



*The European Union's Triangular  
Cooperation in the Context of Aid Effectiveness*

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**"Triangular Development Cooperation:  
Potential and Risks of a New Aid Modality"**

*Dr. Guido Ashoff  
German Development Institute, Bonn*



# Overview

1. Features of triangular cooperation (TC)
2. Chances (objectives) of TC
  - 2.1 Traditional donors
  - 2.2 Emerging donors
  - 2.3 Beneficiary countries
3. Risks of triangular cooperation
4. Conclusions



# 1. Features of triangular cooperation (TC) (1)

- Relatively recent mode of development cooperation
- The most frequent type of TC is N-S-S cooperation involving 3 actors: a traditional donor + an emerging donor + a beneficiary country
- A traditional and an emerging donor act together in favour of and in cooperation with a beneficiary.
- Extension of classical North-South and South-South cooperation



# 1. Features of triangular cooperation (TC) (2)

- Traditional donors prominently engaged (or interested) in TC include Japan, Germany, Spain and some others.
- Emerging donors engaged in TC include Brazil, Chile, Mexico, Indonesia, Thailand, South Africa and some others.
- Beneficiaries of TC are typically less advanced countries in Africa, Asia and Latinamerica.



# 1. Features of triangular cooperation (TC) (3)

- TC consists mainly of technical cooperation.
- TC tends to be very disperse (many small projects).
- Intense international debate on TC (UN, DAC, G8, Accra); reasons
  - relatively new mode of cooperation
  - a number of advantages attributed to TC
  - TC as a way to support and further promote the international engagement of emerging countries



# 1. Features of triangular cooperation (TC) (4)

- The intensity of the international debate on TC appears to be in inverse proportion to both its weight in practice and the empirical knowledge of TC.
- Therefore a closer look at TC in practice and exchange of experience are required.
- This workshop is intended to contribute to that.



## 2. Chances (objectives) of TC (1)

### 2.1 Traditional donors (1)

- Scaling up: transfer of successful cooperation experiences to third countries in order to increase the efficiency and effectiveness of cooperation
- Cost reduction by using experts of emerging donors
- Using comparative advantages of emerging donors in certain areas
- Capacity development of cooperation agencies in emerging countries to reduce learning costs and increase the number of development partners



## 2. Chances (objectives) of TC (2)

### 2.1 Traditional donors (2)

- Sensitising new donors with regard to the principles and procedures of effective aid (Paris-/Accra Agenda)
- Phasing out development cooperation between traditional and emerging donors in an orderly manner
- Replacing cooperation projects of traditional donors in third countries by projects of emerging donors



## 2. Chances (objectives) of TC (3)

### 2.2 Emerging donors (1)

- Increasing the potential of South-South cooperation by involving traditional donors
- Improving the quality of South-South cooperation by using successful cooperation experiences gained with traditional donors
- Using the experiences of, and support by, traditional donors for strengthening own cooperation agencies



## 2. Chances (objectives) of TC (4)

### 2.2 Emerging donors (2)

- Increasing the international presence and visibility as emerging countries and new donors
- Promoting regional cooperation and integration through TC



## 2. Chances (objectives) of TC (5)

### 2.3 Beneficiary countries (1)

- Increasing the value for money of cooperation with traditional donors by using less costly experts from emerging countries
- Benefiting from successful experiences of emerging countries that appear to be closer and more appropriate to the own context
- Benefiting from the cultural and linguistic vicinity of the emerging donors for implementing development projects



## 2. Chances (objectives) of TC (6)

### 2.3 Beneficiary countries (2)

- After the end of a development cooperation project it might be easier to keep in touch with experts from emerging countries than with experts from traditional donors (due to geographical and cultural vicinity and cost considerations)
- Promoting regional cooperation and integration through TC



### 3. Risks of TC (1)

- Increasing transaction costs because 3 actors have to:
  - define the joint interest
  - agree on a common approach
  - create the necessary legal, institutional, budgetary and procedural requirements
  - jointly ensure management for development results
- Increasing fragmentation of the international aid system because of the rising number of actors that might complicate harmonisation



### 3. Risks of TC (2)

- Lowering of quality standards of development cooperation in case of emerging donors still lacking sufficient experience to offer high-quality support



## 4. Conclusions (1)

1. TC is a promising mode of cooperation only if there is sufficient common interest of the actors involved.
2. TC is particularly promising if it is based on proven positive experience gained in the cooperation between the traditional and the emerging donors involved.
3. Reducing the role of traditional donors to just providing financial support to emerging donors would not use the potential of TC.



## 4. Conclusions (2)

4. The credibility of TC depends to a large extent on the commitment (in terms of finance and/or provision of experts) of the emerging donors.
5. Successful TC requires the emerging countries to develop the institutional capacity needed to properly plan and manage the TC projects.
6. In case this capacity does not sufficiently exist, traditional donors can play an important role by providing institutional support. Such support has an impact beyond individual TC projects.



## 4. Conclusions (3)

7. The transaction costs of TC resulting from the engagement of 3 actors have to be taken into account. TC can only be justified if in the longer run the benefits of TC exceed the transaction costs.
8. Therefore careful monitoring and evaluation of TC projects are indispensable.
9. The possible risks of TC mentioned before shouldn't be seen statically. Even if the risks occur, the important point is joint learning.



## 4. Conclusions (4)

10. To promote joint learning, it is crucial to exchange experiences and identify best practices.
11. The benefits of TC should be maximised in a way that is compatible with systemic aid effectiveness as defined in the Paris Declaration and the Accra Action Plan.
12. For this to be achieved, it is important to both apply the Paris/Accra principles to TC and to feed the experiences of TC back into the Paris-/Accra process.

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Thank you very much for your  
attention.