



SOUTH AFRICAN INSTITUTE OF  
INTERNATIONAL AFFAIRS  
African Perspectives. Global Insights



# NETWORK OF SOUTHERN THINK TANKS SOUTH AFRICAN REFERENCE GROUP

**Draft Report of Launch Meeting**

**28 March 2015**

**Jan Smuts House, Johannesburg**

**Neissan Besharati**

**Kelebogile Khunou**

**Matshidiso Moilwa**



## LAUNCH OF NEST SOUTH AFRICA REFERENCE GROUP

### Executive summary

The South African Institute of International Affairs (SAIIA) in collaboration with Oxfam hosted the first meeting of the South African chapter of the Network of Southern Think Tanks (NeST) on 28 January 2015 at Jan Smuts House. The meeting, attended by over 40 participants, brought together a wide range of local stakeholders such as academics, think tanks, non-governmental organisations (NGOs), philanthropies, humanitarian organisations and government departments engaged in South Africa's development assistance to the continent. With the purpose of unpacking South Africa's development co-operation, participants had discussions elaborating on the South Africa-specific approach to development partnerships, its paradigm, guiding principles and challenges. As part of the broader work of NeST, the contributions from the meeting will assist in the future operational framework of the upcoming South African Development Partnership Agency (SADPA), as well as how South Africa engages in development co-operation in Africa, aligning itself with the AU–NEPAD–SADC regional development processes, and how it positions itself in international debates such as the Global Partnership for Effective Development Cooperation, the UN Development Cooperation Forum, the G20 Development Working Group, BRICS/IBSA forums and the Post-2015 Development Agenda.



## Contents

---

1. Introduction and background .....	4
South–South co-operation in the global development debates .....	4
Network of Southern Think Tanks .....	5
NeST South Africa Chapter .....	5
South African perspectives on development co-operation .....	6
Issues for future consideration by NeST South Africa .....	7
2. Unpacking South Africa’s development co-operation .....	8
South Africa’s key priority areas .....	9
Involvement of other stakeholders in development co-operation.....	10
Defining South Africa’s development cooperation.....	10
3. Effectiveness of South Africa’s development partnerships .....	13
Lessons learnt from PALAMA’s Regional Capacity Building Project (RCBP) .....	13
Principles guiding South Africa’s development co-operation.....	14
Challenges in South Africa’s development co-operation.....	15
4. Conclusion.....	17
 <b>Annex 1: NeST South Africa reference group terms of reference .....</b>	<b>19</b>
<b>Annex 2: Members of NeST South Africa .....</b>	<b>21</b>
<b>Annex 3: NeST SA launch meeting agenda.....</b>	<b>23</b>
<b>Annex 4: Useful readings and reference documents .....</b>	<b>25</b>
<b>Annex 5: Insights about SA emerging from discussions at NeST international meetings .....</b>	<b>26</b>
<b>Annex 6: Elaboration on SA’s development co-operation through literature review.....</b>	<b>32</b>
<b>Annex 7: Presentation on NeST by Neissan Besharati.....</b>	<b>39</b>

## 1. Introduction and background

*The first session constituted a welcome by co-hosts SAIIA (Elizabeth Sidiropoulos) and Oxfam (Marianne Buenaventura Goldman), opening remarks by a senior official from the SA National Treasury (Mmakgoshi Phetla-Lekhethe) and an introduction and background to NeST by the African NeST focal point (Neissan Besharati). The presentations were followed by a vibrant group discussion. The following are points raised in the discussions.*

### South–South co-operation in the global development debates

The last decade has seen a significant increase in South–South co-operation (SSC) in terms of quantum, geographic reach and diversity of approaches. The Busan High Level Forum (HLF4) and the Mexico High Level Meeting (HLM) of the Global Partnership for Effective Development Cooperation (GPEDC) highlighted the reluctance of emerging economies such as Brazil, China and India to subscribe and conform to the existing international aid regimes. Emerging economies are sceptical about aid effectiveness forums such as the GPEDC, as they feel these forums are still predominately led and dominated by Organisation for Economic Co-ordination and Development – Development Assistance Committee (OECD-DAC) donors, and do not adequately reflect the specificity of Southern approaches and development paradigms. After major efforts to include these emerging economies in the global aid system, the result of the HLF4 was a weaker, diluted and more disbursed Busan outcome document.

Notwithstanding this, Southern countries often find themselves at a disadvantage at international development forums, with fewer resources and opportunities to discuss internally within a Southern configuration the broader issues in international development. This is in contrast to their OECD-DAC counterparts, who tend to have a well-researched and common position on development issues during the global debates.

The knowledge gaps in SSC, exacerbated by weak information systems and limited evaluation practices among Southern partners, have often been raised at meetings of Southern partners such as the Delhi conference of Southern Providers (2013), the Nairobi (2009) and Bogota (2010) conferences and several UN Development Cooperation Forums. These forums stressed the urgent need for an appropriate platform to allow South–South partners to analyse, monitor, account,



share knowledge on SSC, and build a common position for future engagements in international development forums.<sup>1</sup>

The dialogue around SSC further needs to take into consideration the peculiarities of the more marginalised developing and low-income countries. Developing countries are diverse; in their different economic structures, varying degrees of political stability and different trade patterns. Thus there are diverse opinions and positions in the Global South; these countries have different relationships and varying degrees of intimacy with the OECD and with the DAC. Southern countries have common donor–recipient experiences and need to construct a consolidated Southern voice when engaging in global policy forums, in order to counter-balance the OECD-DAC narrative. What comes out of NeST is a constructive voice in response to the traditional aid effectiveness discourse.

### **Network of Southern Think Tanks**

In response to the SSC knowledge gaps and policy calls, NeST was established at the peripheries of the Mexico High Level Meeting in April 2014. The network has committed itself to ‘generate, systematise, consolidate and share knowledge on SSC approaches in international development’.<sup>1</sup> It will develop a common definition and conceptual framework for SSC; create a set of indicators for measuring South–South development co-operation, and systemise knowledge and data collection, setting an overall framework and steps forward in SSC research and policy agenda.

NeST comes at an opportune time, when the international development discourse has been largely shaped by traditional donors. The views and contributions of emerging economies and low-income countries need to be reflected in the international development landscape. Against the background of declining aid flows from North–South co-operation (NSC) – due to the global financial crises – there is a rising expectation for emerging economies to shoulder global development responsibilities. However, this will not necessarily take the traditional route.

### **NeST South Africa Chapter**

The purpose of the NeST South Africa reference group, established in early 2015, is to further the SSC agenda locally by:

- generating broad-based support, enthusiasm and momentum for NeST’s work in South Africa and in the region;
- developing a common understanding among local stakeholders on the nature, principles, practices, approach, effectiveness, challenges and strengths of South Africa’s development partnerships in Africa;
- framing, unpacking and elaborating on the South Africa-specific approach to development co-operation, and how it relates to or differs from the approaches of other Southern providers and traditional donors;

---

<sup>1</sup> NeST inception document, Beijing, October 2014.

- improving data availability, access to information, knowledge and evidence around South Africa's approach to development co-operation on the continent; and
- providing useful inputs for South Africa's development co-operation policy, the future work of SADPA, and South Africa's positioning in the global development co-operation debates.

The launch of NeST South Africa brought together diverse stakeholders – experts, universities, humanitarian organisations, research institutes, think tanks, NGOs and civil society organisations, the private sector, philanthropic foundations and various local networks engaged in research, policy debate and analysis of South–South co-operation and international development.

Although the network is mainly an academic forum, policymakers and practitioners play a special role in grounding NeST debates in reality and concrete policy needs. The ways in which Southern governments, development agencies, finance institutions and multilateral and regional institutions interact with NeST are as users and main clients of NeST products and services, such as background research, discussion papers, analytical reports, policy briefs and recommendations and presentations linked to policy processes. They may also serve as advisors to the NeST academic group, and as financial or political supporters of NeST activities.



### South African perspectives on development co-operation

As an emerging economy, South Africa has a distinctive approach to development co-operation, animated by key principles such as mutual benefit, demand-driven assistance and focus on sustainability. Domestic resource mobilisation has been identified as a critical priority for Africa and therefore also for South Africa. The imperative is to strengthen the ability of African countries to collect and manage local revenue. This should be the main source of finance for national development processes.

Foreign aid is still needed in many parts of Africa and is welcomed, but it needs to align with recipient priorities, systems and standards and focus on local capacity development. SSC is also seen as a source of development support to African countries. However, as they are intrinsically different<sup>2</sup> SSC does not intend to replace North–South co-operation; nor does it claim to be superior to it. As such South Africa is open to different models and approaches and adopts an attitude of learning towards both Southern and Northern development experiences.

<sup>2</sup> See Besharati N, 'Common Goals Differential Commitments', DIE Discussion Paper, 2013.

It is hoped that the work of NeST South Africa will contribute to the future operations of SADPA, as well as to how South Africa engages in development co-operation in Africa and in global debates about international development.

SADPA's establishment has been slow, tedious and long overdue. Eight years after the ANC Conference in Polokwane, where the agency was first mooted, the SADPA Bill has still not been passed in Parliament. The Department of International Relations and Cooperation (DIRCO), the Department of Trade and Industry and the National Treasury are still in the midst of political and technical discussions around SADPA. Nonetheless, the agency has been processed as a public entity through the Department of Public Service and Administration (DPSA) and the National Treasury has already made some budget provisions for it. Once ratified by Parliament, the SADPA Bill will allow for the establishment of the new Partnership Fund, which will repeal the previous African Renaissance Fund (ARF) Act and transfer all remaining funds and assets to SADPA.

The absence of SADPA and DIRCO representatives at this important meeting was noted, but some stakeholders commented that it is not productive to dwell too much on SADPA as South Africa's development co-operation includes many other aspects, forms and important agencies providing assistance to Africa.

In its future discussions and efforts, NeST South Africa might further unpack the following issues and challenges specific to South Africa's development partnerships:

- *Political challenges:* Balancing domestic priorities with foreign policy; countering the negative perception of South Africa as a regional hegemon or 'big brother' in Africa; and balancing African politics with politics at the G-20 and BRICS level.
- *Technical challenges:* Promoting better co-ordination, rationalisation and coherence in the development efforts in Africa. Defining development assistance from the South African perspective; solving the problem of weak monitoring and evaluation mechanisms (M&E) and reporting, information and accountability systems; and engaging private sector, civil society, Parliament and other stakeholders.

Despite these challenges, South Africa continues to play a pivotal role in Africa, enjoys good relations with Northern countries and engages in a range of trilateral co-operation projects. It is therefore in a position to learn from the development experiences of both the North and the South.

### **Issues for future consideration by NeST South Africa**

*The following points were raised in the group discussion with regard to taking the agenda forward and the future steps to be undertaken by NeST South Africa.*

In closing the knowledge gaps that exist and creating more structured foundations of operation for SSC, the network should not seek to create uniformity in what is a very dynamic, diverse and flexible spectrum of SSC approaches.

NeST should produce research and analysis for the South by the South.

The network will have to clearly define its mandate and objectives in order to differentiate it from other networks such as the BRICS Academic Forum and the South African Council of International Relations. NeST has a more narrow focus on development co-operation and on delivering a concrete product, namely a framework for South–South co-operation in development.



NeST SA could grow into the future reference/advisory group planned in the constitution of SADPA.

The network should go beyond South African stakeholders and have a broader Africa continental focus. Going forward it can be NeST Southern Africa or NeST Africa.

The network should remain an informal and open space for discussion by academia, civil society, the private sector and other stakeholders. Government involvement should be light in order to allow space for open, frank, progressive and critical discussion around South Africa's development co-operation.

The next meetings of NeST SA should seek to determine its focus, work plan and research agenda; how the group will organise itself; how it will communicate with its members; where it will be based; and how it will finance and sustain its activities.

## 2. Unpacking South Africa's development co-operation

---

The first roundtable discussion was centred on the following questions.

- What are South Africa's key priority areas in terms of country and regional selection and sectoral areas; and the key political, economic and strategic drivers?
- How do other stakeholders engage in South Africa's development co-operation?
- What is included in South Africa's definition of development co-operation?

*Chair/facilitator of the discussion: Michele Ruiters, Development Bank of Southern Africa*

#### *Experts who kicked off the discussion*

- Amanda Lucey, Institute for Security Studies
- Jitendra Hargovan, Independent Consultant, TAU/SADPA

*From the presentations of the panellists and subsequent group discussion, the following points were raised and considered.*

### **South Africa's key priority areas**

South Africa sees itself as a development partner, not a donor, promoting co-operation, collaboration and partnership in its foreign policy approach, which is characterised by the concept of the 'diplomacy of ubuntu'.<sup>3</sup> This is also a guiding principle of South Africa's development co-operation. Much of South Africa's focus is on the Global South in general and on Africa in particular. While it is evident that Africa is a priority, it is unclear which part of Africa is the focus. This raises questions such as: Should the focus be on the Southern tip? Should development co-operation be used to strengthen our relations with our counterparts in the North, West and East? How can it engage with regional mechanisms as opposed to bilateral agreements?

A special niche of South Africa's co-operation appears to be conflict mediation, peacekeeping and post-conflict development and state building. Much of South Africa's work in this area is, however, ad hoc. South Africa does a lot of peacekeeping but not so much peace-building, which should lead to sustainable development.

There are political, economic and strategic drivers of South Africa's development co-operation (refer, for instance, to Besharati, 2013). Some of the areas of its partnerships with the continent include humanitarian assistance; post-conflict reconstruction and development; election support and democracy; capacity development and institution-building; information sharing and knowledge exchange; economic co-operation and regional integration; infrastructural development; and trilateral co-operation, including the IBSA Trust Fund.



Much of South Africa's development partnership efforts have been short term, unsustainable, fragmented and unco-ordinated and lacking an overarching strategic direction. One viewpoint is that there is no need for a regional, country or sector strategy as South Africa's development co-

---

<sup>3</sup> DIRCO, White Paper, 2011.

operation should be demand driven and not emulate the 'Northern' prescriptive approach to foreign aid. A shortcoming of adopting this demand-driven approach is that South African co-operation will go in all kinds of directions, while endeavours can easily become fragmented and thus be rendered ineffective as South Africa does not have a strategic approach or overarching agenda.

### **Involvement of other stakeholders in development co-operation**

From analyses produced by various South African research institutes, conclusions show that the government's engagement with other stakeholders is weak. South African civil society organisations and private sector have been present and actively engaged on the continent, but their activities do not fit into the holistic strategy of the South African government.

It seems that the government is wary of engaging with business in development co-operation in order not to give the impression that South Africa is trying to further its commercial interest on the continent through its foreign aid. The mechanisms that would facilitate the engagement between the government, business and civil society on international development co-operation are largely absent. Given that most of South Africa's development co-operation projects are bilateral agreements between states, it is unclear how the government would be able to support civil society actors and the private sector if they functioned outside of these agreements.

### **Defining South Africa's development cooperation**

The OECD-DAC has defined official development assistance (ODA) as:

'those flows to countries and territories on the DAC list of ODA recipients and to multilateral institutions which are provided by official agencies including state and local governments or their executive agencies, each transaction of which is administered with the promotion of economic development and welfare of developing countries as its main objective and is concessional in character and conveys a grant element of at least 25 per cent calculated at a rate of discount of 10 per cent'

Over the years the DAC has continuously refined and detailed ODA reporting rules to ensure fidelity to the definition and the greatest possible consistency among donors. In recent years, however, there have been important discussions and decisions within the DAC on revising and broadening the former ODA definition.<sup>4</sup> On a side note, colleagues from the National Treasury highlighted that in reality none of the DAC donors is consistently following their own definitions and rules in the way they provide and report on aid to South Africa.

<sup>4</sup> See OECD (Organisation for Economic Cooperation and Development), communiqué from the DAC High Level Meetings, <http://www.oecd.org/dac/OECD%20DAC%20HLM%20Communique.pdf>.

The boundary of ODA traditionally excludes military aid and peacekeeping, but much of South Africa's assistance is in the security sectors. From an African perspective, development cannot be achieved without peace and stability being established first. South African institutions, such as the DBSA and the IDC, provide many loans for financing infrastructure development in Africa, but these



do not meet the concessionality terms of ODA. The largest amount of financial transfers from South Africa to its neighbours occurs through Southern African Customs Union (SACU) budget support – whether this is development co-operation or not is debatable.

Quantifying the extensive co-operation activities that South Africa has in the arenas of education, health, security and agriculture with the rest of the African continent remain a major challenge. Like most other SSC, most of South Africa's co-operation is with regard to knowledge and people exchange, which often does not translate easily into financial terms. Moreover, some of South Africa's development co-operation occurs outside 'official' channels. Because of the above reasons, most of South Africa's development co-

operation programmes fall outside the ODA definition and are not counted in OECD-DAC systems.

The global development architecture is still dominated by Northern terms, understanding, approaches and modalities, and this also affects how development co-operation is interpreted. Recognising this fact, local stakeholders need to agree on a uniquely South African definition of development co-operation and stand by it. Similarly, the question of whether or not South Africa's financial assistance to SACU members should be counted as development assistance needs to be considered carefully. Furthermore, the definition needs to be wider than just partnerships between governments and include co-operation between peoples. South Africa's development efforts need to take into consideration the interests of the people rather than merely the interests of the government of the day. This makes for stronger and more long-term relationships.

In defining South Africa's development co-operation, care must be taken to maintain the diversity of approaches and avoid stifling the dynamic actions of the different stakeholders engaging in Africa. Government colleagues present at the meeting highlighted that a major contribution that NeST can provide is to assist the government to define, quantify and account for the wide range of South African development co-operation activities on the continent so to have a common and comprehensive information repository for all stakeholders.

On the international front, it is also important to compare South Africa's co-operation with that of both OECD donors and other SSC providers. It is therefore important to have a commonly agreed definition for SSC among emerging development partners. The NeST workshop in March with



experts from the rest of the global South will be a very important platform to develop such a common SSC conceptual framework.

### 3. Effectiveness of South Africa's development partnerships

---

The second roundtable discussion was centred on the following questions.

- What are the core features that distinguish South Africa's development partnership paradigm and how does South Africa articulate its key co-operation approach?
- What are some of the key principles (ie, ownership, transparency, accountability, results-based demand-driven, mutual benefits, etc.) on which South Africa's development co-operation is based?
- What are the current challenges facing South Africa's development co-operation and how can these be improved?

*Chair/facilitator of the discussion: Fritz Nganje, University of Johannesburg*

*Experts who kicked off the discussion*

- *Sal Muthayan, Public Administration Leadership and Management Academy*
- *Malcolm Damon, Economic Justice Network/ Better Aid Africa*

*Many development co-operation projects have been undertaken in Africa by different South African stakeholders. Some of the panellists were able to share in detail some of the concrete examples and experiences of implementing such SSC projects in the field. In these projects many lessons and insights could be extracted with regard to the ways in which South African institutions have been engaging with their African counterparts when undertaking development co-operation. Group discussion followed the presentations.*

#### **Lessons learnt from PALAMA's Regional Capacity Building Project (RCBP)**

The project focused on three post-conflict countries, namely Burundi, Rwanda and South Sudan. The purpose was to improve the management and leadership capability of the public service of these African countries through training and development. It was a five-year trilateral project funded by Canada and based on the lessons learned from South Africa's previous experiences in SSC capacity building in the Democratic Republic of the Congo (DRC). The expected results were improved skills and capacity for good governance and better service delivery in the targeted post-conflict countries.

The focus needs to be on capacity development rather than mere capacity building to ensure the sustainability of development endeavours. It is important to first consolidate the technical aspects of projects before engaging the political spheres, which could easily destabilise efforts.



Equal relations between development partners need to be established. In the past equal relations were encouraged by rotating the hosting and chairing of meetings among the partners; generating funding from local sources; adding a level of informality in the relations; freely sharing learning and knowledge; and empowering the various stakeholders in the process.

South African development co-operation needs to move beyond results-based management to include process-based management. Analysing relations and interactions between partners is a large part of what SSC is about.

The success of a project greatly depends on the presence of a 'project champion' – these are typically people with commitment and expertise who take on the burden of ensuring that everyone is on board and behind the ultimate success of the project.

### Principles guiding South Africa's development co-operation

South Africa stands to gain from the learning accumulated by the international development regime, thus far led by Northern donors. South Africa has been a signatory to the outcomes documents of all High Level Meetings in Rome, Paris, Accra and Busan. Therefore, the principles outlined in the aid and development effectiveness meetings can and should be used to guide South Africa's engagement in SSC. South Africa's development partnership paradigm is not adversarial to the present order, but rather concerned with adopting the principles and lessons that are useful for the South and discarding that which is deemed inappropriate in the context. These principles outlined in the Paris Declaration, which South Africa also stands behind, are as follows.

- *Ownership: Developing countries set their own strategies for poverty reduction and improve the institutions that drive their national development processes.*
- *Alignment: Donor countries align behind partner country objectives and use local systems.*
- *Harmonisation: Donor countries co-ordinate and simplify procedures and share information to avoid duplication and burdens for the recipient country.*
- *Results: Developing countries and donors shift focus to development results, which are regularly monitored and evaluated.*
- *Mutual accountability: Donors and partner countries are mutually accountable for development results and conduct regular joint reviews of their co-operation activities.<sup>2]</sup>*

During the discussion several key principles were also highlighted that are distinctive and specific to South Africa's development co-operation as an SSC and African partner. These include:

- multi-stakeholder participation, inclusiveness and broad-based democratic ownership;
- co-operation, collaboration and partnership with diverse parties;
- mutual benefit (but with more benefit to the poorer country);
- demand-driven approach;
- mutual accountability and transparency;
- stronger monitoring, evaluation and results-based management;
- promotion of human rights and social justice; and
- ubuntu, solidarity and humility.

### Challenges in South Africa's development co-operation

South Africa struggles with finding a balance between taking a firm stance on aid conditionalities and adopting a rights-based approach, which is enshrined in its constitution. Although the process of promoting SSC is guided by the principles of equality, mutual respect, respect for sovereignty and non-interference, in the past these principles have been used to justify dealings with undemocratic governments led by authoritarian leaders who do not adhere to international human rights standards. Similarly, South Africa loses credibility when it fails to adhere to human rights commitments both within its territory and in the external activities of the government and private sector, which all play a role in promoting South Africa's image on the continent. South Africa needs to be more firm and consistent in taking a human rights-based approach in its development co-operation.



South Africa also needs to be careful with its role in Africa, as it is already perceived with suspicion as a 'big brother' and regional hegemon. This cannot be avoided, considering the economic power that South Africa has within the region. Nevertheless, it can avoid perpetrating arrogant attitudes and rather adopt a posture of humility, learning and respect for its African counterparts.

South Africa continues to have a comparative advantage on the continent compared to other traditional and emerging partners, as it has a better understanding of the African context and shares similar experiences and geo-political proximity. At the same time, Africa is no longer a passive recipient of aid, as it was 20 years ago. There are many old and new partners operating on the continent. Therefore, South Africa's co-operation needs to be competitive in comparison to the development assistance offered by other partners.

Other challenges facing South Africa's development co-operation were highlighted by the group, including:

- often-unrealistic expectations and goals for South African co-operation projects;
- no communication or co-ordination between the various South African government departments and agencies involved in development co-operation, even within the same recipient country;
- lack of an over-arching coherent development partnership strategy, which is linked to South Africa's lack of a clear and coherent foreign policy;
- weak M&E and even basic information management across the system;
- the need for South Africa to be more assertive and effective within the BRICS in pushing forward Africa's interests and priorities; and
- limited civil society and private sector involvement in South Africa's development co-operation – this needs to be further strengthened.

South Africa needs to keep to its effectiveness commitments while acknowledging the role of political agendas and commercial interests. It needs to be clearer and more transparent about its political, economic and strategic priorities when undertaking development co-operation.

## 4. Conclusion

---

*The first meeting of the NeST South Africa chapter was concluded with closing remarks by representatives of the two co-hosts (Oxfam and SAIIA), who summarised some of the key points emerging from the meeting and outlined some of the steps forward.*

One of the top priorities for South Africa's development co-operation is to address the serious information gap. There is a high imperative to account for the full extent of the country's international development activities. NeST can assist the government in this endeavour, and furthermore conduct more in-depth analysis and case studies on South Africa's development co-operation in different African countries.

In attempts to define South Africa's development co-operation, NeST should look at the principles as a starting point for this exercise, as well as at the concrete actions and experiences that depict South Africa's development partnership activities in Africa. Emphasis must be placed on the application of the principles rather than on the usual rhetoric.

The principles of 'mutual benefit' and 'demand driven', highlighted through the discussion, need to be unpacked and further explored. What does that concretely mean for South Africa's development co-operation and approach?

South Africa's development partnerships need to be driven by the principles of social justice and human rights and focused on 'people-to-people' co-operation.

In an effort to avoid the duplication of efforts, NeST South Africa should synergise and co-ordinate with other think tank groups such as the South African Council of International Relations and the BRICS academic forum.

South Africa's development co-operation should move beyond results-based management to incorporate process-based management as well.

A point of consensus stressed throughout the meeting was to keep the network inclusive and broad-based, engaging the government, civil society, private sector, philanthropies and all other interested actors.

In order not to fall into the traditional donor trap of a South African-dominated process and to keep the focus on the broader African region, the general consensus was to expand the group from NeST South Africa to 'NeST Southern Africa' by inviting other actors from the region to future meetings.

A key conclusion of the meeting was the relevance of many DAC principles, such as ownership, results-orientation, transparency and accountability, to South Africa's development co-operation.

However this needs to be complemented with the integration of other Southern principles such as mutual benefit, demand driven and focus on capacity development.

### *Way forward*

The meeting was only the beginning of the discussion to unpack South Africa's development co-operation. Further issues will be elaborated at subsequent meetings and more actors need to be brought into the discussions going forward.

The first meeting of NeST South Africa involved a rich discussion on South Africa's development co-operation, which is fragmented across government departments and sectors, bringing out diverse views and opinions from a wide range of stakeholders.

The next meetings will address in more depth the network's focus, research agenda and work plan, and determine how the group will organise itself, how it will communicate, where it will be based and how it will finance and sustain its activities.

Going forward NeST SA will provide a broader African forum for discussion.



## Annex 1: NeST South Africa reference group terms of reference

---

### TERMS OF REFERENCE

January 2015

#### Background

Over the last decade there has been a growing interest in and debate over the role of emerging economies and Southern partners in global development, particularly in Africa. Recent international development co-operation conferences such as Busan HLF4 (2011) and Mexico HLM (2014) have highlighted the tensions in the integration of new development players in the global aid effectiveness regimes originally spearheaded by the OECD-DAC donors. At the same time very little understanding and evidence exist on the role and contribution of Southern partners in global development, due in part to limited data, information and M&E capacities among the emerging players. The Delhi Conference of Southern Providers (2013) discussed some of these knowledge gaps and the need for appropriate platforms to exchange knowledge among emerging development partners.

Against this background NeST was established on the fringes of the Mexico HLM in March 2014. This network of development co-operation experts and academics from the global South was formed in order to 'generate, systematise, consolidate and share knowledge on South–South Cooperation (SSC) approaches in international development'. The executive group of NeST met in Beijing in November 2014 to finalise governance arrangements and draw up the work plan, which included an ambitious agenda of methodology development, empirical research, capacity development, improvement of data and M&E systems, knowledge sharing and policy support to Southern development agencies.

While some of the plans of NeST remain global in nature, many of its activities are to be further elaborated and implemented by the various national and regional chapters of the network. In order to advance the NeST agenda in Africa, and to further define, refine and enhance the understanding and effectiveness of South Africa's development partnership

approach, a reference group of South African experts, policymakers and stakeholders will be formed to constitute the national chapter of NeST South Africa.

### **Purpose of the network**

The purpose of the NeST South Africa reference group is to provide a multi-stakeholder platform to support South African and African debate on international development policy, by generating evidence, better understanding and systematising knowledge on South Africa's development co-operation and how this relates to the approaches of other Southern providers and traditional donors operating on the African continent.

This may include:

- generating broad-based support, enthusiasm and momentum for NeST's work in South Africa and in the African region;
- developing common understanding among local stakeholders on the nature, principles, approach and success indicators for South Africa's development partnerships;
- improving data availability, access to information, knowledge and evidence around South Africa's approach to development co-operation on the continent; and
- hosting periodic meetings, workshops and events among South African experts, policymakers, partners and stakeholders dealing with development co-operation.

### **Membership**

In line with the global NeST governance principles, NeST South Africa membership is open to experts, academics, researchers, and civil society and private sector representatives engaged in research, policy debate and analysis of South Africa's development co-operation. NeST South Africa also welcomes policymakers, technocrats, legislators and officials from South African government departments, agencies, parastatals and financing institutions engaged in development co-operation in Africa and globally, as well as representatives from multi-lateral and regional institutions.

## Annex 2: Members of NeST South Africa

---

Dr Chris Alden- **London School of Economics/SAIIA**  
Mr Neissan Besharati- **SAIIA/Wits School of Governance**  
Dr Wolfe Braude- **ACCORD**  
Prof. Narnia Bohler-Muller- **HSRC**  
Ms Marianne Buenaventura Goldman- **Oxfam**  
Mr Daniel Chiwandamira- **Centre for Development Enterprise**  
Rev. Malcolm Damon- **Economic Justice Network**  
Ms Sharon Ekambaram- **Medecins Sans frontieres**  
Ms Neuma Grobbelaar- **SAIIA**  
Mr Jitendra Hargovan- **Independent Consultant**  
Dr Alan Hirsh- **University of Cape Town**  
Mr Francis Kornegay- **Institute for Global Dialogue**  
Ms Corlett Letlojane- **HURISA**  
Ms Amanda Lucey- **Institute of Security Studies**  
Dr Rasigan Maharajh- **Institute for Economic Research on Innovation**  
Dr Lesley Masters- **University of Johannesburg**  
Prof. Anne McLennan- **Wits School of Governance**  
Mr Pooven Moodley- **Oxfam**  
Dr Candice Moore- **ACCORD**  
Ms Sanusha Naidu- **FAHAMU**  
Mr Sive Ndoda- **Behold SA**  
Mr Mthandazo Ndlovu- **Oxfam**  
Dr Fritz Nganje- **University of Johannesburg**  
Mr Adern Nkandela- **African Grantmakers Network**  
Ms Elizabeth Sidiropoulos- **SAIIA**  
Dr Laila Smith- **CLEAR-AA**  
Mr Matthew Smith- **Strategy and Tactics**  
Mr Mandeep Tiwana- **CIVICUS**  
Prof. Anthoni Van Nieuwkerk- **Wits School of Governance**  
Mr Jeff Zingel- **Independent Consultant**

### Observers and government partners

Mr Sipho Bhanisi- **Department of Science and Technology**  
Mr Simon Ferreira- **National Treasury**  
Mr Flor. E Healy- **National Treasury**  
Mr Katlego Makgabo- **Department of Science and Technology**  
Ms Lineo Mosala- **Content advisor parliament portfolio committee on IR**  
Dr Sal Muthayan- **PALAMA**  
Ms Seema Naran- **National Treasury**  
Mr Lucky Ngwenya- **Statistics South Africa**



Dr Diane Parker- **Department of Higher Education and Training**  
Ms Mmakgoshi Phetla-Lekhethe- **National Treasury**  
Mr Itumeleng Rantao- **National Treasury**  
Dr Michele Ruiters- **Development Bank of Southern Africa**  
Ms Karabo Smith- **Department of Science and Technology**

## Annex 3: NeST SA launch meeting agenda

---

### Network of Southern Think Tanks (NeST) South Africa Reference Group Meeting Agenda

28 January 2015

SAIIA, Jan Smuts House, University of the Witwatersrand, East Campus, Johannesburg

*The meeting is held under Chatham House rules.*

9:00 **Arrival Coffee**

9:30 **Launch of to NeST South Africa reference group**

Welcome by the co-hosts

- *Elizabeth Sidiropoulos, South African Institute of International Affairs*
- *Marianne Buenaventura Goldman, Oxfam*

Opening remarks by government partner

- *Mmakgoshi Phetla-Lekhethe, Deputy-Director General, National Treasury*

Round of introductions of NeST SA members

Background and introduction to NeST within the context of the GPEDC and the global South-South Cooperation debates

- *Neissan Alessandro Besharati,  
Wits School of Governance / South African Institute of International Affairs*

*Q&As and moderated discussion*

*Chair/Moderator: Elizabeth Sidiropoulos, South African Institute of International Affairs*

11:00 **Tea Break**

11:20 **Round Table Discussion 1: Unpacking South Africa's Development Cooperation**

- What are SA's key priority areas, in terms of:
  1. Country/regional selection?

2. Sectoral areas?
3. Key political, economic and strategic drivers?
  - How do other stakeholders engage in SA's development cooperation (parliament, parastatals, civil society, private sector, academia, parastatals, etc.)?
  - What is included in SA's definition of development cooperation (ODA, DBSA infrastructure loans, SACU transfers, peace-keeping operations, student scholarships, inter-ministerial capacity-building, etc.)?

*Chair/Moderator: Michele Ruiters, Development Bank of Southern Africa*

*Experts to kick-off the discussion*

- *Amanda Lucey, Institute for Security Studies*
- *Jitendra Hargovan, independent consultant*

*Moderated Group Discussion*

**12:50 Lunch Break**

**13:30 Round Table Discussion 2: The Effectiveness of South Africa's Development Partnerships**

- What are the core features that distinguish SA's development partnership paradigm and how does SA articulate its specific cooperation approach?
- What are some of the key principles (i.e. ownership, transparency, accountability, results-based, demand-driven, mutual benefit, etc.) on which SA's development cooperation is based?
- What are the current challenges facing SA's development cooperation and how can these be improved?

*Chair/Moderator: Fritz Nganje, University of Johannesburg*

*Experts to kick-off the discussion*

- *Sal Muthayan, Public Administration Leadership and Management Academy*
- *Malcolm Damon, Economic Justice Network / Better Aid Africa*

*Moderated Group Discussion*

**15:00 Closing remarks by co-hosts - summary of meeting and follow up actions**

- *South African Institute of International Affairs*
- *Oxfam*

## Annex 4: Useful readings and reference documents

---

- Besharati N, 'South African Development Partnership Agency (SADPA): Strategic Aid or Development Packages for Africa?', SAIIA Research Report 12, August 2013, Johannesburg, <http://www.saiia.org.za/research-reports/south-african-development-partnership-agency-sadpa-strategic-aid-or-development-packages-for-africa>
- Network of Southern Think Tanks (NeST), Inception Document, Governance Structure and Work Plan, 29 November 2014, Beijing (available upon request – [neissan.besharati@wits.ac.za](mailto:neissan.besharati@wits.ac.za))

## **Annex 5: Insights about SA emerging from discussions at NeST international meetings in Midrand**

---

### **Specific insights about South Africa emerging from the NeST multi-stakeholder policy dialogue and NeST technical workshop held in Midrand from 3–5 March 2015**

#### ***South Africa's dual nature***

South Africa is a two-state nation, with both First World and Third World characteristics. Similar to its African counterparts, South Africa suffers from high levels of inequality, unemployment, poverty and other social challenges. In many cases it is still an aid recipient and benefits from support and learning from other countries. On the other hand, in the global scene it is considered an 'emerging economy', the economic powerhouse of Africa, and a stable democratic country that plays a strategic and prominent partnership role in the entire region. It thus engages in a significant amount of South–South, trilateral and multilateral activities, dedicating a large amount of its resources, peoples, and expertise to support its weaker neighbours and more troubled sister-nations on the African continent. South Africa is thus a classical middle-income country that continues to be a recipient of international aid while at the same time being a prominent Southern provider in the regional and global development landscape.

#### ***Africa at the centre***

South Africa is in a special position in that it engages in development co-operation 'in Africa for Africa'. Although there are many complex dynamics within the continent, South Africa is more in tune with the developmental, political and security context in Africa than the other emerging and traditional powers. Furthermore, the political ties of the ANC and other liberation movements across the continent lend the South African government some legitimacy and access to the

region<sup>5</sup>. Under new leadership after the end of apartheid South Africa engaged in a foreign policy of 'African Renaissance' focused on creating stronger ties with the continent<sup>6</sup>. Still today, its foreign policy is very closely tied to the position of the continent. Given its strategic geo-political position, which allows it to be the gateway to Africa, South Africa plays an important role in facilitating multi-lateral initiatives, being an important bridge between Africa and other development partners, both traditional and emerging. Furthermore, in every global forum it participates, South Africa endeavours to advocate the African position and African priorities. While being careful not to project itself as a dominant regional hegemon, South Africa endeavours to promote equal relationships with its African partners.

### ***South Africa's position in International development***

Its commitments and responsibilities to the African continent frame South Africa's strong stance in promoting the African agenda at international forums such as the UN, the G-20, the GPEDC and the Aid Effectiveness High Level Meetings. At the same time, South Africa has a firm stake in the arena of emerging global powers, being a member of the BRICS and IBSA club and conscripting strongly to the ideals of SSC, which are entrenched in principles of mutual benefit, horizontal co-operation, demand-driven support, non-interventionism and respect for state sovereignty. Many of the Southern powers such as Brazil, India and China take strong counter-positions in respect to the traditional OECD countries in the GPEDC and in other global forums (see for instance Busan HLF, 2011, and Mexico HLM, 2014). South Africa's position is, however, less polarised as it chooses to adopt a more pragmatic and moderate stance, opening itself to constructive dialogue with Northern partners. This is because of its commitments to aligning itself to African continental needs, which are still to a large extent dependent on foreign aid. Therefore Africa remains open to explore and improve all avenues of financing for its development, both internal as well as external, from the North, South, East and West.

---

<sup>5</sup> Stahl A, *Trilateral Development Cooperation between the European Union, China and Africa: What Prospects for South Africa*, Centre of Chinese Studies, Discussion Paper, 2012, p. 27.

<sup>6</sup> Stahl A, *Trilateral Development Cooperation between the European Union, China and Africa: What Prospects for South Africa*, Centre of Chinese Studies, Discussion Paper, 2012, p. 28.



### ***A focus on peace and security***

South Africa's perspective is that peace and security are fundamental to achieving sustainable development. As such it takes a lead in interventions such as conflict mediation, peace building, democratic elections and good governance on the African continent. Since the beginning of the democratic dispensation South Africa has provided significant development assistance through its defence and police services in countries such as Burundi, the DRC, the Central African Republic, Sudan, Comoros, Liberia, Côte d'Ivoire and South Sudan<sup>7</sup>. Peacekeeping initiatives were almost always followed by support to electoral processes, institution building, training of security forces, strengthening of rule of law, and post-conflict reconstruction and development.

### ***Emphasis on transparency and accountability***

Transparency and accountability are important principles cherished in South Africa's democracy and reflected in the operations of its state institutions and a vigilant and demanding citizenry. South Africa is known to have one of the most transparent public financial management systems in the world. In the Open Budget Index (International Budget Partnership) 2012 survey, South Africa ranks number two ahead of countries such as the UK, Sweden, Norway, US and Germany<sup>8</sup>. The leadership in the Collaborative Africa Budget Reform Initiative (CABRI) and its endorsement of the new transparency standards of the Global Partnership are all a testament to South Africa's commitment to transparency and accountability of public finance information.

This is, however, not reflected in information on development co-operation, which is extremely weak in both South Africa's incoming and outgoing aid. In this respect South Africa faces very similar information management challenges as all the other Southern providers. This is not because of a lack of political will, but rather due to technical limitations related to the diversity and spread of South Africa's co-operation across different agencies, definition issues, accounting challenges and capacity limitations of DIRCO/SADPA to undertake such large data collection

---

<sup>7</sup> Besharati N, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, South African Institute of International Affairs, Report 12, 2013, p. 18.

<sup>8</sup> See Open Budget Survey 2012, <http://internationalbudget.org/wp-content/uploads/OBI2012-Report-English.pdf>

exercises and regularly publish such information in the public domain, from what has been also witnessed thus far with the ARF.

### ***Emphasis on domestic resource mobilisation***

Domestic resource mobilisation is a critical priority for Africa, constantly voiced by both African member states and regional institutions. Africa considers domestic resource mobilisation the primary source of financing for its own national and regional development processes, therefore considerable attention is being paid to strengthening public financial management systems and tax and revenue-generating agencies. South Africa is actively involved in capacity-building efforts in this arena through spearheading initiatives such as CABRI for peer learning and exchange among African finance ministries and the African Tax Administration Forum (ATAF) for promoting efficient and effective tax administration. Strengthening the ability to collect local resources helps African governments have more ownership of their development processes, determine the allocation of resources and curb corruption and illicit financial outflows. It strengthens accountability, as domestic populations can begin to see how states prioritise development objectives and spend public money. Domestic resource mobilisation will not fully replace North–South aid but it will minimise Africa’s dependency on it, considering also alternative sources of funding emerging from the private sector and from South–South co-operation.

### ***Value-based approach: Championing democracy, human rights and social justice***

Given the principle of ‘ubuntu’ cherished in African tradition, the historical struggle against oppression and injustice, its pluralistic society and its progressive post-1994 constitution, South Africa is strongly committed to upholding the principles of human rights and social justice in all of its endeavours, domestically as well as internationally. This distinguishes it at times from many of its other peers in the global South as it also stands out as a ‘luminary of democracy’ within the African continent.

When conducting South–South co-operation, however, South Africa finds itself challenged by finding a balance between the promotion of its principle-based ideals (social justice, human rights, democracy), more similar to the North, and the Southern notions of non-conditionality, non-interference and respect for sovereignty, which it also needs to follow as it takes a softer diplomatic role to maintain balance in its delicate relationship within the broader African

community. See more discussion on this tension in Besharati (2013), Moore (2013), Nganje and Khadiagala (2014)<sup>9</sup>.

### ***Open to all and willingness to learn from both North and South***

South Africa values development partnerships within Africa, with the global South and with the traditional partners in the North, as it is understood that they constitute the bedrock of the current international development co-operation system. South Africa acknowledges the benefits of working closely with and learning from the experiences of the Northern countries. In the establishment of SADPA, South African officials conducted study trips to learn from many emerging economies such as Turkey, Brazil and Mexico, but also learned from many traditional donors such as DFID, Norway, Germany, etc. At the same time South Africa feels it can also learn from its sister African countries, which have developmental experiences similar to those of some of the poorer areas of South Africa.

While not an OECD member, South Africa is very heavily engaged with the OECD and has even posted a National Treasury attaché in Paris to follow the various working groups, committees and technical discussions. Generally, South Africa sees the value in engaging with the OECD as it can gather information on good practices from other developed countries, gain high-level analytical and technical advice, and modify and apply lessons gained from the experiences of Northern countries to its own contexts<sup>10</sup>. Thus South Africa's development partnership paradigm is not

---

<sup>9</sup> See Besharati N, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, South African Institute of International Affairs, Report 12, 2013; Khadiagala G, *South Africa's democracy promotion in Africa*, draft paper presented to the IDRC /DIE / CISP international conference on "Promoting Democracy: What Role for the Emerging Powers" held in Ottawa, 15–16 Oct. 2013; Moore D, *South Africa and Zimbabwe: Democracy Promotion or Regime Consolidation*, held in Ottawa, 15-16 Oct. 2013 and; Nganje F, *The evolution of South Africa's doctrine on democracy promotion in Africa: from idealism to norm promotion and pragmatism*, draft paper presented to the IDRC /DIE / CISP international conference on "Promoting Democracy: What Role for the Emerging Powers" held in Ottawa, 15–16 Oct. 2013

<sup>10</sup> Besharati N, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, South African Institute of International Affairs, Report 12, 2013, p. 30.



adversarial to the traditional international order but incorporates and adopts some of the principles and lessons that are useful, while discarding that which is deemed unsuitable and inappropriate for the South African and African context.

## Annex 6: Elaboration on SA's development co-operation through literature review

---

### ***What are South Africa's key priority areas in terms of country and regional selection; sectoral areas; key political, economic and strategic drivers?***

DIRCO's priority areas in South Africa's development co-operation through the ARF and now through SADPA have consistently been projects geared towards:

- regional integration;
- peace, security and stability;
- post-conflict reconstruction;
- strengthening relations with Africa and the global South;
- promoting good governance; and
- humanitarian assistance.

Naturally the geographic priority of South Africa emerges as a result of the above considerations. Approximately 70% of South Africa's development co-operation is in the SADC region. This increases to 96% when SACU transfers are included. South Africa engages with African post-conflict regions including the DRC, Sudan, Burundi, Rwanda and Somalia where mediation and national reconstruction is required. Some recipient countries of South Africa's development assistance have been those that share ideological links and liberation struggles with the ANC, such as the Palestinian territories and Cuba. While the focus of SADPA will remain on the African continent, DIRCO indicates that some small assistance will be extended to Asia and the Caribbean.<sup>11</sup>

### **The political drivers**

The ANC has a material and moral obligation to repay the African countries that supported it during the struggle against apartheid.<sup>12</sup> The SA government's foreign policy is centred on 'ubuntu', which includes values and notions of interconnectedness, partnership and collaboration within the African and global family. A driver of South Africa's development co-operation is the government's commitment to supporting the African development agenda articulated in the vision and documents of institutions such as the AU, NEPAD and SADC.<sup>13</sup>

More pragmatic drivers exist too. Political and economic instability on the continent lead to an influx of migrants and refugees into South Africa, which in turn puts a strain on South Africa's public service and causes a rise in xenophobic attitudes and general public discontent. It is the

---

<sup>11</sup> Besharati N, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, South African Institute of International Affairs, Report 12, 2013, p. 23.

<sup>12</sup> *Ibid.*, p. 24.

<sup>13</sup> *Ibid.*, p. 25.

understanding that an underdeveloped region would inevitably lead to increased insecurity, crime and migration, which drive South Africa's enlightened self-interest.<sup>14</sup>

### **Economic and strategic drivers of government**

South Africa's development co-operation has not been used as strategically as other countries such as China and India have used theirs. DIRCO's white paper and foreign policy approach have been viewed as 'too innocent, idealistic, altruistic and naïve' when compared with those of other major players in Africa – the Europeans, Americans, Chinese, Indians, Turks and Brazilians – all driven by strong national interests in the current global economic climate.<sup>15</sup>

There is also the view that South Africa's development co-operation should be more geared towards the promotion of investment, that South Africa is too small to grow on its own and that Africa is the primary target market for its manufactured goods and services.<sup>16</sup> However, South Africa's foreign policy has not reached the level of sophistication needed to integrate economic considerations into development co-operation. South Africa is not benefitting from its peacekeeping, mediation and capacity-building efforts, instead Europe, countries such as China and Brazil and the Arab states are taking advantage of the new markets brought about by peace and stability.<sup>17</sup>

There have been attempts to use South Africa's development assistance as soft diplomacy, for example securing a seat on the UN Security Council and Nkosazana Dlamini-Zuma's chairmanship of the AU Commission. These, however, have resulted in limited success.

### ***How do other stakeholders engage in South Africa's development co-operation (Parliament, parastatals, civil society, private sector, academia, parastatals, etc.)?***

There is a general consensus that all stakeholders need to be engaged in development co-operation processes to expand national ownership and consultation to Parliament, the private sector, civil society, unions, academia and other key domestic players.

The role of **Parliament** is critical in terms of accountability and monitoring the executive and budgetary process. At the moment Parliament does play an oversight role over the ARF, and this will be extended once the SADPA Partnership Fund is also instituted. At that point SADPA will have to regularly provide the parliamentary committees on Finance and International Relations with reports on South Africa's diverse sources and forms of development co-operation as part of its information management function. It might be sensible to include members of Parliament in SADPA's Advisory

---

<sup>14</sup> Grimm S, 'Emerging economies in Africa and the development effectiveness debate', Discussion Paper, 107. Maastricht: ECDPM, 2011.

<sup>15</sup> Besharati N, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, SAIIA, Report 12, 2013, p. 26.

<sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.*

Board to increase Parliament's engagement with Pretoria's development initiatives on the continent.<sup>18</sup>

Another important player in development co-operation is **civil society**. Civil society can contribute through its promotion of democracy, pluralism, oversight and accountability, as well as through sharing its technical experience in the field of development. It also has significant experience in constitutional justice, mediation and peace-building activities.<sup>19</sup> Civil society organisations can assist in the design, implementation, research and M&E of South Africa's development co-operation activities.<sup>20</sup> Civil society groups have thus far been underutilised in South Africa's co-operation with the rest of the continent.

Notwithstanding the lack of support from government, the South African **private sector** dominates African markets in telecommunications, retail, tourism and financial services. The private sector is a significant contributor to development in the region.<sup>21</sup> The government can engage with businesses to align their charitable work with public development priorities. In South Africa, corporate social investment (CSI) amounts to almost ZAR<sup>22</sup> 8 billion a year, which has surpassed the total international donor funding to the country.<sup>23</sup> Many companies such as Netcare, Sasol and Shoprite already extend their CSI to the rest of the continent.

At times, South African companies' poor safety, employment and environmental practices can depict South Africa in a negative light in other African countries. It is therefore important to create formal mechanisms of collaboration between the business sector and South African international development institutions.<sup>24</sup> The capacity of the government to rally and co-ordinate all private and public stakeholders towards the same regional development vision is still very limited.<sup>25</sup> For the private sector to engage, however, companies need to see the 'return on investment' and the value of contributing to public goods. The private sector can also be an important 'implementer' and 'service provider' for development projects.<sup>26</sup>

**Development finance institutions** such as the DBSA and the IDC play an important role as financiers of development projects. These institutions also have units dedicated to supporting NEPAD and the

---

<sup>18</sup> *Ibid.*, p. 41.

<sup>19</sup> Grobbelaar N & Chen Y, *Understanding South Africa's Role in Achieving Regional and Global Development Progress*, Institute of Development Studies, IDS Policy Briefing 64, 2014, p. 3.

<sup>15</sup> *Ibid.*, pp. 41–42.

<sup>21</sup> Besharati N, *op. cit.*, p. 42.

<sup>22</sup> Currency code for the South African rand.

<sup>23</sup> Besharati N, Platinum and Passes, SAILIA Research Report 16, Johannesburg, 2014.

<sup>24</sup> Besharati N, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, SAILIA, Report 12, 2013.

<sup>25</sup> *Ibid.*, pp. 23, 27.

<sup>26</sup> *Ibid.*

Africa Agenda.<sup>27</sup> They have an active regional presence and engagement legacy and are expected to form the foundation of South Africa's development co-operation activities under SADPA.<sup>28</sup>

***What are the core features that distinguish South Africa's development partnership paradigm and how does South Africa articulate its key co-operation approach?***

The foundation of South African development co-operation is the spirit of 'ubuntu' upon which the three pillars of collaboration, co-operation and partnership are erected. This is what makes South Africa unique in its partnership development – the change in approach to working together instead of competing with other donors. South Africa sees itself as a 'development partner' rather than a 'donor', and envisions national and regional development processes occurring through multiple partnerships with the North, the South, multilateral organisations, the private sector and civil society.<sup>29</sup>

South Africa places its development assistance within the South–South co-operation movement, which is broadly defined as the exchange of resource, technology, skill and technical know-how among the countries of the South to promote development.<sup>30</sup> DIRCO's own definition of development partnerships is described as 'co-operation between developing countries in the field of aid, trade, security, and politics to promote economic and social well-being'.<sup>31</sup> Like other Southern providers, South Africa promotes the notion of solidarity, equality, horizontal co-operation, reciprocity, mutual benefit, exchange and learning.

Pretoria is also committed to align its development co-operation with African notions of development effectiveness and the principles laid out in several NEPAD documents such as the importance of local ownership, capacity development, policy coherence, sustainability, self-reliance and use of Africa's own resources to spur development on the continent.<sup>32</sup>

***What is included in South Africa's definition of development co-operation?***

The vast majority of South Africa's development co-operation programmes, such as peacekeeping, debt forgiveness, non-concessional loans for infrastructure development and trade and customs arrangements, fall outside the OECD definition and are not counted in official records.<sup>33</sup> Moreover, much of South Africa's development assistance is through training, scholarships and technical co-operation, which are often difficult to quantify and account for.<sup>34</sup> Without clear measuring agencies,

---

<sup>27</sup> *Ibid.*

<sup>28</sup> Grobbelaar N & Chen Y, *op. cit.*, p. 2.

<sup>29</sup> Besharati N, *op. cit.*, p. 36.

<sup>30</sup> *Ibid.*

<sup>31</sup> South Africa, DIRCO, Power Presentation to the NCOP Select Committee on Trade and International Relations, Cape Town, 3 August 2011.

<sup>32</sup> Besharati N, *op. cit.*

<sup>33</sup> *Ibid.*, p. 36.

<sup>34</sup> *Ibid.*

South African development co-operation within Africa varies somewhere between \$100 million to \$3.5 billion annually. The discrepancy in amount is an indication of the type of definitive problems that need to be addressed within development co-operation. The phrase 'development co-operation' is a more multidimensional construct in contrast with the narrowed OECD-DAC definition of ODA. The South African viewpoint of development co-operation involves 'co-operation between the developing and developed spheres in the field of aid; trade; security and politics to promote economic and social well-being in developing countries'.<sup>35</sup>

### **The OECD-DAC, ODA and the Global South**

The OECD-DAC definition of ODA has been heavily criticised by the South for being too narrow and not capturing the full extent of South–South co-operation. Official development assistance, according to the OECD Statistical directives, paragraph 35, is defined as

'flows to countries and territories on the DAC list of ODA recipients and to multilateral development institutions' which are:

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

Several areas of South–South co-operation are not covered by the above ODA definition, including peacekeeping efforts, refugee and student support, debt reorganisation, trade facilitation, private investment, concessional loans and credit lines, but are still very beneficial to recipient countries.<sup>36</sup>

### ***What are the current challenges facing South Africa's development co-operation and how can these be improved?***

In addition to the definitional issues discussed earlier, another main challenge of South Africa's development co-operation is the co-ordination of its diverse development partnerships. It is estimated that nearly half of all government departments are engaged in development co-operation activities – from Defence and Police, Education, Mineral Resources, Energy, and Trade and Industry to Agriculture, Public Enterprise, Science and Technology and others.<sup>37</sup> Furthermore, South African parastatals, statutory bodies and public enterprises offer developmental support to other countries. There have been attempts to quantify South Africa's outgoing development assistance, but all of the

<sup>35</sup> Vickers B, 'Towards a new paradigm: South Africa as African development partner', *Cambridge Review of International Affairs*, 2012, p. 536.

<sup>36</sup> Besharati N, 'Common Goals Differential Commitments', DIE Discussion Paper, December 2013.

<sup>37</sup> Besharati, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, South African Institute of International Affairs, Report 12, 2013, p. 31.

figures are inaccurate as a lot of information from different departments is missing and there is much debate on what should be included as development co-operation.

The absence of an overarching framework, strategy and operational guidelines for South Africa's development co-operation hinders its progress in this regard. There is a clear need for better co-ordination, information management and policy coherence from Pretoria.<sup>38</sup>

***What are some of the key principles on which South Africa's development co-operation is based?***

South Africa's foreign policy principles, according to Lucey and O'Riordan, include:

- the promotion of human rights;
- the promotion of democracy;
- justice and international law in the conduct of relations between countries;
- international peace and internationally agreed-upon mechanisms for the resolution of conflicts;
- promotion of the African agenda in world affairs and;
- economic development through regional and international co-operation in an interdependent world.<sup>39</sup>

One of the approaches to SADPA's future programming that DIRCO officials have considered is not to have a predefined pattern and set South African country strategy for international development co-operation in the same way that traditional DAC donors operate. In the spirit of national ownership the idea is that the development assistance, which South Africa would provide to a recipient country, would be demand-driven and tailored from country to country. These loose and open development partnership arrangements have their merits in terms of supporting country ownership; but they also contain some risks. They encourage a more fragmented and ad hoc approach to development co-operation, for which the ARF is already highly criticised. Not having a predetermined and clear South African development co-operation strategy makes it very difficult to properly assess overall results, create good accountability mechanisms and measure the effectiveness of programming towards the impact which the government, Parliament and citizenry would like to see from Pretoria's development assistance.<sup>40</sup>

Officially both the ARF and SADPA do not provide tied aid, but in practice and by default Pretoria's development co-operation is linked to South African institutions, service providers, companies, products, personnel and experts. The ARF, for example, in its humanitarian projects has made use of South African NGOs and charities. This is also in line with the DBSA's recent move to demand more 'local content' (which includes South African contractors) in its loan agreements. This is not a deliberate and systematic strategy by Pretoria to generate employment and support the domestic economy through its development collaboration, although some argue that it should be. Nevertheless, this trend seems to be similar to what occurs with other traditional donors as well as major Southern providers such as China, Brazil and India. This approach has been criticised by the

<sup>38</sup> *Ibid.*, p. 58.

<sup>39</sup> Lucey A and O'Riordan A, 'South Africa and Aid Effectiveness: Lessons for SADPA as a Development Partner', Institute for Security Studies, ISS Papers Issue 252, 2014, p. 4.

<sup>40</sup> Besharati N, *South African Development Partnership Agency: Strategic Aid or Development Packages for Africa*, SAIIA, Report 12, 2013, p. 53.

developing world as not leading to local empowerment and sustainability, and being inefficient because it inflates costs in favour of donor countries, with less actual aid being received by recipient countries.<sup>41</sup>

South Africa is often challenged to reconcile its Southern principles of non-conditionality, non-interference and respect for sovereignty with a rights-based approach that is derived from its historical fight against oppression and injustice. Pretoria has, for example, come under criticism for its lack of consistency with the non-conditionality principle. During the 2011 Swaziland financial crisis, South Africa offered Swaziland a \$355 million bailout loan, on condition Swaziland fulfilled financial reform requirements and accountability and other conditionalities related to political freedom and human rights reforms. The loan was eventually rejected by the Swazi monarch and caused a brief diplomatic strain between the countries. Similar challenges have been seen in the way South Africa has engaged with Zimbabwe, to cite another example. South Africa nevertheless at least in its rhetoric remains committed to promoting accountable and democratic leadership and good governance practices on the African continent, taking a similar position to the Northern partners. Pretoria is yet to reconcile its support for the Southern and African agenda with its commitment to ensuring accountability and moral leadership throughout the continent.<sup>42</sup>

Aid transparency and accountability is a principle cherished by Africa and therefore also by South Africa. South Africa has also been an international leader in this field, with initiatives such as CABRI and the ATAF, and prides itself on being the best country in the world with regard to budget transparency.<sup>43</sup> Ironically, however, accountability and information management for both incoming and outgoing development co-operation have always been a challenge for South Africa. The situation is much worse with regard to information on South Africa's outgoing assistance, as this is currently managed in a decentralised way by various departments and public entities that so far are not required to report to any central body. The weakness in monitoring, evaluation and information management appears to be a problem across most Southern and emerging donors. In part this is due to the fact that these Southern partners had relatively little time to develop and mature strong systems of their own. Their financial volumes are too small to justify complex and expensive M&E systems such as those of the DAC donors. Like its other Southern peers, South Africa's development co-operation is spread across a range of government entities and, as discussed earlier, a lot of the activities are difficult to quantify and to fit within the official ODA definition.<sup>44</sup>

Considering all the above imperatives and challenges, it is critical for South Africa to establish quickly its development co-operation agency in order to assess the overall effectiveness of the assistance it provides abroad. Creating good accountability mechanisms and measuring impact levels of Pretoria's development assistance will be the main objective of SADPA. SADPA will contribute towards defining South Africa's comparative strengths and technical expertise, and optimise those strengths to insure efficiency.<sup>45</sup>

---

<sup>41</sup> *Ibid.*, p. 54.

<sup>42</sup> *Ibid.*, p. 54.

<sup>43</sup> International Budget Partnership, *OBI 2010 Scores*, 2010, [http://internationalbudget.org/wp-content/uploads/2011/06/2010\\_Rankings.pdf](http://internationalbudget.org/wp-content/uploads/2011/06/2010_Rankings.pdf).

<sup>44</sup> *Ibid.*, p. 56.

<sup>45</sup> *Ibid.*, p. 56.

## Annex 7: Presentation on NeST by Neissan Besharati



### Background and introduction to NeST within the context of the GPEDC and the global SSC debates

Presentation for the NeST SA reference group meeting  
Neissan Alessandro Besharati

Jan Smuts House, Johannesburg, 28 January 2015

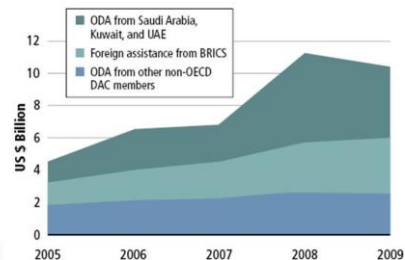
#### A new confusing development landscape

	GDP nominal	GDP per capita <sup>a</sup> (World class)	people living in dire poverty <sup>b</sup>	Gini Coef. in- equality	HDI <sup>c</sup>	Aid provided <sup>d</sup> (% of GNI)	ODA received <sup>e</sup>	G77	OECD DAC	G20
Brazil	2 476 652	12 594 Upper MIC	10.8% 20.8 mil	54.7	0.730 high	300-1,000	870	Y	N/N	Y
Chile	248 585	14 394 Upper MIC	2.7% 0.4 mil	52.1	0.819 very high	7	161	Y	Y/N	
China	7 318 499	5 445 Upper MIC	27.2% 363.8 mil	42.1	0.699 medium	3,000-7,000	796	Y	N/N	Y
Colombia	333 372	7 104 Upper MIC	15.8% 2.3 mil	55.9	0.719 high	0.4	1 024	Y	N/N	
Egypt	229 531	2 781 Lower MIC	15.4% 13.1 mil	30.8	0.662 medium	18.4	412	Y	N/N	
India	1 872 840	1 309 Lower MIC	48.8% 842.5 mil	33.9	0.554 medium	785-3,000	3 221	Y	N/N	Y
S. Korea	1 116 247	22 424 HIC		31.3	0.909 very high	1,550 (0.13%)	118	N	Y/Y	Y
OECD comparator	Iceland 14 026	Czech Rep. 20,677 HIC	USA <sup>a</sup> 1.2% 3.8 mil	USA <sup>a</sup> 45.0	Portugal 0.816 very high	Greece 324 0.13%	S. Korea 118	N	Y/Y	
Mexico	1 153 343	10 047 Upper MIC	4.5% 5.1 mil	47.2	0.775 high	320	963	N	Y/N	Y
Saudi Arabia	576 824	20 540 HIC			0.782 high	5,075 (0.85%)	N	Y	N/N	Y
South Africa	408 237	8 070 Upper MIC	31.3% 15.6 mil	63.1	0.629 medium	100-3500 (0.2%-1%) <sup>f</sup>	1 398	Y	N/N	Y
Turkey	774 983	10 524 Upper MIC	4.7% 3.4 mil	40.0	0.722 high	2,531 0.32%	3 193	N	Y/N	Y
UAE	360 245	45 553 HIC			0.818 very high	1,000 (0.32%)	N	Y	N/Y	

### The Rise of the South!

UNDP HDR 2013

- Increase in quantum, geographic reach and diversity of approaches to SSC



- Against declining ODA from DAC donors – financial crisis in North America and Europe
- Trends and Consequences
  - Closing aid taps to Middle-Income Countries
  - More expectations on the South – sharing burden of global development



- A new multi-stakeholder partnership (donors, recipients, multilaterals, CSOs, businesses, parliament, etc.)
- From aid to development effectiveness
- PCD and diversity of approaches and modalities
- A new global and national monitoring and accountability for effective development cooperation.



- African multi-stakeholder platform to engage in GPEDC
- The African Consensus \*
- Africa speaks with one voice
- African leadership: AU-NEPAD, Rwanda, South Africa, Nigeria, Malawi
- The African Action Plan



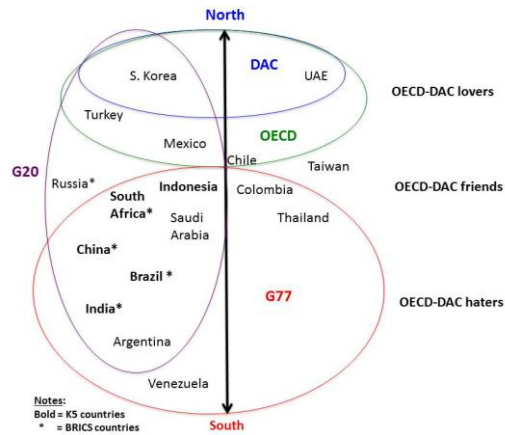
### Southern providers and the GPEDC

- GPEDC is a trap! – still a DAC driven thing
- “We don’t want to follow the same rules as the North” - “Not our rules... we didn’t make them” – “They are not appropriate for our specific type of development cooperation”
- SSC and NSC are essentially different things
  - Different history
  - Different paradigm/approach
  - Different functions
  - Incomparable volumes
  - Different capacities – not the same seasoned DAC donors (40 years of experience)
- “We are still developing countries with lots of poverty”

#### Negotiating Busan Outcome Document:

- bending backwards for China, India & Brazil
- diluted and weaker document
- voluntary for SSC
- Common goals differential commitments





- India and China = no show!
- Brazil came to say: "we are not part of this!"
- South Africans and Africans: "let's consider the needs of the poorest/LDCs, mostly in Africa" - "effectiveness and accountability issues are relevant also to SSC"

### Delhi Conference of Southern Providers March 2013



- Following the same spirit of other Southern conference: Bandung (1955), Buenos Aires (1978)... Nairobi (2009) and Bogota (2010)
- Funded completely by the Indian government!

### Delhi Conference of Southern Providers Issues and challenges in South-South Cooperation

- Poor data and information management.
- Weak monitoring and evaluation across all Southern agencies.
- Major evidence gap – rogues donors or beacons of partnership?
- Accountability concerns emerging also from beneficiaries and tax-payers in the South
- Need for a platform for exchange of knowledge, experiences, peer learning and development of SSC narrative.
- Develop a common position among Southern partners when engaging in other global policy fora (GPEDC, UN, WTO, etc.) and counter-balancing the dominant OECD-DAC narrative.

### An appropriate 'home' for SSC

"Urgent need for a platform to allow South-South partners to analyse, monitor, account, share knowledge on their development cooperation, and build a common position for engagement in other global development fora"

#### Options?

- GPEDC - TT-SSC / Building Blocks / Voluntary Initiatives
- UNDCF – DG forum of Southern Providers
- BRICS
- IBSA
- G20 – Development Working Group
- Regional – AU-NEPAD / SEGIB / Asia-Pacific Forum



### Establishment of the Network of Southern Think-Tanks (NeST)

- On the fringes of GPEDC HLM - (SRE offices, Mexico City, 14 April 2014)
- With support from CAITEC, RIS, UNDP, AMEXCID
- Initiative led and driven by Southern think-tanks in order to develop:
  - A common definition on SSC
  - Conceptual framework for SSC
  - Indicators to measure impact of SSC
  - Systematization of data collection on SSC
  - Road-map for development of SSC
- *DIE, IDS, DFID and other "Northern" actors also wanting to be part of the party!*

#### Purpose of NeST:

"generate, systematise, consolidate and share knowledge on South-South Cooperation (SSC) approaches in international development".



### NeST Executive Group



Think-Tank  
from African  
LIC (tbc)  
???



### NeST Global Work-Plan

Beijing, October 2014

Conceptual/Methodological Framework!!!	
Empirical research and field evaluation	Improvement of data and information management systems
Knowledge sharing, exchange, peer-learning	SSC position building and policy inputs into global fora
Capacity-development in developing countries	Technical support to Southern development agencies

### Resource mobilization strategy

- Secretariat – hosted by India
- NeST membership fees?
- Parallel resource mobilization:
  - global NeST activities
  - national chapters
- **No funding from North** – stay independent, strong Southern orientation, no conditions or strings attached, no expectations of interference and influence on the direction and work of the group
- Fund-raising strategy:
  1. Southern governments
  2. Multilateral and regional institutions (ie. UNDP, AU-NEPAD, etc.)
  3. Civil society and private sector (from the South)



### NeST Membership

- experts,
- universities,
- research institutes
- think-tanks,
- NGOs and CSOs
- private sector
- foundations
- networks

...engaged in research, policy debate and analysis of south-south cooperation and international development cooperation.

### Role of Southern governments, development agencies, finance institutions, multilateral and regional organizations

- **Clients** – users of the NeST services and products
- **Advisors** – make sure NeST stays on track with reality and relevant to policy processes.
- **Observers** – listen and take what they want for their own policy-making
- **Supporter** – financially and politically

#### Upcoming Global Plans: NeST Advisory Group:

- Southern Development Agencies (ie. SADPA, DPA, ABC, MOFCOM, etc.)
- Multilateral and regional institutions (ie. AU-NEPAD, UNDP, UN-DESA, UNCTAD, etc.)

## NeST National Chapters...

- Forum for Indian Development Cooperation
- Research Network on Chinese Aid
- NeST Brazil... upcoming
- NeST SA – TODAY!



## Network of Southern Think-Tanks South African Chapter

*Coming to this meeting makes you automatically a member or observer?*

### What is it?

A multi-stakeholder platform to informally discuss South African and African development cooperation policy

### Purpose of NeST SA:

- Generating broad-based support, enthusiasm and momentum for the NeST work in South Africa and in the region;
- Developing common understanding among local stakeholders on the nature, principles, practices, approach, effectiveness, challenges and strength of South Africa's development partnerships in Africa;
- framing, unpacking and elaborating on the South Africa-specific approach to development cooperation, and how it relates or differs from the approaches of other Southern providers and traditional donors.
- Improving data availability, access to information, knowledge and evidence around South Africa's approach to development cooperation on the continent;
- Providing useful inputs for SA's development cooperation policy, the future work of SADPA, and South Africa's positioning in the global development cooperation debates.

## Some SA specific issues



### Political challenges

- Balancing domestic priorities with foreign policy
- regional power / hegemon / big brother in Africa?
- African politics vs BRICS/G20 politics

### Technical challenges

- Everyone is in Africa – coordination, rationalization & coherence
- Definition of SA's development assistance
- Weak M&E, reporting, information and accountability systems
- Engaging private sector, civil society, parliament and other stakeholders

### Opportunities

- Comparative advantage and pivotal role in Africa
- Darling of the North, trilateral cooperation promises
- Learning from rest of the South but also from the North

**Still establishing SADPA... 8 years later???**

## The future of NeST SA is in your hands!



- What do we want to do?
  - The Focus
  - The work-plan
  - The research agenda
- How should we organise ourselves?
  - convening the group,
  - secretariat & communication
- How to finance and sustain the network and its activities?