



United Nations  
Office for South-South Cooperation



## South-South Ideas

**The role of institutional  
arrangements for  
South-South Cooperation:  
Experiences from Ecuador  
and Sri Lanka**



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SOUTHERN VOICE

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The role of institutional arrangements for South-South Cooperation:  
Experiences from Ecuador and Sri Lanka

July 2021



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## Acronyms and Abbreviations

ABC	Brazilian Cooperation Agency
ADB	Asian Development Bank
AGECE	Ecuadorian Agency for External Cooperation
AGECI	Ecuadorian Agency for International Cooperation
AID	Agency for International Development
ANA	Brazilian Water Agency
ARS	Agriculture Research Station, Sri Lanka
ASMP	Agriculture Sector Modernization Project
BAPA	Buenos Aires Plan of Action
CNJ	National Judiciary Council, Ecuador
CONADE	National Planning Council, Ecuador
CSEA	Centre for the Study of the Economies of Africa, Nigeria
DAC	Development Assistance Committee
FAO	Food and Agriculture Organization
FONAG	Environmental Fund for Water Protection, Ecuador
FPMIS	Field Programme Management Information System
FRDI	Fruit and Research Development Institute
GoSL	Government of Sri Lanka
IA	Implementation Agency
IFC	International Finance Corporation
INAMHI	Institute for Meteorology and Hydrology, Ecuador
INECI	Ecuadorian Agency for International Cooperation
IPHT	Institute of Post-Harvest Technology
NSC	North-South Cooperation
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PIU	Project Implementation Unit
PMU	Project Management Unit
PO	Producer Organization
PSC	National Project Steering Committee
SENAGUA	National Secretariat for Water
SETECI	Technical Secretariat for International Cooperation
TDH	Terre des Hommes
TNC	The Nature Conservancy



## Executive summary

During the past four decades, South-South Cooperation (SSC) has established itself in the global debate as a tool for development for the Global South. Since the adoption of BAPA in 1978, SSC has facilitated exchange among developing countries facing similar challenges and has spurred the recognition of different development models and actors in the Global South. Climate change, global pandemics, increasing inequality and poverty call for more robust capabilities to deliver the promises of SSC. As the volume and scope of SSC expand, it is increasingly important for countries in the Global South to explore and develop effective ways of cooperating and promoting their collective interests.

There is a need to develop institutional capacities and mechanisms and strengthen coordination at all levels of policy and decision-making. Strong institutions are crucial to ensure long-term and sustained efforts to build South-South links and contribute to a more effective SSC. An institutional approach to SSC is key to understanding the way the field of development cooperation is changing, the actors that take part in this process and their capabilities, and the dynamics, norms and rules that guide their behaviour.

Using a comparative perspective, this research studies different SSC and North-South Cooperation (NSC) initiatives in Ecuador and Sri Lanka to identify existing structural arrangements that have resulted in positive cooperation outcomes. Comparative institutional analysis can help us identify differences between institutional arrangements in NSC and SSC that can inform future SSC practices at the national level. It could also potentially help to identify structures and practices that support and enhance both types of cooperation. The comparative analysis is framed in Elinor Ostrom's Institutional Analysis and Development (IAD) framework.

Our analysis shows that institutional arrangements for SSC matter. Especially at the national level, broader frameworks of cooperation have the potential to kickstart SSC at various levels of decision-making. What we identified in the cases of Ecuador and Sri Lanka is the highly centralized nature of SSC institutional arrangements. While there is a need to formalize and establish agreements and alliances at the highest level of government, it is becoming increasingly clear that other levels of decision-making need to be able to make use and contribute to the development of purpose-driven SSC institutions and institutional practices.

There is an opportunity for SSC actors to partner with actors from other sectors to enhance the reach and impact of SSC initiatives. As the presence of traditional donors and the availability of funding reduces in many countries, SSC can benefit from the experiences and networks of NSC actors. Potential synergies and opportunities for learning and exchange include participation strategies, reporting and evaluation, among others. Learning and exchange of experiences can lead to greater transparency, accountability and project impact of SSC initiatives.

# 1. Introduction

Global challenges put pressure on Northern and Southern countries alike, and it is particularly true in the framework of the 2030 Agenda as the global challenges will need to be addressed in a coordinated and sustainable manner. Traditional development assistance is not enough to support sustainable development in the South, even more so taking into consideration the complexity of the global challenges such as climate change, global financial instability or the growing inequality gaps (Kharas, 2010; Glennie & Sumner, 2014; Lin & Wang, 2017; Park, 2019; Avila Casanova, 2020).

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Changes at the global level stress that multilateral cooperation and engagement is crucial and that there is an increasing need for South-South cooperation. During the past four decades, South-South cooperation has established itself in the global debate as a tool for development and southern unity (United Nations General Assembly, 2018). Since the adoption of BAPA in 1978, SSC has facilitated exchange among developing countries facing similar challenges and has spurred the recognition of different development models and actors in the Global South (Bry, 2017). The growing importance of SSC reflects the ongoing demand for equitable participation and recognition in the international arena. It has shown the importance of strengthening countries' capacities to meet common goals and provide cooperation based on their national collective capabilities.

It is undeniable that SSC has expanded and gained relevance over the years. This can be shown, for example, by the volume share of development cooperation of non-DAC donors. By 2010, countries like Saudi Arabia and China provided more assistance in terms of project costs than several DAC donors (Bry, 2017). Brazil's international development cooperation doubled between 2005 and 2009 and its technical cooperation tripled; India's budget for its development cooperation activities grew four-fold between 2003 and 2013 (Bry, 2017). The process of expansion has also been accompanied by more inclusive partnership arrangements, efforts to design and strengthen systems and processes to assess and share experiences and outputs (United Nations General Assembly, 2018).

Forty years of global cooperation have shown that the Global South is well-equipped to advance effective SSC; however, the challenges ahead look significantly different to a decade ago.

Forty years of global cooperation have shown that the Global South is well-equipped to advance effective SSC; however, the challenges ahead look significantly different to a decade ago. Climate change, global pandemics, increasing inequality and poverty call for more robust capabilities to deliver the promises of SSC. As the volume and scope of SSC expand, it is increasingly important for countries in the Global South to explore and develop effective ways of cooperating and promoting their collective interests (Yu III, 2019). There is a need to develop institutional capacities and mechanisms and strengthen coordination at all levels of policy and decision-making (Bry, 2017).

Strong institutions are crucial to ensure long-term and sustained efforts to build South-South links and contribute to a more effective SSC to face the systemic challenges of our time. As new actors and forms of collaboration emerge, SSC is likely to become more complex. Therefore, there is an urgent need for clear and compelling institutional arrangements at the national, regional and global levels (United Nations General Assembly, 2019).

More emphasis on the institutional architecture on recipient's countries can shed light on conditions necessary for successful SSC

The last few years have seen a growing institutionalization of SSC at the international level. The adoption of instruments such as the Paris Agreement, the 2015 Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development are examples of growing institutionalization at the global level. However, institutional frameworks, especially at the national level, have been harder to map (Nigam, 2015).

Low levels of coordination and difficulties to reach agreements and establish general guidelines (regarding the definition and scope of SSC, for example) represent a challenge for the process of institutionalization of SSC at the national level (Bry, 2017). Hence, the need for more reliable and plural institutional arrangements has been highlighted during the BAPA+40 and its outcome document (United Nations General Assembly, 2019).

Research about institutional arrangements in the framework of SSC has mapped organizations, policy frameworks and organizations created to support and implement SSC efforts across the globe (United Nations Office for South-South Cooperation, 2018). Existing institutional arrangements in donor and recipient countries are equally important; however, institutional arrangements in 'donor' countries have yielded more attention. The relatively smaller number of donors in comparison to recipients and the diversity of SSC modalities and actors can explain this situation. Nevertheless, more emphasis on the institutional architecture on recipient's countries can shed light on conditions necessary for successful SSC. Matters such as the actors and levels that take part in the exchanges in recipient countries, and the formal and informal rules that dictate the implementation of cooperation among countries are important factors that account for successful SSC.

Against this backdrop, this research aims to contribute to filling the gaps in mapping and understanding national institutional arrangements in South-South cooperation at the national level in recipient countries. An institutional approach to SSC is key to understanding the way the field of development cooperation is changing, the actors that take part in this process and their capabilities, and the dynamics, norms and rules that guide their behaviour. This is done using Elinor Ostrom's Institutional Analysis and Development (IAD) framework. This framework of analysis focuses on the incentives and outcomes generated by actors in particular decision-making settings. It has been previously used to conduct an institutional analysis of North-South development cooperation (Ostrom, Gibson, Shivakumar & Andersson, 2014). However, its premises can be applied to SSC.

SSC is not a replacement of North-South cooperation. For this reason, this research includes a comparative analysis between existing SSC and NSC institutional arrangements. On the one hand, comparative institutional analysis can help us identify differences between institutional arrangements in NSC and SSC that can inform future SSC practices at the national level. On the other hand, it could potentially help to identify structures and practices that support and enhance both types of cooperation.

For the analysis, we worked with the experiences of Sri Lanka and Ecuador. These two countries were selected considering criteria of geographic diversity (Asia and Latin America) and income-level similarity (middle-income countries). The cases were selected based on a competitive call for research among Southern Voice's members in both regions. The selected research proposals were cases of countries where NSC and SSC experiences in similar areas of cooperation were available. The selected experiences in both countries were in the fields of water management, public security, development infrastructure and agriculture.

This research seeks to gain insights into the institutional arrangements within which SSC and NSC initiatives take place in a given recipient country. The objective of this study is to identify good practices and experiences that can enable SSC recipients to improve their management of both SSC and NSC. Having a stronger recipient of cooperation is likely to enhance cooperation in general. This research also seeks to find complementarities between NSC and SSC providers' practices. We seek to answer the following questions:

1. What are the existing institutional arrangements in NSC and SSC initiatives in recipient countries?
2. What are the main differences and similarities between institutional arrangements between SSC and NSC initiatives?
3. To what extent are existing institutional arrangements and capacities facilitating or hindering the successful implementation of SSC initiatives?
4. How can SSC benefit from existing NSC institutional arrangements and vice versa?



## 2. Analytical framework

Institutions are the rules, norms, policies and other formal constraints that structure human behaviour and are collectively created, adapted, monitored and enforced (Ostrom, 2005, quoted in Heikkila & Andersson, 2018). Institutions are not the same as organizations; organizations are derived from institutions and, often, formal institutions take the shape of organizations. In this analysis, institutional arrangements are understood as the combination of formal and informal rules and their enforcement characteristics (North, 1990; Williamson, 2009). Institutions are defined in terms of institutionalization, a dynamic process by which a set of activities becomes an integral part of a formal system. It can be seen as a sequence of events leading to new ways becoming standard practices (Feferskov, 2016).

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Institutional arrangements are highly context-specific and vary from country to country due to particular development needs, political, economic and social conditions

Applied to the study of SSC, institutional arrangements comprise the laws, policies, practices, processes and structures in place that support or constrain cooperation among countries and different actors. Institutional arrangements have also been referred to as national ecosystems for SSC and Triangular Cooperation (TrC) (IsDB & South Centre, 2019). Institutional arrangements are highly context-specific and vary from country to country due to particular development needs, political, economic and social conditions (Islamic Development Bank & South Centre, 2019).

The analysis conducted in this report is based on the premise that effective institutional arrangements are crucial for recipient countries to participate in SSC effectively and actively. According to Ostrom, Gibson, Shivakumar & Andersson (2014), collective action problems can happen due to lack of motivations or asymmetry of information that could prevent development cooperation actors from achieving their objectives. Institutions can help overcome these challenges. In this way, a clearer understanding of how SSC is institutionalized in recipient countries will shed light into current debates of how to strengthen SSC and NSC practices, and how to solve collaboration issues among actors in the Global South.

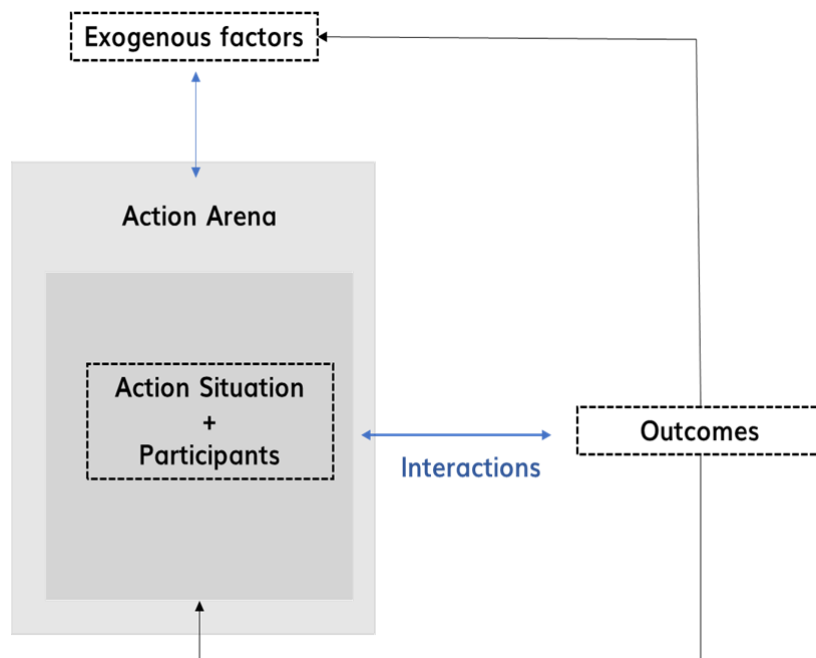
This paper uses the Institutional Analysis and Development (IAD) framework developed by Elinor Ostrom (2005) for the analysis conducted here. Ostrom conceptualized the IAD framework as a multitier conceptual map that can be packed and unpacked depending on the depth and level of the analysis. According to Ostrom (2005), the IAD framework can be used at very narrow or broader scales; it can focus on individuals' interactions and structures formed by multiple individuals such as firms, industries or nations. This flexibility is related to the very nature of decision-making and the actors involved in this process. Units have subunits that are part of larger units that fit together as a pattern.

The IAD framework and its different components can be useful for the analysis of SSC institutional arrangements by looking at its elements separately and together. By focusing on the institutional arrangements in recipients' countries for specific SSC interactions, we are going deeper into the layers that form SSC as a whole. The purpose of looking at specific layers of SSC is not to reduce SSC to its elementary parts (technical cooperation projects for example) but to 'dissect' different components, identify and understand the lines connecting them (Ostrom, 2005).

Figure 1 shows, in a simplified manner, how the elements in the IAD framework interact. The focus of analysis is the action arena in which two elements, the participants and an action situation interact as they are affected by exogenous factors and produce outcomes that affect the participants and the action situation.

An action arena can exist in various settings (the house, the neighbourhood, the national, regional or international level). The action arena is the space where participants and action situations interact. An action situation is the social space where participants interact, exchange goods and services, solve problems or dominate one another (Ostrom, 2005). Figure 1 presents a simplified diagram of the model of analysis.

**Figure 1. IAD framework of analysis and its elements**



Source: Ostrom, Gibson, Shivakumar & Andersson, 2014. Own elaboration.

Exogenous factors provide the conditions that shape outcomes.

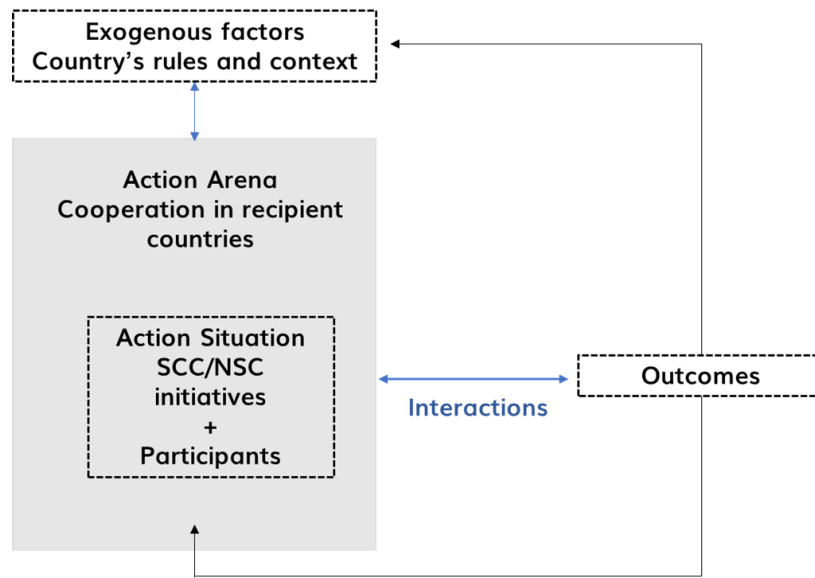
In the IAD framework, exogenous factors provide the conditions that shape outcomes. It should be noted that outcomes can also shape the nature of exogenous factors (Ostrom, 2005). The exogenous factors affecting the structure of an action arena include a) existing rules used by participants to order their actions and relationships, b) the attributes of the physical world or context of the arena, and c) the characteristics of the community. Depending on the type of analysis, some factors might be more relevant than others.

This framework also looks at the incentives and outcomes generated by actors in particular decision-making settings. Evaluative criteria are used to assess the performance of the system by examining patterns of interactions and outcomes (Ostrom, 2005). Outcomes feed back onto the participants and the action situation and can transform both of them both over time. When the interactions are producing positive outcomes for those involved, the participants may have incentives to maintain the structure of the situation and to continue to receive positive outcomes (Ostrom, 2005). When the outcomes are perceived as negative or unfair, the participants may try to change the structure of the situation by moving to a different level and changing the exogenous variables. The actions, interactions and outcomes of an action situation are structured by a set of existing institutions (Heikkila & Andersson, 2018).

One of the challenges the model possesses is the selection of the appropriate level of analysis relevant to address the research questions. For this particular analysis, we have decided to focus on development cooperation in the recipients' country, and this will be the action arena. Within this particular action arena, we analyse SSC and NSC exchanges.

The exogenous factors relevant for this analysis are the existing institutional arrangements that shape SSC and NSC in recipient countries (laws, policies, norms) and the characteristics of the country (political for example) that have the potential to shape SSC initiatives and their outcomes. Figure 2 presents the IAD framework adapted for this research.

**Figure 2.** Framework of analysis for SSC in recipient countries



Source: Own elaboration

The framework allows for the conceptualization of the institutions that structure policy processes, clarifies the characteristics of the involved actors, and lays out variables to understand interactions among actors and outcomes

In this way, the framework allows for the conceptualization of the institutions that structure policy processes, clarifies the characteristics of the involved actors, and lays out variables to understand interactions among actors and outcomes (Heikkila & Andersson, 2018). According to Heikkila & Andersson (2018), the framework can be used as a diagnostic tool to:

1. Identify who are the relevant actors, what are the actor's resources, experience, social norms and knowledge.
2. Understand what rules can constrain or enable particular actions of these actors. How different types of rules change the interaction or behaviours of the specific types of actors or how a new set of rules would interact with the broader contextual factors.
3. Assess how the characteristics of the context and the actors might affect how people interact and respond to institutions.

It is important to keep in mind that while this framework of analysis can shed light into the existing institutional arrangements of SSC and its complexities, the framework does not by itself provide with guidance about what makes institutions work and under what contexts (Heikkila & Andersson, 2018).

# 3. Methodology

To answer the research questions, we used a qualitative approach to study cooperation experiences in Sri Lanka and Ecuador. We selected these countries considering criteria of geographic diversity (Asia and Latin America) and income level similarity (upper-middle-income).

Cooperation becomes an increasingly relevant mechanism for the development of the Global South

Income level is a crucial factor to be considered since, by 2030, many Southern economies will be excluded from the ODA list, as many of them will have become high-income countries (SEGIB, 2018a). In this context, South-South cooperation becomes an increasingly relevant mechanism for the development of the Global South.<sup>2</sup>

The cases were selected based on a competitive call for research among Southern Voice's members in both regions. Sri Lanka received an upper-middle-income status in 2019<sup>3</sup>, and Ecuador went from being a lower-middle-income to an upper-middle-income country in 2011. Analysing two countries in different regions and at different stages of development provided us with a broad scope of cases and different conditions to study existing SSC institutional arrangements. Ecuador is a compelling case of a country that has seen an increasing tendency to formalize its institutional structure for SCC during the past decade. Sri Lanka is a country whose SSC institutional practices have been influenced by recent armed conflict, geopolitical interests and thinning sources of external financing.

The selected research proposals were cases of countries where NSC and SSC experiences in similar areas of cooperation were available. In each country, we analysed two SSC and two NSC initiatives. The selected cases in each country belong to areas of cooperation that are considered priorities in each country. Each initiative has a particular arrangement, and the actors involved in the initiatives vary from country to country.

Water management and public security in Ecuador

In the case of Ecuador, the areas studied were water management and public security (Table 1). In the water management field, we selected one SSC experience between water management government institutions in Brazil and Ecuador, and one NSC experience between an international NGO (US based) and partners in Ecuador. In the public security field, we selected one SSC initiative between the National Police from El Salvador and Ecuador, and one NSC experience between a Swiss NGO and partners in Ecuador.

<sup>2</sup> We used the World Bank's income level classification to select the countries for this study. The threshold for income classification used was US\$3,996 to US\$12,375 as of July 2019.

<sup>3</sup> At the moment of the selection of case studies, Sri Lanka was classified by the World Bank as an upper-middle-income country. In the new 2020-2021 classification released in July 2020, Sri Lanka moved back to the lower-middle-income category. Since the study was conducted in the months prior to the release of the new classification, we worked with the previous classification.

**Table 1. Analysed SSC and NSC cases in Ecuador**

Area of cooperation	Type of cooperation	Name of the initiative	Involved actors	
			Local partners in the recipient country	Counterparts
Water management	South-South	Strengthening the hydrological network in the Napo basin in Ecuador	<ul style="list-style-type: none"> <li>• Technical Secretariat for International Cooperation (SETECI)</li> <li>• National Secretariat for Water (SENAGUA)</li> <li>• Institute for Meteorology and Hydrology (INAMHI)</li> </ul>	<ul style="list-style-type: none"> <li>• Brazilian Cooperation Agency</li> <li>• Brazilian Water Agency</li> </ul>
	North-South	A financing model for the protection of water sources in Quito, Ecuador	<ul style="list-style-type: none"> <li>• Antisana Foundation (NGO)</li> <li>• Environmental Fund for Water Protection (FONAG)</li> </ul>	<ul style="list-style-type: none"> <li>• The Nature Conservancy (INGO)</li> </ul>
Public security	South-South	Knowledge exchange for the control of criminal organizations and gangs in Ecuador	<ul style="list-style-type: none"> <li>• Ecuador's Ministry of Foreign Affairs</li> <li>• Technical Secretariat for International Cooperation (SETECI)</li> <li>• Ecuador's National Police</li> </ul>	<ul style="list-style-type: none"> <li>• El Salvador's Ministry of Foreign Affairs</li> <li>• National Civil Police of El Salvador</li> </ul>
	North-South	Developing a restorative juvenile justice approach for the judicial system	<ul style="list-style-type: none"> <li>• Ecuador's National Judiciary Council</li> <li>• General Attorney's Office</li> <li>• Ombudsman Office</li> <li>• National Service of Comprehensive Care for Adults Deprived of Liberty and Adolescents Offenders in Ecuador (SNAI)</li> </ul>	<ul style="list-style-type: none"> <li>• Terre des Hommes (NGO, Switzerland)</li> <li>• Medicor (NGO, Lichtenstein)</li> </ul>

Source: Own elaboration

## Infrastructure and agriculture in Sri Lanka

In the case of Sri Lanka, two fields were studied: infrastructure and agriculture. In the social infrastructure field, we analysed one initiative between the Government of India and the Government of Sri Lanka, and one NSC exchange between the European Union and the Government of Sri Lanka. In the field of agriculture, we studied one SSC initiative between the Government of the People's Republic of China and the Government of Sri Lanka, and one NSC initiative between the European Union, the World Bank and the Government of Sri Lanka.

**Table 2. Analysed SSC and NSC cases in Sri Lanka**

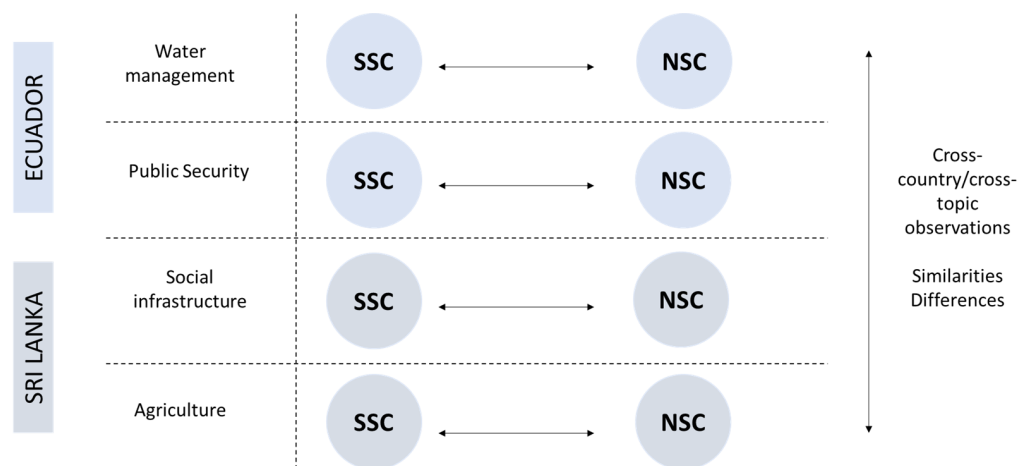
Area of cooperation	Type of cooperation	Name of the initiative	Involved actors	
			Local partners in the recipient country	Counterparts
Development infrastructure	South-South	Housing infrastructure for productive growth in Sri Lanka	<ul style="list-style-type: none"> <li>• Sri Lanka's Ministry of New Villages, Infrastructure and Community Development</li> </ul>	<ul style="list-style-type: none"> <li>• High Commission of India</li> </ul>
	North-South	Productive infrastructure for post-war development in Sri Lanka	<ul style="list-style-type: none"> <li>• Sri Lanka's central government</li> <li>• Grama Niladhari</li> <li>• Farmers associations</li> </ul>	<ul style="list-style-type: none"> <li>• European Union delegation in Sri Lanka</li> <li>• Implementation agencies (UNDP, UNOPS, FAO, UNICEF, ILO)</li> </ul>
Agriculture	South-South	Technical cooperation for the fruit value chain in Sri Lanka	<ul style="list-style-type: none"> <li>• Sri Lanka's Ministry of Agriculture</li> <li>• Fruit and Research Development Institute (FRDI)</li> <li>• Institute of Post-Harvest Technology (IPHT)</li> </ul>	<ul style="list-style-type: none"> <li>• China</li> </ul>
	North-South	The agriculture sector modernization initiative	<ul style="list-style-type: none"> <li>• Ministry of Agriculture</li> <li>• Ministry of Industry</li> </ul>	<ul style="list-style-type: none"> <li>• European Union</li> <li>• World Bank</li> </ul>

Source: Own elaboration

The analysis had two stages. In the first stage, we analysed each set of initiatives separately using the IAD framework. Each initiative is considered an ‘action situation’ using the IAD framework’s terminology. We then mapped the interactions that emerged from the action situation, the actors involved, the external factors and outcomes. This analysis allowed us to have an initial understanding of each case in the analysed countries and study the structures that shape SSC and NSC initiatives in recipient countries.

The second stage of the analysis incorporated a comparative element. The comparison was made between SSC and NSC initiatives across similar areas of cooperation within a specific country. A comparative element in the study of SSC and NSC initiatives in recipient countries can help to identify commonalities and differences across existing institutional arrangements in similar fields. The units of comparison were the selected SSC and NSC initiatives (action arena) and their outcomes. The comparison was made within countries and across topic lines, as indicated in Figure 3.

**Figure 3.** Comparison across case studies



Source: Own elaboration

A cross-country, cross-field comparison has clear limitations in terms of national contexts, rules and incentives to pursue and implement an SSC initiative. A comparison, however, also has the potential to highlight common trends in practices and approaches that can inform future South-South and North-South cooperation. With these limitations in mind, we did not make direct comparisons across countries and fields of cooperation, but we did seek to identify specific features common to all analysed cases.

## Data collection

For the analysis of the selected NSC and NSC, we gathered qualitative primary and secondary data from various sources. Secondary data came from public records and existing government reports from the entities responsible for the implementation and monitoring of the selected initiatives. Primary data came from interviews conducted in Ecuador and Sri Lanka.

In both countries, data collection faced complications due to limited available records of initiatives in recipient countries, high rotation of personnel in ministries and other public offices, and low coordination across entities (we elaborate further on this point later in the document). We addressed this challenge through interviews with public officials in the analysed countries. The research team carefully mapped and identified people who were involved in the initiatives under analysis as a way to bridge the gap created by the lack of official documents.



The COVID-19 pandemic also caused public offices to be temporarily closed and officials to be unavailable due to the emergency. However, most of the interviews were rescheduled and held remotely.

In the case of Ecuador, six interviews were conducted with project leads, counterparts and representatives from relevant ministries and other public offices. An additional interview with the Ecuadorian Ministry of Foreign Affairs was conducted to have a broader understanding of the context and conditions for both NSC and SSC initiatives in the country. In the particular case of the studied SSC initiatives, it was challenging to find records and to get in touch with the project leads. In the case of the NSC initiatives, the process was smoother, and most of the available information came from two foreign counterparts that have offices in Ecuador and kept records from the projects.

In the case of Sri Lanka, interviews and consultations with stakeholders and partner organizations were conducted. A fundamental limitation faced in data collection for the study was the inability to approach government officials due to the island-wide lockdown imposed in Sri Lanka between March and May 2020 to contain the spread of COVID-19. Some interviews were conducted remotely during the lockdown period. However, it was not possible to contact many government officials as they have limited work from home facilities. The recipients' perspective was mostly captured through information collected from publicly available project information on government websites, official documents and reports.

Qualitative data was gathered and organized using a data collection framework developed by CSEA and Southern Voice (2017). This tool was developed to facilitate the collection of information and ease the analysis of SSC initiatives in different countries and fields. This data collection tool was selected for this analysis since it allows information to be categorized into different groups and addresses critical aspects of SSC initiatives. This tool is particularly useful as a complement of the IAD framework since it allowed us to align the categories of the IAD framework with the categories in the data collection tool.

The data collection tool has eight categories: 1) challenges addressed, 2) actors involved, 3) relationship between actors, 4) modality of cooperation, 5) strategy for implementation, 6) time of implementation, 7) reporting, and 8) type of evaluation. Each one of these categories will be fed into the AID framework, as indicated in Table 3. Each category in the data collection tool can be connected to more than one element in the IAD framework.

Since the main focus of the study is on institutional arrangements, we study these at all levels of analysis. For example, we look at existing institutional arrangements that are part of the context of the analysed countries—for example, policies, laws and international cooperation practices. Institutional arrangements also exist as part of the action situation (i.e. SSC or NSC initiatives) and frame the way participants interact with each other, how information is exchanged, and can directly shape the outcomes of SSC and NSC initiatives.

**Table 3.** *Data collection tool and AID framework elements*

Components of the data collection tool	AID framework elements	Description and guiding questions
<b>Challenges addressed</b>	<ul style="list-style-type: none"> <li>• Exogenous factors</li> <li>• Action situation</li> </ul>	<p>What challenge is the initiative seeking to address?</p> <p>The identification and response to the challenge are highly dependent on the country's priorities and its economic, political and social context.</p>
<b>Actors involved in South-South cooperation</b>	<ul style="list-style-type: none"> <li>• Exogenous factors</li> <li>• Action situation and participants</li> </ul>	<p>Who is involved? Different actors engage in distinctive ways depending on the context and needs of recipient countries. Also, the involvement of actors/entities relates to existing institutional arrangements at the contextual level. For example, are there institutions in place that regulate international cooperation in general or SSC in particular?</p>

<b>Components of the data collection tool</b>	<b>AID framework elements</b>	<b>Description and guiding questions</b>
<b>Relationship between involved actors</b>	<ul style="list-style-type: none"> <li>Action situation and participants</li> <li>Interactions</li> </ul>	How do partners interact with each other? Which modalities are used to implement SSC initiatives? This category also takes into consideration the institutional arrangements that shape the relationships between actors.
<b>Modalities of cooperation</b>	<ul style="list-style-type: none"> <li>Action situation and participants</li> <li>Interactions</li> </ul>	What are the instruments and methods used to deliver development activities, including both financial (grants, trade and loans) and non-financial instruments (technical assistance and knowledge exchange)?
<b>Implementation strategy</b>	<ul style="list-style-type: none"> <li>Action situation and participants</li> <li>Interactions</li> </ul>	How is the initiative implemented? Is it done through formal or informal means? When do actors participate in the project cycle?
<b>Time of implementation</b>	<ul style="list-style-type: none"> <li>Action situation and participants</li> <li>Interactions</li> </ul>	What was the duration of the initiative (short-term or long-term), periodicity, timeframe for replication/scaling?
<b>Reporting</b>	<ul style="list-style-type: none"> <li>Action situation and participants</li> <li>Interactions</li> </ul>	Are there reporting mechanisms in place? Who is in charge of reporting? Does the project include a theory of change?
<b>Type of evaluation</b>	<ul style="list-style-type: none"> <li>Outcomes</li> </ul>	Are there evaluation processes in place? What are the mechanisms used? Who is in charge? What are the outcomes?

Source: CSEA, 2016. Own elaboration.

We use the data collection categories to address more than one aspect of the IAD framework. For example, the category ‘implementation strategy’ might provide information for more than one element of the IAD framework (i.e. action situation and participants, interactions).

# 4. Analysis

Ecuador and Sri Lanka are countries in different stages of development that can offer valuable lessons to support the learning process towards more effective and sustainable South-South interventions. In the past few decades, Ecuador has seen a growing institutionalization of its international cooperation practices.

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This relatively new institutionalization is reflected in the adoption of national policies and the creation of governmental instances to guide the country's cooperation with third countries. Ecuador's graduation as an upper-middle-income country in 2011 faced the country with the reduction of development assistance sources, pushing the country to find new partners in the Global South. Sri Lanka's international cooperation landscape has been shaped by recent conflict and its recent graduation as an upper-middle-income country. The island nation is at a particularly important position in its development trajectory as internal politics, and the evolution of its external development financing sources have shifted in the past decade. During this evolution, SSC with China and India has become a prominent source of development.

In this section, we analysed the institutional arrangements that shape the selected SSC and NSC initiatives in Ecuador and Sri Lanka. The analysis is presented by country. In each country section, we analyse two SSC and two NSC initiatives separately using the IAD framework of analysis. Then we make a comparison between NSC and SSC experiences within countries to identify differences and similarities and map potential good practices and areas of improvement that can support the effective institutionalization of SSC.

# 5. Ecuador

In 2011 Ecuador became an upper-middle-income economy, according to the World Bank country classification by income level.

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## **Exogenous factors: Country context and shaping factors**

The improvement in the income level in Ecuador implied the continuous reduction of Official Development Assistance (ODA). International cooperation in Ecuador, as in most Latin-American countries, has undergone significant changes. For a long time, Ecuador was a passive beneficiary of international cooperation. However, over the years, the country has aimed to improve its ability to manage and stir international cooperation to meet national development goals and reduce systemic dependence on other countries. The transition towards a more coherent development policy came hand in hand by the growing institutionalization of international cooperation.

The first international cooperation entity, the National Committee for Technical Cooperation and Economic Assistance, was created in 1974 to formulate, coordinate and execute technical cooperation and non-reimbursable economic assistance from all external sources, including those of a non-governmental nature (Cooperanet, 2011). In 1993, as an effort to build an appropriate institutional framework for non-refundable cooperation, the Ecuadorian Government created the External Cooperation Agency, an entity linked to the National Planning Council (CONADE), for the design, maintenance and administration of the National System of External Cooperation. For the first time, a mechanism was created to systematize the activities of international NGOs active in Ecuadorian territory. Nevertheless, these reforms did not solve the challenge of lack of coordination between actors such as the National Planning Office (ODEPLAN), the Ministry of Finance and the Ministry of Foreign Affairs (Arcos, 2011).

Therefore, in 1999, to address this problem, the Ecuadorian Agency for External Cooperation (AGECE) was established under the Ministry of Finance. Unfortunately, the AGECE failed to provide a robust institutional structure for non-reimbursable cooperation, and in 2003 it was restructured again. Cooperation management was placed under the Ministry of Foreign Affairs through the Ecuadorian Institute for International Cooperation (INECI). The creation of INECI was complemented by the creation of an International Cooperation Advisory Council as the one in charge of designing and formulating national non-reimbursable cooperation policies.

In 2008, and under a new Constitution, international cooperation was formally aligned with the efforts of national planning for development. As a result of this renewed institutional approach, in 2008 the functions of INECI were transferred to the Ecuadorian Agency for International Cooperation (AGECI), a decentralized entity with its own technical, administrative and financial management with close ties to the National Secretariat for Planning. For the first time, under this institutional framework, SSC was referred to as a strategic instrument for national development and regional integration.

Between 2007 and 2009, several institutional changes altered, again, the structure of the international cooperation infrastructure in Ecuador. Under the new state structure, agencies ceased to exist, and so the AGECI was replaced by the Technical Secretariat for International Cooperation (SETECI) under the National Secretariat for Planning. This change did not last long. In 2016, SETECI was eliminated, and the Ministry of Foreign Affairs took over its functions<sup>4</sup>. Currently, the Ministry of Foreign Affairs supports and assists all the processes of formulation, negotiation, access, implementation, monitoring and evaluation of non-reimbursable international cooperation programmes and projects. Besides, it can negotiate and subscribe international non-refundable cooperation agreements on behalf of the Ecuadorian state.

SSC has gained importance in the country. In 2019, the MFAE and the United Nations Development Programme (UNDP) signed an agreement for the implementation of the National Fund for South-South and Triangular Cooperation. This project will finance programmes of horizontal cooperation offered and demanded by various public institutions in Ecuador (Ministry of Foreign Affairs and Human Mobility, 2019). The initial contribution to this project was \$100,000, capital that was donated by the Italo-Ecuadorian Fund for Sustainable Development, and UNDP will administer that fund. This donation will allow the promotion of bilateral initiatives in the region. Furthermore, other actors are expected to join this initiative by providing additional contributions to enhance the scope of the fund. The fund will contribute to four objectives: 1) to strengthen national capacities to manage South-South and Triangular Cooperation; 2) to map and assess good practices that allow for continuous learning; 3) to promote the benefits of SSC more efficiently and strategically, and 4) to establish the National Fund for South-South Cooperation.

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### **SSC in water management: Strengthening the hydrological network in the Napo basin in Ecuador**

Water resources include surface waters such as rivers, lakes or glaciers, groundwater, and water sources such as the source of rivers or springs, among others. Water resources in Ecuador are under pressure due to climate change and the increasing demand for water to satisfy multiple needs including agriculture, energy production, industry and human consumption. Climate change will deepen these problems by increasing hydrological variability, causing more frequent and extreme weather events such as droughts, floods and severe storms.

Conservation and adequate and sustainable water management is particularly crucial in Ecuador since there are sharp inequalities in access to water and water-based energy sources. More than 75% of the electrical energy in Ecuador is of hydraulic origin, so it is essential to implement actions to guarantee water security. The Ecuadorian Constitution of 2008 considers water as a national strategic sector that has a definite impact on economic, social, political and environmental conditions. Therefore, water is under the exclusive control of the state to ensure that water resources are managed with a rights-oriented and social interest approach.

International cooperation in the water sector is crucial, and it is necessary to strengthen the local capacities for its management and provide financing to protect this scarce resource. For the analysis of SSC institutional arrangements in this sector, we analyse an initiative carried out between Ecuador's Water Secretariat (SENAGUA) and the Brazilian Water Agency. We initially selected an initiative between Ecuador and Bolivia, but due to data unavailability, this case was replaced by the Brazil-Ecuador exchange. In the case of NSC, we analysed cooperation with the United States through an INGO.

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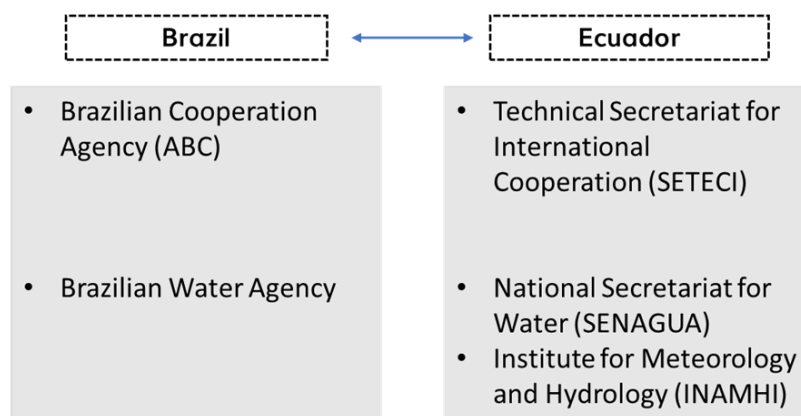
<sup>4</sup> Executive Order 1202 of 12 October 2016, which reorganizes the Ecuadorian International Cooperation System. Consulted online: [https://www.ilo.org/dyn/natlex/natlex4.detail?p\\_lang=en&p\\_isn=105262&p\\_count=11&p\\_classification=01](https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=105262&p_count=11&p_classification=01)

This SSC initiative was a two-year project implemented between 2015 and 2017 between the Ecuadorian and the Brazilian Government. The initiative’s objective was to generate high-quality information to improve the services provided by the Institute for Meteorology and Hydrology (INAMHI, Ecuador) in the Napo hydrographic basin<sup>5</sup>. The project also aimed to strengthen the technical capacity of local institutions such as the Water Secretariat (SENAGUA, Ecuador) through technical assistance, capacity building, equipment and exchange of experiences.

The cooperation included a) the installation of a data collection platform to monitor hydrological events and support the hydrographic network; b) the implementation of a Situation Room for critical events, c) the establishment of inter-institutional cooperation mechanisms and definition of protocols; and d) training INAMHI and SENAGUA employees in the planning and management of basins, monitoring of water quality in rivers and reservoirs, and measuring the flow of large rivers.

Agencies that manage international cooperation in both countries, as well as the project executing entities, were involved in this initiative. The actors involved in this project were the Brazilian Cooperation Agency (ABC), the Brazilian Water Agency (ANA), the Technical Secretariat for International Cooperation (SETECI), the Institute for Meteorology and Hydrology of Ecuador (INAMHI), and the National Secretariat for Water (SENAGUA) (Figure 4).

**Figure 4.** Participants in the analysed water management SSC initiative, Ecuador



Source: Own elaboration

In Brazil, ABC coordinated the cooperation between the countries and financed 58.3% of the project. Brazil’s experience through ANA in the management of hydrological networks is vast, especially with telemetric monitoring, a topic of great interest to INAMHI and SENAGUA. ANA was responsible for the design and technical execution of the project and funded 22.5% of the project.

In Ecuador, SETECI was the local management entity of international cooperation. INAMHI and SENAGUA financed 19.2% of the initiative. Both entities were in charge of overseeing local technical work, fieldwork and providing all the necessary logistics for the project. INAMHI, as the highest organ of hydrometeorological policy in Ecuador, has a network of stations distributed throughout the national territory, which generates meteorological and hydrological information of great importance for the management of water resources.

<sup>5</sup> The Napo basin in Ecuador is an important drainage of the Amazon basin within Ecuador. It is also one of the most biodiverse ecosystems for freshwater species in the world.



Nonetheless, INAMHI's hydrographic and water quality network still faces insufficient coverage. It requires strengthening in fields such as human talent, transmission and construction, storage and treatment of information, operation and maintenance of equipment. Meanwhile, SENAGUA's mission is to conduct the integral management of water resources throughout the national territory through policies, standards, control and decentralized governance, with a view to an efficient administration of the use of water.

No NGOs or other civil society organizations were involved in this initiative.

## Interactions and outcomes

Interviewed officials in Ecuador indicated that the interactions between the involved parties were smooth and allowed for the successful completion of the project. This was primarily attributed to the existence of a clear institutional framework for the cooperation. The legal basis for this cooperation is the Basic Technical Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the Republic of Ecuador, signed in 1982. In the framework of this agreement, negotiations between both countries have continuously been taking place through bipartite governmental meetings and official commissions.

While changes in authorities in the involved entities took place during the implementation of the project, this did not affect the project directly. The interviewed actors indicated that the existence of well-defined project indicators prevented external changes from affecting project implementation. Financial capacity and technical and administrative capabilities on the Brazilian side contributed to the project's stability.

In terms of reporting and monitoring, on the Brazilian side, the initiative was structured like a project with clearly delineated elements that included a diagnosis of the situation, a work plan, a logical framework, schedule and an outline of the responsibilities of the involved parties. According to project guidelines, the involved parties should produce technical reports every six months that would allow the fulfilment of established goals and objectives outlined by the project's objectives to be followed up. On the Ecuadorian side, the documenting of the project was prompted by the need to articulate this particular initiative with other regional initiatives where SENAGUA and INAMHI were already participating to avoid overlapping tasks and activities carried out by the same participating institutions with the same cooperation objectives. A complete project document was then developed to frame the SSC exchange.

The project did not have an impact evaluation process, but according to the interviewees, it was a successful SSC initiative. The project deepened the knowledge and technical skills of SENAGUA and INAMHI technicians. It allowed for the development of a hydrological and water quality network enabling reliable and timely information to be obtained. The project documentation established a general provision that mentioned that ABC could perform a unilateral review of the project as long as it did not burden the other participating institutions. It was not possible to identify if such an evaluation took place.

Outcomes were difficult to map for this initiative since no evaluation was conducted. In this case, project outcomes were considered 'successful' since the project was conducted in good terms with the Brazilian counterparts and left the door open for future collaboration. There was, however, no clear indication or evidence of positive impacts on the project since its culmination in 2017.

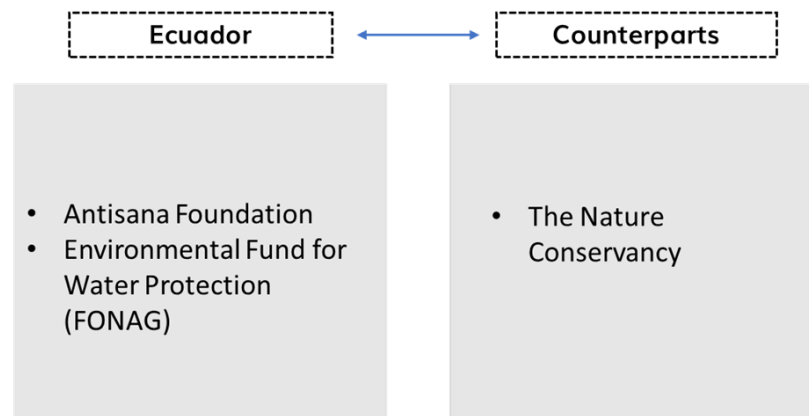
## NSC in water management: A financing model for the protection of water sources in Quito, Ecuador

The water of Quito, capital of Ecuador, comes from the moors that surround the city. The vegetation, fauna and the structure of its soils are the characteristics that make this high-altitude ecosystem the primary source of water. Several problems, such as rapid growth in urban areas, excessive use of natural resources and water contamination affect the moors that surround Quito, where almost 15% of the total population of Ecuador lives.

### Action situation and participants

In 2000, FONAG was created through an alliance between The Nature Conservancy (TNC) and Antisana Foundation with the support of Quito's Metropolitan Agency for Water and Sanitation (EMAAP-Q) (Lloret, 2011). FONAG is a financial mechanism based on a patrimonial fund that allows the use of financial returns to co-finance activities focused on the conservancy and protection of the water sources in Quito (Lloret, 2011). FONAG is financed through a trust that executes programmes and projects for conservation, ecological restoration and environmental education. Thanks to TNC's initial support, FONAG turned into a self-sustaining and well-structured entity with an annual budget of \$2.4 million in its 80-year trust (FONAG, 2018).

**Figure 5.** Participants in the analysed water management NSC initiative, Ecuador



Source: Own elaboration

FONAG is the first water fund in Latin America that focuses on the protection of the Andean moors that supply water to the city of Quito. FONAG is constituted as a trust fund, which allows its financial vulnerability to be reduced by guaranteeing long-term financial autonomy. Nowadays, 96% of FONAG's funding comes mostly from public funds, 87% are from contributions from Quito's Municipal Office for Water and 9% from Quito's Municipal Electricity Company. The cooperation between TNC and FONAG has resulted in close collaborations with non-state actors such as the San Francisco de Quito University (USFQ), subnational governments and private companies.

Cooperation between TNC and FONAG has supported the replication of the FONAG experience in other locations. For example, TNC, through FONAG, has provided technical support for the design of a monitoring system for the Water Fund for the Conservation of the Paute river basin<sup>6</sup> (FONAPA). The FONAPA initiative was a 4-year non-reimbursable technical cooperation agreement that included three components:

1. With the support of TNC and the San Francisco de Quito University, technical assistance and financing were provided for the design of impact monitoring, baseline surveys, training and strengthening of the FONAG field team (park rangers), purchase and donation of water quality and quantity monitoring equipment, and implementation of impact monitoring.

<sup>6</sup> The Paute river basin is located in the Andes of southern Ecuador. The river basin supplies downstream areas with drinking water and water for agricultural production, livestock and fish farming. In addition, its topographical and hydrological characteristics enabled the implementation of hydroelectric projects such as the Paute Integral Hydroelectric Complex, one of the most important hydroelectric projects in the country; it comprises three dams and four hydroelectric power plants and produces an average of 2,350 megawatts (MW) annually (BasinInfo, n.d.).

2. Replication in other water funds: training of environmental promoters of the Tungurahua Fund<sup>7</sup> to evaluate Andean rivers and design a monitoring system for FONAPA.
3. Carrying out a pilot study of return on investment in the Cinto river basin (located in the FONAG intervention area) for the EPMAPS, which includes: study design, a compilation of information on conservation actions in the watershed and conservation costs in the watershed, and return on investment analysis.

## Interactions and outcomes

TNC and FONAG have excellent levels of coordination, which is attributed to the existent institutional structures that organize FONAG's work and roles among its partners. FONAG is formally organized through a Board of Directors, a Technical Secretariat and a Technical Advisory Committee. FONAG intervenes in areas related to water conservation through programmes such as water management, environmental education, skills development, vegetation recovery, surveillance and monitoring, and communication (Lloret, 2011).

Both entities have a close technical and financial relationship. TNC being part of the FONAG's Board allows for TNC to be involved in FONAG's activities and provide technical assistance as needed. At the same time, it has a vote in decision-making and TNC shares responsibilities with the other constituents, which keeps a participation balance.

TNC provides support to FONAG on specific issues of existing water funds. The areas of collaboration include technical assistance to FONAG through the hiring of consultants for the design and implementation of impact monitoring, acquisition of equipment, capacity building of the FONAG field team, design of a monitoring system for FONAPA and design and implementation of a pilot study of the return of investment in FONAG.

For the interviewees, the long-term cooperation between TNC and FONAG has been thriving since it has enabled the consolidation of FONAG as a reliable and responsible organization that has excellent installed capacities for the protection of the watersheds that supply water to the city of Quito.

In the history of cooperation between TNC and FONAG, changes in local authorities have affected collaboration to a certain extent. However, they have been able to adapt to the new requirements of the authorities due to the involvement and participation of governmental partners in FONAG projects and initiatives. During President Rafael Correa's administration (2007–2017), there was opposition to international cooperation from the United States. As a consequence, in 2014, the United States Agency for International Development (USAID) left the country. These tensions, however, did not directly affect the analysed initiative, but it did affect other TNC projects.

In terms of reporting, all the activities carried out by TNC are reported to the Ecuadorian Ministry for Foreign Affairs. TNC must annually submit an accountability report on the organization's programme, projects and activities. Likewise, final reports of programmes and projects are presented to the national or local public entities involved in the interventions. Concerning FONAG, as with all trust funds and according to Ecuadorian law, they have to present monthly reports of their financial statements and taxes. Also, in the trust fund contract, they establish a timeline to submit reports to the Board of Trustees.

The agreement signed by TNC with the Government of Ecuador proposes some reporting mechanisms. TNC must submit during the first quarter of each year to the MFAE an annual operating plan; record sheet of programme and projects executed during the past year; report on the degree of execution of those programme and projects; file of

<sup>7</sup> The Tungurahua Fund is another replica of FONAG in the Ecuadorian province of Tungurahua.

volunteers, experts and staff who have collaborated with the organization the previous year; programme and project evaluation reports; and external audit reports of its activities in Ecuador.

In terms of impact, FONAG has been successful in creating conditions of financial sustainability and replicability. At the national level, several water funds have been created. Funds that were modelled after the FONAC experience include the Water Fund for Riobamba, the Moors Fund of Tungurahua against poverty, and Water Fund Espindola in the Zamora Province. As a pioneer in Ecuador, the water fund model has been adopted in 11 countries, from the United States to China and Kenya with the help of TNC. FONAG is also part of a regional network of water funds, which can be characterized as SSC; TNC does not participate in this network (Lloret, 2011). TNC and their partners showed \$2 in savings for every dollar invested in conservation actions over 20 years. This positive result encouraged EPMAPS to expand the return on investment study to other intervention areas.

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### **SSC in public security: Knowledge exchange for the control of criminal organizations and gangs in Ecuador**

#### **Action situation and participants**

According to the constitutional mandate, the Ecuadorian state guarantees public security, through integrated policies and actions, to safeguard the peaceful coexistence of people, promote a culture of peace, and prevent violence and discrimination. In this area, one of the most critical policies is the fight against crime, which requires investment in training police forces.

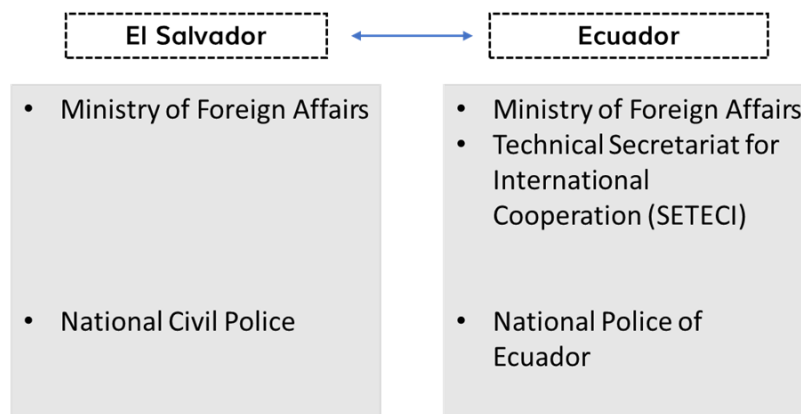
The objective of the analysed initiative is to train personnel of the Ecuadorian National Police to prevent, control and reduce the activities of international criminal organizations such as gangs. The cooperation provider was the National Civil Police of El Salvador. The project had three specific objectives: a) to learn about the experiences of El Salvador's police to counter the actions of organized crime and gangs, b) to identify strategies that can be implemented in Ecuador to prevent crime, and c) to establish collaboration and information exchange mechanisms with El Salvador's Police Force.

This SSC intervention is the result of the negotiations that took place between the Ecuadorian Technical Secretariat for International Cooperation (SETECI) and the Vice Ministry of Development Cooperation of El Salvador, within the framework of the First Meeting of the Joint Commission held on 18 and 19 July 2011. The Ecuadorian National Police requested SETECI to include the fight against crime as a central priority for collaboration in the negotiations of the Joint Commission between Ecuador and El Salvador. The agreement was then approved between the Ministries of Foreign Affairs in both countries. The executing institutions in the two countries were the National Police of Ecuador and the National Civil Police of El Salvador. After eight months, in March 2012, the exchange of expertise was carried out, thanks to the fact that the two institutions included a fund for this activity in their institutional budgets.

The actors involved in this SSC initiative were Ecuador's Ministry of Foreign Affairs, Ecuador's Technical Secretariat for International Cooperation (SETECI), the National Police of Ecuador, the Ministry of Foreign Affairs of El Salvador and the National Civil Police of El Salvador.

The Ministries of Foreign Affairs in Ecuador and El Salvador and their respective cooperation agencies were responsible for establishing all the agreements and promoting negotiations to carry out the project. After the agreement was reached, the two police institutions were notified to implement the project, setting out the topics and a schedule of activities. This SSC intervention was highly dependent on existing technical, political, administrative and financial capacities of the involved parts. The police institutions applied a shared-cost modality and managed their funds to meet all the objectives set and the visits of experts to both countries.

**Figure 6.** Participants in the analysed public security SSC initiative, Ecuador



Source: Own elaboration

The objective of this intervention was to provide technical assistance through an exchange of experiences and knowledge, with internships and professional visits of Ecuadorian experts from the National Police to El Salvador, to learn from the strategies used by the National Civil Police of El Salvador to control criminal organizations and gangs. The exchange was a 12-day project, from 19 to 31 March 2012. According to the interviewees, the timeframe of the cooperation and planning was realistic (in terms of time availability and budget), and this allowed for it to be carried out without complications.

It included technical cooperation in the design of the internship plan and the contents of the working sessions. Institutions also coordinated travel logistics for the involved experts jointly. The modality of exchange of experiences helped to develop a better educational model and strengthened the institutions involved through the identification of problems and the processes to solve them.

Non-state actors were not involved in this initiative.

## Interactions and outcomes

The relations between all the institutions involved, especially between the National Police of Ecuador and the National Civil Police of El Salvador, were always excellent and fluid. Both countries had internal political stability; for that reason, no change of authorities caused the project to be interrupted. The two police institutions jointly discussed institutional interests and priorities and had ongoing and direct communication through different mechanisms such as emails, telephone calls and videoconferences.

Both police entities were responsible for reporting back on the activities carried out in the framework of the project. These reports were sent to the governmental cooperation agencies, which allowed a follow-up to the intervention in the frame of the Joint Committee. The reports respond to the Ecuadorian rules for registration and reporting of international cooperation in the Under-Secretary of International Cooperation of Ecuador.

The exchange of experience did not include an evaluation exercise. However, a test was carried out after the training to evaluate the assistance received by El Salvador Police. Among the evaluation criteria were the work plan, trainers, content and structure of the training sessions. Participants rated this SSC initiative as 'excellent'.

The primary outcomes were reached. The National Police of Ecuador adopted the methodology of the National Civil Police of El Salvador in the identification of badges (graffiti) and the behaviour of gangs in urban areas and various public spaces. Similarly, communication has been maintained and an exchange of documents established.

One identified opportunity is a strong collaboration between police entities. It was possible to show that there was a mutual exchange: two-way learning. The Police of Ecuador was able to receive training in criminal-gang organizations by the National Civil Police of El Salvador. At the same time, the National Civil Police of El Salvador was able to maintain an internal reflection to have higher efficiency in their processes.

## NSC in public security: Developing a restorative juvenile justice approach in the judicial system

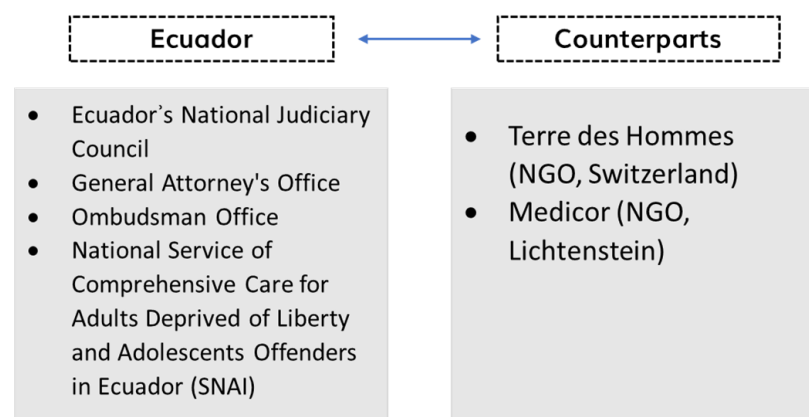
### Action situation and participants

The objective of this NSC initiative was to provide technical assistance to the Ecuadorian judicial system for the implementation of more efficient legal processes concerning cases of young people in conflict with the law.

The executing institution of cooperation was Terre des Hommes (TDH), a Swiss organization for children's aid. Medicor, an independent and charitable foundation based in Liechtenstein, provided part of the funds for this project. TDH provides technical assistance and financing in three main areas: advocacy, training and innovation in restorative justice issues. They do it through their technical cooperation and consulting. This particular initiative collaborated with key actors from the Ecuadorian judicial system. The cooperation intervention was formalized through cooperation agreements signed between both parties, which established guidelines for financial and technical support. This initiative had a national scope.

In 2012, TDH approached Ecuadorian institutions and signed a cooperation agreement with the MFAE. Its first partner was the CNJ, and then the other institutions of the Ecuadorian judicial system joined the initiative through cooperation agreements. The first phase of the project went from 2012 to 2016, and the second phase was planned to take place between 2016 and 2021. The intervention's first phase covered six provinces, and the second phase is expected to reach the rest of the country. The actors involved in this NSC project were the Swiss NGO, Terre des Hommes (TDH), and the National Judiciary Council (CNJ). On the Ecuadorian side, other actors in the judiciary system were involved. They included the Ecuadorian General Attorney's Office, Ecuador's Ombudsman Office, and the National Service of Comprehensive Care for Adults Deprived of Liberty and Adolescents Offenders in Ecuador (SNAI). The budget for this project was \$894,400. TDH contributed 42% of the total budget and Medicor 58%.

**Figure 7.** Participants in the analysed public security NSC initiative, Ecuador



Source: Own elaboration

Civil society was involved in some training and integrated into the commission to co-design new policies for young people in conflict with the law.

### Interactions and outcomes

The interactions between the actors of this initiative were articulated through an existing institutional mechanism, the Restorative Justice Roundtable, where inter-institutional coordination entity and a technical commission supported on-site training, distance-learning training and provided feedback to the stakeholders. The only coordination problems identified by the interviewees were between the General Attorney's Office, and the problem was attributed to the lack of a formal cooperation agreement between the General Attorney's Office and TDH.

The implementation strategy embraced inclusive partnership and engagement among all actors. TDH's vision is not to substitute the competencies of the state but to strengthen them.

During the project implementation, TDH underwent a restructuring process in the Andean region offices, affecting the financial availability of the Ecuador office. This reduction in resources resulted in personnel and project-related cuts. An interviewed TDH representative indicated that donors' interests are shifting, and Latin America is not seen any more as a priority region.



The project also faced problems due to the change of authorities and officials in Ecuadorian institutions during 2018. In fact, in 2018 the former Ministry of Justice disappeared and transferred its competencies to two new institutions: The Secretary of Human Rights and the SNAI. These changes negatively impacted several ongoing and planned activities.

In terms of monitoring, annual reports were developed by TDH by request of the Under-Secretary for International Cooperation of the Ecuadorian Ministry of Foreign Affairs. Reporting is required by law under the Basic Operation Agreement for foreign NGOs established in Ecuador. Besides, TDH conducted audits and evaluations of its projects at the end of each phase. The monitoring carried out by TDH to the project was through a logical framework approach at two levels of outputs and outcomes. Besides, the project designed an Annual Route Map, which was derived from the agreement between the TDH and CNJ.

The evaluation was carried out by an independent consulting team from Switzerland. The evaluation was a qualitative ex-post evaluation that included visits to the counterparts, partners, to conduct interviews and questionnaires.

Among the main findings of the evaluation was the need to strengthen TDH's political and technical support from headquarters. The evaluation also showed that the absence of continuous fundraising processes undermined the long-term financing of the project. The first phase of the project achieved the following milestones.

1. Advocacy resulted in higher awareness related to the importance of impartiality in the judicial system. Two judges were trained and are now competent in impartiality justice.
2. A guide for the implementation of the restorative approach in the administration of juvenile justice was produced. The document focuses on standards for the protection of adolescents.
3. 450 justice officials were trained in restorative juvenile justice.
4. Sixty justice officials enrolled in the restorative justice training programme at a Swiss university.

# 6. Sri Lanka

Since its independence, foreign aid has played an important role in Sri Lanka's development panorama.

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## **Exogenous factors: Country context and shaping factors**

For decades, Sri Lanka has received aid mainly through traditional donors from OECD countries and multilateral organizations. However, SSC is playing an increasingly prominent role. The conclusion of a nearly three-decade-long conflict, changes in domestic policies, and Sri Lanka's classification as a middle-income country in 2010 and upper-middle-income country in 2019 have contributed to the shift towards more visible and active South-South cooperation.

Sri Lanka has pursued development projects of varying size and scope with overseas financial assistance (Jegarasingam, 1993). The significance and policy prominence of foreign aid was most significant during the late-1970s, along with the first wave of economic reforms. The international community hailed a comprehensive economic liberalization programme reversing nearly two decades of inward-oriented development (White & Wignaraja, 1992). As a result, Sri Lanka was colloquially referred to as a 'donor darling' (Senanayake, 2009). Upon closer examination, however, a vast majority of foreign aid flows during the time was directed at large-scale public investment schemes, rather than towards assisting the policy reform process (Levy, 1989).

Amidst the slowdown of economic reforms, foreign aid continued to flow into the country as Sri Lanka struggled with ethnic conflict. Faced with growing military spending due to the spread of terrorism in the country, Sri Lanka relied on foreign aid to maintain public investments amidst mounting deficits and debt. Aid came mainly from traditional bilateral donors such as Japan and the United States, and multilateral donors such as the Asian Development Bank (ADB) and the World Bank (Government of Sri Lanka, 2001).

The dynamics of external development assistance to Sri Lanka changed considerably due to a combination of domestic political developments and external factors. During the final stages of the war, which eventually concluded in 2009, the Government of Sri Lanka faced allegations of war crimes and consequently lost the support of many traditional donors at the time (Bajoria, 2009). Moreover, soon after the conclusion of the conflict, Sri Lanka graduated to low-middle income status. Therefore, the country was no longer eligible to easily access concessionary loans and other forms of development assistance that it had depended on in previous decades and necessitated access to international capital markets (Weerakoon & Hewage, 2017).

Faced with changing global and local dynamics, Sri Lanka embraced South-South cooperation as a viable alternative. China and, to a lesser extent, India demonstrated the willingness to invest in Sri Lanka's development process. China, in particular, has been providing a mix of development assistance, export credit facilities and grants throughout the post-war period. The most significant contributions to Sri Lanka have been in the form of grants and export credit facilities from China in the post-2013<sup>8</sup> period. For instance, in 2014, China's total financial contribution amounted to nearly half the amount of all development assistance provided to Sri Lanka by any country/organization. The same can be said for 2012 and 2013, with China's share amounting to approximately one third of the total financial assistance. India's contributions have been less substantial in size than China over this period, but significant, nevertheless. Sri Lanka's strategic location is a clear incentive for China to support Sri Lanka's development as a logistics/transshipment hub, especially taking into consideration China's Belt and Road Initiative (Hewage, 2015).

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<sup>8</sup> Since the loan disaggregation is unavailable before 2012, some statements will refer to the post-2013 period.

India's support to Sri Lanka has mainly come in the form of grants in the post-war period. An amount of \$257 million was provided in 2013 for the reconstruction and development of the northern and eastern provinces that were severely affected by the war. China has been less invested in providing grant financing, and it has been primarily providing large loans/export credit over this period. However, in 2016, China signed an \$80 million grant for economic and technical cooperation. This grant is the second-largest grant received by Sri Lanka in this period. This grant is to fund the refurbishing the 'Superior Courts Complex'; China has catered to similar non-revenue generating public projects with successive governments, such as the 'Bandaranaike Memorial Hall' and the 'Nelum Pokuna Theatre' (Department of External Resources, 2016).

The following NSC and SSC projects belong to the infrastructure sector; specifically, to the sub-sector 'social infrastructure'. These projects provide assets and infrastructure to facilitate social services (housing, schools, hospitals, training centres) and cover a broader spectrum of infrastructure than hard infrastructure projects (roads, highways, railways) do. While hard infrastructure investments were prominent in the immediate aftermath of the war, a decade later, the focus needs to move beyond hard infrastructure reconstruction to building social services.

Housing in plantation estates, referred to as 'line-rooms', are usually small, attached housing units where worker families live in poor conditions without essential water and sanitation facilities.

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## **SSC in development infrastructure: Housing infrastructure for productive growth in Sri Lanka**

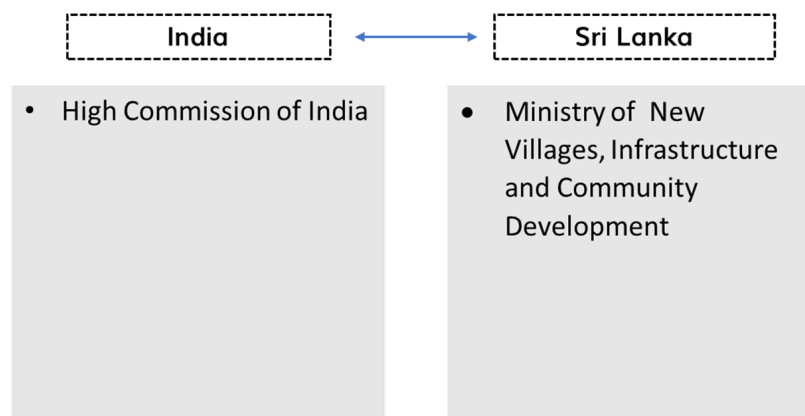
### Action situation and participants

Given that around 160,000 line-rooms are estimated to be in a state of disrepair, the main challenge addressed by this intervention was the provision of adequate shelter with access to necessary facilities such as healthcare so that workers' families are encouraged to remain in the estates, ultimately leading to increased productivity (UN-Habitat Sri Lanka, 2019). Although the Government of Sri Lanka (GoSL) had already provided approximately 25,000 individual houses and some water and sanitation projects to uplift the living standards of these communities over the years, there is still a substantial need for improving housing in Sri Lanka's plantation sector. As such, the Government of India (GoI) and the Government of Sri Lanka collaborated to address this issue, as part of an overall commitment to providing 50,000 housing units in Sri Lanka.

The Housing Project, which started in 2016, involves the construction of a total of 14,000 houses for estate workers in the Central and Uva provinces in Sri Lanka. The project is divided into three phases. The first phase is a pilot to test the implementation strategy by constructing 1,134 housing units. In the second phase, 4,000 houses were constructed, and in the third phase, 10,000 houses will be built. Phases 1 and 2 have been completed, but the third phase of the project was still under way at the time this document was written. The target duration was initially to be two years, but an agreement to extend to the third phase an additional 10,000 houses was made in August 2018.

For the implementation of the project, the Government of Sri Lanka represented by the Ministry of New Villages, Infrastructure and Community Development partnered with the Government of India represented by the High Commission of India. Also, the Plantation Human Development Trust (PHDT), Regional Plantation Companies and Estate Workers Housing Cooperative Societies (EWHCS) were partners of the project. The International Federation of Red Cross and Red Crescent Societies in partnership with Sri Lanka's Red Cross Society, the United Nations Human Settlements Programme, the National Housing Development Authority and Habitat for Humanity Sri Lanka have appointed implementation agencies for this project.

**Figure 8.** Participants in the analysed development infrastructure SSC initiative, Sri Lanka



Source: Own elaboration

The project was implemented using a participatory homeowner-driven model, wherein the Government of India, through its partners, arranges technical support and financial assistance for the beneficiaries to undertake the construction of their own homes, encouraging a sense of ownership among the beneficiaries (Habitat for Humanity Sri Lanka, 2017).

Cash grants of LKR 950,000 are channelled through the EWHCS to each beneficiary in four instalments. The houses are a minimum of 550 square feet, consisting of two bedrooms, a living room, a kitchen and a toilet. The beneficiaries have the flexibility to expand the houses after the completion of the basic structure constructed under the project. Beneficiaries can also provide in-kind contributions of labour and building materials towards the construction effort in order to save costs (UN-Habitat Sri Lanka, 2019).

To construct the housing units, the implementation agencies supervise, coordinate, monitor and support each stage of construction. The community and others involved in the project are guided on the basics of construction. Support provided by implementation agencies includes basic technical knowledge in construction and skill training.

This project was implemented under the parameters of the Memorandum of Understanding between the Government of India and the Government of Sri Lanka. Grant funding of \$12 million was provided for the project.

## Interactions and outcomes

The High Commission of India provided the funds in instalments to Estate Workers Housing Cooperatives. Sri Lanka's Ministry of New Villages, Infrastructure and Community Development is responsible for the overall coordination, guidance and provision of support for all partners. It provides funds for infrastructure facilities such as water supply, electricity, soil conservation and drainage. It also guides the implementation activities of the Plantation Human Development Trust.

It is essential to highlight the cooperative and participatory nature of the interactions among the involved actors. For example, the Plantation Human Development Trust facilitates a monthly local level meeting between Estate Workers Housing Cooperatives and implementing agencies. The objective of these meetings is to bring a speedy resolution to matters related to the project, which requires government approval or intervention.

Regarding reporting and monitoring, all involved implementing agencies must report about their activities under the project for oversight and monitoring. These mechanisms include those set up by the GoSL at the district and division level for coordination and oversight. Key indicators for monitoring purposes include the number of houses constructed, executed training programmes for capacity building, volume of funds disbursed, and grievances or complaints received and resolved. In addition, quarterly progress reports, annual reports and a final report upon completion of the project are part of the monitoring and reporting efforts.

In terms of outcomes, Habitat for Humanity Sri Lanka has constructed 98 homes for plantation workers in the Hellboda Estate, Pussellawa as part of Phase 1 of this Project. Also, 265 homes in five new tea plantations in the Kandy and Nuwaraeliya Districts were constructed in 2019. Through these interventions, 248 individuals were supported, including 124 children and 52 female-headed households. However, the project is still under way at the time of writing, so the overall impact cannot be assessed yet.

## NSC in infrastructure: Productive infrastructure for post-war development in Sri Lanka

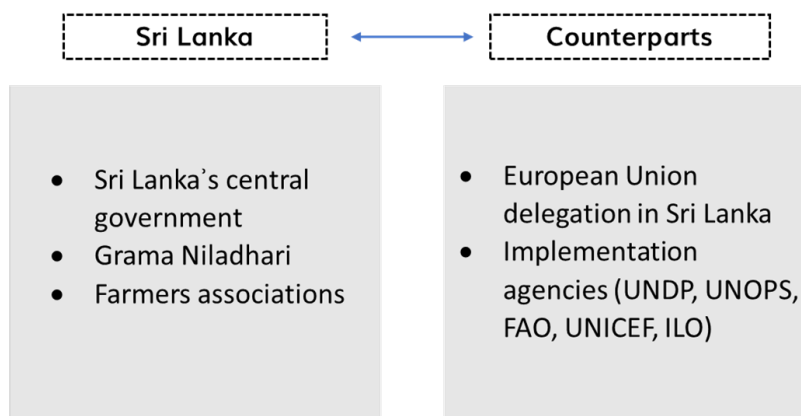
The main focus of this NSC is to address the challenge of reconstructing war-affected areas in Sri Lanka. Sri Lanka's 30-year long civil war ended in 2009, leaving many war-torn areas lacking social infrastructure. As such, seven districts in Sri Lanka were chosen for interventions: Ampara, Batticaloa, Mannar, Vavuniya, Puttalam, Anuradhapura and Monaragala. Ten critical areas of intervention were identified based on priority challenges faced in different districts including income generation, sustainable livelihoods, productive infrastructure, access to quality social services, strengthening the capacity of local producer organizations, support to entrepreneurship and expansion of existing businesses. We focused on the productive infrastructure intervention led by the European Union in Sri Lanka.

### Action situation and participants

The productive infrastructure intervention was implemented between 2012 and 2017. Its primary purpose was to ensure greater access to collective economic assets and services, especially for vulnerable communities. Support was extended to farmers communities in the rehabilitation of irrigation systems and improvement of livestock breeding and training centres, fish hatcheries, and agriculture training and research centres. Also, infrastructure units were provided to Producer Organizations (POs) to create an enabling environment for POs to engage in local economic development. The interventions aimed at impacting the lives of 150,000 beneficiaries (EU-Sri Lanka Development Cooperation, 2018).

The European Union was the donor of the project and was involved in the project's implementation, and it worked alongside the multiple implementation agencies. While implementation agencies attend to the details of the planning and operational aspects of the project, the EU-Sri Lanka delegation attended project meetings, engaged in field activities and oversaw the completion of activities at large. The implementation agencies were five UN agencies: UNDP, UNOPS, FAO, UNICEF and ILO, along with the IFC. Each agency has a different mandate and was assigned interventions that suited their mandate. For example, the UNDP focused on livelihood and productive infrastructure development, while UNICEF focused on education and health-related interventions. For the productive infrastructure intervention, UNDP and FAO were the implementing agencies.

**Figure 9.** Participants in the analysed development infrastructure NSC initiative, Sri Lanka



Source: Own elaboration

A non-conditional grant of EUR 60 million was allocated for the overall project. The finances were disbursed to implementing organizations to carry out their activities.

The European Union and its Member States remain the largest donors of official development assistance (ODA) in the world. In 2014, they provided more than a half of all development aid given across the world (EU-Sri Lanka Development Cooperation, 2018). The EU-Sri Lanka development cooperation is a partnership that dates back to the 1970s and has since covered a variety of initiatives. The cooperation has been political, economic and developmental. Humanitarian and developmental aid to Sri Lanka was primarily aimed at the areas hit by the 2004 tsunami and the 30-year long civil war.

A robust participatory approach was adopted for this project in terms of involving local authorities in project-related activities. Interviewed representatives from the European Union highlighted their participation in collaboration-oriented spaces such as daily meetings with the implementing agencies and local partners. Focal points of implementation at the local level were village officers (Grama Niladhari – GN) in the selected districts. Moreover, local authorities at the district level were more involved in implementation activities in comparison to central government officials. Central government involvement is considered inefficient for projects spanning five years since ministerial mandates and positions are likely to change. So the project's progress is likely to be stalled due to these changes. For this project, local government involvement proved to have been quite successful. Also, CSOs, farmer groups and community groups were mobilized for project-related work. While the GN officers handled legal aspects (permits, environmental clearance), smaller grassroots groups were mobilized for building support around an intervention among the respective communities (farmers, producer organizations).

Implementing agencies had to submit quarterly interim reports as annual progress reports to the EU. Funds were disbursed based on progress and absorption of funds. The EU also reports back to the EU-Sri Lanka joint commission, which is a high-level bilateral discussion between an EU delegation from Brussels and high-level officials from the Government of Sri Lanka. The government is briefed about project progress and results on which they receive feedback.

The number of people who benefited from the productive infrastructure interventions is as follows: 80 Farmer Organizations; 11,000 Farmers; 4000 Fishers; 6000 Poultry and Livestock Keepers; 90,000 people. However, the ex-post project evaluation was still in progress at the time this research took place.

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### **SSC in agriculture: Technical cooperation for the fruit value chain in Sri Lanka**

#### Action situation and participants

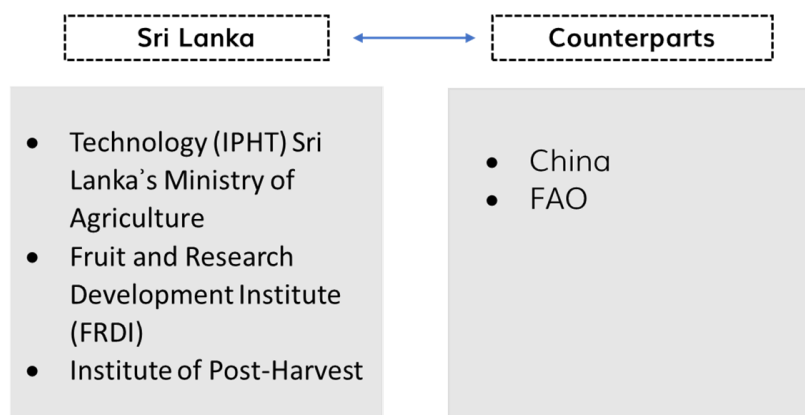
In 2014, the Ministry of Agriculture (MoA) of Sri Lanka requested the Food and Agriculture Organization (FAO) to facilitate support from China's South-South Cooperation (SSC) programme for the development of Sri Lanka's agriculture sector. The request was considered in the 2016 FAO-China Annual Consultation Meeting and led to the implementation of collaborations as the one analysed below.

Following joint discussions between China, Sri Lanka and the FAO, the parties signed an FAO-China South-South Cooperation Tripartite Agreement to help Sri Lanka boost the production and commercialization of priority fruit crops (banana, mango and pineapple), by improving the technical capacity among value chain actors in the country. The project is worth approximately \$1.1 million. Under the programme, eight experts and six technicians will be fielded to offer technical guidance to local communities, transfer efficient and advanced technologies, and organize training courses. The project targets high-potential value chains in fruit-producing regions in Sri Lanka. The banana value chain activities will be implemented mainly in Moneragala and Kalutara. The mango value chain activities will be implemented in Anuradhapura and Kilinochchi, while the pineapple value chain activities will be implemented in Gampaha, Kurunegala and Moneragala.

The primary donor for the project is the Government of the People's Republic of China, and the project is carried out under the auspices of the UN FAO. In addition to its role as a donor, Chinese experts have been assigned alongside the FAO technical team to assist with knowledge sharing and capacity development amongst farmers and government officials. The project is implemented by a team comprising of four Chinese experts and six long-term technicians deployed for two years. Additionally, four short-term experts will be fielded for one month, two of whom will focus on under-utilized high potential fruits (Jujube and Anona).

The Ministry of Agriculture is the main stakeholder on behalf of the Government of Sri Lanka. The Ministry of Agriculture leads the coordination and implementation of the project through the PSC. It supports implementation through its provincial and district level offices to identify relevant farmers and other stakeholders. The local institutions involved with the project are the Ministry of Agriculture, the Fruit and Research Development Institute (FRDI) for production-related components, and the Institute of Post-Harvest Technology (IPHT) for downstream value chain activities.

**Figure 10.** *Participants in the analysed agriculture SSC initiative, Sri Lanka*



Source: Own elaboration

The project was launched in December 2018 for two years. The emergence of the COVID-19 pandemic, however, has created significant delays as Chinese technicians and experts have been unable to travel from China since January, and domestic curfews since mid-March have limited activity on the field. As a result, the project is likely to be extended for a further period, and discussions to this effect are ongoing.

## Interactions and outcomes

As has been noted previously, during the past decade, China is fast becoming a significant contributor to development finance to Sri Lanka. The agriculture sector, in particular, has benefited through several Chinese interventions to improve the sector's performance (Ministry of Foreign Relations, 2019). Sri Lanka has been a member of the FAO since 1948. It is important to note that the FAO's role in Sri Lanka has evolved alongside the country's transition into the upper-middle-income status. With the transition, FAO is moving away from large-scale field-level activities and towards providing knowledge and capacity development for local stakeholders to enable successful completion and scaling up of projects.

Under the tripartite agreement, all three main stakeholders (Sri Lanka, China and FAO) are required to provide monitoring and oversight with regular performance assessments. FAO, as the budget holder, coordinates and manages the project monitoring component, with the support of the SSC and Resource Mobilisation Division (TCS). The Ministry of Agriculture of Sri Lanka, represented by the PSC, acts as the central national counterpart, and ensures that the work of the SSC experts and technicians are closely linked to national priorities and relevant programmes. The Chinese SSC Team Leader is responsible for the oversight, monitoring and performance assessment of the work of the Chinese partners.

A National Project Steering Committee (PSC) was set up by the Ministry of Agriculture to provide strategic leadership, guidance and oversight throughout the project. Three project implementation units (PIUs) have been set up at the FRDI in Horana, IPHT in Anuradhapura and the Agriculture Research Station (ARS) in Makandura.

Regarding the monitoring of the initiative, a technical review of all projects will be conducted through the FAO Representative Office before official transmission to the Government of Sri Lanka. All reports will be inserted in the Field Programme Management Information System (FPMIS). Relevant documents relating to significant technical themes will be published as technical reports following technical review and clearance by the respective technical divisions at the FAO.



A tripartite mid-term review was to be conducted before the end of the first year of project implementation. The representatives of all three parties (China, FAO and Sri Lanka) will take part in this review. However, this review has been delayed due to the COVID-19 pandemic. A final report will assess the project activities, the results obtained, the progress made in achieving the objectives and the impact of the project. This report will also make recommendations for follow-up arising from the project. Upon completion of the project, the final report will be finalized by the FAO and submitted to the Government of Sri Lanka (FAO, 2018).

Overall, the SSC project is expected to introduce both technical and institutional innovations, with a key focus on building and strengthening the capacity of partner institutions (such as FRDI and IPHT), farmers, fruit nurseries, processors and other service providers to ensure the sustainability of the interventions at project exit in two years.

The COVID-19 pandemic has evidenced the need to improve value chains within the country. The relevant stakeholders are currently in discussions to broaden the scope of the project also to include vegetable value chains.

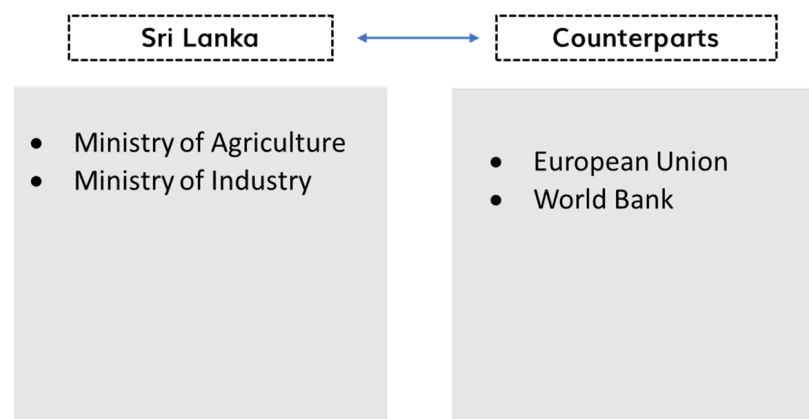
## NSC in agriculture: The agriculture sector modernization initiative

The necessity to reform the agricultural sector in Sri Lanka and improve its productivity has been identified as a priority area by successive governments. Currently, while the sector accounts for approximately 30% of employment in the country, it contributes less than 10% of GDP (CBSL, 2019). The overall relevance of the agricultural sector was noted in both the World Bank's Systematic Country Diagnostic of 2015 as well as the Government's overall development strategy (World Bank, 2016).

### Action situation and participants

The Agriculture Sector Modernization Project (ASMP) is an NSC initiative undertaken to increase agriculture productivity, improve market access, and enhance value addition of smallholder farmers and agribusinesses in Sri Lanka. The ASMP had a \$164.89 million funding. The project was jointly funded by the World Bank and the European Union and is carried out by the Ministry of Agriculture and the Ministry of Industries of Sri Lanka<sup>9</sup>. The project has three components: (i) agriculture value chain development; (ii) productivity enhancements and diversification demonstrations; and (iii) project management, monitoring and evaluation. Overall, the project covers eleven districts in five provinces<sup>10</sup>.

**Figure 11.** Participants in the analysed agriculture NSC initiative, Sri Lanka



Source: Own elaboration

The project is financed in part through a concessional loan by the World Bank worth \$125 million and a grant worth approximately \$32 million (EUR 30 million), with the remainder expected to be financed by local farmer organizations. The EU grant is divided into two components with EUR 25 million dedicated directly to the ASMP programme and EUR 5 million for technical capacity development under the Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka (TAMAP).

<sup>9</sup> Following a change of government in November 2019, the mandate of the Ministry of Primary Industries has been absorbed by the Ministry of Industries.

<sup>10</sup> The five provinces are: Northern Province, Eastern Province, North-Central Province, Central Province and Uva Province

## Interactions and outcomes

The project was approved on 28 June 2016 and expected to run until 31 December 2021. However, as noted previously, the project experienced nearly two years of delays. Furthermore, since the recent change of government in November 2019, all development projects with foreign donors have been placed under review. Stakeholder consultations, however, revealed that political support for the ASMP project has remained across the political spectrum and delays due to the reviews are unlikely. The project is likely to face further delays due to the current COVID-19 pandemic and related lockdowns across Sri Lanka.

The EU has consistently been one of the largest donors of overseas development assistance in Sri Lanka. The relationship is mainly founded on the Cooperation Agreement signed between the two parties in 1995 (EU, 1995). Funding for the ASMP programme has been allocated through the EU's Multiannual Indicative Programme (MIU), which has recognized agriculture as a priority sector requiring assistance (EU, 2014).

A Steering Committee, with representation from the World Bank, the EU and senior government officials from Sri Lanka, has been created to oversee the entire project. Meanwhile, the World Bank has the financial supervision mandate for the entire project. The Government of Sri Lanka, through the PMUs set up at the Ministry of Agriculture and the Ministry of Industries, is responsible for the implementation of the ASMP project.

Two separate domestic project management units (PMUs) have been created under the Ministry of Agriculture and the Ministry of Industries to coordinate the project. These PMUs work in coordination with provincial PMUs that have been set up in the respective provinces to manage the project at the local level. Since the project aims to create private and public synergies to enhance agricultural sector productivity, farm organizations are involved at the local level in implementation. However, it should be noted that at the conceptualization of the project, the project appraisal team overestimated the level of linkages between farm organizations and the market. In order to support GoSL and address capacity constraints, the project has allowed for the hiring of an international service provider, made up through a consortium of companies from Sri Lanka, Sweden and New Zealand.

Although there are clear mandates for the implementation of the project, challenges exist particularly about the coordination of activities across different levels of government. For example, PMUs were tasked with establishing the relevant connections and activities at the province level. Interviews with stakeholders revealed that a lack of understanding amongst government officials regarding the project's requirements along with the absence of a clear and uniform vision led to several delays in implementing the project. Interviews further revealed that a lack of ownership amongst government officials have led to further delays as well. This situation is attributed to the perception about the project being a 'World Bank project', rather than a project developed and implemented by the government with the support of international partners.

The ASMP project has established stringent reporting requirements commensurate with international standards. As part of the reporting structure, World Bank and EU representatives engage in three supervision missions to project areas each year. Moreover, each PMU is required to submit a progress report two or three times a year to the Steering Committee as well as the World Bank and EU. Moreover, the World Bank is required to submit a bi-annual progress report of the project to the EU regarding the components of the project funded by the EU.

Since the project is currently ongoing, a complete impact assessment has not been conducted. However, a mid-term review has been initiated and expected to be completed by mid-2020. At its appraisal stage, the World Bank identified that the matching-grants component of the project would potentially support approximately 350 existing and newly formed farmer producer organizations and approximately 50 agribusiness partnership arrangements. As a result, it was estimated that up to 15,000 smallholder farm households would directly benefit from the project (Ministry of Agriculture, 2020).

The project appraisal predicts that up to 30% of the farmer producer organizations benefiting from the project will be women-led organizations. Besides, the project's investment in agriculture demonstration parks and complementary production infrastructure is expected to benefit at least 14,000 farm households. Moreover, an estimated 20,000 farm households are expected to benefit from the project's support to establish professional farmer organizations and capacity-building measures (World Bank, 2016).

# 7. Discussion

In this section, we compare the selected SSC and NSC initiatives in Ecuador and Sri Lanka to identify the main differences and similarities among them. The diversity of the identified initiatives will contribute to a better understanding of the institutional arrangements that facilitate or hinder the successful implementation of SSC initiatives. This analysis will also shed light on the existing institutional arrangements and capacities that facilitate or hinder the successful implementation of SSC initiatives.

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## **Ecuador SSC and NSC initiatives in the water management sector in Ecuador**

SSC in the water sector was closely related to existing political ties between the Ecuadorian and Brazilian governments. Brazil has had a Basic Agreement for Technical Cooperation with Ecuador since the 1980s. Besides, shared priorities concerning the management of water resources, the Amazon basin and the existence of other regional cooperation projects on the same subject contributed to the success of this initiative.

The main factor that facilitated the implementation of the SSC initiative between Ecuador and Brazil was the institutional and financial capacity of the Brazilian international cooperation agency (ABC). Previous experiences on the Brazilian side allowed for a smooth implementation of the initiative in Ecuador at the project level. ABC manages its operations using project management formats that contain very detailed information on the execution of projects, with a logical framework, products, activities, indicators, expected results, schedule and budget.

Regarding the NSC initiative, the long-term cooperation between TNC and FONAG contributed to the implementation of the project and the excellent coordination between the parties. TNC is also an internationally recognized INGO and has worked in Ecuador through formal cooperation agreements for many years, which gives it legitimacy and allowed it to operate within existing institutional frameworks. One important lesson that emerges from the FONAG experience is the initiative's transition into a financially independent entity with local ownership. The involvement of municipal authorities allowed for the project to succeed and eased its replication in other locations.

A weakness of SSC is the lack of coordinated actions between the sectoral ministries and the Ministry of Foreign Affairs. Therefore, 'unofficial' cooperation initiatives tend to go unrecorded, which complicates the monitoring of SSC initiatives in the country. NSC initiatives in the water sector, such as FONAG, have supported the development of excellent technical and institutional capabilities and know-how for the management of water resources that has eventually translated to other instances of SSC and learning. The analysed NSC initiative also showed a promising model for other initiatives to achieve financial sustainability and long-term impact.

In both projects, there are only monitoring reports on the progress of the initiatives that are required either by donors or by the Ecuadorian Ministry of Foreign Affairs. However, it is unclear how these reports feed back into the decision-making process or are used to inform future cooperation with southern partners.

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## **SSC and NSC initiatives in public security in Ecuador**

In the case of the SSC with El Salvador, it is evident that the mechanism of the Joint Committee convened by both Ministries of Foreign Affairs worked, which gave robust institutional support to the project and allowed integration through the transfer of knowledge to be promoted. In the case of the SSC initiative between Ecuador and El Salvador, the presence of a robust institutional structure facilitated its implementation. For instance, the project received permanent support of the cooperation agencies, which included the negotiations in the framework of the Joint Committee and the implementation, monitoring and systematisation of the experience.

The SSC initiative is a traditional example of a short-term exchange of experiences, managed with a horizontal approach that allowed a mutual learning exchange between the participants, in a modality of shared costs that distributed the risks, mainly financial, among all of the actors. Furthermore, the exchange of experiences is a relatively accessible mechanism due to its low cost with the capacity to get results in the short-term. The SSC initiative only involved actors at the governmental level. The NSC project had a broader scope, which allowed the engagement of multi-stakeholder participation such as civil society organizations and some public entities.

The NSC project applied a classic structure of provider and recipient, which established a vertical structure between the actors' response to possible changes or adjustments of the project. On the other hand, the SSC initiative set a horizontal structure among the participants; that is, it designed a two-way experience exchange and shared costs which helped the implementation.

Regarding the implementation structure, the Joint Committee mechanism for the SSC project stands out. It provided adequate space for the negotiation and monitoring of projects through a permanent accompaniment of governmental cooperation agencies. On the other hand, the NSC project made use of an inter-institutional round table for the design of the activities and implementation of the project, which supported the achievement of the outputs.

An essential difference between the interventions was their time-frame and scope. The NSC project was a multi-year, macro-level intervention. At the same time, the SSC initiative was a micro intervention, with an exchange of experiences of 12 days, which made it easier to achieve visible results. However, the actual impact of the SSC intervention was difficult to assess due to the lack of information and institutional strategies to merge this particular project into broader crime prevention efforts. While the impact of the NSC was measured using more traditional mechanisms of reporting and evaluation, it was hard to determine whether the impacts would be sustainable after the end of the project.

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## Country-level observations

During the past decade, Ecuador's international cooperation context has been shaped by ongoing institutionalization and formalization of its cooperation practices. This process has allowed the country to align incoming international cooperation with long-term national development plans. Formalization of institutions and practices has also led to the frantic creation of entities in the form of ministries, offices and secretariats of international cooperation with varying levels of formality and coordination among them.

This constant evolution has resulted in high rotation of personnel which, in most cases, has not directly affected the implementation of SSC initiatives. However, constant changes in the assignment of functions and responsibilities across institutions have translated into weak reporting practices that make access to initiative-related information difficult and limit, to some extent, the identification of good practices for future interventions. This situation was particularly true for the analysed SSC initiatives. Limited availability of information and lack of monitoring and evaluation mechanisms reduce the possibility to assess their long-term impact. Most SSC initiatives were considered successful based on criteria such as a) the completion of the project, b) good relations with the counterparts, and c) possibilities for future collaboration.

NSC had more evident reporting practices, mostly due to donor requirements. The implementing NGOs were responsible for the monitoring and reporting processes, and they are also obliged by law to report their activities back to the Ministry of Foreign Affairs. However, a more in-depth analysis would be required to identify how this information feeds back into different levels of government and informs and what kind of structures will allow for this to happen.

The analysed SSC initiatives were implemented on two levels. At the first level is the government, which acts as a facilitator of the cooperation. The implementation of the initiative usually takes place at a second level, where agencies and ministries 'take over' the initiative and follow up with the collaboration and implement the agreed activities. The analysed cases of SSC in Ecuador show that the institutionalization process is also highly centralized and more formal (i.e. attached to laws and policies, formal government-to-government relations) at the central government level represented by the Ministry of Foreign Affairs. Nevertheless, the Ecuadorian Government has made substantial efforts for institutional structures to allow other levels of decision-making, such

as sectoral ministries, to engage in different forms of cooperation without going through the Ministry of Foreign Affairs. This adjustment makes sense considering that many SSC initiatives are implemented at the subnational level.

The existence of formal institutions and agreements have been essential for SSC initiatives. The starting point for the analysed initiatives was either a framework agreement signed between governments or an institutional (bilateral) space where government entities can make requests for future cooperation. The analysed SSC were short-term, highly specific initiatives that were framed into broader frameworks of cooperation. NSC initiatives also benefited from the formalisation of agreements, especially when the initiative's activities involved governmental actors. The absence of clear institutional channels to collaborate with public offices made exchange and participation difficult at some stages of the interventions. NSC also used existing institutional structures to conduct their activities.

In terms of participation, SSC participants were governmental entities, and the initiatives did not foresee the participation of actors from civil society or the private sector. Also, governmental actors were representatives from national-level entities, and there was no participation or involvement of subnational levels of decision-making. NSC initiatives had a broader scope of participants and included actors from civil society and the government.

SSC is gaining traction in Ecuador. Because it is still an incipient form of cooperation, SSC initiatives are less institutionalized, and SSC initiatives are implemented on a case-by-case basis, which also reduces the possibility of replicating successful initiatives and approaches or learning from challenging experiences.

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## **Sri Lanka SSC and SSC initiatives in the social infrastructure sector in Sri Lanka**

There are many similarities in the institutional structures across these two projects, in particular about operational processes, approaches taken for beneficiary involvement and the delegation of tasks by the donor/lead coordination agency. Both projects employed a participatory approach in terms of involving local partners and communities and directly involving project beneficiaries (home-owner model). The NSC project used the former approach, while the SSC project used the latter.

The objective of participatory approaches such as these are for projects to better target and improve their outcomes to the needs of beneficiaries. This can be done by garnering local/community knowledge that is specific to local contexts to mobilize support for projects or by directly involving the beneficiaries in the implementation of the project so that the outcomes are concrete to the recipient's needs—the type of house built, in the case of the SSC project. The latter approach also has the benefit of developing skills and capacity (housebuilding and construction).

Both projects, SSC and NSC, relied on implementation agencies (IAs) to carry out specialized tasks. This strategy allowed project tasks to be delegated based on specialization and for projects to meet deadlines more efficiently. It is noteworthy that in both NSC and SSC projects, UN agencies acted as IAs alongside government partners. As such, usage of donor organizations from the North in Southern cooperation projects implies that SSC projects benefit from the approaches/institutional arrangements adopted in NSC projects and are in a position to emulate these better.

The NSC project lasted five years, while the SSC project lasted two years. The NSC project donor noted that partnering with the central government for projects cutting across electoral cycles (over 4–5 years) was not practical. It is difficult to sustain the momentum of a project if the government changes hands and their mandates change. Also, ministerial portfolios change regularly in Sri Lanka, which can be a hindrance when a donor partners with a specific ministry. For this reason, they have partnered with local governments to ensure that project activities are immune to electoral cycles. Furthermore, local government authorities are better positioned to carry out tasks for their constituents (providing permits, licences) and so, layers of bureaucracy can be overcome.

In the NSC project, the local office of the donor organization (EU delegation for Sri Lanka and the Maldives) was heavily involved in project coordination. However, in the SSC project, the lead coordinating agency was the appointed government ministry rather than the equivalent donor representative office (Indian High Commission). It was the government ministry that coordinated and supervised IAs and other partners, while the High Commission disbursed funds and overlooked activities. In the case of the NSC project, the EU office undertook both roles simultaneously.

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## SSC and NSC initiatives in the agriculture sector in Sri Lanka

In both cases, the Ministry of Agriculture identified the focus area for each project, and the request for intervention came through the Government of Sri Lanka. However, perceptions regarding each project among local officials differ. Some officials perceived the NSC project as a 'World Bank project', which led to a lack of ownership amongst local partnership. This was primarily due to the World Bank taking the lead in conceptualising and designing the project at the outset. In contrast, there appears to be more buy-in amongst local officials towards the SSC project, even though the FAO and China have been heavily involved in designing the project alongside officials from the Ministry of Agriculture of Sri Lanka.

Two possible considerations could influence these perceptions. Firstly, the FAO has a long-standing relationship working with officials from the Ministry of Agriculture and other relevant departments. In contrast, the World Bank has traditionally not engaged in agriculture sector related projects. The use of the FAO as the conduit in the SSC project, therefore, appears to have been more successful in gaining the support of local officials who have not been involved in high-level discussions regarding project design but yet invaluable at the implementation stage. Secondly, the SSC initiative has focused considerably on supporting existing institutions and programmes from the outset, including some that the FAO has supported previously. For instance, the feasibility studies related to the project were developed through government institutions such as the FRDI and IPHT and attempted to find synergies on food safety-related components with the FAO's Regional Technical Cooperation project. In comparison, the NSC initiative has depended on creating several new arrangements such as the development of farm organizations that are integrated with markets. This demonstrates that SSC initiatives benefit from partnering with an IA, especially when the IA has an established relationship in the area of intervention.

The second significant distinction at the operational level of each project is how responsibilities have been delegated to different institutions, especially regarding the decentralisation of decision-making. The NSC project is much broader in scope and designed to run for five years (excluding extensions). As a result, the project has required much more inter-agency coordination, both horizontally and vertically. With horizontal coordination, for instance, the project has set up two separate project management units (PMUs) at each of the central ministries involved in the broader project. This split would ideally help each PMU focus on their area of interest and thus facilitate implementation better. However, at the operational stage, some delays were observed where inter-ministry coordination was required to decide on broad project objectives and implementation. Vertical coordination also faced similar coordination issues. Even though the PMUs are established at the provincial level, coordination with the district level appears to create some frictions. That said, initiatives through local government authorities rather than the central government appear to have facilitated more sustainable means of implementing the project.

The SSC project, in comparison, was structured in a more centralized manner. Given the narrow focus of the project and the short period, a more centralized institutional structure for decision-making was more favourable. However, during future SSC projects that are broader in scope and take place on a longer timeline, SSC initiatives could learn from NSC initiatives and pay close attention to developing effective inter-agency coordination during the project design stage.

As noted earlier, the NSC project faced significant delays due to limitations in technical capacity amongst local officials in conceptualising the project. Ultimately, greater involvement from the donors was required to expedite the process. Future interventions, therefore, regardless of whether it is an NSC or SSC project should be cognizant of these limitations and design projects accordingly. Allocating tasks to institutions that do not possess adequate capacity will only lead to delays in implementation. The SSC project has faced some delays as well, albeit due to delays in identifying experts from China. Due to their ongoing nature, both the NSC and SSC projects have been severely affected by COVID-19 related delays, and all relevant stakeholders are in discussions in assessing implementation strategies.



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## Country-level observations

Sri Lanka is in a critical transition since SSC is increasingly being seen as a source of development finance. Institutional structures and capacity were an essential determinant for the successful implementation of each of the analysed initiatives.

Initiatives that required substantial inter-agency coordination faced more delays than projects that relied on fewer institutional stakeholders. These frictions in inter-agency coordination were especially severe at the central government level, through horizontal coordination. Initiatives led by subnational governments and local actors, on the other hand, appear to face relatively fewer delays. Such coordination issues are especially exacerbated by constantly shifting mandates and ad hoc policy changes that often create overlapping jurisdictions.

Projects with longer timelines appear to be affected by changes in governments and policy imperatives. As a result, the ability of each project to adapt to these changes has had a knock-on effect on its pace of implementation. Projects in the social infrastructure sector appear to be more vulnerable to these shifts since there is more scope for partisanship in terms of priority areas in this sector. Contrastingly, projects in the agriculture sector faced fewer delays due to changes in government and portfolios since the need for value chain development in the agricultural sector has garnered bipartisan support.

Across NSC and SSC projects, donors have broadly attempted inclusive and cooperative mechanisms of project design and implementation. However, slight diversions in the intricacies of these mechanisms have led to somewhat different outcomes. For instance, the heavy involvement of donor agencies at times has led to a lack of ownership amongst Sri Lankan officials. At the same time, the use of existing institutional links and relationships appear to facilitate better cooperation. While across all projects the donors have played an essential role in design and implementation, where perceptions of donor-led initiatives exist, projects have faced more considerable difficulties in implementation.

Furthermore, recipient capacity was particularly crucial in the institutionalization of both NSC and SSC initiatives as a large portion of power and responsibility was delegated to local officials and institutions. Technical and infrastructure capacity disparities, therefore, were particularly consequential as they often led to delays in implementing the project. Some ministries, departments and local government authorities appear to possess more technical expertise and, notably, the financial and technological capacity to implement these projects better.

The agriculture sector, especially regarding the interventions proposed by the NSC and SSC projects, are mostly uncontroversial and have bipartisan support. Social infrastructure projects, however, tend to be influenced more by political variances, especially when it concerns projects in post-conflict areas. Engagements in post-conflict areas often require additional security clearances and demand higher political sensitivity. Moreover, changes in political leadership, either through changes in government or changes in ministerial portfolios, tend to create shifts in policy priorities and notably leads to personnel changes as well. As a result, continuity of long-term projects becomes more difficult under such conditions and momentum is often stymied.

It is important to note that both the NSC and SSC projects followed rigorous reporting and accountability guidelines, which could be characterized as a 'best practice'. Most notably, both SSC projects were observed to coordinate their reporting and evaluation mechanisms through the respective IA. In contrast, the donors of the NSC projects have their reporting structures in places.



# 8. Conclusions and recommendations

As expected, there are stark differences but also many similarities in the institutional arrangements that govern NSC and SSC in the analysed initiatives. It should be noted, however, that these observations are based on case studies undertaken for analysis through this study and variations from these findings may exist across the broader spectrum of SSC and NSC initiatives.

Institutional structures matter but they need to become more decentralized

The analysis undertaken in previous sections does not aim to cover all possible SSC initiatives and extend the findings of these cases to all areas and modalities of SSC. We do believe, however, that context-bound challenges related to institutional infrastructures for SSC can offer valuable lessons for SSC initiatives in other countries and fields of cooperation.

What the six analysed cases have shown is that institutional arrangements for SSC matter. Especially at the national level, broader frameworks of cooperation have the potential to kickstart SSC at various levels of decision-making. What we identified in the cases of Ecuador and Sri Lanka is the highly centralized nature of SSC institutional arrangements. While there is a need to formalize and establish agreements and alliances at the highest level of government, it is becoming increasingly clear that other levels of decision-making need to be able to make use and contribute to the development of purpose-driven SSC institutions and institutional practices.

Subnational government and local actors are being increasingly recognized as key SSC actors. Therefore, institutional practices need to be able to reflect the priorities and adapt to the need for various levels of governance. The experience from Sri Lanka, for example, shows that in some instances, partnerships with local levels of administration, as opposed to the central government, can be an efficient strategy to avoid electoral cycles and unstable political cycles. A similar approach was also seen in Ecuador, during a particular time when the central government created a challenging environment for international cooperation. During this time, subnational governments became strong allies for the implementation of local development initiatives.

Wider networks of collaboration for SSC

There is an opportunity for SSC actors to partner with actors from other sectors to enhance the reach and impact of SSC initiatives. As the presence of traditional donors and the availability of funding reduces in many countries, SSC can benefit from the experiences, strategies and networks of NSC actors. Potential synergies and opportunities for learning and exchange include participation strategies, reporting and evaluation, among others.

Cases in Sri Lanka show how the central government has partnered with international agencies (implementing agencies) to support the implementation of SSC initiatives. Since these agencies have well-established relationships with local officials and grassroots organizations, they can become strategic allies for implementation and replication strategies at the subnational level. The experience in Sri Lanka shows that there is a benefit in using existing networks rather than depending on a new Southern donor to create new ones. FONAG, an NSC from Ecuador, also showed that collaboration among NSC actors and local actors could support the development of financially independent structures that can promote instances of SSC in the long term.

NSC initiatives could act as umbrellas (macro-level) of some SSC initiatives (micro-level). In other words, some small-scale SSC projects could be strategically placed within NSC projects, mainly when these focus on capacity building, the transference of skills, and long-term sustainability and replicability.

In countries like Ecuador, where some SSC initiatives are short term and project-focused, improved institutional mechanisms to mainstream outcomes into broader and existing development efforts is necessary. The challenge that most small SSC initiatives face is to avoid the loss of knowledge and experience that each of these initiatives generates in recipient countries. This requires enhanced reporting mechanisms and clear pathways to feed knowledge and experience back into the entities and actors that require them the most.

Reporting and monitoring practices for SSC can also benefit from NSC experiences. In all the analysed cases, NSC initiatives had more information available and had conducted evaluations and gathered impact-related data. This is related to donor practices and criteria of accountability and transparency widespread in NSC activities. Collaboration between SSC and NSC partners can allow SSC programme countries to incorporate rigorous reporting and evaluation standards into their projects through partnerships with IAs, leading to greater transparency, accountability and project impact. This is not to say that reporting has to follow the same guidelines and requirements of NSC initiatives. However, in-built experiences of NSC could be adapted to create reporting mechanisms that serve the needs of countries in the Global South. Therefore, future SSC projects would benefit from integrating recipient-led project design and conceptualising initiatives, especially as these projects grow in scope and would require a much broader group of stakeholders.

Some strategies that could improve recipient countries' ability to monitor and evaluate their SSC efforts is through repositories of SSC and NSC experiences. Ecuador, for example, has recently developed a catalogue of policies, programmes and development projects, organized by sectors: habitat and environment, economic, infrastructure and non-renewable natural resources, security, production, and social and foreign policy. The objective of this tool is to share knowledge, tools and experiences with peers in other countries. Strategies like this one would allow for information to be kept and be accessed. However, such an initiative should be seen as a tool and not merely as an end. A repository of information should be accompanied by an institutional structure that allows knowledge to inform decision-making at various levels.

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