 80% to basic infrastructure (roads, bridges, dams & power stations), rest Technical Assistance in education, health, agri, transport, banking, ICT.
Middle East & North Africa	
Kuwait	Focus on transport & communication (42%) and energy (31%). Social sector related allocation only 10%.
Saudi Arabia	Lead sector is transport & communication (45%), then health (22%), education (20%) and agriculture (10%). Energy only 3%.
Turkey	Education (65%) most important sector. Other social sector related spending amounts to 18%.
United Arab Emirates	Mainly productive & infrastructure: transport & communication (25%), energy (24%), agriculture (18%), industry, mining & construction (18%). Social sectors 4%.
Latin America & Caribbean	
Argentina	Agriculture/food security (dairy, horticulture & fisheries), agro-processing, ICT, maternal & child health, human rights.
Brazil	Mainly Social sectors, with some agricultural activities. Also active in new areas such as bio-fuels/ethanol and digital inclusion.
Chile	Priority sectors: Int'l relations & regional integration (58%), modernisation of state & decentralisation (17%), public policy & social development (13%), natural resources & environment (10%) and stimulating productive capacity (2%).
Venezuela	Energy is main sector, but also projects in health, education, housing, water & private sector development.
Multilateral Development Institutions (non-OECD)	
BADEA	Main sectors are transport & communication (40%), water & sanitation (19%) and agriculture (18%).
Islamic Dev't Bank*	Mainly economic infrastructure (56%). Then social sectors (22%) and industry, mining & tourism (13%).
OPEC Fund for Int'l Dev't	Main sectors are transport & communication (32%) and energy (37%). Social sectors taken together account for 16% of total.
Other	
Taiwan Province of China	Focus on agribusiness, SME development, ICT and health care.

* Energy and other are 'public utilities'.

ICT - information and communications technology.

Sources: see Annex 2 for details

7.5 Flexibility

Although Southern contributors are often seen by programme countries as more flexible and responsive to national priorities than Northern donors, none have specific facilities for funding external shocks or the flexibility to be able to quickly disburse funds in such situations. However, as noted above, Venezuela and Arab contributors have provided balance of support for oil import financing and India has provided budget support to Bhutan and Nepal in the past, while Arab contributors have supplied budget support to the West Bank and Gaza. However, some Southern contributors are less flexible in the support of programme country priorities. For example, with IsDB funding, there is limited scope for extra resources to meet new or changing priorities outside of the one loan/year framework.

7.6 Predictability

Programme country governments prefer multi-year commitments of development assistance as this enables them to plan future inflows effectively, particularly within the context of preparing medium-term expenditure frameworks. Southern contributors, such as BADEA, Chile, China, IsDB, KFAED, OPEC Fund, Republic of Korea, SFD, Taiwan Province of China and Venezuela, through *PetroCaribe*, do provide multi-year commitments, although it is not clear to which extent these relate to all development assistance flows. For Southern bilateral contributors, the multi-year commitments are sometimes made within the context of bilateral accords, signed during high-level presidential/prime ministerial visits. Others, on the other hand, commit primarily on a project-by-project basis, such as India and some of the technical cooperation contributors, including Malaysia and Thailand.

From a programme country standpoint, many Southern contributors (China, India, Republic of Korea, Taiwan Province of China and Venezuela) provide more predictable financial resources overall than Northern donors because it is disbursed on schedule within the financial year. This not only benefits government fiscal planning, but it also means projects tend to be completed on time. Beneficiary HIPC countries have indicated that annual disbursements by the major Southern bilateral contributors average about 75 per cent of intended disbursements, which is in line with the performance of the top-performing Northern donors and higher than the DAC average. As a consequence of this predictability, Southern contributors, such as China, Republic of Korea and Taiwan Province of China, are seen as effective as more projects are completed on time. This picture is often more nuanced within a beneficiary country with respect to particular projects, whereby project assistance from a Southern contributor may be on schedule and well-predictable for some projects and delayed and low-disbursing for others.

7.7 Procedural issues

Donors' procedures regarding aid disbursement and procurement can have considerable impact on the effectiveness and timeliness of development assistance. In general, programme country governments prefer development assistance which is disbursed faster (that is disbursed directly to

them and/or direct to suppliers, rather than requiring reimbursement of expenditures) and procurement procedures which allow for competitive bidding, preferably including local suppliers⁴¹.

Disbursement procedures

Since Southern contributors' assistance is primarily project assistance, it tends to be disbursed via direct payments to suppliers. While this may promote faster disbursement of funds, programme country governments are not always informed that such transactions have occurred, thereby hampering debt and development assistance data recording and monitoring. Some contributors (BADEA, India, Taiwan Province of China and Venezuela) disburse via cash advances to programme country governments and others via reimbursement claims (India, IsDB, KFAED, OPEC Fund and SFD).

Overall disbursement procedures of Southern contributors are seen by HIPC governments as causing fewer significant delays than those of Northern donors. One beneficiary country indicates that administrative procedures applied by Southern contributors are generally found to be simpler in comparison to Northern donors, but this procedural simplicity alone does not necessarily guarantee a desirable rate of assistance delivery at the project level. Another country also notes that disbursements from KFAED and SFD can be slower because of the contributors' internal administrative procedures and limited staff.

Financial management systems

National public financial management procedures are used to a considerable extent by BADEA, KFAED, OPEC Fund and SFD, although KFAED usually insists on separate accounting and financial reporting. The IsDB requires PIUs to handle budgets and accounts and to conduct audits. India and Venezuela are also known to require the project implementing agencies to conduct separate accounting, reporting and auditing, with little reliance on national public financial management procedures. There are, however, examples of Southern contributors (China, Republic of Korea and Taiwan Province of China) using national public financial management procedures for some projects.

Procurement procedures and tying of assistance

The Arab contributors (ADFD, BADEA, IsDB, KFAED, OPEC Fund, SFD and UAE) have developed and adopted common procurement procedures, which are set out in the generally used Arab Coordination Group's *Procurement Guidelines*. While these common guidelines promote consistency, they do not always lead to faster project implementation, as many Arab funded projects are co-financed and coordinating the procurement process amongst several Arab contributors can be time consuming. Other than the Arab Coordination Group, there is virtually no harmonisation of procurement procedures amongst Southern bilateral contributors or with programme country procurement procedures.

⁴¹ Johnson, A., Martin, M. and Bargawi, H. (2004).

The Arab Coordination Group's *Procurement Guidelines* stipulate competitive bidding procedures, although the preference is often on Middle Eastern or African sources. Competitive bidding can also be waived by mutual agreement. The guidelines allow for local suppliers to participate in the bidding process. For example, in Ghana and Uganda, local contractors, selected through competitive bidding, implement BADEA-funded projects. As a result, beneficiaries often consider development assistance from such Southern contributors as virtually untied, although this does vary across projects.

In contrast, project assistance from non-Arab contributors is primarily tied, in particular from China, India and Venezuela⁴². However, China and India allow the use of local contractors, mainly for smaller projects. While the Republic of Korea's bilateral assistance is considered primarily tied at present, this may change as it moves towards implementing the Paris Declaration principles, as will be the case for other Southern bilateral contributors that are signatories to the Paris Declaration.

At present there are no concerted moves to untie Southern bilateral assistance flows, whereas OECD/DAC donors have formally adopted a policy of untying bilateral aid, which in 2006, was reported to be 94.5 per cent untied to programme countries⁴³. However, DAC-donors' technical cooperation and emergency assistance are exempt from this policy and such assistance remains mainly tied. Similarly, technical cooperation and emergency assistance provided by Southern contributors is primarily tied as it too involves sending nationals as experts to programme countries, funding programme country students to study at national institutions or to participate at training events, and providing emergency shipments of goods and medical experts to programme countries.

Tying of assistance is often seen as distorting development assistance expenditures in favour of capital projects and ignoring the current cost implications for programme countries. It slows down the impact of assistance, for example, through longer bureaucratic and shipment procedures, instead of using more accessible local supply channels, and most importantly, inflating the costs of goods and services⁴⁴. The increased costs of tying development cooperation flows are estimated between 25 - 40 per cent⁴⁵.

While the majority of Southern development assistance is seen as being tied, the shortcomings listed above do not apply to all of it. For example, tied Southern development assistance does not necessarily equate with overpriced poor quality or substandard goods and services. In fact, a number of programme countries have indicated that the goods and services provided are of appropriate quality, in addition to being better priced and therefore yielding better value-for-money, an example of which is discussed in Box 3.

Ghana, for example, indicates that project assistance from Southern contributors, such as China and India, is more cost effective than that of Northern donors in part because the project costs are lower,

⁴² Indian programme assistance is untied, although Venezuelan balance of payments support is primarily tied to oil imports.

⁴³ OECD/DAC (2008). Excludes Australia and United States which do not report on tying of aid and the latter has a considerable proportion of tied aid.

⁴⁴ Actionaid International (2005) and (2006)

⁴⁵ *ibid* (2006) and Johnson, A., Martin, M. and Bargawi, H. (2004)

the process is less bureaucratic and projects are completed faster. To ensure cost effectiveness, the Government of Ghana conducts value-for-money assessment of projects for which there is sole sourcing of goods and services. If the assessment is unfavourable then the contributor is asked to repeat the costing process. However, there are also examples where Southern development assistance is poorer value-for-money, such as the purchase of substandard medical equipment from a tied Southern source as happened in Rwanda.

Technical cooperation by Southern contributors may not only be at lower cost, but also provide more appropriate technical skills and technologies compared to Northern donors, as discussed in chapter 5. For example, Rwanda has noted that Arab bilateral and multilateral contributors are willing to address capacity development and technology transfer issues when negotiating loans, whereas not all DAC-donors agree to consider this aspect, despite declarations of intent. In addition, Rwanda has discovered that the Republic of Korea has a comparative advantage when it comes to the provision of capacity building in the area of information and communications technologies. Ghana has noted that for turnkey projects there is little or no transfer of technology or capacity development as all tasks are implemented by contractors. However, for other projects technology can be appropriate and sustainable, such as an Indian-financed project for the processing of neem fruit to produce an effective, cheap and organic pesticide.

While Southern contributors may be able to implement projects faster and at lower costs, there is some concern that this may be because of less due diligence with respect to environmental standards and social impact, particularly as it relates to infrastructure projects. Examples frequently cited include the impact of dam construction projects in Africa and Southeast Asia on the environment, communities and human health⁴⁶. Northern donors have also not been immune from such criticism. This is an important policy challenge facing both Southern contributors and Northern donors.

Moreover, some concerns have been raised about using national labour mainly for unskilled jobs, uneven treatment of workers in some instances (both national and contributor citizens) and what is sometimes seen as the flouting of national labour laws in projects financed by Southern contributions. A discussion of these issues is presented in Box 3.

Box 3: Value-for-money of Chinese cooperation

One of the frequently stated advantages of South-South development cooperation is that it provides better value-for-money than assistance by Northern donors. Better value-for-money, in particular, can be achieved through access to less expensive financing, lower labour costs, higher productivity, cheaper procurement of materials and the transfer of more appropriate technology. While it is possible to find examples that either support or disprove the contention of better value-for-money through South-South cooperation, a study of

⁴⁶ Bosshard (2006)

Chinese construction and infrastructure projects in four African countries – Angola, Sierra Leone, Tanzania and Zambia - provides illustrative information on these aspects⁴⁷.

Financing costs

The Chinese government regularly commissions state-owned enterprises to execute infrastructure projects financed by development assistance and selects private sector companies to implement the different aspects through a tendering process conducted in China. Winning a tender for a government endorsed project enables a company to access low-cost capital from national banks to pay for start-up costs and hire Chinese sub-contractors. This provides Chinese ventures with a competitive advantage not usually available to Western-based companies implementing infrastructure projects financed by Northern donors.

Labour costs

Some have claimed that Chinese projects employ mainly Chinese labour and underpay local workers. Interestingly, the study notes that ‘with few exceptions, locals accounted for 85-95 percent of the total workforce of the Chinese construction companies’ surveyed, predominantly as unskilled casual labour. However, employment of local managerial and administrative staff is more common in countries where the Chinese presence in-country has been longer-term such as Tanzania and Zambia than elsewhere (Angola and Sierra Leone). The main conclusion is that lower labour costs do provide Chinese companies with a competitive advantage compared to Western enterprises.

Higher productivity

The study suggests that three main factors account for higher productivity of Chinese workers, namely (a) the shift system, (b) virtually no absenteeism amongst Chinese workers compared to about 20 per cent for companies employing local labour and (c) the higher and more multi-skilled levels of Chinese workers. While Chinese labour may be more productive, issues of differences in language, culture and training can leave local workers, particularly skilled workers, at a disadvantage for employment, which may be less so for Western-based companies. With respect to quality of workmanship, the findings of the Stellenbosch study are mixed.

Procurement of materials

Chinese procurement is viewed as substantially tied. The study, however, notes local procurement occurs mainly when there are cost advantages in doing so. In Tanzania, although a high proportion of materials for Chinese government funded projects are procured in China at lower costs, bulky materials such as steel and cement are being purchased locally and it tends to be the smaller contractors that rely more on local suppliers. In contrast, the study notes that in Angola, Chinese cement is imported at considerable competitive advantage despite local availability. Overall Chinese construction costs in Angola are estimated to be about a quarter of those of European firms

Technology transfer

The study concludes that Chinese technology is viewed “as most appropriate for Africa”. It is lower on technology and more labour-intensive and thereby easier for African companies and workers to emulate, as

⁴⁷ Centre for Chinese Studies, Stellenbosch University (2006)

opposed to the more capital-intensive and specialised equipment of Western firms. In addition, the study notes that local workers trained on Chinese projects have made use of the skills transfer to set-up their own construction businesses, although this can occur equally as a result of Western-based projects. However other programme countries have noted that there is very little if any transfer of technology as Chinese workers and managers do all the project implementation.

Overall the study notes that Chinese companies do provide better value-for-money as they usually operate on profit margins below 10 per cent, whereas local and foreign construction companies operate at 15-25 per cent, thereby making the Chinese companies more competitive than local and Western-based firms. Ghana and Uganda have also indicated that China implements projects expeditiously and at lower cost (in part due to the basic living conditions of workers), completes them on time or ahead of schedule and the quality has on occasion been better than that of DAC-donors.

Sources: Centre for Chinese Studies, Stellenbosch University, 2006 and country contributions from HIPC officials.

7.8 Monitoring and evaluation

There is little information available on the monitoring and evaluation (M&E) procedures of Southern contributors. However, experiences of programme countries suggest that Southern contributors conduct significantly fewer missions to review project progress than Northern donors. Southern contributors also tend to request fewer reports during project execution, although this evidence is anecdotal. However, there appears to be no coordination amongst Southern bilateral contributors with respect to M&E, which is most likely explained by the fact that the bulk of assistance is provided as project aid. Moreover, for turnkey projects, the programme country government is unlikely to be involved in the M&E process. Overall, M&E systems of Southern bilateral contributors seem to be largely concerned with timely completion of projects.

BADEA and the OPEC Fund use M&E systems similar to those of the major multilateral institutions, with which programme countries are familiar. As signatories to the Paris Declaration, however, several Southern bilateral contributors and multilateral institutions are expected to move towards greater use of joint missions and shared analysis.

7.9 Harmonisation and coordination

Harmonisation amongst Southern contributors is not necessarily formalised except amongst Arab institutions (ADFD, BADEA, IsDB, KFAED, OPEC Fund and SFD) through the Arab Coordination Group and their project co-financing arrangements. The co-financing arrangements are used for many of the larger projects as some contributors, such as BADEA and IsDB, have allocation limits, as discussed earlier. The OPEC Fund provides a coordination framework for the oil-exporting Middle Eastern contributors as well as Venezuela and other countries such as Indonesia, Mexico and Nigeria, although it is not clear to what extent, if any, this is used as a forum for discussions on development assistance.

There is a degree of coordination amongst some Southern contributors with Northern donors on a regional basis. For example, Malaysia, Singapore and Thailand coordinate with the AsDB, UN agencies and Japan through regional initiatives in Cambodia, Lao PDR, Myanmar and Viet Nam, of which some are related to triangular cooperation arrangements. Thailand, as recent ODA net contributor, has also embarked on coordination with the African Union, France and UNDP via triangular cooperation. In Latin America, there are various regional multilateral fora, such as the *Banco Centroamericano de Integración Económica*, but it is also not clear how much these are used for discussions on development assistance. As noted above, one of the aims of the recently established *Banco del Sur* is to encourage regional cooperation.

To date few Southern contributors engage directly in macroeconomic or social policy dialogue with programme country governments and rarely participate in national donor coordination meetings, usually organised in conjunction with DAC-donors. However, the Republic of Korea is becoming more active in such processes as it moves towards the use of PBAs and scaling-up aid, in line with the Paris Declaration. Some Southern contributors, for example Argentina, China, Egypt, India, Kuwait, the OPEC Fund, Republic of Korea and Turkey, have participated in programme country consultative group meetings. In addition, there has been some macroeconomic policy dialogue at a government-to-government level as, for example, when India negotiates a framework agreement with a programme country. Similarly, China has been involved in dialogue at the sectoral level such as in telecommunications or transport. In some instances programme countries prefer the more hands-off approach of Southern contributors to that of Northern donors. However where this is the case it can mean that there is less coordination amongst Southern contributors and Northern donors, which may undermine alignment of assistance with national priorities in programme countries and increase transactions costs.

To improve the effectiveness of aid, DAC-donors, along with some of the Southern contributors⁴⁸, have signed-up to the Paris Declaration. However, some Southern contributors have concerns that the Paris Declaration will constrain their development cooperation and so are cautious about too close an association. Furthermore, moving towards the Paris Declaration targets may mean that some of the benefits of Southern development assistance to programme countries decline. For example, a move towards more PBA assistance (if it were to imply a focus on health and education sector programmes) may mean there is less direct project funding available for infrastructure projects, and it will be up to programme country governments to allocate PBA assistance on the basis of the national development strategy. Another target is to untie development assistance, yet this could potentially lead to slower project implementation if the competitive bidding process takes time.

Up-to-now Southern contributors have not been involved in the work of OECD/DAC in strengthening aid effectiveness. South Africa is the only Southern contributor amongst the 23 developing country members of the DAC Working party on Aid Effectiveness and it usually speaks

⁴⁸ Argentina, China, India, Republic of Korea, Kuwait, Malaysia, Saudi Arabia, South Africa, Thailand, Tunisia, Turkey, BADEA IsDB and the OPEC Fund are signatories to the Paris Declaration.

as a programme country. However this is a forum which would benefit from more participation of Southern contributors.

More widely, OECD/DAC is liaising with bilateral Southern contributors with the aim of reaching agreement/endorsement of good development practices as developed by the DAC, while recognising that this requires stronger participation of those contributors in the policy formulation process as well as in co-shaping the outcomes. In the first instance, the DAC is engaging with non-DAC members of the OECD, OECD 'enhanced engagement' countries (Brazil, China, India, Indonesia and South Africa), and accession candidates (Chile, Estonia, Israel, Russian Federation, Slovenia).

8. CONCLUSION AND RECOMMENDATIONS

8.1 Conclusions

On the evidence to date, Southern contributors are currently playing a growing role in the international development cooperation framework and the present analysis demonstrates that this engagement is characterized by both significant strengths and some weaknesses. For programme countries, South-South development cooperation is seen as complementary to assistance provided by Northern donors, helping to meet certain gaps, particularly in the area of infrastructure, and importantly, unencumbered by the contributor's agenda.

The main conclusions of this study are presented here below:

Scale

- *Current volume:* Development assistance of the Southern contributors covered in this study accounted for between US\$9.5 billion and US\$12.1 billion in 2006, which represents 7.8 to 9.8 per cent of total flows, with the range reflecting variation in the quality and availability of data of four of the major contributors: China, India, Republic of Korea and Venezuela. Southern contributors' assistance to multilateral and regional organisations account for about 18 per cent of total assistance, compared with a DAC-donor average of 29 per cent, with the remainder being contributed bilaterally.
- *Future volume:* Southern development cooperation is expected to increase substantially in the future if Southern contributors pursue current intentions for scaling-up such support. Improved quality of data would be expected to lead to more accurate estimates of Southern development assistance flows, including information on triangular development cooperation.
- *Triangulation:* Triangular development cooperation, whereby Northern donors finance projects or programmes executed by Southern countries has to date focused primarily on technical cooperation as Southern countries are seen as having more relevant expertise and experience to meet developing country needs. While triangular cooperation forms a significant part of some Southern countries assistance programmes, its overall volume is not known due to lack of data.

Scope

- *Types of assistance:* The main types of Southern development assistance are project assistance and technical cooperation, with PBA flows being relatively small. However, with signatories to the Paris Declaration required to mainstream such principles into national policies, there may be shift towards more programme-based development cooperation in the future.
- *Distribution of assistance:* Geographical and political considerations have been major factors in the allocation of Southern development assistance reflecting cultural and language links and strong opportunities for trade and investment. More recently, trade links have begun to play a highly significant role.
- *Regional focus:* Southern development cooperation has focused strongly on neighbouring regions or sub-regions, reflecting better understanding of those countries' needs, similarities of language and cultural, opportunities to improve trade, and lower administration costs. It also allows Southern contributors to focus strongly on regional projects, which programme countries have often pointed out are under-funded by Northern donors.
- *Allocation criteria:* Some Southern contributors have been criticised for not taking sufficient account of human rights when providing assistance to programme countries. However, as with some Northern donors, political and strategic considerations, as well as opportunities for trade and investment, provide a stronger motive for delivery of development assistance than human rights. In fact, most Southern assistance does not go to countries with poor human rights record. With the exception of Myanmar, the largest beneficiaries of Southern development assistance also feature in the top-ten recipients of aid from OECD/DAC countries.

Quality

Alignment with national priorities

- *Policy conditionality:* Southern assistance has few, if any, policy conditionalities and this makes it more attractive to programme countries than Northern assistance flows, which come attached with policy strings. However, this could possibly change as Southern contributors move more towards PBA support and decide to introduce conditionalities. This will undoubtedly be the case if Southern contributors participate in multi-donor budget support programmes with Northern donors, which do have policy conditionalities.
- *Channels of assistance:* Southern contributors are on par with Northern donors, whereby some have good record of providing development assistance on-budget and others do not. This too may change with the signatories to the Paris Declaration moving towards meeting targets whereby more assistance delivered as PBA support will be on-budget. This is expected to enhance the alignment with national development priorities in programme countries.
- *Priority sectors and projects:* Southern development cooperation has certainly been seen to meet programme country priorities for infrastructure development and productive sector investments, whereas Northern donors have in recent years been focusing more on achieving the IADGs through social sector support.

Financial and fiscal quality

- *Concessionality:* While some Southern contributors provide entirely grants, and almost all provide technical cooperation as grants, project and programme assistance is primarily provided as loans, whereas the majority of DAC-donors now provide only grants to the poorest countries. However Southern development assistance loans to the poorest countries are not necessarily less concessional than Northern assistance, in part because some Southern contributors have been taking steps to ensure that loans are within IMF country concessionality limits. As result, Southern development cooperation does not carry significant risks of making low-income countries debt unsustainable.
- *Predictability:* Programme country governments have tended to view Southern development cooperation as being relatively predictable because it is disbursed on schedule within the financial year. This not only benefits government fiscal planning but it also means projects tend to be completed on time.
- *Flexibility:* Although Southern contributors are often seen by programme countries as more flexible and responsive to national priorities than Northern donors, none have specific facilities for funding external shocks, or the flexibility to be able to provide quickly disbursing funds in such situations.

Procedures and procurement

- *Administrative procedures:* Southern development assistance is viewed by programme countries as being less encumbered by procedural and administrative delays, although not necessarily more aligned with national financial management systems than aid from Northern donors. However, there is a high degree of procedural harmonisation amongst members of the Arab Coordination Group, which could serve as an example for further alignment of Southern contributors.
- *Procurement procedures:* The bulk of Southern development assistance is tied to the procurement of goods and services from suppliers in the contributor country, although this does not necessarily mean higher cost or poorer standard. On the contrary, projects implemented by Southern contributors are often viewed by beneficiaries as low cost, good standard and completed on time. The untying of Southern assistance could potentially result in slower project completion (as competitive bidding takes time).
- *Tying of assistance:* Similar to DAC-donors, Southern contributors' technical cooperation and emergency assistance is primarily tied as it involves sending its nationals as experts to programme countries, funding programme country students to study at national institutions or to participate at training events, and providing emergency shipments of goods and medical experts to countries.

Quality assurance

- *Due diligence:* While Southern contributors may be able to implement projects faster and at lower costs, there is some concern that this may be because of less due diligence with respect

to environmental standards and social impact, particularly as it relates to infrastructure projects. This is an important policy challenge facing Southern contributors (as well as Northern donors).

- *Monitoring and evaluation:* Although there is little information available on the M&E procedures of Southern contributors, countries' experiences suggest that Southern contributors conduct significantly fewer missions to review project progress than Northern donors, which is certainly preferred by programme country governments. Overall, the M&E systems of Southern bilateral contributors seem to be largely concerned with the timely completion of projects and less with longer-term perspectives on the sustainability or wider development impact of projects.

Harmonisation and coordination

- *Harmonisation* amongst Southern contributors is not necessarily formalised except amongst Arab institutions, particularly through the Arab Coordination Group and the respective project co-financing arrangements. The OPEC Fund provides a coordination framework for the oil-exporting Middle Eastern contributors as well as Venezuela and other countries, although it is not clear to what extent, if any, this is used as a forum for discussions on development assistance. There is a degree of coordination amongst some Southern contributors, and with Northern donors, on a regional basis through relevant initiatives.
- *Coordination:* To date few Southern contributors engage directly in macroeconomic or social policy dialogue with programme country governments and rarely participate in national donor coordination meetings, usually organised in conjunction with DAC-donors. However, this may change if contributors move towards the use of PBAs and scaling-up, as envisaged by the Paris Declaration. Some Southern contributors participate in programme country consultative group meetings.

8.2 Recommendations

The following are recommendations for consideration by the DCF arising from the present study.

Methodology and data issues

It is recommended that Southern contributors and Northern donors initiate a dialogue with the aim of developing an agreed definition of ODA, including the concessionality of financing⁴⁹. The DCF could become the framework for such a North-South dialogue process.

Other issues to be included in such a dialogue could include the following:

- Definition of concessionality of export credits and inclusion (or not) in development assistance statistics, as well as the inclusion (or not) of other flows not currently considered

⁴⁹ Instead of attempting to draw a distinction between the economic development, export enhancing and commercial purposes of flows, ODA could possibly be defined in terms of (a) donor/contributor, (b) recipient/beneficiary, (c) types of flows (such as programmeable development assistance, export credits, debt relief and humanitarian assistance) and (d) concessionality of the flows.

- development assistance by Southern contributors (such as debt relief, and costs of refugees and students);
- Discussion on modalities for compiling information on triangular development cooperation. As a starting point, the DAC could request its member states to report on these data separately;
 - Institution building and technical support required by Southern contributors in order to compile and process data according to agreed definitions and coordinated at the national level. The focus could initially be on assembling credible data aggregates, including total loan and grant disbursements, the major types of assistance (programme, project, technical cooperation, humanitarian, contributions to multilateral institutions and global funds) and allocation by developing region/country, income group, and sector;
 - Institution building and technical support required by programme countries in collecting information on development cooperation flows from all sources. While this is currently being made easier for programme countries through Development Assistance Database (DAD) and Aid Management Platform (AMP) systems, as well as the debt and development assistance data recording systems of the Commonwealth Secretariat, UNCTAD and other contributors, there remain major capacity needs in this area;
 - The advantages and disadvantages of setting-up a Southern institution to coordinate the compilation of concessional financing statistics.

Analytical issues

This study has highlighted a range of areas for which additional analytical work may be required as follows:

- The present study could be extended to include other regional development institutions as well as Algeria, Bahrain, Cuba, Indonesia, Iran, Libya, Mexico, Morocco, Nigeria, Pakistan, Qatar and other Asian, African and Latin American contributors (if any) in the lead up to the second DCF in 2010. In addition, it will be useful to update the current analysis of Southern contributors and to deepen it to include more details of some of the contributors for which there is insufficient data and information;
- A study to assess whether technical cooperation provided as South-South or triangular development cooperation is more effective in terms of technology transfer, capacity building and value-for-money. Based on the findings of the study, prepare a guide to best practices of triangular development cooperation;
- A study to assess the comparative advantage of Southern contributors in promoting regional cooperation and its potential as a modality for strengthening future South-South and triangular development cooperation;
- A study on best practices in institutional and legal arrangements for managing an effective development cooperation programme nationally. There are numerous development cooperation department/ministry/agency institutional structures amongst the DAC

countries and it would be helpful for Southern governments to know the advantages and disadvantages of alternative institutional arrangements as/when they go about establishing their own agencies/departments.

In addition the following could be considered:

- Analysis of the impact of South-South development cooperation with particular focus on (a) infrastructure projects, (b) post-conflict countries and countries in transition from relief to development, and (c) monitoring and evaluation systems.
- Analysis of the compatibility of implementing the Paris Declaration while keeping the successful features of South-South and triangular development cooperation programmes.

To support this effort, it is proposed that the Secretary-General's report for the biennial DCF include a recurrent section on South-South and triangular development cooperation that would complement information provided by the annual OECD/DAC Development Cooperation Report on North-South cooperation. Within the UN system, the analytical work could be spearheaded by UNDESA in cooperation with UNCTAD and in close consultation with the Special Unit on South-South Cooperation within UNDP.

Global coordination

The key issue arising from the present study is how to further strengthen the role of Southern contributors in shaping the international development cooperation agenda. While the overtures and dialogue between Southern contributors and the DAC is very constructive, it does not cover all Southern contributors and most importantly, it does not as such provide Southern contributors with an adequate voice in the international arena. Southern contributors require a forum which enables them to proclaim their views, separately from those of Northern donors and programme countries and the DCF could provide a framework for such a dialogue, with UNDESA providing secretariat support. To be effective, such meetings of Southern contributors would need to involve key officials from government departments and ministries involved in providing assistance as well as export credit and technical cooperation agencies.

ANNEX 1: CALCULATING LOAN CONCESSIONALITY

Loan concessionality is determined by the grant element (GE) calculation, which is defined as:

$$\text{GE (\%)} = \frac{(\text{nominal loan amount} - \text{present value}) \times 100}{\text{nominal loan amount}}$$

The calculation reflects the loan terms at the time of commitment, when the loan is agreed. The present value is the discounted stream of future debt service payments assuming the loan is fully disbursed on the date of contract. In other words, the calculation of future interest payments is on the total loan amount and does not take into account that disbursements can take place over a number of years.

Since a grant is an outright gift and not repaid, nor is there any interest charge, the present value of future payments is nil and therefore it has a grant element of a 100 per cent.

For loans, however, the length of the grace and maturity periods and rate of interest will determine the present value of future debt service payments, hence the grant element. In general, loans with longer grace and maturity periods and lower interest rates have a smaller present value and therefore a larger grant element. If a loan has a grant element of 70 per cent, this means that over the life of the loan, the borrower will, in present value terms, only be repaying 30 per cent of the nominal loan amount, the other 70 per cent being equivalent to a grant. Loans with shorter grace and maturity periods and/or higher interest rates will have lower grant elements and therefore be less concessional or more costly to service.

For the OECD, the discount rate used in the grant element calculation reflects the opportunity cost to the lender of advancing the funds to a particular borrower in comparison to its alternative uses such as the interest that be earned by depositing the funds in a bank or investing the money elsewhere.

Until 1996, the international convention was to use the 10 per cent discount rate for computing loan concessionality. However in 1996, the OECD changed the way in which it determines the concessionality of export credits, but not that of ODA, whereby the discount rate for calculating the grant element of an export credit was changed to the market-related Commercial Interest Reference Rates (CIRR)⁵⁰. These currency-specific rates are more representative of interest rate movements on the international markets. With this change in the discount rate, the definition of concessionality for export credits (but not ODA) was changed so that an export credit is considered to be concessional if it has a grant element of at least 35 per cent (50 per cent for least-developed countries).

⁵⁰ For the latest CIRR rates issued by the OECD, see <http://www.oecd.org/dataoecd/15/47/39085836.pdf>.

Whereas the OECD uses the six-month average CIRR rate as the discount rate for assessing export credit concessionality, the IMF and World Bank use as the discount rate the ten-year average CIRR rates for loans with a maturity of at least 15 years, and the six-month average CIRR rate for loans with a shorter maturity⁵¹. In addition, the Fund and World Bank add on a margin of between 0.75 - 1.25 per cent to reflect loan maturity and to more accurately reflect the opportunity cost to the lender.

The IMF and the World Bank also use the grant element calculation for the purpose of assessing countries' long-term debt sustainability, using the new Debt Sustainability Framework (DSF). The DSF analysis is forward-looking and done entirely in US dollars, the debt data are all converted into US dollars, using projected exchanges. As such the present value of debt is computed using a single discount rate, currently set at 5 per cent, which approximates the US dollar CIRR rate. This uniform discount rate is to be adjusted if there are significant changes in US dollar interest rates

⁵¹ Except for HIPC Initiative purposes, where the IMF and the World Bank use the OECD's 6-month average currency-specific CIRRs as the discount rates for calculating the present value of debt.

ANNEX 2: DATA SOURCES

One of the main issues in the analysis of South-South concessional finance flows is the lack of comprehensive data. For most of the paper, the data are based on country-specific sources. While Section 2.3 of the main paper discusses data issues at a more general level, this annex provides a contributor-by-contributor guide to currently available data. Most of the sources cited are in the public domain (with url's referenced at the end of each country-section). The references included in the main bibliography are linked to footnotes in Table 2. The references within the text of this annex refer to the bibliographies for each contributor.

AFRICA

South Africa

The government does not systematically gather ODA data, although the South African Treasury provided us with a detailed breakdown for medium-term budgetary ODA commitments (which are mainly of a multilateral nature). Multilateral flows were accounted for in accordance with DAC guidelines (see OECD/DAC, 2007d). Currently, the ANC is planning to set up a governmental agency specifically dedicated to ODA, to be called the South African International Development Agency (SAIDA), which could see the country's ODA being boosted to 0.2 - 0.5 per cent of GNI. The set-up of such an encompassing development agency would be a good opportunity for South Africa to streamline its ODA data collection (as for example done recently by Turkey).

Main data sources used:

- ANC (2007) "International Relations: A Just World and a Better Africa is a Possibility", accessed at www.anc.org.za/ancdocs/policy/2007/discussion/int_relations.html
 - OECD/DAC (2007) "DAC Statistical Reporting Directives: Annex 2 – List of International Organizations", 12 June 2007 accessed at www.oecd.org/dataoecd/36/16/31724727.pdf
 - South African Treasury (2007) "Medium Term Budget Policy Statements", accessed at www.treasury.gov.za/documents/mtbps/2007/default.aspx
 - South African Treasury (2008) "South African Development Funding", personal communication with authors (25/01/2008).
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ASIA

China

China does not report any development assistance statistics to the DAC. According to a senior Chinese Government official, Chinese assistance was around US\$ 1 billion in 2006, rising to US\$ 1.3 – 1.4 billion for 2007 (Qi Guoqiang, 2007). However, most China scholars agree that the above figures are an underestimate of current Chinese ODA, if the OECD DAC definition of ODA were

used, because they exclude sizeable debt relief and include only the interest rate subsidy component of EXIM Bank concessional export credit lending. Chris Alden in a recent book puts total Chinese assistance at more than US\$ 4 billion (Alden, 2007, p22). Deborah Brautigam estimates it to be US\$ 1.6 billion (Brautigam, 2007, p21), whilst Carol Lancaster puts it between US\$ 1.5 and 2 billion (Lancaster, 2007, p3).

Chinese development assistance statistics do not give a breakdown by region/country. According to Brautigam (2007), as of 2006, China had ongoing assistance projects in 86 developing countries, and counted more than 114 countries as current or former beneficiaries of Chinese development assistance. Furthermore, between 2000 and 2003, 44 per cent of Chinese assistance went to Africa (Li Zhaoxing, 2003). Country-specific allocations seem to be favouring Angola, Congo-Brazzaville, DRC, Ethiopia, Equatorial Guinea, Ghana, Mozambique, Sudan, Zimbabwe and Zambia (in Africa), and Cambodia, Laos, North Korea and Viet Nam (in Asia). Sources picking up on concessional Chinese flows in these countries include Gill and Reilly (2007), Jacoby (2007), Moss and Rose (2006) and Reisen and Ndoye (2007).

China EXIM Bank information was put together through assembling data on as many loans as were available in the public domain, greatly helped by Hubbard's (2007) paper (and also personal communication) and loan agreements made available to the authors by programme country governments.

The main sources used:

- Alden, Chris (2007) "China in Africa", 157pp, Zed Books, London.
- Bates, Gill and James Reilly (2007) "The Tenuous Hold of China Inc on Africa", The Washington Quarterly 30:3 pp. 37–52, accessed at www.twq.com/07summer/docs/07summer_gill_reilly.pdf
- Brautigam, Deborah (2007), "China's Foreign Aid in Africa: What do we know", paper prepared for the Conference on China in Africa: Geopolitical and Geo-economic considerations, 31 May – 2 June, John F Kennedy School, Harvard University.
- Hubbard, Paul (2007) "Aiding Transparency: What We Can Learn About China ExIm Bank's Concessional Loans", Center for Global Development Working Paper No. 126, accessed at www.cgdev.org/content/publications/detail/14424
- Jacoby, Ulrich (2007) "Getting Together – The new partnership between China and Africa for aid and trade", Finance & Development, June 2007, Volume 44, Number 2, accessed at www.imf.org/external/pubs/ft/fandd/2007/06/jacoby.htm
- Lancaster, Carol (2007) "The Chinese Aid System", Centre for Global Development, June 2007, accessed at www.cgdev.org/content/publications/detail/13953/
- Li Zhaoxing (2003) "Report by H. E. Mr. Li Zhaoxing, Minister of Foreign Affairs to the Second Ministerial Conference of the China-Africa Cooperation Forum," Addis Ababa, December 15, 2003, accessed at www.china.org.cn/english/features/focac/184464.htm

- Moss, Todd and Sarah Rose (2006) “China Exim Bank and Africa: New Lending, New Challenges”, accessed at www.cgdev.org/content/publications/detail/11116
- Qi Guoqiang (2007) “China’s Foreign Aid: Policies, Structure, Practice and Trend”, presented at University of Oxford/Cornell University Conference ‘New Directions in Development Assistance’, 11-12 June 2007.
- Reisen, Helmut and Sokhna Ndoeye (2007) “Prudent vs. Imprudent Lending to Africa after HIPC and MDRI”, September 2007, Preliminary 2nd Draft, OECD Development Centre, Paris.

India

India does not report aggregated or disaggregated ODA data to the OECD/DAC. The aggregate figures mentioned in Table 3 come from two different sources. The first one is the last (2007) budget speech by the Indian Minister of Finance, P.Chidambaram, in which he stated: “At present, India extends development cooperation through a number of Ministries and agencies and the total sum is about US\$ 1 billion per annum” (Indian Ministry of Finance, 2007). The second source is the Indian federal budget itself, which reports on external government-to-government flows, mainly through its Ministries of External Affairs and Finance.

The main problem encountered is that the Indian Federal budget does not seem to capture Indian EXIM Bank loans (except for some small interest equalization subsidy). The EXIM Bank in turn does not give out detailed yearly disbursement data. The best estimate is that lines-of-credit to developing country governments were used to the tune of US\$ 428 million over the past couple of years (India EXIM, 2007). This amount however is an aggregation for recent years and would thus be higher than disbursements in any one of the past few of years. Hence, the range of total Indian assistance could roughly be estimated to be between US\$ 500 million (from the budget figures) and US\$ 1 billion (from the Finance Minister’s speech). It is hoped that the announcement of the set-up of an India International Development Cooperation Agency (IIDCA) will help focus future data gathering exercises.

Main data sources used:

- India EXIM (2007) “Export Lines of Credit”, accessed at www.eximbankindia.com/locstat.doc
- Indian Ministry of Finance (2006) “Union Budget 2006-2007 – Expenditure Budget”, accessed at <http://indiabudget.nic.in/ub2006-07/eb/vol1.htm>
- Indian Ministry of Finance (2007) “Budget 2007-2008”, Speech of P. Chidambaram, Minister of Finance, February 8, 2007, accessed at <http://indiabudget.nic.in/ub2007-08/bs/speecha.htm>

Korea, Republic of

Apart from Turkey, Korea is the only country in the sample of countries looked at in this paper, which comprehensively reports ODA statistics to the DAC. It is also the only country outside DAC members to report on the tying status of its development assistance. The main outstanding data issue is related to the treatment of assistance to DPR of Korea, which is not included in DAC data. The Government of the Republic of Korea (Ministry of Finance & Economy, 2006) puts this at US\$124 million for 2005, whilst other sources give figures as high as US\$ 430 million (Jerve, 2006).

The main data sources used:

- EXIM (2007b) “Annual Report 2006”, accessed at www.koreaexim.go.kr/en/file/etc/annualreport2006.pdf
- Jerve, Alf Morten (2006) “Asian Models for Aid: Is there a non-Western Approach to Development Assistance”, Summary Record of seminar held in Oslo at CMI, December 2006, accessed at www.cmi.no/publications/file/?2767=asian-models-for-aid
- KOICA (2006) “KOICA Annual Report 2005”, accessed at https://www.koica.go.kr/upload/pr/annual/2005annual_e.pdf
- Korean Ministry of Finance & Economy (2006) “Guide for Practical Economic Information on Korea”, Ministry of Finance and Economy, Republic of Korea, accessed at www.mofe.go.kr/division/off_pm/off_pm_01.php?action=download&file_no=52781

Malaysia

Malaysia does not report aggregated or disaggregated ODA data to the OECD/DAC. The figures used in the main text essentially come from two different sources. Firstly, Chapter 27 of Malaysia’s 9th five year plan covering the period 2006-2010 gives information about Malaysia’s contribution to multilateral organisations between 2001 and 2005 (Government of Malaysia, 2005). This data, combined with the OECD/DAC list of which multilateral contributions are eligible as ODA (OECD/DAC, 2007) is then used to calculate Malaysia’s multilateral ODA. Some discretion is used in these calculations, for example the OECD/DAC list does not include contributions to the Islamic Development Bank. Secondly, Malaysia participated in the “Questionnaire Development Assistance by Developing and Transition Countries Country Survey” (EPU, 2007), which gives details on Malaysian Technical Cooperation Programme (MTCP) disbursements for 2000-2005. The bilateral totals cover only MTCP related assistance, so there might be other bilateral Malaysian concessional financing flows emanating from other agencies/institutions that have not been included in this analysis.

The main data sources used:

- EPU (2007) “Questionnaire Development Assistance by Developing and Transition Countries Country Survey – Malaysia”, External Assistance Section, Economic Planning Unit, Prime Minister’s Department, Government of Malaysia.

- Government of Malaysia (2005) “Development through International Cooperation”, Chapter 27 of 9th Malaysian Plan (2006-2010), accessed at www.epu.jpm.my/rm9/english/Chapter27.pdf
- OECD/DAC (2007) “DAC Statistcal Reporting Directives: Annex 2 – List of International Organisations”, 12 June 2007 accessed at www.oecd.org/dataoecd/36/16/31724727.pdf

Thailand

Thailand only recently started to report its ODA flows to the OECD/DAC. For 2006, aggregate as well as country-specific DAC aid statistics are available. However, no detailed information is provided on types of assistance, nor on sectoral allocations. The DAC is currently working closely with the Thai authorities to try and fill in these data gaps.

As for data predating 2006, different sources put Thai development assistance totals at quite different levels, for example the 2005 MDG8 report puts it at US\$ 167 million, but it is likely that this includes some flows that are not compatible with the DAC ODA definition (for example. export credits). However, as this is the only source for sectoral break-down of Thai assistance, relative (that is percentages) figures were used from this source in the main paper. A third source (OECD/DAC,) puts average Thai ODA between 2002 and 2005 at US\$ 18 -24 million annually. This source has not been used in this paper.

The main data sources used:

- OECD/DAC (2007) “Aid for Trade at a Glance: Country Chapters – Thailand”, accessed at www.oecd.org/dataoecd/46/34/39639237.pdf
- Government of Thailand (2006) “Questionnaire Development Assistance by Developing and Transition Countries Country Survey – Thailand”
- Ministry of Foreign Affairs/UN Thailand (2005) “Global Partnership for Development – Thailand’s Contribution to MDG8”, accessed at www.undp.or.th/download/MDG8-Report-ENG.pdf

LATIN AMERICA & CARIBBEAN

Argentina

Argentina does not report its outgoing concessional financial flows to the DAC. Information on Argentina in the main text is entirely based on interviews the authors conducted with officials from Argentina’s cooperation agency, the *Fondo Argentino de Cooperación Horizontal* (FO-AR) in Cairo on 19 February 2008. Hence, information is at the moment incomplete, with no data on multilateral flows.

Brazil

Brazil does not report its outgoing concessional financial flows to the DAC. The main data source is a questionnaire filled out by the Brazilian Ministry of External Affairs for the present study, reporting flows for different types of aid; notably technical cooperation, scholarships, humanitarian assistance, debt forgiveness, peacekeeping, volunteers, assistance to refugees, social/cultural programmes and research. There is also reporting on multilateral flows, which for 2006 made up some 85 per cent of total aid flows. Brazilian officials stressed, however, that figures given are only approximations and are most probably under-estimated. For purposes of (bilateral) activities undertaken by Brazil's main cooperation agency ABC, information was taken from Brazilian Ministry of External Relations (2007), which provides a detailed project database.

The main data source used:

- Brazilian Ministry of External Relations (2007) "South-South Cooperation Activities carried out by Brazil", Under-Secretariat General for Cooperation and Trade Promotion, July.

Chile

Chile does not report aggregated or disaggregated ODA data to the OECD/DAC. The figures used in the main paper come from three different sources. Firstly, there is the "[Anexo Estadístico CTPD 2006 Completo](#)" (AGCI, 2007), in which Chile's main development cooperation agency, the Agencia de Cooperación Internacional de Chile (AGCI) gives an overview of 2006 disbursements. The total AGCI programme is made up of three sub-programmes: (i) bilateral TA, (ii) triangular TA for which contributions from the programme country and third countries need to be deducted, and (iii) scholarships. These calculations add up to US\$ 3 million. Secondly, there is the 2006 "Questionnaire Development Assistance by Developing and Transition Countries Country Survey" for Chile (AGCI, 2006c), which gives details on AGCI disbursements for 2000-2005. Data included in this document are not always consistent, and the figures given for 2000-2005 should hence not directly be compared to the numbers from the previous source. Thirdly, the "Aid for Trade at a Glance: Country Chapters – Chile" (OECD/DAC, 2007) reports an estimate for total Chilean government aid, putting it at US\$ 3.3 million in 2006, increasing to US\$ 3.8 million by 2008, without giving disaggregation of figures. It should be noted that the first two sources do not include multilateral assistance, whilst it is unclear whether the last source does. Also, Chile, through AGCI, is one of the only countries reporting triangular assistance in a comprehensive way (see AGCI, 2007).

The main data source used:

- AGCI (2006c) "Questionnaire Development Assistance by Developing and Transition Countries Country Survey – Chile", 16 June 2006, AGCI Executive Director's Office, Government of Chile.
- AGCI (2007) "[Anexo Estadístico CTPD 2006 Completo](#)", accessed at www.agci.cl/docs/anexo_estadistico_ctpd_completo2006.pdf
- OECD/DAC (2007) "Aid for Trade at a Glance: Country Chapters – Chile", accessed at www.oecd.org/dataoecd/45/19/39639012.pdf

Venezuela

Venezuela does not report its outgoing concessional financial flows to the DAC. In general, estimates vary wildly, with AP (2007) mentioning US\$ 8.8 billion, and the Venezuelan government recently stating PetroCaribe flows to be US\$ 1.2 billion. Reconstructing Venezuelan concessional flows from the bottom up quickly runs into problems, as the only publicly available information is on Venezuelan oil assistance through the PetroCaribe agreement. Other sources of concessional financing like BANDES do not publish any detailed financing information. In addition, it is still too early to look at the impact of new multilateral institutions promoted by Venezuela, such as the Banco del Sur, as clear commitment or disbursement plans are yet to be formulated.

Interesting information can be gleaned from analysing PetroCaribe documents. PetroCaribe is a system under which Venezuela supplies concessional loans to pay for a portion of members' oil imports from Venezuela (ALBA, 2005), with the exact proportion and terms depending on the price of oil. More specifically, if the price of oil exceeds US\$ 50 per barrel, Venezuela offers PetroCaribe participating countries 40 per cent of the total price as a concessional loan. If the price of oil goes beyond US\$ 60 dollar, the percentage financed by a concessional loan becomes 50 per cent. PetroCaribe currently has 16 members, whilst four other Latin American countries are known to have signed similar deals. Based on this information, authors calculate that should member countries take up the maximum of concessional oil imports agreed, Venezuelan oil assistance would have been in the region of US\$ 2.5 billion in 2006 (PetroCaribe, 2006). However, disbursements as of November 2007 were estimated at US\$ 1.2 billions (Government of Venezuela, 2007).

The main data source used:

- ALBA (2005) "*Construyendo el Alba desde los pueblos – Una Propuesta de unidad para los pueblos de Nuestra América*", *Secretaria de Organizacion Congreso Bolivariano de los Pueblos*", accessed at www.alternativabolivariana.org/pdf/desde_los_pueblos.pdf
- Government of Venezuela (2007) "Chavez speech at ALBA summit", Caracas, January 2008.
- PetroCaribe (2006) "Petrocaribe", ppt presentation at the 2nd Head of State Meeting of the Caribbean, accessed at www.mem.gob.ve/petrocaribe/Rueda.de.Prensa.Ministro.8.Sep.ppt#511,3,Dia 3

WESTERN ASIA

The DAC reports only aggregated ODA figures for Kuwait, Saudi Arabia and the United Arab Emirates individually. It does also report geographical (country) allocations, but not ODA by type or by sector, for these three countries in the aggregate (in the DAC database, this comes under 'Arab Countries').

Kuwait

Data on net aggregate ODA are available from 2002 up until 2006. GNI for 2006 (from the World Bank) is not available (as of January 2008), such that per cent of GNI is calculated for with 2005 GNI and a GNI growth rate of 6.2 per cent for 2006 (which was the GDP growth rate for 2006). The rest of the data used in the paper, reflects data available from the Kuwait Fund for Arab Economic Development (KFAED), which is the Kingdom of Kuwait's main conduit for disbursing ODA. However, the Kuwaiti government also channels ODA through different agencies, for example for budget support or support to multilateral institutions. For example, OECD/DAC 2005 figures indicate net ODA stood at US\$ 218 million, whilst KFAED reported in its annual report net disbursements of only US\$ 62 million.

The latest KFAED annual report (KFAED, 2005, covering the fiscal year 1st April 2004 – 31st March 2005, the one covering 2005-2006 being only available in Arabic as of January 2008) is the main source of information for the rest of the data reported on Kuwait/KFAED. All data is based on gross commitments (grants + loans + TA, following the classification of KFAED with TA being all grants), except for the information related to sectoral disaggregation, where only gross loan commitments are included.

The main data source used:

- KFAED (2006) “Annual Report 2004-2005”, accessed at <http://www.kuwait-fund.org/e/a2005.asp>

Saudi Arabia

Data on net aggregate ODA are available from 2002 up until 2006 from the OECD/DAC database, with net ODA from Saudi Arabia at US\$ 2,095 million in 2006. GNI for 2006 (from the World Bank) is not available (as of January 2008), such that per cent of GNI is calculated for with 2005 GNI and a GNI growth rate of 4.2 per cent for 2006 (which was the GDP growth rate for 2006). The rest of the data used in the paper, reflects data available from the Saudi Fund for Development (SFD), which is the Kingdom of Saudi Arabia's main conduit for disbursing ODA. However, the Saudi government also channels ODA through different agencies, for example for debt relief or support to multilateral institutions. For example, OECD/DAC 2005 figures indicate net ODA stood at US\$ 1,005 million, whilst SFD reports average gross disbursements between 2003 and 2005 to be only US\$ 160 million.

Other data on Saudi Arabia as a Southern contributor are mainly taken from the SFD website, with all figures based on commitments in loan agreements (see SFD, 2007). Information on loan terms is taken from OPEC Fund (2004).

The main data sources used:

- OFID (2004) “Arab Regional and National Development Institutions 2004”, accessed at www.opecfund.org/publications/arab_profile_2004/ProfileArab2004.pdf

- SFD (2006) “The Saudi Fund for Development Annual Report 2005”, accessed at www.sfd.gov.sa/english/Loan2005.html
- SFD (2007) “Loan agreements signed during the fiscal year 2006”, accessed at www.sfd.gov.sa/english/Loan2006.htm

Turkey

In 2005, the Prime Minister of Turkey assigned the Turkish International Cooperation and Development Agency (TIKA) the responsibility for collecting and reporting Turkish ODA statistics to the OECD. TIKA organised a huge data gathering effort in 2004, which resulted in Turkey being the first non-DAC country to comprehensively report ODA statistics to the DAC. This information can be found in TIKA’s first Turkish Development Assistance Report, which covers 2005, but was published in 2007 (TIKA, 2007). It should be noted that many activities which were thought to be outside the scope of development assistance in previous years were added in 2004-2005 as Turkey adapted its ODA data to DAC classifications, probably inflating the growth rate of its ODA quite substantially.

The main data sources used:

- TIKA (2007b) “2005 Turkish Development Assistance Report”, accessed at www.tika.gov.tr/yukle/dosyalar/2006/KalkinmaYardimlariRaporu2005/TIKA_TURKISH_DEVELOPMENT_ASSISTANCE_REPORT.pdf
- Türk EXIM Bank (2007) “2006 Annual Report”, accessed at www.eximbank.gov.tr/eng/engindex.htm

United Arab Emirates (Abu Dhabi Fund for Development)

As for Kuwait and Saudi Arabia, the DAC also reports aggregate ODA statistics for the United Arab Emirates. The main conduit for United Arab Emirates assistance is the Abu Dhabi Fund for Development (ADFD). There is very little information publicly available on the web on UAE / ADFD concessional flows. Geographical allocation and loan terms are taken from the ADFD profile on the Arab Decision website (Arab Decision, 2003), but data is only up until 2001. Sectoral allocations are gleaned from OPEC Fund (2004) and are obviously also a bit outdated (and it is not clear whether the latter are commitment or disbursement based).

Main data sources used:

- Arab Decision (2003) “Abu Dhabi Fund for Development – General Description”, accessed at www.arabdecision.net/show_func_3_12_12_0_3_4628.htm
- OPEC Fund (2004) “Arab National and Regional Development Institutions 2004 – A profile”, accessed at www.opecfund.org/publications/arab_profile_2004/ProfileArab2004.pdf

MULTILATERAL DEVELOPMENT INSTITUTIONS (Non-OECD)

BADEA, ISDB and OPEC Fund do not report aggregated or disaggregated ODA data to the OECD/DAC. However, the DAC does report aid statistics for the three institutions together (called 'Arab Agencies' in the DAC database). Even so, these data are also limited in that, next to aggregate ODA, they only report geographical disaggregations (and not ODA by type or by sector).

Arab Bank for Economic Development in Africa (BADEA)

The main data source used to get some idea of BADEA specific ODA numbers is BADEA's annual report (latest version: BADEA, 2007, which reports on 2006 data). The only data available on disbursements is for aggregate development assistance, with data available on grants (mainly for TA), gross and net loans. All other figures on country allocations, types and sectors are based on commitments/approvals taken from the annual reports.

The main data source used:

- BADEA (2007) "BADEA Annual Report 2006", accessed at www.badea.org/en/pdf/annual2006en.pdf

Islamic Development Bank (IsDB)

Figures used for the Islamic Development Bank are taken from the IsDB's annual report (mainly the last one, that is IsDB, 2007). As the IsDB adheres to the lunar calendar, this document reports data for the year AH 1427, which roughly corresponds to 2006. The annual report does not document disbursements of concessional financing. Hence, all the data is approvals-based. The only mention of disbursement figures is on p45 of the AH 1427 annual report, but this involves total 'Ordinary Capital Resources' (loans + technical assistance) which includes non-concessional financing.

When calculating country allocations, data was taken from the annex to table 2.3 in the annual report, but without counting operations linked to equity participations, leasing or Istisna's, but including TA or loans that are combined with Istisna'a (=sharia'a compliant financial product). It is not entirely clear however, that the excluded items do not include some concessional financing.

Another problem with all figures being on a net-approval basis is that totals do not include unforeseen disbursements for emergency assistance like the US\$ 250 million for special assistance to Lebanon, the emergency assistance worth US\$ 500m to Indonesia, Maldives, Somalia, India, Sri Lanka and Thailand or the Pakistan-assistance package worth US\$ 502 million (numbers from IsDB, 2007a, p30 and 36).

The main data source used:

- IsDB (2007) "Annual Report 2006-2007 (AH 1427)", accessed at www.isdb.org/iri/go/km/docs/documents/IDBDevelopments/Internet/English/IDB/C/M/Publications/Annual_Reports/32nd/P2.pdf

OPEC Fund for International Development (OFID)

For the OPEC Fund as an individual Southern contributor, the data used is the latest version of the Fund's annual report (OPEC Fund, 2007, which reports on 2006 data). Disbursement data are only available in the aggregate and for types of flows such as debt relief, programme assistance, project assistance and TA, but not for geographical or sectoral allocations. Hence for the latter commitments based data is used. All data are gross, as loan repayments are not mentioned anywhere. Also, all data reported excludes 'Private Sector Operations' and 'Trade Finance Facility' related financing as these normally work with market-based conditions/pricing. The OPEC Fund also allocates some of its concessional financing flows to multilateral institutions (mainly UN agencies). These flows are included in the aggregate numbers.

The main data source used:

- OFID (2007a) "Annual report 2006", accessed at www.ofid.org/publications/PDF/AnnualReport_2006/OPEC_English-2006-I_LR.pdf
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OTHERS

Taiwan, Province of China

Taiwan Province of China reports aggregate net ODA to the OECD/DAC, but no disaggregated statistics on geographical allocation, types or sectors. Data on these issues, where reported, are all taken from the International Cooperation and Development Fund (ICDF) annual report. These documents (latest one is ICDF (2007) for 2006 data) give disaggregation by region (LAC, Asia-Pacific, Africa and Europe) and by four major sectors/types ((i) banking & financing projects, (ii) overseas missions and related project expenditure, (iii) TA expenditure and (iv) international humanitarian assistance). It is not clear however whether the amounts reported under these categories should all be counted as development assistance, and what the link is with what Taiwan Province of China reports to the DAC as an aggregate figure. It might well be that there are other concessional flows outside of ICDF, for example financing from Taiwan Province of China EXIM Bank. Data on Taiwan Province of China loan terms was provided by a programme country government.

The main data sources used

- ICDF (2007a) "2006 Annual Report", accessed at www.icdf.org.tw/English/e_pub_anual_conctect.asp?pid=163

ANNEX 3: ADDITIONAL DATA TABLES

Annex Table 1: Net disbursements of development assistance by DAC-donors, 2006

	US \$ million	as % of GNI		Multilateral Share	Future Quantity Intent
Bilaterals DAC					
Top 10 DAC donors					
1. USA	23,532	0.18		8%	- DAC-EU countries to scale up aid to a minimum country target of 0.51% GNI by 2010, or 0.56% overall. - Canada's ODA will be CAD 5.1 billion in 2010; - Japan to increase its ODA by USD 10 billion in aggregate over 2005-09;
2. UK	12,459	0.51		24%	
3. Japan	11,187	0.25		21%	
4. France	10,601	0.47		28%	
5. Germany	10,435	0.36		26%	
6. Netherlands	5,452	0.81		28%	
7. Sweden	3,955	1.02		33%	
8. Spain	3,814	0.32		38%	
9. Canada	3,684	0.29		25%	
10. Italy	3,641	0.20		55%	
Total DAC (unweighted)	104,421	0.31		29%	
Total DAC-EU (unweighted)	59,035	0.43		0.34	
Multilaterals					
EC	9,489	-		-	
IDA	5,996	-		-	IDA15 replenishment to provide US \$ 41.6 bn over 3 years, an increase of US \$ 9.5 bn
Total UN agencies	3,525	-		-	
AfDF	1,541	-		-	
AsDF	1,020	-		-	
IDB	216	-		-	
IMF	-12	-		-	

Source: OECD/DAC database.

Annex Table 2: Delivery of debt relief (as of end-June 2007)

All figures in mn USD, 2006 NPV terms (unless otherwise indicated)	Total HIPC Debt Relief Assistance costs	HIPC debt relief delivered as % of total HIPC debt
Bilateral Creditors		
Full delivery of HIPC relief		
Korea, Republic of	7.0	100%
South Africa	6.0	100%
Partial Delivery of HIPC relief		
Argentina	4.9	60%
Brazil	8.5	77%
China	281.1	34% - 50%
India	37.7	32% - 89%
Kuwait	307.2	68%
Saudi Arabia	161.5	47% - 78%
United Arab Emirates	28.2	0% - 9%
Venezuela	72.0	37%
Multilateral Creditors*		
BADEA	270.0	NA
Islamic Dev't Bank	164.1	NA
OPEC Fund for Int'l Dev't	219.4	NA
Other		
No Delivery of HIPC relief		
Taiwan Province of China	0.0	0%
No outstanding debt with HIPCs: Malaysia, Thailand, Chile. Turkey will probably participate in debt relief operations in the Kyrgyz Rep. in the foreseeable future.		

* Some of these creditors are providing relief on a case-by-case basis and have yet to agree to full participation in the delivery of HIPC Initiative debt relief.

Source: Based on HIPC CBP donor profiles and IDA and IMF (2007, p77) for the multilaterals.

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