Emerging Development Partners and Aid Governance: Examining the Role of 'Aid Effectiveness' in South African and Indonesian South-South Cooperation

by
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Abstract

The past few decades have witnessed an unprecedented shift in the international system, as the collapse of Cold War era bipolarity and rapid economic growth in several developing nations have produced dramatic shifts in the global geography of power. As a result, prominent countries of the Global South are playing increasingly important roles in global governance. One aspect of this shift has been the diminishment of Northern hegemony in the realm of official development assistance, and the growing importance of South-South development cooperation. This paper utilizes case studies of South African and Indonesian international cooperation programs to examine the emerging relationships between increasingly active development partners of the Global South and the “mainstream” development architecture established by the OECD-DAC. The case studies reveal widely divergent patterns in the attitudes which emerging powers have adopted toward the status quo development establishment, which this paper seeks to explain through an analysis of the normative discourse surrounding each country's development partnerships, the institutional capacities of their implementing agencies, and their relative positions in the international balance of power.

Keywords: South-South Cooperation; Development Assistance; Emerging Powers; Aid Governance; Power Transition; Role Theory
Dedication

I dedicate this thesis to my family, friends, and colleagues who supported me through the lengthy research and writing process. I am particularly thankful for my wife Carli, whose love, patience, and encouragement have been and continue to be appreciated in all of my academic and professional pursuits.
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAA</td>
<td>Accra Agenda for Action</td>
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<td>ANC</td>
<td>African National Congress</td>
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<td>ARF</td>
<td>African Renaissance Fund</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>BAPA</td>
<td>Buenos Aires Plan of Action</td>
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<tr>
<td>BAPPPENAS</td>
<td>State Ministry of National Development Planning (Indonesia)</td>
</tr>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China, South Africa</td>
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<tr>
<td>CLMV</td>
<td>Cambodia, Laos, Myanmar, Vietnam</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>DIRCO</td>
<td>Department of International Relations and Cooperation (South Africa)</td>
</tr>
<tr>
<td>DST</td>
<td>Department of Science and Technology (South Africa)</td>
</tr>
<tr>
<td>IBSA</td>
<td>India, Brazil, South Africa Dialogue Forum</td>
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<tr>
<td>ITCMP</td>
<td>Indonesian Technical Cooperation Program</td>
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<tr>
<td>LDC</td>
<td>Least Developed Country</td>
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<td>MIC</td>
<td>Middle Income Country</td>
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<td>NAM</td>
<td>Non-Aligned Movement</td>
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<td>NCT</td>
<td>National Coordination Team on South-South and Triangular Cooperation (Indonesia)</td>
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<tr>
<td>NDB</td>
<td>New Development Bank</td>
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<td>NEPAD</td>
<td>New Partnership for Africa's Development</td>
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<td>NT:IDC</td>
<td>National Treasury International Development Cooperation Directorate (South Africa)</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<tr>
<td>SACU</td>
<td>Southern African Customs Union</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>SADPA</td>
<td>South African Development Partnership Agency</td>
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<tr>
<td>SSC</td>
<td>South-South Cooperation</td>
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<td>SSTC</td>
<td>South-South and Triangular Cooperation</td>
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<tr>
<td>TCDC</td>
<td>Technical Cooperation among Developing Countries</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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I. The Shifting Geography of Power and the Rise of Southern Donors

The twenty-first century has witnessed monumental shifts in the global geography of power. The collapse of the Soviet Union in the early 1990s gave rise to a geopolitical vacuum. Although optimistic Western political scientists such as Francis Fukuyama believed that the end of the Cold War would herald the “end of history” and a permanent liberal hegemonic order (Fukuyama 1992), the emergence of new powers in the developing world has shattered the prospect of an American led unipolar international system. The rise of Southern powers can largely be attributed to shifting winds in the global economy, which have led to economic stagnation in the much of the Global North and periods of rapid growth in parts of the Global South. Proportionally, the economic dominance of the United States and its allies has waned significantly. Although the nations of the industrialized world still enjoy high per-capita GDPs, the combined growth rates of OECD member countries averaged just 1.5% per year in the period between 2005 and 2014. In contrast, many of the more prominent middle income countries (MICs) have handily outpaced their Northern peers with growth rates between 5 and 10% per annum (OECD.Stat). In absolute terms, the period between 1980 and 2011 saw the OECD countries’ share of global economic output decline from roughly 78% to 65% (OECD 2013: 39). By the OECD’s own projections, the “developing world” is poised to account for more than half of global GDP by 2060 (Economist 2012).

The result of these divergent patterns of economic performance has been a sharp contraction of the Global North’s preeminence in the international political economy, and a changing distribution of global power. As the economic foundations of Western hegemony diminish, formerly “poor” states are demanding a greater voice in international institutions and global governance, and with some success. For instance, decisions relating to global economic policy are increasingly made not in the exclusively Northern G8, but in the G20, in which nearly half of member countries (including India,
China, Brazil, South Africa, and Indonesia) can still be classified as “emerging” or “developing” economies (Mawdsley 2012: 194). However, many of the most significant international institutions remain decisively dominated by states in the Western world. This has inspired critiques of the United Nations Security Council, the World Bank, and other international organizations alleging that such bodies institutionalize an antiquated geopolitical hierarchy and are unrepresentative of current power realities. These critiques lie at the heart of calls to reform the institutions and norms that cumulatively establish the “rules of the game” of the international system (Paulo & Reisen 2010: 535, Woods 2008: 1205, Mawdsley 2012: 176). As emerging powers expand their influence in a growing array of international policy arenas, they do so in the context of already entrenched regimes of formal agreements and “soft laws” primarily crafted according to the interests and preferences of Northern powers.

One such arena in which developing nations are growing increasingly active is that of official development assistance (ODA). As Western nations faced with slow growth and austerity scale back their commitments to international development, prominent Southern powers have more resources than ever to pursue development partnerships, which typically take place under the banner of South-South Cooperation (SSC). Normatively, SSC is presented as a development modality that is fundamentally distinct from North-South development aid. In the rhetoric underlying intra-South development partnerships, North-South aid flows are said to be inherently paternalistic, and to perpetuate a neo-colonial order in which wealthy nations subsidize their less developed counterparts in unequal and hierarchical relationships. In such “traditional” aid relationships, the direction of assistance is clear: the wealthy are “helping” the poor (though sometimes their motives are rightfully questioned as less than altruistic). In contrast, South-South development cooperation is presented as a “horizontal” alternative, motivated by solidarity and mutual benefit derived from the applicability of lessons learned to the development of all parties involved, and the political and economic relationships they foster. Although some have questioned the extent to which this is actually the case (Mawdsley 2012: 158-159, Six 2009, Asia Foundation 2014: 13), solidarity and mutual growth remain central components of South-South development discourses. Indeed, many South-South partners reject the terminology of “donorship” and “aid” in favour of the language of “mutual cooperation” and “partnership.”
The proliferation of SSC has taken place during a time of important change in the existing regime of ODA governance. With the conclusion of the Cold War, Western powers faced pressure to depoliticize their development aid flows, as the geopolitical urgency which had motivated assistance to certain “Third World” countries evaporated and concerns about the effectiveness of aid came to the forefront of policy discussions (Herbert 2012: 67). At the same time, many developing country governments complained that a dramatic expansion in the number of donor organizations active within their borders had resulted in the fragmented delivery of development resources, and imposed excessive administrative burdens on government agencies responsible for receiving and overseeing aid (Sundaram 2012). Such concerns have motivated the OECD Development Assistance Committee (DAC) to host a succession of fora with aid recipient nations to craft a series of agreements intended to establish internationally recognized best practices in donor-recipient relationships and to suggest reforms to make aid more effective.

Thus, the rise of “Southern donors” in the international development arena has coincided with a period of growing consciousness of the rules, norms, and behaviours that underlie effective donor-recipient relationships. As efforts to institutionalize a common vision for “aid effectiveness” progress, questions have emerged concerning how South-South development assistance “fits in” with the overall aid governance framework which has been crafted by both Northern and Southern nations alike over the past decade. To this end, the UN has sponsored several high-level events on South-South Cooperation in recent years, and the DAC has increasingly included emerging donors in its aid effectiveness fora. Although emerging partners in SSC are engaged with international fora on aid effectiveness, they have adopted mixed positions with regard to the applicability of such agreements to their development activities. This is reflected in the Busan Partnership document, which notes:

“The nature, modalities and responsibilities that apply to South-South co-operation differ from those that apply to North-South co-operation. At the same time, we recognize that we are all part of a development agenda in which we participate on the basis of common goals and shared principles. In this context, we encourage increased efforts to support effective co-operation based on our specific country situations. The principles, commitments and actions agreed in the outcome
document in Busan shall be the reference for South-South partners on a voluntary basis.” (OECD 2012: 1, emphasis added).

Research Questions and Case Selection

This paper seeks to analyze the positions which emerging powers active in South-South development assistance have adopted toward the DAC’s aid effectiveness agenda through case studies of South Africa’s and Indonesia’s evolving roles as ODA providers. The analysis will primarily seek to answer two core questions. Firstly, what positions have each country adopted with regard to the applicability of the DAC aid effectiveness agenda to their own development partnerships? Although non-DAC donors are not under formal obligation to implement aid effectiveness policies in their international development activities, both countries participated in the DAC aid effectiveness fora and require that donors operating within their borders adhere to their outcome agreements. Given their preference for aid effectiveness compliance in their capacities as recipients, one might expect that emerging donors would aim to conform to internationally accepted criteria in their own development activities abroad. The reality, however, has been more nuanced. While some non-DAC donors have expressed their intention to adhere to DAC principles, many have been lukewarm to the idea of holding themselves accountable to the OECD’s prescribed “best practices” for donor-recipient relationships (Mawdsley 2012: 193, Sidiropoulos et al. 2012: 8).

The variety of positions that Southern development partners have taken toward the role of aid effectiveness in South-South Cooperation raises a second question, namely, what motivates non-traditional donors to accept, selectively accept, or reject the applicability of these agreements to their international development policies? The answer to this question is necessarily multifaceted, and must consider the domestic and foreign policy dispositions of emerging power governments. Domestically, most non-DAC donors continue to struggle with their own poverty and development challenges. Frequently, this contributes to a shortage of resources available for international cooperation, and a lack of political will to strengthen agencies that provide foreign development assistance. A closely related issue is that of institutional capacity. Although some emerging donors have established strong legal frameworks for SSC and effective bureaucracies for administering such programs, others are severely hindered by poor
capacities to coordinate state agencies and to monitor and evaluate their activities. As in the cases of South Africa and Indonesia presented in sections V and VI, the availability of resources needed to engage in South-South Cooperation and the quality of the institutions involved have shaped their relationships with the DAC aid effectiveness agenda.

Foreign affairs further shape states’ willingness to conform to the DAC’s model of donorship. At the regional level, emerging powers are frequently active in multilateral organizations and development partnerships, but may also be subject to suspicion by smaller countries that fear being dominated politically or economically by their more powerful neighbours. In such cases, leaders are sometimes compelled to highlight their commitments to regional cooperation and “Third Worldism,” and to distance themselves from the former colonial powers of the Global North. Beyond the regional level, a country’s self-perception of its position in the international hierarchy also molds its attitudes toward the global status quo. Many emerging powers aim to be rule-makers, rather than merely rule-takers. Depending on an emerging power’s economic and political profile, it may adopt a variety of strategies in pursuit of this end. Thus, while some states have been vocal in advocating for the construction of alternatives to North-dominated institutions, others have been less subversive, and have been content to cooperate with traditional powers in the hopes of gaining a larger voice on the world stage.

To examine these questions more closely, and to illustrate the political dynamics which have led middle income donors to diverge in their positions toward the DAC’s aid effectiveness agreements, this paper offers case studies of South Africa’s and Indonesia’s South-South Cooperation programs, and the relationship that each country has developed with the DAC’s aid effectiveness regime. Although neither country has comparable international clout to “first tier” emerging powers such as China or India, both South Africa and Indonesia have made important contributions to South-South Cooperation, and are steadily increasing their global influence. Both nations are members of the G20 major economies, and they have each served multiple terms on the United Nations Security Council. South Africa and Indonesia are both major powers in their respective regions, and play central roles in a range of regional organizations.
Several key differences define South Africa’s and Indonesia’s presence in the international development arena. First, the degree to which development partnerships have been institutionalized varies widely between the two countries. In South Africa, South-South and Triangular Cooperation (SSTC) have become integral parts of the work of many line ministries, and plans are being made to establish a specialized international development agency in the immediate future. Indonesia’s SSTC efforts are presently at a lesser state of institutionalization, and line ministries engage in development activities abroad on an ad-hoc basis, with plans to centralize and coordinate outgoing aid just beginning to take shape. Significantly for this study, South Africa has been notably ambivalent to the idea of binding its development partnerships to conditions of “aid effectiveness” (Sidiropoulos 2012: 236). By contrast, Indonesia has worked closely with Northern partners through triangular cooperation, and has signaled a willingness to incorporate the aid effectiveness agenda into its SSTC programs. This has been declared most directly in the 2009 Jakarta Commitment on Aid Effectiveness, which announced Indonesia’s “commitment to the aid effectiveness principles and commitments contained in the [Paris] Declaration” (BAPPENAS 2009).

Given the differences in South Africa’s and Indonesia’s levels of institutionalization of SSTC and their variable relationships with traditional donors and the DAC at large, they make ideal cases for examining the dynamics of emerging donors and their relations with existing development governance regimes. Data for this project was collated through a combination of desk research and meetings conducted in Pretoria and Jakarta in the summer of 2015 with director-level officials and referred personnel regarding the policies and activities of agencies directly involved in each country’s South-South and Triangular Cooperation programs.

The next section offers an overview of the aid governance regime crafted by the OECD-DAC, including a brief history of the aid effectiveness debate and a discussion of key outcome documents from the grouping’s High Level Fora on Aid Effectiveness, which together constitute the most comprehensive attempt to date to regulate donor-recipient relationships. The third section offers a discussion of South-South Cooperation, including its historical evolution, philosophical foundations, and features that distinguish it from North-South modes of development assistance. Section four considers the
importance of donor coordination, and contemplates the desirability of common standards for donors on both sides of the North-South divide, with special attention given to obstacles currently impeding the adoption of a single standard of donorship.

The fifth and sixth sections offer case studies of South Africa’s and Indonesia’s SSC programs, respectively. Each case study consists of two semi-distinct parts. First, each begins by outlining the history of each country’s involvement in South-South Cooperation, and an overview of the structures that their governments have put into place to implement and monitor their international development partnerships. Secondly, the case studies delve into each country’s relationship with the DAC aid effectiveness agreements, and the domestic and foreign policy concerns which have informed their positions. Through these case studies, I will argue that the institutional capacity of agencies involved in each country’s SSC programs, along with their roles in their respective regions and the world, are crucial for explaining the divergent positions they have adopted toward the DAC’s aid effectiveness agenda. Finally, the concluding sections situate these case studies in the body of international relations theory pertaining to emerging powers and their relationships with status quo regimes, and reflect on the practical implications of South-South Cooperation’s growing significance in the international development landscape.
II. Official Development Assistance and Aid Effectiveness Regimes

Introduction: Historical Context

The contemporary international development landscape is comprised of a wide range of actors, including national development agencies, intergovernmental organizations, NGOs, and charitable foundations. The ever-expanding list of actors involved in development activities has led to a high degree of fragmentation in the overall aid environment, as agencies pursue their own policy priorities, utilize their own methods for planning and implementing projects, and typically assess results on their own terms, with no central international authority coordinating or regulating their activities. Despite the decentralized nature of the international aid environment, a few institutions stand out as especially significant, and can credibly be said to constitute the “status quo” of development assistance. Amongst the most visible of these institutions are the International Monetary Fund (IMF) and the World Bank, which play major roles both as providers of development finance and as storehouses of information for economic data and development experience.

Beyond the IMF and the World Bank, the OECD-DAC also bears significance as an organization comprised of donor governments and specifically concerned with improving foreign aid practices. The DAC’s membership includes 28 OECD member states plus the European Union, and has served as the premier “venue and voice” for Northern donors of international development aid since its inauguration in the 1960s. This role is formalized in the Committee’s mandate, which has as its first point that “[the DAC will] consult on the methods for making national resources available for assisting countries and areas in the process of economic development and for expanding and improving the flow of long-term funds and other development assistance to them” (OECD 2006: 8). Although non-DAC development partners and multilateral organizations are expanding their volumes of aid resources rapidly, estimates suggest...
the 28 members of the DAC plus the European Union still collectively account for as much as 90% of official development assistance worldwide, at nearly $140 billion in 2014 (OECD 2011c, OECD.Stat).

As an organization made up of states and which attempts to improve the capabilities of donor governments, the DAC is perhaps the most relevant component of the international development regime for observing how Southern ODA providers view themselves in relation to the existing development establishment. For instance, South Korea’s ascension to the OECD in 1996 and to the DAC in 2010 signaled Seoul’s willingness to “join” with the Global North, and in this context demonstrated a desire to play a greater role in global governance and to enhance national prestige (Kim & Jung 2015: 38). Meanwhile, other ascendant non-DAC development partners-- perhaps most notably China-- have been reluctant to embrace the OECD-DAC, and have increased their role in international development with only minimal engagement with the established regime of aid governance. Thus, to analyze South Africa’s and Indonesia’s positions within the contemporary development landscape, this paper will primarily assess their relationships with DAC’s recent policy prescriptions on aid effectiveness.

In its early days, the DAC’s primary accomplishments were in the realm of data collection, and the committee held fairly extensive records of its members’ aid outflows. In recent years, the DAC has been amongst the principal institutions seeking to combat donor fragmentation, coordinate development activities, and advance a comprehensive agenda on aid effectiveness. This pivot has been part of a broader shift in the international community’s attitudes toward development. During the Cold War, when the international aid system came to maturity, foreign aid was often overtly political in its motivations and applications, and served to win over or support allies in a highly competitive bipolar system. After the fall of the Soviet Union, such geopolitical impetuses for aid were greatly diminished, and the focus of aid shifted more earnestly toward poverty alleviation and the promotion of development. Calls for reform in the international aid system were strengthened by reflections on the failures of structural adjustment programs pursued in the 1980s in promoting economic stability in the Global South. Further, countries in the developing world voiced scathing criticisms of the status quo, calling for increased transparency and accountability in development assistance.
Cumulatively, these forces led to heightened concerns within the international community about the *effectiveness* of development assistance, and increased consciousness of results (OECD 1996, 2008b).

At the turn of the 21st century, calls for more effective aid culminated in two major milestones in global development policy. Firstly, the United Nations adopted the Millennium Development Goals (MDGs) in 2000, following the near-unanimous adoption of the Millennium Declaration. The MDGs represented a major breakthrough for aid effectiveness advocates by establishing internationally recognized priorities for development and committing donors to quantitative targets that could be objectively evaluated. Secondly, the UN held the International Conference on Financing for Development in Monterrey, Mexico in 2002. The conference brought leaders from donor and recipient countries together to coordinate strategies to achieve the MDGs and to promote an “inclusive and equitable” global economic system. As part of the conference outcome agreement, donors agreed to improve both the quantity and quality of aid by committing developed countries to spend 0.7% of GNP on foreign aid and to take steps toward promoting recipient country ownership, donor harmonization, the “untying” of aid resources to least developed countries, and to seek partnerships with states involved in South-South development cooperation (UN 2003: 13-15). Amidst this backdrop of growing international concern about the effectiveness of aid flows, the DAC initiated a process of its own to promote greater donor coordination and successful development partnerships.

**The High Level Fora on Aid Effectiveness**

The DAC’s aid effectiveness agenda is not encoded in a single document. Instead, it is the result of an ongoing process, encapsulated in a wide array of intergovernmental agreements, sector-specific initiatives, policy papers, and summit outcome documents. Although a myriad of processes has contributed to the DAC’s current model of “good donorship,” its vision of effective donor-recipient relationships has been most clearly developed and articulated through a series of High Level Fora on Aid Effectiveness, held in Rome (2003), Paris (2005), Accra (2008), and Busan (2011). These fora have brought an increasingly diverse range of development actors together to formulate plans to improve the impact of development resources, establish specific
targets to evaluate progress, and construct a common understanding of “aid effectiveness.”

Within a year of the Monterrey Consensus, the DAC hosted the Rome High Level Forum on Harmonization as the inaugural summit for the process of establishing and codifying standards of improved aid effectiveness. The Rome forum brought together representatives from DAC donor governments, multilateral development institutions, and a limited number of aid recipient countries with the intent to take stock of areas in which donorship could be improved. The resulting Rome Declaration on Harmonization was a mere three pages long, and primarily consisted of vague recognitions of aid’s shortcomings, including the burden imposed by excessive fragmentation and the frequent lack of recipient country control over incoming resources. While the Rome Declaration offered little in the way of substantive recommendations for improving donorship, it did identify potential areas of improvement that would be revisited, defined, and operationalized in subsequent agreements. Most significantly, donors agreed to identify ways to facilitate procedural simplification and harmonization in aid dispersal, support developing countries in assuming a greater leadership role over incoming aid flows, and to increase the proportion of aid delivered as budget, sector, and balance of payments support relative to project-based initiatives (OECD 2003). In anticipation of the need for further definition of “aid effectiveness” and how to achieve its implementation, the Rome Declaration called for follow-up in the form of stocktaking meetings and donor self-assessments (Ibid.).

In recognition of the need for further harmonization amongst international donors and for agreeing upon and defining indicators of aid effectiveness, the DAC hosted the Second High Level Forum on Joint Progress Toward Enhanced Aid Effectiveness in Paris, France in February 2005. The Paris summit was significantly larger than its predecessor, and was attended by representatives from more than 90 donor and recipient governments, intergovernmental organizations, and regional development banks that endorsed the resulting Paris Declaration on Aid Effectiveness. The Paris Declaration represented a broad international consensus about how to improve the quality of aid resources, which was articulated through five mutually reinforcing principles that have since served as the bedrock for subsequent agreements. These are:
• **Ownership:** Developing countries assume leadership over their development strategies by setting their own targets for poverty reduction, improving their institutions, and tackling corruption.

• **Alignment:** Donor countries align behind recipient countries’ national development strategies, institutions and procedures.

• **Harmonization:** Donor countries coordinate amongst themselves, simplify procedures, and share information to avoid duplications of efforts.

• **Managing for Results:** Donors and recipients agree to establish “transparent and monitorable performance assessment frameworks” against which to evaluate aid’s impact on national development strategies.

• **Mutual accountability:** Donors and partners are jointly accountable for development results (OECD 2005).

Within each of these broader principles, the Paris Declaration outlines specific targets for donor and recipient countries to meet within defined time frames. Thus, the Paris Declaration represented a significant improvement over its Roman predecessor as a tool for defining hindrances to aid effectiveness and encouraging states to develop plans to overcome them. Further, the Paris forum was considerably more inclusive. Whereas the Rome Forum was attended by delegations from roughly 50 countries, Paris hosted representatives from more than 90. In addition to a greater range of intergovernmental organizations and development banks, the Paris forum also allowed a select group of development-oriented civil society organizations to participate in conference proceedings. Since its announcement, the Paris Declaration has acquired widespread endorsement, and is now formally supported by nearly 140 sovereign states, though most of these have signed on as recipient countries rather than as donors.

Hoping to build on the apparent international consensus on the Paris Declaration, accelerate the implementation of an aid effectiveness agenda, and seriously engage with the growing role of Southern development partners, the DAC held the third High Level Forum on Aid Effectiveness in Accra, Ghana in 2008. The resulting Accra Agenda for Action (AAA) is constructed around three major challenges for accelerating progress on aid effectiveness: strengthening recipient country ownership of development strategies, building more effective and inclusive partnerships between donors, and achieving and accounting for tangible results. The AAA operationalizes “strengthening country ownership” in much the same way as the Paris Declaration, and draws
commitments from donors to support capacity-building measures in developing countries (OECD 2009: 16). It further strengthens recipient ownership by calling for donors to adopt a demand-driven strategy in which aid is deployed according to the declared needs of beneficiary country governments. Further, the AAA re-commits donors to using developing country systems to the maximum extent possible, by channeling aid resources through recipient country institutions for activities managed by the public sector.

The second key theme, “building more effective and inclusive partnerships” considers methods to reduce the adverse effects of increasing aid fragmentation by collaborating with host countries and the Working Party on Aid Effectiveness to establish efficient country-level divisions of labour amongst donors. Significantly, the AAA includes the DAC fora’s first formal recognition of South-South Cooperation as a development modality worthy of consideration. In a dedicated section, the AAA declares that “[signatory parties] welcome and will work with all development actors,” and identifies South-South cooperation as “a valuable complement to North-South cooperation.” At the same time, traditional donors’ potential concerns about non-DAC development partners are evident, and the agenda urges “all development actors… to use the Paris Declaration as a point of reference” for outbound development assistance (OECD 2009: 18).

Provisions in the AAA pertaining to “delivering and accounting for results” call on donors and recipients to focus more centrally on setting and attaining goals for development aid, and to enhance transparency and accountability in the use of development resources. To this end, the AAA calls on donors to disclose “regular, timely information on volume, allocation, and… results of development expenditure to enable more accurate budget, accounting, and auditing by developing countries” (Ibid.: 20). Such measures are complemented by proposals to increase the medium-term predictability of aid, including commitments from donors to provide three-to-five year disbursement plans to recipients in order to assist them in developing reliable budget plans. Additionally, the Accra Agenda takes aim at conditionality practices, calling on donors not to impose conditions on aid unilaterally, and to instead mutually agree upon conditions with recipient countries on the basis of their national development plans.
The Fourth High Level Forum on Aid Effectiveness was held in Busan, South Korea in November 2011, and was the most widely attended DAC aid effectiveness event to date, with an even larger group of representatives from donor and recipient countries, multilateral organizations, and NGOs present. The principal objective of the Busan forum was to construct an inclusive development partnership of donors from the North and South, recipients, NGOs, and multilateral organizations that operate under a common set of principles to enhance aid effectiveness. In contrast to previous agreements, in which South-South Cooperation was either ignored entirely or addressed only briefly, the Busan Partnership for Effective Development Cooperation makes repeated and explicit reference to the growing significance of Southern development partners. The principles agreed upon in the Busan Partnership both reiterate and expand upon ideas previously articulated in the Rome, Paris, and Accra outcome documents. The Busan Partnership agreement outlines four driving principles that should underlie all development cooperation. These are:

- **Ownership of development priorities by developing countries:** Signatories agree to “deepen, extend, and operationalize the democratic ownership of development policies and processes.”

- **Focus on results:** Signatories agree to strengthen efforts to achieve “concrete and sustainable” results, through better management, monitoring, evaluation, and communication, and by scaling up assistance, emphasizing capacity building, and mobilizing resources in support of national development strategies.

- **Inclusive development partnerships:** Signatories agree to support South-South and Triangular Cooperation as forms of horizontal partnership with recipient nations.

- **Transparency and accountability:** Signatories aim to ensure that recipient countries are well equipped to manage diverse forms of development finance and activities (OECD 2012b: 3).

From these principles, the Busan Partnership goes on to outline a number of policy objectives aimed at improving the quality and effectiveness of development aid. For instance, the Busan agreement calls on donors and their partners to pursue advancements in gender equality and to put more resources toward strengthening local levels of government. Significantly, the Busan Partnership marks a transition in the DAC development discourse that was long requested by developing countries, namely a shift from *aid* effectiveness to *development* effectiveness. The Busan Agreement turns DAC
attention toward systemic development issues, stating a need to improve the DAC’s coherence with multilateral institutions, and to design a strategy to channel more resources to countries that receive insufficient volumes of aid. Further, the Busan Agreement declares aid to be “only part of the solution,” and calls on endorsing countries to focus their efforts on sustainable and inclusive growth, improving institutional design through reforms, and integrating countries in the Global South with regional and global economies (OECD 2011a: 2).

While the Busan Partnership Agreement recognizes the growing importance of South-South development cooperation, it also institutes a system of differential commitments between Northern and Southern development actors. Recognizing that the present day architecture governing development cooperation has “evolved from the North-South paradigm,” (Ibid.: 4) the agreement utilizes a number of vague turns-of-phrase that soften the applicability of the partnership agreement to South-South Cooperation. For instance, while Northern donors are expected to make policy changes based on partnership commitments, the agreement notes that the “principles, commitments, and actions” agreed upon in the partnership document shall be “the reference for South-South partners on a voluntary basis” (Ibid.: 1).

Collectively, the four outcome documents of the DAC’s High Level Fora mark the clearest articulation of the principles and policy themes that constitute its vision of “aid effectiveness.” Most pertinent to the present discussion is that these agreements have gradually expanded in scope, from focusing almost entirely on Northern donors, as in the Rome Declaration, to actively recognizing South-South Cooperation and inviting participants to apply the DAC principles to their development partnerships. Given that most major non-DAC development partners have embraced these agreements as recipients of aid, it might seem counterintuitive that most Southern development partners have yet to commit to the DAC model of “good donorship” in their SSC activities. As the next section shall explore, however, this is largely attributable to the philosophical and ideological foundations of South-South Cooperation, which many argue is not “aid” at all.
III. The Rise of Southern “Donors:” Contrasting North-South and South-South Development Assistance

South-South Cooperation: A Brief History

Although South-South development cooperation has only recently garnered the attention of Western observers in the context of aid effectiveness, it has existed, in varying breadths and depths, since as long as Southern powers have been independent. Like the system of foreign aid created by the powers that make up the OECD-DAC, the emergence of South-South Cooperation was heavily influenced by the global geopolitical dynamics of the Cold War. In the wake of the Second World War, European political hegemony crumbled as anticolonial movements throughout Africa and Asia succeeded in wresting their sovereignty from severely weakened imperial powers. For the most part, the leaders of these young countries had little interest in choosing a side within the contentious bipolarity that had emerged between the United States and the Soviet Union. This sentiment was famously expressed by Indonesia’s Vice President, Mohammad Hatta, who lamented: “Have the Indonesian people fighting for their freedom no other course of action open to them than to choose between being pro-Russian or pro-American? Is there no other position that can be taken in the pursuit of our national ideals?” (Hatta 1948, quoted in Gardner 1997: 76).

In order to defend their rights to neutrality and to collectively articulate an alternative global agenda to those espoused by the American and Soviet-led blocs, many newly independent states set out to craft a “Third World” outside of the confines of Cold War competition. This third block of nations did not seek to shape the world according to the economic ideologies of its leading powers. Instead, the nations of the Third World aimed to make a place for themselves in international institutions and the broader world stage, and to recover from the economic and social damages inflicted upon them by centuries of Northern colonial domination. As Prashad (2012) explains,
the Third World agenda consisted of three main themes. Firstly, the Global South hoped to defend its neutrality in the ever-looming Moscow-Washington conflict that threatened all parties involved with annihilation. Secondly, newly independent powers sought reform in global institutions such as the UN, IMF, and World Bank in order to create a more democratic international structure and to pressure the capitalist and socialist “worlds” to “afford political space to... new nations.” Lastly, the Third World agenda focused heavily on reversing the abject poverty that afflicted too many of the newly independent states’ citizens by undoing the detrimental legacies of colonial subjugation (Prashad 2012: 1-3).

The Asian-African Conference of 1955, held in Bandung, Indonesia, is widely regarded as the first attempt to establish the foundations of Third World unity. The Bandung Conference brought together the leaders of twenty-nine newly independent states at the height of the Cold War, at a time of intense pressure for the young countries to align with either capitalism or communism. Motivated by a sense that developing nations would be re-captured as “dependents” in a neo-colonial system of global alliances, leaders in Bandung sought to advance economic, cultural, and political cooperation as a means of safeguarding their independence (Lumumba-Kasongo 2015: 6-7). Despite political disagreements between nations represented at the conference (Ibid.: 9-10), delegates unanimously adopted the 10-point “Declaration on the Promotion of World Peace and Cooperation.” This declaration called on developing countries to support one another’s sovereignty, to discourage interventions in the internal affairs of sovereign states, to abstain from entering defense alliances, and to advocate for human rights, national equality, and justice through international institutions such as the United Nations (Bandung Communiqué 1955: 9).

Crucially for this analysis, the Bandung Conference laid the groundwork for intra-South development cooperation in its call for developing states to coordinate in their pursuits of mutual economic interests. In its first section, the Bandung Communiqué addresses economic cooperation, and calls on developing nations to engage in collective action to attract more aid funding and investment from international finance institutions, stabilize commodity prices, support the establishment of regional development organizations, and to present a united front at international forums in which a common economic interest is at stake. In addition, the Communiqué declares
participating states’ intentions to provide technical assistance to one another in the form of expert exchanges, training programs, technology sharing, and knowledge transfers (Ibid.: 2-3). The economic provisions of the Bandung Declaration represented the widest initiative to date for countries in the Global South to collectively assume “ownership” over their development efforts by promoting mutual cooperation and assistance free from the perceived neo-colonial subtexts of North-South development aid.

The “Spirit of Bandung” unleashed in 1955 was the start of a larger movement toward Southern solidarity and cooperation. Attempts to institutionalize the Third World ideal followed, perhaps most significantly with the establishment of the Non-Aligned Movement (NAM) in 1961. The NAM was established to defend against the subordination of non-aligned countries to Cold War politics, and to lobby for a more fair and participatory international system. With regard to development, the NAM’s primary focus was on systemic deficits in the international system that left countries in the South at a disadvantage. Within the United Nations, NAM members organized into the Group of 77, in order to employ their numerical advantage in the “one country, one vote” institutions of the UN in their pursuit of systemic change. Amongst the early achievements of the non-aligned states in the United Nations was the establishment of the UN Conference on Trade and Development (UNCTAD) to address developing country concerns about structurally reinforced economic disparities between the North and South (Prashad 2012, Mawdsley 2012: 62).

Although the NAM and G77 tended to focus on systemic barriers to development, they also served as a platforms to facilitate South-South Cooperation and technical exchanges, and encouraged relatively richer member states, such as Saudi Arabia and Yugoslavia, to provide extensive assistance in various forms to their poorer peers (Mawdsley 2012: 62). In 1978, an UNCTAD-sponsored conference in Argentina resulted in the Buenos Aires Plan of Action (BAPA) to promote Technical Cooperation among Developing Countries (TCDC). The plan details a blueprint for increased collective self-reliance among developing countries in order to contribute to a new international economic order based on horizontal, cooperative partnerships, as opposed to the perceived top-down, vertical nature of Northern-led development plans. The BAPA lays out a series of policy recommendations at the national, regional, and global levels to
facilitate greater South-South development cooperation. Although many aspects of the plan have not been realized, a UN review from 1995 notes that in the years following the BAPA, countries as diverse as Egypt, Tunisia, Cyprus, Thailand, Indonesia, Mexico, and Nigeria had integrated TCDC into their foreign policies (UN 1995: 7-8). Despite the large number of countries that came to be engaged in TCDC, most such partnerships tended to be small-scale and sporadic, and South-South development cooperation generally remained at the margins of global development efforts. Recent changes in the global economy, however, have greatly expanded the possibilities of intra-South development partnerships, as economic growth has allowed several middle income countries to step up their commitments to international cooperation.

**Recent Developments and Current Trends**

Despite the rhetoric of solidarity and horizontal partnership that underpins most South-South development cooperation, rapid shifts in the global political economy have elevated some members of the formerly poor South to global prominence, raising questions as to the extent to which such powers can engage “horizontally” with least developed countries (LDCs) that struggle to find a strong voice on the world stage. Although the BRICS countries have garnered the most attention as rising stars in the international system, many other middle income countries have also experienced rapid economic growth that has translated into heightened global influence. Mexico, Argentina, Saudi Arabia, Indonesia, Turkey, Vietnam, and several other states have become important “middle powers” in the international system, and occupy important roles in regional and global institutions. These states have been active forces in expanding South-South Cooperation in the 21st century.

While the growing gap between MICs and LDCs has had important implications for the power dynamics of SSC, which will be discussed below, the immediate impact of MIC growth has been a dramatic expansion of resources available for South-South Cooperation. Although most estimates still suggest that the DAC accounts for a vast majority of official development assistance, the absolute and relative volumes of aid coming from Southern sources has increased rapidly since the new millennium. In 2000, non-DAC countries were estimated to provide just $1.5 billion USD in official development assistance, which amounted to less than 5% of total international aid (UN
By 2011, OECD estimates of non-DAC ODA suggested the updated figure was between $12 and $14 billion USD, which was almost 10% of total aid given (OECD 2011, Hagedoorn & Beets 2011: 4). Yet, as Hagedoorn and Beets (2011) note, these figures only include countries for which data are available, so the actual amount is likely even higher (4).

Although some non-DAC donors have openly reported figures detailing their outflowing development assistance, many others have refrained from doing so publicly. One possible explanation for the relative dearth of information regarding certain Southern donors’ activities related to their ongoing struggles with domestic poverty, which may render information on outflowing aid politically sensitive (Mawdsley 2012: 83, Yanacopolos 2011). Other limitations often stem from deficiencies in Southern donors’ institutional capacities to centrally collect reliable data on their range of SSC activities, as will be seen in the South African and Indonesian cases below. Further complicating the matter of quantifying SSC is the fact that South-South development assistance is frequently non-monetary, taking the form of training exchanges and in-kind resource contributions.

The growth in the volume of South-South development cooperation has taken place amidst the backdrop of the global aid effectiveness debate. Although emerging donors’ relationships with the DAC aid effectiveness agenda have been mixed, various Southern-led processes have sought to build consensus on the utilization of South-South modes of development assistance. In 2009, the United Nations organized the High-Level Conference on South-South Cooperation in Nairobi, Kenya, its first major event on SSC since the Buenos Aires plan of Action in 1978. Although the Nairobi outcome document makes no direct reference to the DAC fora, it makes a number of policy recommendations that echo principles agreed to in the Paris and Accra conferences. For instance, the Nairobi document contains multiple calls for partners to utilize recipient country systems to evaluate the impact and quality of programs, and to support initiatives to improve data collection, coordination, and transparency (UN 2009: 3). In the 2010 Bogotá Statement Towards Effective and Inclusive Development Partnership, it is emphasized that SSC is distinct from North-South aid, and is a compliment to-- rather than a substitute for-- Northern aid efforts. The statement also
declares endorsing parties’ agreement in principle with the dialogues in Paris and Accra, and affirms their “relevance… to the practices of SSC” (UN 2010: 2). In parallel to the DAC’s own declarations, the Nairobi and Bogotá statements call on Southern development partners to promote beneficiary country “ownership” of incoming resources through the implementation of demand-driven aid strategies, and to improve the measurement, monitoring, and transparency of SSC activities (Ibid.).

Despite the differing historical and normative foundations of North-South and South-South development cooperation, both modes of partnership purport similar goals, namely, to increase the capacity of less developed countries to govern effectively, participate fully in the international economy, and to improve the wellbeing of their citizens. Given this common ground, coordination of Northern and Southern donors has the potential to enhance the overall impact of resources spent on development. Indeed, both Northern and Southern development partners have agreed to a large number of guiding principles for their aid programs, including recipient country ownership, the need for enhanced coordination, and the prioritization of capacity building in beneficiary states. As the next section examines, however, coordination between Northern and Southern development partners is hindered by a number of normative and political obstacles that call into question the extent to which such cooperation is possible.
IV. Coordination: Drivers and Barriers toward a North-South Development Alliance

As noted above, the regime establishing norms and policy prescriptions for “mainstream” ODA providers is not a clear and coherent body of organizations and treaties, but a hodgepodge of non-binding declarations, complex institutions, and often vaguely defined operational standards. Within this regime, different donor agencies have adopted widely divergent modalities for designing, delivering, and evaluating ODA, which has rendered compliance with the totality of the aid effectiveness “system” spotty at best, even amongst long-established DAC donors. As Mawdsley (2012) writes, the disparities within the DAC itself make for a “fuzzy arena against which to compare the positioning of... (re-)emerging development partners” (175). Even if the parameters of “development governance” are ill-defined, however, traditional and emerging ODA providers stand to gain from establishing a framework to facilitate cooperation and coordination of their development efforts. Fues, Chaturvedi, and Sidiropoulos (2012) argue that ODA can be understood to a large extent as investment in the advancement of “global public goods,” such as prosperity, poverty alleviation, and political and economic stability (244). The high payoff of such “global public goods” establishes high stakes for intergovernmental cooperation on their provision, and a lack of coherent principles for development assistance raises the risks that the actions of different donors might actually impede their delivery. This section aims to assess the value of coordination between Northern and Southern development actors, and identifies some of the most significant barriers to emerging powers’ willingness to incorporate their own foreign development partnerships into the DAC’s aid governance regime.

Failures of coordination produce inefficiencies in the distribution and use of ODA resources, as a result of both duplicated activities and failure to bring available aid to scale. This has been most clearly demonstrated in disaster relief efforts, as in the international response to Haiti’s catastrophic 7.0 magnitude earthquake in 2010. In total,
some nine hundred aid groups, including national agencies, intergovernmental organizations, and a host of NGOs descended upon the country to provide humanitarian relief. Sparse efforts were made, however, to coordinate these donors amongst themselves, with local NGOs, or with the Haitian government. In the face of disaster, donors shirked principles of harmonization and country ownership. Meetings between donors rarely included all key actors, and local organizations were frequently excluded. Consequently, food, medical assistance, and shelter were distributed suboptimally, and failed to reach many of those who most needed them (Woods 2011: 112-113). Haiti’s president, René Préval, spoke out, declaring to the press that “we need better coordination,” and lamented that the Haitian government “[had] not seen one cent of the money” pouring in from around the globe (Zengerle & Frank 2010). This sentiment was reiterated by Médecins Sans Frontières, which fretted that international coordination was “non-existent” (Memmott 2010). Refugees International described the situation as a series of donors “operating along parallel and separate lines,” and thereby stymieing the impact of relief efforts (Duplat & Parry 2010: 2). In other disaster scenarios, coordination failures have resulted in physical harm to the very people that donors had meant to assist. Chandy and Kharas recount the story of a medical volunteer in Banda Aceh, Indonesia following the devastation of the 2004 Sumatra–Andaman earthquake. The doctor’s team treated a young girl suffering from measles-- only to discover that her symptoms were induced by receiving the same vaccine three times, from three separate relief organizations (Chandy & Kharas 2011: 741).

The value of donor cooperation does not apply only to crisis scenarios, and is evident even in situations where aid providers actively engage and coordinate with recipient country governments. The contemporary aid landscape is characterized by a high degree of fragmentation, with more than a thousand NGOs, intergovernmental organizations, national agencies, and private foundations sending funds and experts to countries throughout the Global South. Even in stable political and social contexts, merely receiving foreign aid from this multitude of active donors can be an overwhelming task for countries whose bureaucracies are already overstretched. Tanzania, for instance, is one of the world’s top destinations for aid funding. Its popularity as an aid beneficiary was evident in 2005, when the country received nearly $1.5 billion in aid funds from fifty-six donors, in the form of general budget support, basket funding, and
some seven hundred individually-funded projects, many of which were administered by multiple donors (Mnyawi et al. 2013, Mawdsley 2012: 37).

Such extensive aid fragmentation has strained recipient countries’ abilities to take ownership of aid resources in order to meet long-term development goals, and significantly curtails bureaucratic capacity to assess aid impact. Frequently, project-based aid is conducted with only minimal involvement from beneficiary countries, and may coincide more with the priorities of donors than the objectives of recipient governments. Project-based assistance is particularly at risk of seeing efforts duplicated, failing to bring available resources to scale, and making minimal contributions to nationally defined development goals. Even when recipient countries are consulted or involved in implementation, each donor might stipulate specific disbursement conditions, procurement procedures, and reporting requirements as conditions for funding (Ibid.). In cases of rampant donor fragmentation, these demands can be destructive to the recipient country’s administrative effectiveness. Knack and Rahman (2007) find a significant negative correlation between the extent of aid fragmentation in a country and its bureaucratic quality over time (178, 190).

Mozambique, which has received inflows of aid comparable in size and extent of fragmentation to those of Tanzania, illustrates the perils of uncoordinated donor activities. Mozambique’s situation in 2005 was one of “donor generated chaos,” as more than half of public spending is funded by grant aid, which is often directed toward donor-driven products that are uncoordinated and “do not add up to a coherent whole” (Woods 2011: 114). In recognition of the problems this created, a group of donors committed to providing Maputo with budgetary, rather than project-based support. This resulted in a “dialogue process” in which eighteen donors have sought to steer Mozambique’s government to undertake projects in line with their policy priorities, and which takes place through more than twenty sectoral and thematic working groups. As a result of disparate donor pressures and the need for a bureaucracy to mediate them, the government in Maputo has become larger and less expert, and officials have complained that donors exert excessive influence in the public policy process, thereby diluting the extent to which Mozambique can be said to “own” its development priorities (Ibid.: 114-115).
Coordination failures such as these have persisted despite the rise of international consciousness of the requirements of effective donorship and the value of cooperation. More than a decade since the adoption of the Paris Declaration, DAC targets for reducing fragmentation, improving the predictability of aid, and streamlining donor procedures have not adequately been met (OECD 2012: 20-22). Many of these deficiencies can be traced to political factors within donor countries, as governments are often eager to demonstrate that resources allocated for development are yielding positive results—thereby driving a tendency toward project-based aid strategies that discourages collaborative approaches amongst donors and contributes to further fragmentation. In light of the continued shortcomings of the international development architecture, some scholars have questioned the DAC’s framing of ‘aid effectiveness’ as a fundamentally technical issue (Paulo & Reisen 2010: 549, Mawdsley 2012: 42). While this depoliticized approach to aid nominally supports the DAC’s position as an authoritative forum for global aid governance discussions, it does little to address the political factors within donor countries that lead to less effective aid practices.

To some extent, coordination is undermined by “genuine philosophical differences” between donors regarding which challenges aid should address, and which methods should be employed to achieve established goals (Woods 2011: 117-118, Mawdsley 2012: 39). For Southern development partners particularly, the DAC’s technical approach to aid is further problematized by its institutionalization of bureaucratic aid practices that primarily reflect Northern understandings of development, and are seemingly incompatible with the philosophical and political underpinnings of South-South Cooperation (Ibid.: 194). As more nations from the South become ODA providers, they do so in a context that finds “traditional” donors still struggling to coordinate amongst themselves. Without a shared framework for development assistance, fragmentation can be expected to increase, and there is a real danger that the inefficiencies and capacity burdens this foists upon “beneficiary” countries will worsen. This prospect has led to concerns that new ODA providers could put what progress has been made toward aid effectiveness in jeopardy.

Some concerns stem from the perceived danger that new development actors could “free ride” on international efforts to rein in excessive LDC debt burdens. Since the
1990s, the OECD, World Bank, and IMF have attempted to remedy debt-related sufferings by Heavily Indebted Poor Countries through hundreds of billions of dollars of debt relief and agreements restricting the provision of export credits (World Bank 2014, IMF, EU). Some South-South partnerships have included trade promotion and investment activities that include the deployment of import/export credits and financial loans that critics claim are inappropriately non-concessional, take advantage of prior debt relief efforts, and raise the prospect of such countries sliding back into unsustainable levels of debt (Manning 2006: 383-384, World Bank 2006).

Other commentators worry that new development partners might utilize "rogue aid" that supports their political or economic interests while simultaneously propping up authoritarian and kleptocratic regimes (Naim 2007). Related concerns regarding "rogue aid" fret that the emergence of new sources of development finance allows recipient countries to “shop around” for favourable conditions, which may postpone reforms that could be crucial for their long-term developmental prospects (Ibid., Manning 2006: 381). The growing scope and scale of Southern donors’ international development programs have in some respects made them participants in a competitive “market” of foreign aid, and leaders who do not like the terms of assistance offered by Western donors are now able to seek funding from partners who offer “no strings attached” finance packages. As Naim (2007) recounts, the Chinese government has repeatedly outbid established players such as the World Bank for development projects in Africa and Asia by offering larger packages free from intrusive conditionalities. In return, Beijing often ensures that Chinese technologies and businesses are utilized for project implementation (Naim 96-97). Such actions have raised concerns that new donors are motivated by realpolitik and economic diplomacy, rather than a genuine desire to promote development-- a charge, it is worth noting, that is also frequently leveled at Northern donors (Chahoud 2007).

Despite such concerns, both Northern and Southern ODA providers purport to be working toward the economic advancement of lower-income countries. Reducing poverty, promoting public health, and supporting stable states able to engage in commerce are objectives with significant spillover effects, which all countries stand to gain from (Fues et al 2012). Given the benefits that coordination can provide to the provision of such “global public goods,” it would ultimately work to the advantage of both
DAC and non-DAC donors to establish a common framework of shared understandings for their international development engagements. Despite the clear benefits of coordination for both provider and beneficiary countries, several obstacles stand in the way of a consensus that includes both Northern and Southern providers of development assistance.

Recognizing the potential benefits of such a consensus, the DAC has taken steps to promote its framework for aid effectiveness as a shared foundation for both Northern and Southern development assistance. Since the adoption of the Paris Declaration, the DAC has instituted an outreach strategy aimed at engaging new players in the international development arena, and encouraging them to embrace the aid effectiveness agenda in their transitions from recipients to donors. Amongst the first diplomatic overtures of this outreach strategy was the inauguration of the G8’s Heiligendamm Dialogue Process in 2007, which brought Brazil, China, India, Mexico, and South Africa into a “new partnership” with the G8. While this partnership sought to foster cooperation in a wide range of policy areas, the first subject covered in the 2009 Aquila summit’s concluding report is “Development, with a special focus on Africa” (G8 2009: 1). The report declares each country’s support for the Accra Agenda for Action as “a common and solid basis for building the future of development cooperation” (Ibid.: 2). Despite this declaration of support, most of the outreach partners have remained officially noncommittal toward joining the aid effectiveness movement as donors.

The OECD’s outreach efforts have gradually accelerated since the Paris Declaration. In 2007, the OECD announced that it would open ascension discussions with Chile, Estonia, Israel, Russia, and Slovenia, and would take steps to strengthen cooperation with Brazil, China, India, Indonesia, and South Africa through a process of “enhanced engagement” (OECD 2007). The DAC has been especially eager to participate in enhanced engagement processes, and has prioritized Southern ODA providers as targets for these efforts (OECD 2011: 4). The DAC outreach strategy led to its adoption of an “open doors policy” in 2011, which welcomes non-DAC states to share their experiences in development to facilitate a dialogue with emerging donors. Increasingly, official DAC statements invite and welcome cooperation and experience sharing with Southern development actors, and communication with emerging donors is
becoming institutionalized through fora such as the China-DAC Study Group (Mawdsley 2012: 186, OECD). A further manifestation of the DAC’s outreach efforts has been the expansion of member states’ participation in Triangular Cooperation, which entails working with Southern donors to jointly provide assistance to beneficiary countries.

Such outreach efforts amount to a substantial DAC effort to “socialize” providers of South-South Cooperation into the system of norms and informal rules established by “traditional” donors. While these efforts have had some measure of success, many Southern development partners have refrained from a wholesale acceptance of DAC aid effectiveness norms in their SSC programs. Although Southern ODA providers vary widely in their willingness to commit to OECD aid effectiveness principles as donors, and in their rationales for such decisions, several common themes can be identified in expressions of ambivalence toward tying SSC policies to DAC donorship standards.

As outlined in section III, South-South Cooperation has historically been grounded in principles of post-colonial solidarity, mutual benefit, and horizontal partnership. Such principles are often presented in contrast to North-South aid, which is portrayed as a neo-colonial perpetuation of vertical power relationships between the “rich world” and the “poor world.” While widening gulfs between MICs and LDCs call into question the extent to which such development partnerships are truly horizontal, most non-DAC ODA providers have retained their “developing South” identities and continue to ground their development assistance programs on the ideological bedrock of South-South Cooperation. In this ideological casting of their development activities, most Southern ODA providers have eschewed the terminology of “aid” and “donorship” in favour of the more egalitarian language of “partnership” and “cooperation” (Mawdsley 2012: 6-7). Such normative concerns have complicated Southern development actors’ attitudes toward the DAC’s aid effectiveness regime. Although most have endorsed the Paris, Accra, and Busan outcome documents, they have done so in their capacities as recipients of aid. Formal commitments to “aid effectiveness,” however, are only seen as necessary for states that act as “donors.” Since most Southern ODA providers continue to identify with the Global South and cast themselves as “partners” rather than as “donors,” Northern aid effectiveness paradigms are not generally considered applicable to SSC (Chandy & Kharas 2011: 743-744, JICA 2011).
A further hindrance on the DAC’s ability to promote its aid effectiveness agenda to emerging development actors is a credibility gap that extends from member states’ failure to implement such principles in their own aid programs. As Woods’ (2011) account of the international response to the 2010 Haiti earthquake illustrates, Western donors have fallen short of their commitments to enhanced aid effectiveness and coordination, despite their advocacy of the DAC principles as a basis for cooperation between Northern and Southern donors. Such failures represent just one facet of a larger credibility deficit affecting traditional aid donors. Despite billions of foreign aid dollars spent on development over the course of the past six decades, growth in many of the largest recipients remains weak, and vast numbers of people remain “in dire need of the basic elements of a dignified life” (Mawdsley 2012: 175). Given the historical and present shortcomings of the DAC’s aid architecture, Southern powers might understandably question the value of signing up for a process that has thus far proven rather ineffective (Chandy & Kharas 2011).

Institutional politics further fuel some countries’ opposition to applying the aid effectiveness agenda to South-South Cooperation. While Southern development partners have not generally been critical of the principles contained in the DAC’s aid effectiveness program, some have expressed skepticism of Northern dominance of the process of creating development norms. As an exclusive and self-appointed institution established by wealthy Western nations during the peak of the Cold War, the DAC is seen as a vestige of an outdated world order that continues to privilege states in the Global North despite rapidly changing power realities. Thus, the DAC faces a legitimacy deficit in its efforts to appeal to rising Southern powers. As Chandy and Kharas write, “so long as the DAC remains the host of global aid negotiations, [Southern donors] will see themselves in a weak position from which to shape outcomes and drive reform, in contrast to the influence they can exert in new global governance institutions such as the G20” (Chandy & Kharas 2011: 744-745). Further, most emerging donors either recently were or continue to be recipients of foreign aid, and thus “intuitively ally themselves with aid recipients who are seen as being underrepresented in the current process” (Ibid.: 745-746). Thus, some of the more influential SSC providers, including the BRICS countries, have resisted DAC overtures to join the aid effectiveness agenda, and instead have invested in an alternative development architecture comprised of multilateral fora,
While these factors have contributed to some states’ opposition to adopting the DAC’s aid effectiveness agenda, other emerging development partners have been amenable to dialogue and cooperation with traditional donor powers. A number of incentives might contribute to this choice. One such incentive is the wish to maintain good relations with DAC states. To take one example, the prospect of EU membership has pushed Turkey to move toward the EU-backed aid effectiveness process in part as a demonstration of its willingness and ability to meet the aid-related norms of the acquis communautaire (Mawdsley 2012: 176). Yet another incentive stems from the lack of resources available to many MICs’ SSC programs. This has led countries such as Indonesia and Mexico to engage extensively with Northern donors in triangular cooperation as a means of “scaling up” their participation in SSC (Romero 2012: 191). Triangular cooperation is often regulated by memoranda of understanding with Northern partners that call for the observation of the Paris, Accra, and Busan Outcome documents. Further, for those states that lack the international economic and political profiles to challenge the development status quo head on, working within the DAC framework is seen as one potential route to gaining greater credibility in influencing development fora and expanding their presence on the world stage (Schulz 2010).

Sections V and VI present case studies of South Africa’s and Indonesia’s international development efforts, respectively. Pretoria and Jakarta have differed in their relationships with the DAC aid effectiveness agenda. For its part, Pretoria has been ambivalent toward the applicability of DAC norms to South-South Cooperation. Jakarta, by contrast, has declared Indonesia’s intention to advance aid effectiveness principles in its development cooperation efforts. In examining the divergent positions these countries have adopted toward association with the DAC, each of the case studies outlines the history and structure of their development programs as well as their roles in regional politics and global institutions. In both cases, analyzing these factors illuminates how institutional capacity and positioning in regional and global balances of power affect emerging powers’ relationships with status quo institutions.
V. South Africa

Historical Foundations of South African Development Assistance

South Africa’s history as a development partner precedes the advent of democracy, and began under the Apartheid regime. Throughout the Apartheid era, the Afrikaner government saw itself as an outpost of White civilization on the African continent, and thus did not identify with the Global South. As a result, South African development funds in this period were conceptualized as “aid” rather than as a form of South-South Cooperation grounded in principles of anti-colonial solidarity and mutual gain. Even using the term “aid” to describe Apartheid-era development assistance is a misnomer, as such funds were not allocated by a legitimate concern for development. Instead, as the government’s Apartheid policies relegated it to pariah status on the international stage, aid was a strategic allocation of resources used to buy support in the UN and other forums amidst growing diplomatic isolation. In order to manage outgoing “aid,” and to provide token assistance to the enclavistic black “homelands” within its borders, the Apartheid government established the Development Bank of Southern Africa and the Development Assistance Programme within the Department of Foreign Affairs (Sidiropoulos 2012: 220). Thus, upon the country’s transition to democracy in 1994, the new government inherited a working institutional framework for engaging in international development activities. Although these institutions were preserved during the transition from Apartheid, the African National Congress (ANC) government radically transformed the philosophical and practical foundations of South African development assistance. Whereas Apartheid South Africa had considered itself a “white” outpost of the developed North, the ANC represented the nation’s black majority, and was eager to affirm the country’s African and “developing South” identities.

Despite its prioritization of reversing the widespread poverty and rampant inequality that it inherited from the Apartheid state, the ANC government’s foreign policy included the continued provision of development assistance to other African nations
under the banner of South-South Cooperation. At least in part, democratic South Africa’s
initial involvement in foreign development stemmed from a sense of obligation that the
ANC felt toward other African states. Throughout its struggle to overthrow the oppressive
Apartheid regime, the ANC received extensive support from countries throughout Africa.
This support included shelter and safe passage during the party’s period of exile,
avvocacy of the anti-Apartheid cause in international fora, and the provision of material
support to both the ANC and the party’s military wing, the Umkhonto we Sizwe
(Schraeder 2002: 249, 256). By diverting resources toward development projects in
other states on the continent, the government was able to both reaffirm South Africa’s
African identity and express gratitude to those states that stood with it in solidarity
against Apartheid. As South Africa’s role in continental development has matured,
Pretoria’s objectives have expanded beyond solidarity to include the promotion of intra-

These goals have been fundamental to South African foreign policy since the
presidency of Thabo Mbeki (1999-2008), whose lasting legacy on Pretoria’s foreign
policy was his articulation the country’s “African Agenda” in foreign relations (Ibid.).
Through its activities on the continent, Mbeki sought to position South Africa as the
champion of an “African Renaissance” characterized by the continent’s economic,
political, and cultural empowerment. South Africa was uniquely positioned to assume
such a role. In aggregate terms, post-Apartheid South Africa inherited the continent’s
wealthiest and most industrialized economy. Despite rampant inequality (South Africa
holds the distinction of being the most unequal country in the world according to most
Gini coefficient estimates), the country’s GDP per capita is roughly six times greater than
the sub-Saharan African average (World Bank Data), and Black Economic
Empowerment policies have resulted in the formation of a growing black middle class
(Dürr 2013). Although the post-Apartheid era has witnessed slightly lower growth rates
than sub-Saharan Africa at large, South African businesses have been well positioned to
expand into other states in the region, further raising South Africa’s relative economic
stature (Ford 2014: 7). Further, in dismantling the segregationist Apartheid state, South
Africa has acquired valuable insights into policy challenges that plague many sub-
Saharan African countries. South Africa’s successes in promoting racial reconciliation,
reintegrating public spaces, establishing civilian control of the military, and constructing a
stable constitutional system render it a potential model for countries in the region recovering from conflict or undertaking broad institutional reforms.

As a result of these economic and political successes, South Africa wields considerable power in African affairs, which it has invested in initiatives promoting a more united Africa, in which Pretoria plays a lead role. This is evident in a wide range of policy spheres. South Africa was a lead player in the formation of the African Union (AU) in 2001, and Pretoria has been a key contributor to AU-sanctioned peacekeeping and post-conflict reconstruction and development projects (Lucey & Gida 2014). Development is a crucial component of Pretoria’s leadership. South Africa spearheaded the creation of the New Partnership for Africa’s Development (NEPAD), a prominent AU effort to catalyze growth by promoting intra-African economic cooperation. At the sub-regional level, South Africa has been a key player in the Southern African Development Community (SADC) and in the Southern African Customs Union (SACU). Pretoria’s commitment to a development-focused, Africa-centric foreign policy was demonstrated in 2009 by the renaming of the Department of Foreign Affairs to the Department of International Relations and Cooperation (DIRCO). At the time, foreign relations minister Maite Nkoana-Mashabane said the name change was an important indication that “South Africa recognizes that its destiny is inextricably linked to that of the developing world in general and the African continent in particular,” and that the renaming “[was] a deliberate decision on the part of government to ensure a holistic approach to foreign affairs which reflects on this developmental agenda” (Nkoana-Mashabane 2009).

**Institutional Framework of South African Development Assistance**

The slate of policy areas in which South Africa conducts its development partnerships is as ambitious as that of any DAC donor, and includes democracy and governance, social and economic development, humanitarian relief, capacity building, post-conflict reconstruction, and more (ARF 2014). In the absence of a specialized agency for designing and implementing international development programs, South Africa has utilized the expertise of a wide array of institutions to carry out its SSC partnerships, including the Ministries of Defense, Education, Police, Trade and Industry, Justice and Correctional Services, Arts and Culture, Public Service and Administration, Public Enterprises, Science and Technology, and Agriculture. While the framework of
South Africa’s foreign development activities is relatively decentralized, the Presidency and DIRCO have established a number of guidelines to keep ministries’ partnerships abroad in line with the government’s strategic objectives, and to ensure the efficient use of public resources.

As outlined above, development assistance has primarily been utilized to further Pretoria’s “African Agenda.” As stated in the government’s current Medium-Term Strategic Framework for 2014-2019, one of Pretoria’s key foreign policy priorities is “to contribute to a better and safer Africa” (DPME 2014: 30). SSC has been a vital tool for Pretoria to achieve this objective, and virtually all South African development assistance flows to other states on the continent. Geographically, these relationships do not appear to be concentrated in a particular subregion, however, there have been deliberate efforts to increase contributions to states afflicted by or recovering from conflict, including Burundi, the Democratic Republic of the Congo, and South Sudan (Hendricks & Lucey 2013a, 2013b, 2013c). A key feature of how potential partners are selected is that South Africa adheres to a demand-driven model, meaning that partnership arrangements must be requested by the beneficiary country and align with that state’s national development strategy (Lucey 2014, Besharati 2013: 53). Such partnerships must take place within the framework of a memorandum of understanding (MoU) outlining the terms of cooperation. While MoUs are often made by DIRCO or the Presidency, any cabinet minister is permitted to sign a cooperation agreement with a foreign partner, which is then reviewed by the Department of Justice and Constitutional Development and DIRCO to ensure its consistency with the South African constitution and government foreign policy objectives (Besharati 2013: 15).

Although DIRCO is instrumental in matching potential partners with South African institutions and establishing the terms of development engagements, it is not directly involved with monitoring or assessing such programs. Instead, responsibility for accounting and monitoring is shared by the ministries themselves and the National Treasury’s International Development Cooperation Directorate (NT:IDC). As the body historically charged with accounting for and managing incoming development aid, NT:IDC has also utilized its expertise to collect data centrally about outgoing development funds through state agencies’ expenditure reports (Ibid.: 14-15). However,
accounting for how much is spent on international development cooperation is an arduous task. Under South Africa’s current public accounting system, there is no budget line for international partnerships. As funds are never directly disbursed to foreign governments, departments account for activities abroad using the same budget lines that are used to report their normal activities, such as such as “travel” or “personnel.” Further complicating the NT:IDC’s role in tracking development expenditures is that many departments’ partnerships materialize as in-kind assistance or knowledge transfer and training programs (Sidiropoulos 2012: 235). Since most government employees working on foreign partnership activities are not specialized for that purpose, calculating the proper proportion of time, travel, and salary expenses to report to the IDC is no simple task for the diverse institutions engaged in South-South development activities (Ibid., NT:IDC 2015).

While DIRCO and the Treasury provide a degree of centralized management of SSC on the front and back ends respectively, the design and implementation of international development activities rests almost entirely with the line ministries. Further, since line ministries are much more qualified to assess progress in their areas of policy expertise than either DIRCO or the Treasury, they hold responsibility for evaluating the impact of their activities. Line ministries’ independence is a challenge for those attempting to assess the total impact of South Africa’s activities abroad. Depending on the nature of their engagements, departments plan for and record their international activities with varying degrees of precision. The Department of Science and Technology (DST), for instance, considers international cooperation to be an integral part of its policy mandate “to achieve shared economic and social development in the region and on the continent” (DST 2011). Because of the importance DST places on its international relationships, the department includes foreign partnerships in its long-term plans, and has developed comprehensive monitoring and evaluation procedures to assess its international development activities (DST 2015). DST’s expertise in tracking and assessing projects is an exception, rather than the rule. In many cases, political initiatives from DIRCO or the Presidency commit ministries to international activities that may not be a part of those ministries’ strategic frameworks. Such commitments are frequently made to countries afflicted by conflict or natural disaster, which gives the responsible ministry little time to develop reliable assessment procedures. Thus,
agencies such as the Department of Health and the Police Service are often called on to produce rapid, ad-hoc responses to emergency situations, complicating efforts to systematically track and evaluate the use of partnership resources (NT:IDC 2015).

Despite the fact that cabinet departments account for the majority of South African SSC, international development activities represent only a small portion of their responsibilities, and few departments have specialized staff or earmarked funding for this purpose. The one exception to this pattern is the African Renaissance and International Cooperation Fund (ARF), which was established in 2001 to enhance Pretoria’s cooperation with other African countries through the promotion of democracy, good governance, conflict resolution and prevention, socio-economic development and integration, humanitarian assistance, and human resource development (ARF 2014). Housed within DIRCO’s NEPAD Directorate, the ARF utilizes a combination of concessionary loans and grants to fund cooperative projects and specific sectoral initiatives with partner countries. Despite being the most visibly structured component of South Africa’s development cooperation, the ARF lacks both a dedicated staff and the administrative capacity to track funds for projects administered by cabinet departments (IRIN 2010).

Although South Africa is the continent’s most prolific contributor to South-South development cooperation, Pretoria’s decentralized model of development assistance has hindered its ability to build the capacity to coordinate, evaluate, and account for ODA resources. In order to address these issues and improve South Africa’s efficacy as a development partner, in 2010 DIRCO announced plans to establish the South African Development Partnership Agency (SADPA) (Nkoana-Mashabane 2010). SADPA is intended to absorb and replace the ARF and serve as a nodal agency for South Africa’s outgoing development resources. Although SADPA will have its own full-time staff, it is not intended to grow into an implementing agency, and departments anticipate that they will remain responsible for executing partnerships (DST 2015). However, SADPA will be charged with developing common policy guidelines for implementing departments to follow, ensuring the overall coherence of Pretoria’s partnerships, providing development cooperation advice to foreign policy makers, and conducting monitoring and evaluation audits of all outgoing development cooperation (DIRCO 2013). Although SADPA was
originally intended to launch by 2011, as of October 2015, plans for the new agency remain stalled. Although no official explanation for the delay has been given, the establishment of SADPA is unlikely in South Africa’s current economic climate— in the midst of a shrinking GDP, persistent inequality, and a 25% official unemployment rate, legislators have not been eager to take up the Partnership Fund for Development Act, which would repeal the ARF Act of 2000 to make room for the new agency (Ravelo 2015). Against this economic backdrop, there has been a growing debate about the proper balance between using development assistance to attain economic returns for South Africa and achieving the long-held objectives of peace, security, and African solidarity (Sidiropoulos 2012: 217). As the economy continues to struggle and this debate unfolds, there are few indications as to when SADPA might finally be launched.

South-South Cooperation has been an integral part of Pretoria’s foreign policy since the end of Apartheid, and has been incorporated into the institutional structure of a wide array of state agencies. Yet, even amidst an ongoing drive to expand and consolidate development activities under a specialized agency, the South African government has been ambivalent in defining its relationship with the “mainstream” international development architecture, and has maintained the distance of its SSC programs from the DAC’s aid effectiveness guidelines. As the next subsections will illustrate, Pretoria’s position toward the status quo development regime can largely be traced to the unique geopolitical dynamics that have emerged from South Africa’s preeminent position within African politics.

South Africa in Africa

On its transition to democracy, South Africa quickly moved to “join Africa” by ascending to the Organization of African Unity, a predecessor to the African Union. Despite its embrace of a “developing South” identity, South Africa inherited quality institutions and an advanced economy that in many respects set it apart from its peers on the continent. The transition agreement brokered between Nelson Mandela and F.W. de Klerk resulted in a relatively orderly transition to the post-Apartheid era. The new ANC-led parliament quickly drafted a new constitution, which has resulted in one of Africa’s most stable and resilient political systems. Due to the highly securitized nature of the Apartheid state, democratic South Africa inherited both a robust arms manufacturing
capacity and a military capable of projecting power beyond its borders (Schraeder 2002: 250-252). Perhaps most important is South Africa’s relative economic might. Upon the end of Apartheid, South Africa inherited the continent’s most diversified, industrialized, and prosperous economy, which accounted for 48% of all of sub-Saharan Africa’s GDP (World Bank). Although higher rates of growth in sub-Saharan Africa as a whole have recently reduced South Africa’s preeminence, the country still accounts for roughly 20% of the region’s economic output (Ibid.). These economic advantages are reflected in South Africa’s trade relations with other countries on the continent, in which it enjoys a sizeable surplus with its neighbours (Vickers & Ajulu 200: 18).

South Africa’s regional stature has resulted in its elevation on the global stage. In the past decade, South Africa has been elected to two terms as a non-permanent member of the UN Security Council for Africa. Advocates of UN reform regularly offer South Africa as a possible permanent member for Africa in an enlarged Security Council, which may be fueling Pretoria’s calls for such changes (Bosco 2013, Fabricius 2014). With the advent of the G20 as the premier forum for policy discussion amongst the world’s major economic powers, South Africa serves as the sole African voice in this elite institution. As further evidence of world perceptions of South Africa as both a leader on the continent and a rising world power, South Africa was admitted into the BRIC (Brazil, Russia, India, and China) grouping of emerging economies in late 2010, which was subsequently renamed BRICS to reflect its expanded membership.

South Africa’s relative advantages over its neighbours and memberships in international institutions have made it something of a regional superpower. With this mantle of leadership has come the expectation that South Africa should use its power to advocate for African interests, including political stability and economic development on the continent. As a fellow African state, other countries on the continent have cheered South Africa’s potential to advance the notion of “African solutions to African problems,” and to be more sensitive to African concerns than Northern donors (Lucey & Gida 2014: 10, Ford 2014: 5). Indeed, as detailed above, the notion of an “African Renaissance” lies at the heart of Pretoria’s foreign policy initiatives, and South Africa has been deeply involved in development cooperation with states across Africa. Further, South Africa has been the continent’s top contributor to peacekeeping interventions, a major driver of
intra-Africa trade and investment, and an important partner in regional infrastructure development and technical assistance (Ibid.). Due to its wealth of experience in reconciliation, women’s empowerment, security sector reform, health system development, and other areas of interest to countries throughout Africa, Pretoria is frequently sought out as a development partner in a wide range of policy areas.

However, Pretoria’s active role in African politics has also led some countries to view South Africa’s motives with suspicion. As a result of the country’s economic and political heft in relation to most of its continental peers, many African governments harbour concerns that South Africa (and its formidable private sector) could come to constitute a near hegemonic force in the region (Ford 2014: 9, O’Riordan 2013: 3, Lucey & O’Riordan 2014: 2). These concerns are particularly acute in the economic sphere, where perceptions persist that South Africa’s interventions on the continent are calculated to maximize its strategic options and to serve its own business interests (Makokera 2015: 4, Vickers & Ajulu 2008: 17, 20). These concerns are stoked by reports that Pretoria’s international relations activities have at times been intertwined with business and investment initiatives. In 2013, South African media reported connections between South African peacekeeping efforts in the Central African Republic and ANC business interests in the local diamond mining industry (Mail & Guardian 2013). In 2014, accusations emerged that mining interests led Pretoria to deploy the South African Secret Service to support efforts to influence Guinea’s 2010 election (Mckune & Brummer 2014).

Controversy erupted in 2012 when South Africa’s Minister of Foreign affairs and ex-wife of President Jacob Zuma, Nkosazana Dlamini-Zuma, was elected chairperson of the African Union, prompting some countries to accuse Pretoria of violating a tacit agreement not to put a powerful country in control of the AU (Lucey & Gida 2014: 8). According to fieldwork by Lucey and Gida, AU diplomats have expressed concerns that there is not a clear delineation between Dlamini-Zuma’s position at the African Union and South African foreign policy more generally. In particular, stakeholders have accused South Africa of using the AU to promote itself globally, and spoke of the need for Pretoria to strengthen sub-regional ties before focusing on the rest of the continent (Ibid.: 7, 9). Thus, South Africa’s official foreign policy of African unity and solidarity has
proven difficult to reconcile with its economic and political might. As a result of the power differential between Pretoria and the recipients of South African development assistance, some on the continent worry that development cooperation may be a guise for Pretoria to pursue its own commercial and political interests (Ford 2014: 9, O’Riordan 2013: 3, Vickers & Ajulu 2008: 20).

These issues come at a time in which Pretoria’s influence on the continent is waning in some respects, even as its perceived leadership in Africa has conferred South Africa with membership in important global institutions. Although South Africa remains one of the continent’s most diversified and internationally competitive economies, after years of poor economic performance it is now second to Nigeria as Africa’s largest economy. Additionally, as Africa received more attention from the international community as both a source of primary resources and as a destination for exports, powers outside of the continent (including China) are rapidly expanding their investments in the region. Consequently, it is imperative that Pretoria maintains constructive relationships with its peers if it is to maintain its position in African affairs. The effective employment of international development activities is one important part of achieving this goal.

Thus far, South Africa has attempted to mitigate fears that it might act hegemonically by investing heavily in regional institutions. In terms of its development cooperation, this has included South Africa’s participation in AU post-conflict reconstruction and development efforts and extensive contributions to NEPAD, SADC, SACU, and other multilateral regional development organizations. Further, South Africa has avoided imposing conditionalities on recipients of its development assistance. With very few exceptions, Pretoria has avoided making partnerships contingent on democratic or governance reforms, in part to demonstrate respect for partners’ sovereignty and to distinguish South Africa from Western donors, which are often accused of paternalism for imposing such conditionalities (Sidiropoulos 2012: 232-233). Pretoria has further emphasized that its development projects do not tie recipients to the use of South African specialists (Ibid). A further element of Pretoria’s efforts to assuage potential recipient concerns is its adoption of a demand-driven framework for partnerships, which
confers “ownership” of the relationship to the beneficiary country and allows for assistance programs to be tailored to suit that country’s particular needs.

As with most of its foreign policy initiatives, South Africa’s development programs are challenged by the conflicting desires to bring tangible returns to its weakening economy and maximize Pretoria’s international influence without drawing accusations of hegemonic behaviour. In this context, South Africa is eager to distinguish its South-South Cooperation from Northern aid programs. Terminologically, Pretoria insists that South Africa engages in “partnerships” rather than “aid,” and is fundamentally distinct from Northern donors in its deference to key SSC principles, its non-paternalistic partnership style, and its emphasis on building regional solidarity (NT:IDC 2015, DST 2015). These characterizations of Pretoria’s development role are important for South Africa’s image on the continent, and have shaped the country’s relationship with the DAC aid effectiveness regime and other elements of the status quo aid architecture.

South Africa and the International Development Architecture

Despite endorsing the Paris, Accra, and Busan outcome documents as guidelines for aid flowing into South Africa, Pretoria has not indicated that it will apply the DAC aid effectiveness principles to its outgoing development assistance programs. When discussing South Africa’s participation in the aid effectiveness fora, officials are quick to point out that South Africa’s role at these conferences was that of a recipient country, as opposed to that of a donor. As South Africa is not engaged in “aid,” but instead “cooperation,” Pretoria denies the applicability of DAC rules to its development activities (NT:IDC 2015). Despite South Africa’s apprehension to formally binding its development cooperation to the DAC conventions, South Africa has demonstrated its concern for improving the quality and effectiveness of its partnership activities. Perhaps most indicative of Pretoria’s consciousness of international trends is South Africa’s commitment to recipient country ownership, which is made evident in its demand-driven approach to constructing development relationships. By designing cooperative frameworks according to the needs of beneficiary countries, South Africa has also made a clear effort to align its actions with the priorities of its partners. Further, in those areas where current capacities fall short, such as the ability to monitor and evaluate
development activities, the government’s authorization of SADPA represents the initial step toward an institutional framework that reverses these deficiencies.

South Africa’s ambivalence toward the DAC aid effectiveness agenda generally has not come from any opposition to the principles it entails, but from the perception that the DAC lacks legitimate grounds to impose rules on South-South partnerships. As mentioned in section III, one of the principle objectives of the “Third World” project has been to create a more multilateral and democratic world order, as opposed to the current Northern domination of international institutions, which is seen as deeply inappropriate in light of recent shifts in the global balance of power. In line with this philosophy, South Africa has been reluctant to accede to the Northern-dominated DAC development agenda, and maintains that South-South Cooperation is an inherently non-exploitative, horizontal development modality which does not require formal governance beyond mutually agreed upon partnership frameworks. Additionally, given African fears of South African hegemony, maintaining its distance from Northern-dominated development institutions helps it to avoid the paternalistic connotations inherent to “donor-recipient” relationships.

An important exception to South Africa’s reluctance to engage with the international aid architecture is its participation in trilateral partnerships with donor countries. In the National Treasury’s framework for trilateral cooperation, it is noted that “the principles of the Paris Declaration... shall apply” to triangular engagements (NT:IDC). However, as with most association with traditional donors and “donorship,” South Africa has approached trilateral partnership with some caution. Terminologically, Pretoria’s working definition of Triangular Cooperation entails a donor working with a pivotal country to implement projects in a beneficiary country, allowing South Africa to engage in triangular cooperation without assuming a “donor” label (Ibid.). Further, South African departments are only encouraged to engage in trilateral partnerships when there is a clear benefit in doing so that could not be derived from bilateral engagement (DST 2015). To date, South Africa has partnered with a wide range of traditional donors including Canada, the United States, Switzerland, Norway, the UK, and others to fund projects in third countries (Sidiropoulos 2012: 234).
Pretoria has also partnered with other non-traditional ODA providers to invest in alternative, Southern-led institutions to coordinate development activities. In addition to its contributions to regional development institutions, Pretoria has reached out to major providers of South-South Development Cooperation from other regions that are active in Africa. One example is the IBSA (India, Brazil, South Africa) Dialogue Forum, which seeks to promote sustainable South-South development cooperation in a wide range of policy areas, and has included a jointly administered fund for the alleviation of poverty and hunger (IBSA). South Africa was also a founding member of the New Development Bank (NDB), which was launched by the BRICS countries in July 2015 with the expressed goal of “[mobilizing] resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries” (NDB 2014). To date, the NDB represents one of the most direct challenges to Northern domination of the international development architecture. This challenge is made explicit by the bank’s founding powers, which cast the institution as “an alternative to the existing US-dominated World Bank and International Monetary Fund” (Ibid.). The ideological underpinnings of South-South Cooperation resonate throughout the Shanghai-based NDB’s structure. Unlike the World Bank and IMF, which weight voting power in favour of wealthier countries, the NDB’s governance operates according to a “one country, one vote” system, with no state wielding veto power (Ibid.). Although the NDB’s impact on the international development environment is yet to be seen, it has clearly sought to position itself as a Southern-led alternative to the existing development establishment.

Conclusion

Despite significant domestic development challenges, South Africa remains one of Africa’s most prosperous economies, and one of its most visible actors on the world stage. This has subjected South Africa to two contradictory pressures. On the one hand, South Africa is frequently called on to promote African integration and development, which it has supported through its robust participation in SSC. On the other hand, some African nations are wary of Pretoria’s potential to wield power hegemonically in the region. As a result, Pretoria must balance the pursuit of its strategic interests on the continent with concerns about excessive South African influence. In balancing these factors, South Africa has clung tightly to the normative, philosophical, and ideological
premises of South-South Cooperation in its international development programs. The South African government firmly rejects the labels of “donorship” and “aid” in favour of terminology evoking partnership and mutual cooperation. Maintaining the distinction between North-South and South-South modes of development cooperation, Pretoria has thus far denied the applicability of DAC norms to its development partnerships. Further, as a nation with influence in powerful global institutions, South Africa has proven discontented with merely acceding to a status quo development order crafted and dominated by the nations of the global North. Through their considerable international influence, South Africa and its BRICS partners have taken steps toward constructing an alternative, Southern-led development architecture.

The following section presents a case study of Indonesia’s growing role as an ODA provider. In contrast to South Africa, Indonesia has expressed a general willingness to comply with the DAC’s aid effectiveness norms. This cooperative position toward the status quo aid architecture will be explained through an examination of the historical, institutional, regional, and global contexts of Indonesia’s international development activities.
VI. Indonesia

Historical Foundations of Indonesian Development Assistance

Indonesia has been an active participant in South-South development cooperation and in the “Third World” project since its independence. Justification for Indonesia’s contributions to South-South development partnerships can be found in the preamble to the country’s 1945 constitution, which declares that the republic shall “participate toward the establishment of a world order based on freedom, perpetual peace and social justice” (Constitution of Indonesia). Although the constitution offers little guidance as to how Indonesia should advance this world order, the spirit conveyed through its preamble has been foundational to Jakarta’s foreign relations. Amongst the most significant early embodiments of this constitutional commitment was Sukarno’s effort to organize newly independent Asian and African states into a “Third World,” independent from American and Soviet hegemony. To this end, Indonesia was the host and chief organizer of the 1955 Asian-African Conference in Bandung, which aimed to foster political, economic, and cultural cooperation amongst the states of the developing world. As outlined in section III, the Bandung Conference is regarded as an important milestone in the history of South-South development cooperation, as the Bandung Communiqué called on Southern countries to act collectively in order to stabilize commodity prices, coordinate policy positions in international forums, and actively engage in technical cooperation as a means of advancing participants’ developmental agendas (Bandung Communiqué 1955). To this date, Indonesian officials view the Bandung Conference as a watershed moment in their country’s foreign policy, and the “Bandung Spirit” of solidarity, mutual benefit, and non-interference in the internal affairs of other states continues to inform Jakarta’s understanding of South-South Cooperation (NCT 2015, MoFA 2015a, MoFA 2015b).

Despite its leading role in the “Third World movement” and its rhetorical commitments to South-South partnership and cooperation, for much of the twentieth
century Indonesia’s partnerships were constrained by its low-income status, and tended to take the form of small-scale, ad-hoc expert exchanges and knowledge transfer programs. By the 1980s, economic growth rendered Indonesia a middle income country. Amidst optimism about Indonesia’s successes, Jakarta assumed a more active role in international development cooperation. In 1981, three years after endorsing the Buenos Aires Plan of Action, Jakarta stepped up its commitments to international development by launching the Indonesian Technical Cooperation Program (ITCP), housed in the State Secretariat. Through the ITCP, a number of ministries have been recruited to provide expertise and technical assistance to countries in Southeast Asia, the Pacific, Africa, and beyond (State Secretariat 2015). The scope of ITCP partnerships has been widely variable, ranging from one-off training exchanges with a single country to sustained support for programs impacting a wide range of nations. For example, the Ministry of Agriculture maintained the Indonesia Farmers’ Fund between 1987 and 2003 in conjunction with the UN Food and Agriculture Organization, and has managed its partnerships itself in the years since. Through the Ministry of Agriculture’s support programs, Indonesia has provided aid to 24 countries in Africa through a combination of agricultural input provision, farmers’ apprenticeship programs, and the establishment of training centres in Gambia and Tanzania (Jasmina et al. 2013: 36-64).

Since the 1980s, Indonesia has changed dramatically, including its transition to a democratic political system, a septupling of its per-capita GDP, and its ascension to membership in the G20. Although much of the archipelago continues to grapple with the challenges of poverty and inequality, Indonesia is now the world’s 16th largest economy, and is by far the largest in Southeast Asia. In light of these changes, Indonesia injected new energy into its development cooperation programs during the presidency of Susilo Bambang Yudhoyono (2004-2014) through high-level commitments to expand partnerships with several countries. Efforts have also been launched to institutionalize Jakarta’s development cooperation, which will be discussed at length below. In 2010, the Yudhoyono administration adopted the Grand Design and Blueprint of Indonesian South-South and Triangular Cooperation (SSTC), a three-stage plan for improving Jakarta’s capacity to engage as an effective development partner. In the first stage (2011-2014), the framework calls for strengthening the legal basis of SSTC and improving the coordination of involved institutions. The second stage (2015-2019) calls for the country
to expand its international role in South-South Cooperation and engaging with external stakeholders, including the private sector, NGOs, and universities. The blueprint’s third phase (2020-2025) largely aims to consolidate these gains and further increase Indonesia’s role as a development partner (Mauludiah). Thus far, implementing agencies have struggled to achieve the goals established by the SSTC Grand Design document. Despite ongoing institutional challenges, however, Jakarta has continued to expand its role in development assistance, largely through triangular partnerships with traditional donors, which figure prominently in Indonesia’s ODA portfolio.

In 2014, Indonesian voters elected Joko Widodo to the presidency, the country’s first leader to come from outside of its well-entrenched military and political establishment. Thus far, Widodo’s administration has continued Jakarta’s role in South-South development partnerships. However, officials noted that such relationships are increasingly framed in terms of the direct benefits that they can bring to Indonesia. In sharp contrast to South Africa, which casts its development efforts strictly in terms of pan-African interests, Jakarta’s SSTC follows an “Indonesia First” policy designed to complement domestic development policies, with projects increasingly scrutinized on a “what’s in it for us?” basis (NCT 2015). In light of these shifts in thinking, Jakarta’s development assistance has at least partially become a facet of its economic diplomacy. As Indonesia continues to define its role as a development actor, its relationship with the DAC and its member donors has generally been cooperative. Triangular cooperation with DAC donors represents an enormous share of Jakarta’s SSTC activities, which has translated into general support for the DAC aid effectiveness agenda. In 2009, Indonesia adopted the Jakarta Commitment on Aid Effectiveness, which endorses the consideration of the Paris Principles in Indonesian SSTC policy (BAPPENAS 2009). Despite this positive stance on the DAC aid effectiveness process, however, Indonesia remains challenged by weak institutional capacities to mold itself into a “model donor.”

**Institutional Framework of Indonesian Development Assistance**

Indonesia’s SSTC programs are implemented by a wide array of institutions, with the most prominent being the country’s various line ministries, which provide assistance in their respective areas of expertise. A diverse selection of cabinet ministries is involved in international development activities, including the Ministries of Foreign Affairs,
National Development Planning (BAPPENAS), Finance, Agriculture, Education, Public Works, Women’s Empowerment and Child Protection, and the Department of Population and Family Planning. Through these ministries, Jakarta has supported food security, social policy, and infrastructure development initiatives, and managed expert exchange and knowledge transfer programs with its partner countries. The wide range of agencies involved in development cooperation has produced a highly decentralized and fragmented structure for formulating, implementing, and evaluating international partnerships. In the absence of a clear legal framework governing SSTC engagements, ministries have almost total autonomy over their international activities. While this independence is meant to allow ministries maximal flexibility to harness their expertise for innovative and effective engagements, it has also created severe constraints on Jakarta’s capacity to evaluate and strategically utilize its development partnership resources. Even accounting for the volume of resources channeled into such partnerships has proven to be an arduous task. In the absence of a budget line item to report SSTC activities, partnership funds are merged into ministries’ ordinary budget lines, such as “personnel,” or “travel” (NCT 2015). In the absence of a nodal agency legally empowered to collect such information, Jakarta is severely disadvantaged in its efforts to assess the impacts of its foreign development expenditures.

Like South Africa, Indonesia has sought to ensure that ODA resources support recipient country priorities through the adoption of a demand-driven partnership model in which potential partner nations must request to initiate development relationships. Such requests are matched to implementing ministries in a variety of ways. As the first point of contact for foreign governments wishing to communicate with Jakarta, the Ministry of Foreign Affairs often receives requests for assistance through Indonesia’s embassies and consulates abroad. In these cases, the Ministry of Foreign Affairs fulfills a gatekeeping role in SSC by assessing requests and referring them to the line ministry with appropriate expertise in the relevant policy area (NCT 2015, MoFA 2015a, MoFA 2015b). However, the lack of a clear legal framework to govern Indonesian development partnerships means that the Ministry of Foreign Affairs need not always be involved in the matching process. Indeed, foreign governments can directly approach line ministries through their diplomatic missions in Jakarta, thereby leaving the prioritization of projects to individual ministries themselves and bypassing the Ministry of Foreign Affairs entirely.
Without a single “gatekeeper” institution to oversee South-South partnerships, efforts to coordinate Indonesia’s development activities abroad via a unified strategic framework have thus far been ineffectual.

In an effort to make partnership prioritization more consistent with Jakarta’s geopolitical objectives, the Ministry of Foreign Affairs hosts an annual “mapping priorities” meeting with agencies involved in SSTC, in which it presents the government’s foreign policy objectives and distributes a list of countries it would like prioritized in ministries’ SSC portfolios (MoFA 2015a). According to the Ministry of Foreign Affairs’ Directorate of Technical Cooperation, partners’ weighted priorities are determined 50% by economic interests, 30% by political interests, and 20% by socio-cultural interests (MoFA 2015b). Unsurprisingly, this calculation of national interests has largely directed Jakarta’s cooperation funds to countries geographically proximate to Indonesia, notably the CLMV states (Cambodia, Laos, Myanmar, and Vietnam). Outside of Indonesia’s immediate region, Afghanistan, countries affected by the Arab Spring, and East African states including Sudan, Kenya, Tanzania, and Ethiopia have also been prioritized as SSC partners (MoFA 2013). Beyond this formula, countries may be eligible for Indonesian development partnerships on the basis of high-level political commitments made at the ministerial or presidential levels. In these instances, Jakarta’s support is not contingent upon the beneficiary’s ranking in the scheme of Indonesia’s national interests, and partners are often guaranteed a predetermined amount of money over a defined period. Currently, Indonesia’s high-level commitments include Palestine, the nations of the Melanesian Spearhead Group, and Timor-Leste (Ibid.). In these instances, the Office of the President and the Ministry of Foreign Affairs actively recruit ministries to provide assistance in specific policy areas, though the implementation and evaluation of programs remain the responsibility of the ministries themselves.

The combination of poor accounting capabilities and a lack of centralized direction has greatly hindered Indonesia’s capacity to assess and expand upon its role as an ODA provider. Given the fragmented and variable process through which projects are approved and implemented, most assistance has been ad-hoc and devoid of strategic direction. As Indonesia expands its partnership portfolios and implements the SSTC Grand Design and Blueprint, it is increasingly apparent that the country must
establish a robust legal framework governing its external assistance, and acquire the institutional capacity necessary to oversee such programs. In order to improve Jakarta’s cohesiveness as a development actor and to improve the effectiveness of its South-South partnerships, President Yudhoyono authorized the establishment of the National Coordination Team on South-South and Triangular Cooperation (NCT) in 2010. The NCT brings together BAPPENAS, the Ministry of Foreign Affairs, the Ministry of Finance, and the State Secretariat to create action plans to improve Indonesia’s SSTC activities. Of these ministries, BAPPENAS and Foreign Affairs are the most influential, and set the NCT’s agenda in their capacities as co-chairs of its Steering Committee. The Steering Committee’s agenda is carried out by the Technical Committee, in which all four ministries play crucial roles. The Technical Committee is further divided into three working groups, which are tasked with proposing improvements to the legal and institutional frameworks, funding mechanisms, program development processes, and monitoring and evaluation systems of Indonesia’s SSTC programs (NCT). The NCT’s long-term objective is to establish a specialized nodal agency to manage most aspects of Indonesia’s SSTC activities (NCT 2015).

Despite the importance of these tasks, and the NCT’s official mandate to improve Indonesia’s SSTC capacities, thus far the NCT has faced severe challenges in implementing the agenda contained within the Grand Design and Blueprint document. Perhaps the greatest obstacle to achieving the NCT’s objectives is that it has not been invested with the legal authority to mandate that line ministries provide it with information about their foreign development programs. Although the NCT regularly hosts outreach events to inform line ministries about its mission and encourage them to report their SSTC activities, such cooperation remains voluntary. Further, the accuracy of the information provided to the NCT is unverifiable, and entirely dependent on the extent to which ministries are willing and able to compile and report such data. Efforts to maintain rapport with line ministries have been complicated by relatively high staff rotation rates in the Indonesian bureaucracy, which often result in incoming staff having only a limited awareness of the NCT and its mandate (NCT 2015).

Within the NCT, the relationships between ministries have hindered the group’s operational ability and threatened the prospect of a cohesive SSTC strategy. In
particular, the question of where an eventual nodal development agency might eventually be housed has led to some tension between BAPPENAS and the Ministry of Foreign Affairs. Whereas BAPPENAS holds a political interest in maintaining its claim to expertise in all aspects of development planning, the Ministry of Foreign Affairs maintains that, as a facet of foreign policy, it has rightful jurisdiction over Indonesia’s SSC partnerships. Additionally, various line ministries have sought to protect their autonomy over the design and implementation of their international development programs. The uncertainty that these dynamics have created are particularly challenging to Working Group One, which is tasked with designing a legal and institutional framework for SSTC activities.

Compounding these challenges is a sharp lack of resources available to the NCT. Indonesia’s legislature has so far shown very little interest in international development, as finding solutions for domestic poverty and underdevelopment takes precedence over foreign partnerships. Consequently, very few resources have been allocated for the NCT, which has come to rely on international donors such as Japan, Germany, and the UN Development Programme for much of its budgetary needs. Due to budgetary constraints, the NCT lacks a dedicated staff for its day-to-day operations, and instead utilizes personnel from its constituent ministries and advisors funded by international partners. Without the legal authority and resources necessary to effectively carry out its mandate, the NCT has struggled to make concrete improvements in Indonesia’s ability to function as an effective development partner, and has thus worked closely with DAC states to mitigate some of these shortcomings. As the next section shall discuss, Indonesia’s geopolitical position within Southeast Asia has further contributed to Jakarta’s largely cooperative relationship with the OECD-DAC.

Indonesia in Southeast Asia

In both absolute and relative terms, Indonesia is a giant within Southeast Asia. Geographically speaking, Indonesia is the largest country in the region by a wide margin, and is a major producer of the region’s natural resources and raw materials. With approximately 252 million citizens, Indonesia is the fourth most populous country in the world, and accounts for roughly 40% of the combined population of all ASEAN nations. Further, Indonesia’s economy is by far the largest in the region. With a nominal GDP of
$880 billion, Indonesia is the world’s 16th largest economy, and accounts for nearly one-third of ASEAN’s economic activity (World Bank Data). In large part due to its weight within Southeast Asia, Indonesia serves as a member of the G-20, and has been elected as a non-permanent UN Security Council member for the Asia-Pacific Group on three occasions.

However, Indonesia has not always occupied such a prominent space in the regional and global arenas, and for most of its history has refrained from adopting an activist foreign policy. Instead of actively asserting itself abroad, Jakarta has typically maintained a distinctly inward-facing orientation, and has often struggled to maintain the stability of its suzerainty over its vast territory, which spans some 18,000 islands stretched over 5,000 kilometres. The country’s massive population is distributed across nearly 1,000 inhabited islands, collectively speaks nearly 700 living languages, and can be divided into some 300 distinct ethnic groups. The diversity of its population and remoteness of some of its territories from Jakarta has subjected Indonesia to periods of instability throughout its history, which has been marked by separatist movements and bouts of widespread popular unrest. Further, Indonesia’s impressive national economy betrays the fact that abject poverty remains the norm for millions of its citizens. Notwithstanding rapid advances made over the past few decades, slightly more than 10% of Indonesians remain in extreme poverty, with another 65 million living precariously above the poverty line (World Bank 2013). With a GDP per capita of roughly $3,500, Indonesia is near the ASEAN median, and trails Thailand, Malaysia, Brunei, and Singapore. Given these challenges, Indonesian leaders in the twentieth and twenty-first centuries have primarily sought to use foreign policy to further the security and territorial integrity of their archipelagic state, promote a unifying sense of national identity, and spur economic development (Weatherbee 2002: 197).

In the years following independence, Jakarta’s foreign policy was heavily influenced by its revolutionary struggle against Dutch colonial rule and the rising tide of Indonesian nationalism. As an assertion of his country’s independence in its international affairs, Vice President Mohammad Hatta prescribed an “independent and active” foreign policy doctrine in which Jakarta would maintain its neutrality in Cold War confrontations and increase its strategic latitude through contributions to the budding “Third World”
project (Leong 1998, Weatherbee 2002: 198). During the Sukarno administration (1945-1967), anti-colonialism was one of Jakarta’s chief foreign policy themes. Perhaps most significantly, Sukarno’s anti-colonial foreign policy was exhibited in a dispute with the Netherlands over its remaining holdings in the East Indies, which extended between 1950 and 1962 and culminated in Indonesia’s unilateral military invasion of the Netherlands New Guinea. Both the role of nationalism in Jakarta’s foreign policy agenda and Sukarno’s suspicions of neo-colonialist plots were again on display during the konfrontasi (confrontation) with Malaysia between 1963 and 1966, which was triggered by opposition to British plans to cede their Bornean colonies to peninsular Malaysia. During this period, konfrontasi and Sukarno’s Ganyang Malaysia (“Crush Malaysia”) campaign subjected Indonesia to significant international isolation, which lasted until domestic instability ended Sukarno’s leadership and Suharto’s New Order regime took control of the nation.

Although the New Order government continued Indonesia’s period of autocratic rule, it abandoned many of the revolutionary pretenses of Sukarno’s domestic and foreign policy agendas in favour of a less frenetic, more pragmatic approach to state affairs. Suharto orchestrated a diplomatic rapprochement with the West, and quickly moved to end konfrontasi and improve relations with Indonesia’s Southeast Asian neighbours. Jakarta was eager to assure the world that it would no longer be a source of conflict or a threat to neighbouring states. Amidst this political shift in Indonesia, the leaders of the Philippines, Malaysia, and Thailand were proposing a revival of the Association of Southeast Asia, a regional organization aimed at promoting a peaceful and stable regional order. Recognizing the potential for regional integration to improve its national security and allow Jakarta to focus its attention on domestic development, Suharto was an early backer of Southeast Asian regionalism, and Indonesia became a founding member of ASEAN in 1967 (Anwar 1997: 45-49, Weatherbee 2002: 201-202). Within the framework of ASEAN, Indonesia successfully built ties with other non-communist, development-focused states, and has consequently been able to pursue its goals of territorial integrity and economic growth without giving its neighbours cause for alarm.
Contemporary dynamics in Southeast Asian geopolitics and economics have ensured that even while Jakarta’s international profile rises, its neighbours have not had cause to fear a prospective Indonesian hegemony in the way that some African states have fretted about South Africa’s growing influence. While the “good neighbour” policies of the Suharto era and beyond have undoubtedly contributed to positive perceptions of Indonesia’s role in the region, several tangible factors constrain Jakarta’s capacity to exert dominance over its neighbours. Indonesia’s economy, while massive, is less impressive regionally when considered in per capita terms, and most ASEAN countries have little reason to worry that competition from Indonesian firms could threaten their domestic industry in the foreseeable future (Anwar 1997: 251, OBG 2014: 225, Verghese 2015). In terms of hard power capabilities, the Indonesian military is large, but Jakarta has demonstrated little interest in increasing its low capacity for strategic force projection (Sebastian et al. 2015: 323).

Another crucial element of Southeast Asia’s balance of power is the close proximity of several global powers. Both India and China share borders with ASEAN states, the latter of which is involved in active territorial disputes with the Philippines, Vietnam, Malaysia, and Brunei over islands in the South China Sea. In response to concerns about Beijing’s regional ambitions, several Southeast Asian countries have strengthened their trade and military ties with the United States, bringing an ever-growing American presence to the region (Chalk 2013: 20, Hill 2013, White House 2015). Also in ASEAN’s vicinity are Japan and Australia, which host robust and competitive private sectors and are heavily involved in regional trade and investment flows. Due to the economic, military, and demographic might of Southeast Asia’s neighbours, Indonesia is not typically regarded as a possible hegemonic force in the region, but is instead a pivotal “middle power” with the capacity to play a leadership role in ASEAN only with the consent of other member states (Roberts & Sebastian 2015: 5, Sebastian & Roberts 2015: 345).

Indonesia thus holds a curious status in regional politics— it is simultaneously ascendant as the largest nation within Southeast Asia and yet largely overshadowed by even more influential and dynamic powers. Within this context, Jakarta’s development cooperation activities have been subjected to very different constraints than their South
African counterparts. While Indonesia has been relatively free to pursue its foreign policy objectives without backlash from neighbouring states, persistent domestic development challenges and weak institutional capacity have been the primary constraints on Jakarta’s ODA provision. As the next section shall argue, Indonesia’s relationship with the DAC aid effectiveness regime has been influenced by the limited resources available for development cooperation, and by Jakarta’s newfound role as a pivotal middle power in a strategically important region.

**Indonesia-DAC Relations**

Indonesia’s relationship with the DAC aid effectiveness agenda has largely taken shape as a result of Jakarta’s extensive partnership with “mainstream” aid donors in its international development programs. Although exact figures are not available, multiple sources indicate that a huge proportion of Indonesia’s South-South and Triangular Cooperation can be categorized as “triangular,” meaning projects are jointly designed and implemented with another donor, typically from the DAC (Fraser 2012: 2, JICA 2011, NCT 2015). To date, some of Jakarta’s most significant trilateral partnership agreements have been made with Japan, the United States, Germany, Australia, and multilateral groups such as the UN Development Programme and the Islamic Development Bank. Given the significance of trilateral partnerships in Indonesia’s SSTC portfolio, it is perhaps unsurprising that Jakarta has been thus far been accommodating toward the DAC’s aid effectiveness agenda.

For their part, several DAC donors have taken a keen interest in building trilateral partnerships with Indonesia, leading to high levels of support for triangular cooperation and moves toward Indonesia’s “donorization” (JICA 2011). While individual donors’ motives for pursuing joint initiatives with Indonesia vary, a number of factors have contributed to the notion that Indonesia is a “pivotal state” and valuable ally in the international system. The reasons for this classification are numerous, but primarily relate to Indonesia’s strategic location in an economically and politically important region, its potential for leadership in Southeast Asia, its fast growing economy, and its distinction as the world’s most Muslim-populated state and third largest democracy (State 2014). Together, these factors have imbued many Western governments with a strong interest in building constructive relations with Indonesia. Further, donors seeking
to “scale up” the impact of their development resources are hopeful that partnerships with Indonesia might help to magnify the impact of their aid flows to developing Asia. Driving these expectations are the same factors that typically serve as the rationale for any triangular cooperation initiative, namely that Indonesia’s political, economic, and cultural proximity to third countries is closer than that of the donors in question, and that Jakarta can thus contribute important insights into “what works” for countries facing challenges which it has previously surmounted (Hosono: 2013 240, Schulz 2010: 3, Shimoda & Nakazawa 2012: 164-165). More specifically to Indonesia, donors have expressed interest in Indonesia’s experience with democratic transition and its potential to serve as a helpful interlocutor in the dialogue between the Western and Muslim worlds (Hatch 2012, JICA 2013, USAID 2013: 35).

From Indonesia’s perspective, triangular cooperation presents a valuable avenue to gaining funding for its development partnerships, and for acquiring the expertise necessary to function as an effective development donor. Indonesia’s government has allocated relatively few resources for its international development activities. Although ministries have undertaken hundreds of projects over the past several decades, researchers generally estimate that Jakarta’s SSTC spending amounts to no more than $100 million (Asia Foundation 2014: 22-23, Urban Institute 2015: 14, Muhibat et al. 2014: 52), which renders Indonesia a relatively small ODA provider. Given Jokowi’s preference for an “Indonesia First” foreign policy that includes some skepticism about the returns that external development expenditures bring to Indonesia, and the dearth of interest in SSC in the legislative branch, it is unlikely that ministries will expand their budgetary commitments to foreign cooperation in the immediate future. Thus, the NCT has sought funding for development partnerships from external sources, and has increasingly sought to expand its impact through enhanced cooperation with the private sector and partner donors (Urban Institute 2015, Jasmina et al. 2013: 8, Muhibat et al. 2014: 54, NCT 2015).

In terms of the capacity benefits which Indonesia stands to gain from working with more established donors, the NCT emphasizes that Indonesia is “always learning” from the experience of other countries, and that trilateral cooperation allows the country to better manage its transition from a recipient of foreign aid to an ODA donor (NCT
2015). The NCT has sought expertise from DAC partners in developing more effective monitoring and evaluation and data management mechanisms. While the NCT remains keenly aware of the challenges that it faces, officials express confidence that Indonesia will continue to expand its role in international development and strengthen the framework through which ministries participate in SSTC (NCT 2015).

In 2009, Indonesia adopted the Jakarta Commitment on Aid Effectiveness, thereby becoming one of the emerging donors that is most formally supportive of the DAC’s aid effectiveness agenda. The Jakarta Commitment is a unique statement amongst emerging donors, which declares Indonesia’s support for “the aid effectiveness principles and commitments contained in the [Paris] Declaration” and its intent to “strengthen the international aid architecture” with the support of partner donors (BAPPENAS 2009). The Jakarta Commitment emphasizes Indonesia’s goals of strengthening its institutional capacities, improving regional SSC efforts, entering public-private partnerships to expand Jakarta’s role in development, and strengthening its monitoring and evaluation capabilities over its SSC programs. Although the declaration states its support for the DAC aid effectiveness agreements, several obstacles obstruct their incorporation into Indonesia’s international development efforts. Of central importance in this regard is that the Jakarta Commitment was issued by BAPPENAS, and is not legally binding across state agencies (Riyadi 2009). Thus, while the NCT ministries have agreed to utilize the Jakarta Commitment as a framework for shaping outgoing development assistance, there is no legal obligation for line ministries to work toward DAC standards for effective donorship.

While its positive stance on the DAC aid effectiveness agenda theoretically aligns the NCT with traditional ODA donors, thus far, Jakarta has visibly struggled to transform itself into a “model donor” due to the lack of financial resources and institutional capacity needed to implement such a shift. Although Jakarta’s demand-driven approach to development partnership at least minimally ensures a degree of beneficiary ownership over the types of assistance they receive, more technical dimensions of the DAC aid effectiveness agenda have proven more difficult to achieve. While complete information remains elusive, the NCT faces a monumental challenge in compelling line ministries to cooperate to the extent required to effectively “manage for results,” credibly ensure
“mutual accountability” with beneficiaries, and harmonize Indonesia’s partnerships, both with one another, and with those of other donors. Thus, while Indonesia has officially declared its intent to adopt the DAC’s ODA “best practices” in its own development efforts, institutional barriers to aid effectiveness seriously impede its ability to do so.

Conclusion

Although Indonesia’s economic rise has rendered it one of the world’s most visible middle powers, it is overshadowed in many respects by other states in its immediate region, and remains relatively impoverished or average on a per capita basis in comparison to most of its ASEAN neighbours. Thus, Indonesia’s foreign policy has not been subjected to extensive scrutiny or criticism from neighbouring countries in the way that South Africa’s often is. Thus, Indonesia has less to lose by associating with traditional donors and working within the existing aid architecture. While Indonesian officials generally frame their country’s development activities as South-South Cooperation conducted through horizontal partnerships, they also occasionally use the terminology of “aid” and “donorship,” implying a greater willingness to associate with “mainstream” donors than their South African counterparts (NCT 2015, MoFA 2015b).

While Indonesia has little to lose by associating with “mainstream” development actors, it also stands to gain by pursuing trilateral development partnerships in conjunction with traditional donors. As DAC donors’ interests in their relationships with Indonesia grow, Jakarta has found willing collaborators to supplement its relatively small pool of resources available for development partnerships. In addition to their financial resources, traditional donors bring to the table years of experience in managing large-scale foreign aid agencies, which is itself valuable as Jakarta takes steps toward formalizing and expanding its own international development efforts. Further, nominal support for the aid effectiveness agenda has thus far imposed minimal costs on the central government and its ministries-- to date, the Government of Indonesia has invested very little of its own finances to facilitate its transformation into a “model donor” (Muhibat et al. 2014: 53, Shimoda & Nakazawa 2012: 151). Thus, while committing itself to the DAC’s model of aid effectiveness might facilitate beneficial relationships with traditional donors, Indonesia has borne few diplomatic or financial costs as a result of its positive stance on the Paris Declaration and subsequent agreements.
VII. National Role Conceptions and Systemic Change

Emerging Powers and Systemic Change: Theoretical Foundations

Increasingly, rapid growth in middle income countries and economic stagnation in the developed North are shifting the balance of power away from the Western world and toward formerly “poor” countries. As the global balance of power moves Eastward and Southward, emerging powers’ discontent with certain institutions raises questions as to the sustainability of the world order crafted throughout centuries of Western hegemony. As rising powers seek prominence in the international system, they do so in the context of a well-entrenched status quo comprised of widely accepted norms, formal organizations, and politically and economically powerful states. Emerging powers are faced with the implicit choice of acceding to the status quo, or mounting a challenge against existing institutions that may fail to reflect their interests. This dynamic is evident in emerging donors’ interactions with the “traditional” development architecture, and is perhaps best embodied in their relationships with the DAC’s aid effectiveness agenda.

Emerging powers’ relationships with status quo institutions have long been central concerns of international relations theorists, particularly for realists, who emphasize the role of power in analyses of state behaviour. In realist thought, power is the ultimate driver of state action, as governments aim to control resources, strengthen their own security, and acquire status on the international stage that allows them to influence events in ways that further advance their interests (Morgenthau 1960). Realists are not alone in their conception of power as a driving force in the international system. Indeed, as Wendt (1999) points out, a number of schools of thought, including neoliberalism, Marxism, dependency theory, and constructivism emphasize interstate power relations in their explanations of world affairs (97). Although these schools differ in their explanations of where power comes from and its importance in relation to other elements of international relationships, there is a general recognition amongst them that states that possess power will seek to retain it.
Powerful states are able to maintain their relative advantages over weaker nations through their abilities to set global agendas, perpetuate norms that match their ideological inclinations, and establish institutions that reinforce their preferences on the world stage (Gilpin 1987, Jesse et al. 2012: 10, Nadkarni 2013: 5). Through these mechanisms, hegemonic powers are able to craft world orders that are stable, self-perpetuating, and satisfactory to the status quo. In the contemporary world, the United States and its liberal democratic allies remain at the apex of the remarkably durable world order crafted in the aftermath of World War II. The stability of this order can largely be attributed to the “stickiness” of the institutions that underpin it (Ikenberry 1998: 45).

Ikenberry argues that the durability of the liberal world order comes in part from its constitution-like character, in which institutions “reduce the returns to power” by providing checks and balances to restrain the actions of their most powerful members, thereby encouraging weaker states to participate in the resulting system by alleviating fears of domination (Ibid.: 67, Nadkarni 2013: 5). Thus, an overwhelming majority of the world has signed on to the political and economic order established through the United Nations, Bretton Woods institutions, and other bodies, which maintain their own quasi-judicial procedures for adjudicating disputes and (generally) perpetuate norms such as open trade, respect for human rights, and the non-violent resolution of conflicts (Ibid.). The “stickiness” of the current network of global governance institutions derives in part from its comprehensiveness and wide membership, and from a self-reinforcing process of socialization that it imposes on participating states.

Various schools of international relations conceptualize institutions as environments which socialize their members to follow their preferred behavioural standards, which can drive states to assume new roles in the international system or to internalize changes in their values and interests (Kratochwil & Ruggie 1986, Checkel 2005: 808). Such changes can take place through a variety of mechanisms. Rationalist thinkers have attributed states’ tendencies to adopt the norms and values of international institutions to strategic calculations in which social and material incentives and sanctions shape governments’ behaviours (Ibid.: 808-810, Johnston 2001: 487). Role theorists, by contrast, shift the analysis of international socialization from a logic of consequences to a logic of appropriateness. According to role theorists, states’ attitudes toward
international institutions are shaped by their self-defined roles and the signals they receive from other states. In conditions of sustained engagement with international institutions, role theorists argue that states adopt behaviours because they appear contextually appropriate. Over long periods of time, such behaviours may become taken for granted habits (Checkel 2005: 810-812, Nadkarni 2013: 8). A third school of socialization theory assesses norm diffusion as a process of normative suasion, and highlights international institutions as platforms for communication. Organizations provide states with opportunities to persuade their peers to adopt new positions through an extended process of dialogue and reflection, sometimes leading non-compliant states to accept and internalize the norms of the institutions to which they are party (Checkel 2005: 812-813, Johnston 2001: 496-499). The combination of these mechanisms has served to curb potential challenges to the institutionally grounded liberal world order.

Despite the apparent “stickiness” of the Western world order, it is not impervious to challenges. As discussed previously, rising powers have expressed frustration at existing institutions’ continued bias toward the status quo, and their perceived failure to give emerging powers a voice commensurate with their economic and political heft in other contexts. Power transition theorists have sought to explain the dynamics that emerge when ascendant powers encounter a robust existing world order. A crucial element of power transition theory is its departure from realist explanations of state behaviour as a quest to maximize power. Instead, power transition theorists posit that states seek to maximize gains, irrespective of whether or not they are at the apex of the international system (Kugler & Organski 1989: 172-174). Thus, rising powers might opt to content themselves with the status quo if they are satisfied by existing institutions. If emerging powers do not feel fairly compensated by the status quo, however, they might seek to undermine and change existing structures by becoming “revisionist” powers (Ibid., Tammen et al. 2000: 10, Palmer & Morgan 2010: 26).

While power transition theorists primarily concern themselves with the study of hegemonic war, Palmer and Morgan (2010) argue that states’ designations as “status quo” or “revisionist” powers are context dependent. Palmer and Morgan argue that foreign policies are ultimately devoted to the pursuit of two goods: change, and maintenance (Palmer & Morgan 2010: 7). Even states which are normally identified as
“status quo” powers regularly seek to affect change to aspects of the international system, and emerging powers opposed to the status quo may yet seek to retain some aspects of it. Thus, power transition need not be thought of exclusively in terms of global grand strategy. Instead, power transition can be thought of as a series of negotiations and institutional shifts occurring simultaneously across a wide range of policy areas.

Whether or not an emerging power might seek to challenge the status quo and how it goes about doing so are largely functions of its role in the international system. The model presented by K.J. Holsti identifies two primary sources of role identities. First are states’ self-defined national role conceptions, which “include the policy makers’ own definition of the general kinds of decisions, commitments, rules and actions suitable to their state, and of the functions... their state should perform on a continuing basis in the international system or in subordinate regional systems” (Holsti 1970: 245-246). Such self-conceptions are derived from a variety of sources, including geographic location, state capabilities, socio-economic conditions, ideology, and domestic public opinion. Second are the “role prescriptions” implied by exogenous factors, such as international norms, system structure, treaty commitments, and global opinion (Nadkarni 2013: 8-9). Role prescriptions implicitly entail certain responsibilities and actions that the international community expects the state in question to take.

States’ role conceptions and prescriptions feed into their national role performances, which are manifested as general foreign policy behaviours, including their attitudes, decisions, responses, functions, and commitments in the international arena (Holsti 1970: 245). Role performance is a critical element of power transition, as states which perceive themselves to be regional or international leaders, are dissatisfied with status quo institutions, and possess the capabilities to credibly challenge existing structures are more likely to adopt a revisionist policy toward status quo institutions (Ibid.: 255). Thus, emerging powers’ conceptions of their roles on the international stage crucially contribute to their engagements with existing norms and structures.

The theoretical frameworks outlined above can be applied to the rise of emerging development partners and their interactions with existing aid governance institutions. As discussed in the above case studies, South Africa has largely resisted acquiescing to
status quo aid governance institutions, and has worked with other emerging powers to
invest in an alternative development architecture free from the historical baggage that
plagues Northern-dominated fora and which offers equitable decision making powers to
member states. Indonesia, by contrast, has cooperated closely with DAC member states
in its efforts to expand its role as a development partner, and has declared its intentions
to abide by DAC aid effectiveness guidelines. The remainder of this section will explain
Pretoria’s and Jakarta’s respective relationships with the global aid architecture through
an examination of the roles they occupy in the international system.

Applicability to South African and Indonesian Development Cooperation

The increasing prominence of South-South Development Cooperation and the
emergence of new donors represents one front of a protracted process of power
transition, as Western dominance of official development resources declines. Despite
the increasing competition that the Global North faces in the provision of official
development assistance, the institutions that it has crafted to govern aid and
development (including the OECD-DAC, IMF, and World Bank) have thus far remained
dominant. Yet as explained in previous sections, emerging donors have a number of
differences with their status quo peers in the Global North. This includes a philosophy of
horizontal rather than vertical partnership, averseness to political conditionality, an
emphasis on the primacy of national sovereignty in all aspects of international relations,
and a distinct view on the balance between self-interests and humanitarian concerns in
development relationships (Fues et al. 2012: 245-247). As a result of these contrasts
with their Northern counterparts, many of the most prominent emerging donors have
ample reason to be dissatisfied with current institutions that are perceived as top-down,
agenda-driven, and nominally divorced from the pursuit of national interests.

While these points of contention can be applied equally to South Africa’s and
Indonesia’s relationships with the status quo aid architecture, South Africa has taken a
markedly more revisionist stance toward existing institutions, and has in some cases
openly challenged Northern preeminence in international development policy. Despite
the fact that Indonesia’s economy and population are both significantly larger than South
Africa’s, it has generally supported and cooperated with status quo development
institutions in its capacity as an emerging donor. I contend that the variance in these
countries’ positions can in large part be traced to the national role conceptions that they have adopted in their foreign relations.

As noted in section V, South Africa is a giant on the African continent in many respects, including its aggregate and per capita economic performances, its successes in constitutional governance, and its military might. As a result of these relative advantages over its neighbours, Pretoria has unequivocally pursued a leadership role in Africa, which is evident in its Afro-centric foreign policy, its development activities on the continent, and its contributions to AU institutions. Indeed, external signals have validated South Africa’s self-perception as a continental leader. The fact that Pretoria is the sole African voice in key international bodies such as the G-20 and the BRICS forum, and is often the partner of preference for external powers seeking to engage in sub-Saharan Africa has conferred upon South Africa a sense of global significance. This leadership role is affirmed in a variety of contexts. In the context of aid effectiveness, this leadership is evident in the fact that South Africa’s delegation at the DAC fora was frequently approached by smaller, more aid-dependent nations to voice developing country concerns and suggestions on their behalf (NT:IDC 2015).

Yet, as discussed above, this leadership is tempered by concerns on the continent that Pretoria could act as a regional hegemon by using its policy initiatives in Africa to benefit itself at its neighbours’ expense or use regional institutions to disproportionately advance its national interests (Ford 2014: 9, O’Riordan 2013: 3, Lucey & O’Riordan 2014: 2, Makokera 2015: 4, Vickers & Ajulu 2008: 17, 20). In order to alleviate these concerns and maintain its preeminent position in African affairs, Pretoria has consistently sought to reaffirm its African identity, engage with regional multilateral institutions, and distance itself from Northern powers, which are often accused of being paternalistic and self-serving in their actions on the continent (Chahoud 2007, ANC 2015, Mawdsley 2012: 6).

Due to the combination of continental leadership, international prominence, and a desire to distinguish itself from the status quo, in many ways South Africa has come to resemble the archetypical roles that Holsti identifies as “Anti-Imperialist Agent” and “Regional Leader.” “Anti-Imperialist Agents” stand in opposition to status quo institutions
which they view as unjust or threatening. The most powerful of these states, motivated by a combination of their rising capabilities and ideological distinctions from the status quo, might seek to catalyze systemic transformations in international affairs (Holsti 1970: 255, 264). The Regional Leader role conception, as its name suggests, reflects a government’s belief that it has special duties or responsibilities due to its position in a particular region (Ibid.: 261).

South Africa has indeed openly sought to revise several aspects of the international system. The extent to which South Africa is adopting a revisionist foreign policy orientation is evident in recent discussion documents for the ruling ANC’s 2015 policy conference. The documents candidly lament American hegemony, praise China as a leader in the world system, bemoan the fall of the Berlin Wall as a boon to US imperialism, and warn of the dangers of “the centrality of the Washington consensus” in international relations. US policies in Africa are described negatively as “counterrevolutionary,” and Washington’s actions on the continent are accused of being intended to subvert democratic governance (ANC 2015 159-194). While these points come from an internal ANC document and are not officially enshrined in state policy, they underscore the increasingly revisionist outlook of the country’s deep-seated ruling party, and evidence South Africa’s national self-conception as an agent for global change.

Aid and development governance is one of many policy areas in which Pretoria is actively contesting the status quo. South Africa has complained that the DAC “Aid Effectiveness” agenda and other development institutions are “crafted by the North and reflect a particular world view that often does not take cognizance of global shifts in power and influence over the past two decades” (Sidiropoulos 2012: 236). Pretoria has remained cautious of OECD outreach efforts, which it worries amount to efforts to “[lock it] into a specific framework… which in turn might constrain [its] relations with other developing countries” (Ibid.: 237). As mentioned in section V, South African ambivalence toward the ODA status quo extends beyond reticence to incorporate the DAC Aid Effectiveness agenda in its development activities. Most significantly, this has included the launch of the New Development Bank with its partners in BRICS, a development finance institution that openly seeks to compete with the IMF and World Bank.
Indonesia’s more cooperative stance toward the development status quo is a function of both the generally passive role it occupies in the international system, and its relative satisfaction with existing development institutions. Although Indonesia is by far the largest state in Southeast Asia in terms of its population and economic weight, Jakarta has a much weaker claim to regional leadership than Pretoria does in Africa. As explained in section VI, many of Indonesia’s ASEAN peers far exceed its per capita economic performance. Further, Jakarta is rarely considered a military or commercial threat. While Indonesia is the lone Southeast Asian member of the G-20, the region’s proximity to China, Japan, India, and Australia (which all also maintain membership in the G-20 and exceed Indonesia economically) significantly dilutes Indonesian power in Southeast Asia.

Further compounding Indonesia’s aversion to challenging the status quo is its general lack of institutional capacity. As section VI outlined, Jakarta’s SSTC initiatives are implemented by a fractured array of state agencies, with near complete autonomy over partnership selection, design, and implementation, minimal communication between one another, and no central agency to provide oversight to their activities. Jakarta is keenly aware of its inability to act as a cohesive development agent. Despite efforts from the Ministry of Foreign Affairs and the NCT to consolidate partnership activities and encourage line ministries to prioritize certain countries and programs, their cooperation continues to be voluntary. This severely constrains Jakarta’s ability to use development funding strategically to advance its national interests.

In the absence of a clear mandate for regional leadership, a lack of strong ties to revisionist emerging powers, and the weak institutional capacity of its own international development architecture, Indonesia is far less capable of launching a credible challenge to status quo development powers than is South Africa. At the same time, Jakarta has little reason to adopt a revisionist orientation toward the aid governance architecture at the present juncture. As explained earlier in this section, power transition theorists attribute revisionism not only to the rise of new powers in the international system, but to such states’ overall satisfaction with status quo institutions. Due to the low threat perception that Indonesia’s neighbours have of Jakarta and the generally lower levels of dependence on Western aid in Southeast Asia than in Africa, Indonesia has had
considerably more latitude to partner with traditional donors than South Africa. As a result, Jakarta has pursued close and productive triangular cooperation relationships with DAC donors, which has in turn given Indonesia few reasons to be dissatisfied with the status quo aid governance regime.

As detailed in section VI, Jakarta has bolstered its international development portfolio through trilateral partnerships with DAC donors, who provide funding, training, and institutional support to Indonesia’s fledgling foreign aid programs. The NCT holds that such trilateral partnerships are beneficial to Indonesia, due to both the material benefits they provide and the learning opportunities that ministries might derive by working closely with long established aid donors (NCT 2015). Further, most DAC and multilateral efforts to “donorize” Indonesia (JICA 2011) have concentrated on capacity building (Jasmina et al. 2013: 8, Muhibat et al. 2014: 66, USAID 2013: 36), and have generally strayed away from demanding costly reforms to enhance Indonesia’s adherence to aid effectiveness principles. Thus, while Jakarta’s SSTC programs have benefited from inflows of resources and expertise from DAC partnerships, these relationships have entailed few costs. Consequently, Indonesia has had little reason to subvert or challenge “traditional” development institutions in its capacity as an emerging donor.

In many ways Indonesia emulates the archetypical “bridge” role in its relations with status quo development architectures. This role conception largely implies that rather than seek to undermine status quo institutions, states see themselves as important facilitators in a broader dialogue between blocs (Holsti 1970: 266-267). In the context of development effectiveness, Indonesia has sought to serve as a “bridge” between developing country interests and the status quo. While NCT officials emphasize that Indonesia is not content to merely be a “rule taker” in aid governance, they also expressed the belief that working within the existing development architecture improves Jakarta’s capacity to meaningfully influence future development effectiveness dialogues. Official understandings of Jakarta’s role in the international system indeed reflect this “bridge” role, as Indonesia aims to take advantage of its growing international stature to serve as a voice for Southern countries in future development fora (NCT 2015).
VIII. Conclusion: Emerging Powers and the Future of Aid Governance

The growing significance of non-DAC donors heralds both opportunities and challenges for the future effectiveness of global development efforts. Southern development actors bring to the table not only financial and in-kind resources, but also unique insights into the challenges that lower-income countries face. At the same time, the entrance of new actors to the international development arena augments the difficulties of coordinating and harmonizing aid flows to maximize the positive impacts that aid resources have on their beneficiaries. Although the philosophical foundations of North-South and South-South development cooperation differ, the two modes of partnership purport to share the common goal of contributing to a safer, more prosperous, and more stable world. Despite this important shared objective, it remains unclear whether existing international frameworks can facilitate cooperative and productive relationships between Northern and Southern donors. While Northern donors have generally insisted that existing institutions such as the DAC can serve as the basis for future cooperation, some emerging donors have raised concerns about such bodies’ legitimacy in governing South-South partnerships, and have contended that they privilege the world views and preferences of Western powers.

As the cases of South Africa and Indonesia presented above suggest, emerging powers vary widely in the degree to which they cooperate with status quo development institutions. While many middle income development actors (such as Indonesia) have adopted a “bridging” role conducive to their cooperation with the status quo, some of the most powerful emerging donors (most significantly, the BRICS states) have signaled a strong preference for new institutions free from what they perceive as excessive Western influence. As argued in section VII, these emerging donors’ positions toward the status quo development architecture can largely be understood in terms of the roles which they occupy in the international system, which are derived from their positions in
regional and global power hierarchies, bureaucratic capacities, organizational memberships, and the level of satisfaction each receives from cooperating with existing institutions.

As shifts in the international development landscape reduce the West’s monopoly over available aid resources, the attitudes that new donors adopt toward the existing development architecture will in large part determine its future viability. In the absence of shared operational principles between Northern and Southern donors, the risks of further aid fragmentation, sub-optimal usage of available development resources, and straining recipient governments’ management capacities are likely to grow as non-DAC ODA providers expand their partnership programs. If revisionist policy stances are largely attributed to national role conceptions, there are three possibilities for arriving at a shared understanding of “aid effectiveness” that could facilitate cooperation to minimize these risks.

The first possibility is that the role conceptions of revisionist donors change, such that they no longer perceive themselves capable of or interested in challenging the status quo. Current trends, however, render this outcome unlikely. Forecasts indicate that most of the BRICS states will continue to post strong growth rates in the future, with China expected to surpass even the United States in terms of nominal GDP by 2026 (EIU 2015). Further, the increasing institutionalization of the BRICS bloc has reinforced its status as a counterweight to Western political dominance, and the launch of the New Development Bank constitutes a substantial investment on the part of its members in creating an alternative to the status quo (Fues et al. 2012: 249). As institutional and material commitments serve to reinforce national role identities (Holsti 1970: 45), such measures can be expected to further reinforce revisionist orientations and limit these new donors’ willingness to cooperate with the status quo aid governance regime.

A second possibility for cooperation would be reforming established institutions such that emerging donors have less reason to be dissatisfied with the status quo. To date, much of the criticism of the status quo development architecture has focused on the ongoing dominance of Western nations in aid governance processes (Fues et al. 2012: 254, Chandy & Kharas 2011: 744). This is particularly problematic to more
powerful emerging donors, such as the BRICS states, which are rapidly gaining in their relative importance to Western countries and are increasingly eager to act as “rule makers” in the international system (Paulo & Reisen 2010: 548).

While the status quo has made some moves toward a more inclusive multilateralism, such as the shift of crucial decision making from the G8 to the G20, IMF governance reforms, and the DAC outreach strategy discussed in section IV, such changes have thus far been unsatisfactory to the most powerful emerging donors. Despite increases in emerging economies’ vote shares in the IMF, for instance, the United States retains an effective veto in IMF decision making and senior managers are only appointed with the approval of the US and Europe (Woods 2010: 56). With regard to the DAC, concerns remain that Aid Effectiveness fora and related events remain dominated by Northern powers despite their purported commitment to partnership and inclusiveness (Fues et al. 2012: 254, Chandy & Kharas 2011: 744, Mawdsley 2012: 175). The revisionist roles adopted by powerful emerging donors further complicate the capacity of status quo institutional reforms to nurture cooperative working relationships between Northern and Southern development actors. At least in part, these roles are derived from expectations that rising powers will serve as agents of change by fiercely advocating for a more democratic and equitable world order in accordance with longstanding “Third World” principles. In this context, joining institutions historically dominated by the Global North and converging with Western development norms and standards could entail reputational costs for emerging donors (Paulo & Reisen 2010: 549).

In light of these obstacles to existing frameworks’ abilities to foster cooperation between Northern and Southern donors, a third possibility, pursuing “neutral” arenas for global aid negotiations, might be the most effective for forging shared development principles and encouraging donor coordination. The UN Development Cooperation Forum (DCF) is sometimes presented as such an arena. The DCF was launched in 2007 to monitor trends in development cooperation, make recommendations on policy measures to enhance aid effectiveness, and provide a platform for both donor and recipient countries to share and discuss best practices in development assistance (UN 2007). Unlike the DAC, the DCF includes both donor and recipient nations as full
members, and is open to all states. Thus, the DCF sets aid recipients and emerging donors on a more equal footing with traditional development actors, and has been endorsed by the G77 as an ideal platform for future aid effectiveness talks (G77 2010). However, while the DCF has enjoyed support from aid recipients and some emerging donors, it remains institutionally weak, under-funded, and more resemblant of “a loosely structured process… than a functioning platform for enhanced dialogue” (Allyón 2009: 5, Mawdsley 2012: 192, Paulo & Reisen 2010: 549). Further, the DCF may have minimal appeal to DAC donors, who continue to provide a majority of ODA and would need to be persuaded to relinquish key aid governance responsibilities to a forum in which they have considerably less power (Paulo & Reisen 2010: 549).

While cooperation between established and emerging donors has the potential to improve the efficacy of development resources and enhance the supply of “global public goods,” each of the scenarios presented above suggests that any successful effort to this end will need to overcome apparent incompatibilities between the expectations of rising Southern powers and the status quo development governance architecture. As this paper has argued, these challenges are derived in large part from the role conceptions of new donors, which are products of their positions in regional and global power hierarchies, institutional memberships, capacities of relevant state agencies, and incentives to cooperate with status quo institutions and norms. As relationships between new donors and the existing development architecture unfold, the extent to which such conflicts are resolved (or fail to be resolved) will be of critical significance to the future composition of ODA governance regimes, and the effectiveness of international development efforts.
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