ON TRIANGULAR CO-OPERATION



Camões – Instituto da Cooperação e da Língua, I.P. / Ministry of Foreign Affairs of Portugal partnered with the OECD Development Co-operation Directorate (DCD) to organise the seventh International Meeting on Triangular Co-operation "Scaling-up Partnerships" on 12-13 October 2023 in Lisbon.

More than 160 participants from almost 40 countries from all corners of the world, as well as regional and international organisations, research institutes and civil society organisations, took stock of triangular co-operation and discussed how to scale up the modality, including how to embed it into broader international discussions, as the Summit for the Future, the G20, COP28, etc.

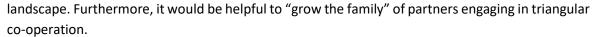
The meeting also marked the launch of the first edition of the <u>Global Perspectives on Triangular</u> Cooperation report, jointly published by OECD and the Islamic Development Bank (ISDB).

The meeting was hosted by Francisco André, Portugal's Secretary of State for Foreign Affairs and Cooperation, and attended by key stakeholders to scale-up triangular co-operation, including Carsten Staur, Chair of the OECD's Development Assistance Committee (DAC). Mr Francisco André invited the participants to meet again in Lisbon in 2024 for the eighth edition.

KEY MESSAGES

- Inclusive partnerships represent the future of development cooperation. Triangular co-operation
 helps establish genuine trust and meaningful partnerships. Triangular co-operation is not merely
 an abstract concept but a tangible asset with the capacity to generate high-impact results, solidify
 outreach with other countries, open dialogue, and foster exchange of experiences even in times of
 multiple crises, rising instability and political polarity it is a form of technical diplomacy.
- Triangular co-operation is not a niche modality of development cooperation, as it has seen growing and diverse engagement, but continues to be small when compared with bilateral and multilateral co-operation. There is often a bilateral bias in many organisations, preventing triangular co-operation from being broadly considered as a co-operation modality. There is a broad need for effective institutional frameworks within countries to enable them to engage with triangular co-operation, fully unlocking the potential of this modality and facilitating new partnership arrangements.
- Engagement of regional organisations has proven essential to scale up triangular partnerships, as many of these institutions have often embraced triangular co-operation as a key mechanism for development co-operation, especially in the case of Latin America and the Caribbean.
- **Triangular co-operation is often under-reported**. More robust information on the impact and scale of the modality is instrumental in raising its visibility and credibility in the global development

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- Triangular co-operation is a relevant co-operation modality for SIDS, namely to address the SDG and environmental challenges.
- Financing triangular co-operation remains as a challenge, often due to limited and unequally
 distributed resources. There is a call to think creatively and explore unconventional strategies for
 resource allocation, clearly identifying private sector interests to increase their engagement,
 simplifying the often-bureaucratic processes, and continue to improve operations efficiency and
 innovative approaches to enhance triangular partnerships, knowing building trust often takes time
 and involves risks.
- It is important to evaluate the right approach, at the right moment, for the right country. Given the
 ongoing profound changes in the world, it is vital that triangular co-operation maintains
 adaptable and responsive to address emerging challenges, including climate change, and ensure
 its effectiveness.

LOOKING AHEAD – POINTS FOR ACTION

Following the discussions during the seventh international meeting on triangular co-operation, all participants and their institutions are invited to engage in some follow-up actions until we meet again in Lisbon in 2024:

- Strengthening the links of global discussions on development co-operation with triangular co-operation, which should be particularly emphasized at forums such as the UN Summit of the Future, G20 Development Working Group, and COPs, where the modality has a clear role to play in delivering better results.
- **Promote a shared methodology for data collection**, e.g. the Total Official Support for Sustainable Development (TOSSD) framework, to address the lack of global comparable and comprehensive data on triangular co-operation. Stakeholders should consider improving the reporting of the modality, such as establishing a triangular co-operation marker.
- Support capacity building and the development of national systems enabling more countries to
 engage with triangular co-operation. Join the activities of the OECD's knowledge hub on triangular
 co-operation all participants are invited to engage and contribute to training videos and
 workshops.

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SESSIONS HIGHLIGHTS

OPENING

Inclusive partnerships are the future of development co-operation. Through triangular co-operation it helps to foster trust and genuine partnerships. By connecting the expertise, sharing knowledge, and optimizing resources from a diverse range of stakeholders, the modality creates synergies that effectively address interconnected development challenges, especially in the context of internationally agreed development goals, such as the Sustainable Development Goals (SDGs) and Paris Agreement. However, there is still a lack of global data covering the scale and impact of triangular co-operation, information that would be instrumental in enhancing its visibility in the global development landscape.

Strengthening partnerships and fostering dialogue emerged as a common thread among speakers, underscoring the necessity of allocating adequate resources to unlock the full potential of the modality. Speakers also emphasized the importance of linking global discussions on development cooperation with triangular co-operation, identifying the role this modality could play in delivering better results and engaging new partners.

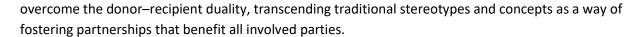
Ultimately, triangular co-operation was characterized not as an abstract concept, but a tangible asset with the capacity to build more inclusive and horizontal partnerships. It serves as experimental multilateralism, especially in times of rising instability and political polarity.

SESSION 1: Launch of the report "Global Perspectives on Triangular Co-operation"

The panel presented the main findings from the report <u>Global Perspectives on Triangular Cooperation</u>¹, jointly published by OECD and the Islamic Development Bank (IsDB). The discussions emphasized that the dynamic nature of this co-operation mechanism has great potential to generate innovative solutions to address complex development challenges, including climate change, while building trust and enabling dialogue among partners. Participants also mentioned the need to

¹ The report (i) examines TrC's potential role in the future using foresight scenarios, (ii) analyses the data at the global level and identifies some key trends, (iii) examines the national ecosystems that are required to enable TrC to thrive, (iv) explores the contribution of the modality to addressing climate change adaptation, mitigation and biodiversity, and finally (v) includes series of profiles on a selection of partners from across differing regions that are engaged in triangular co-operation, highlighting their institutional approaches to triangular co-operation.

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The speakers confirmed that triangular co-operation is not a niche modality of development co-operation. However, a key point of concern was a remaining confusion surrounding the broad understanding of the modality and the need for more robust evidence and data to demonstrate its efficacy and utility.

One key takeaway from the discussions included the need for more evidence, data, and analysis to monitor and evaluate triangular co-operation initiatives. What is not measured and evaluated cannot be improved.

Additionally, speakers pointed to the need for a more robust institutional framework within countries to enable them to effectively engage in triangular partnerships, fully unlocking the potential of this modality and facilitating new arrangements. Ultimately, it was recognized that triangular co-operation across different regions has the potential to make significant contributions to development and development co-operation.

Participants also emphasized the need for continuous knowledge creation to address global challenges, along with the importance of dialogues that go beyond financing, fostering true collaboration and trust among partners.

SESSION 2: Scaling up partnerships with Small Island Developing States (SIDS)

Many Small Island Developing States (SIDS) face a dual crisis involving the profound impacts of climate change and public debts. Representatives from SIDS from all regions agreed that triangular cooperation has the potential to offer bold and innovative solutions to overcome these challenges by providing technical support for institutional development and fostering strategic alliances.

As Cabo Verde stressed, Triangular co-operation holistic approach is relevant for SIDS and can help to enhance South-South Cooperation, namely to address common challenges such as the SDGs, Climate Change, Biodiversity loss and Ocean protection, resulting in innovative solutions, knowledge sharing and capacity development. For SIDS, Triangular co-operation is important also to fulfil SAMOA Pathway commitments.

Participants acknowledged that there has been progress in engaging with triangular co-operation, and highlighted it is still essential to recognize that there are challenges hindering the full use of this modality, particularly with respect to adequate financing. Numerous countries require funding to address their essential needs, while simultaneously dealing with disaster recovery efforts.

Triangular co-operation often emerges from successful bilateral projects, enhancing trust and scaling up collaboration with various partners. Participants also highlighted the need for aligning the delivery

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of the modality with regional and national strategies, stressing the importance of creating alliances and synergies among regional agencies to enhance the co-ordination of the modality. The aim is to avoid duplicating efforts and optimize the available resources. Engagement with international and regional organisations, such as the SEGIB and the Ibero-American Programme for Strengthening South-South Co-operation (PIFCSS) has proven vital to increase engagement in the modality.

Moving forward, the discussions underscored the importance of greater inter-regional collaboration for SIDS, the need for a comprehensive mapping exercise to identify partners and resources, and the importance of a holistic approach, including through use of the UN-led Multidimensional Vulnerability Index (MVI), which is relevant to improve SIDS access to international finance.

SESSION 3: Marketplace – scaling up triangular partnerships

The Global Partnership Initiative (GPI) on Effective Triangular Co-operation supported the organisation of the Marketplace, a space for partners to share experiences, ideas or challenges related to triangular co-operation, gathering feedback from participants, and jointly reflecting on how to better deliver the modality. Participants were divided into four thematic groups:

1. Addressing data gaps

The discussion highlighted the importance of promoting an inclusive system for triangular cooperation data, such as the Total Official Support for Sustainable Development (TOSSD) Framework. While recognizing the political and technical challenges in using a common system, the group acknowledged the benefits of co-ordinating and building a shared methodology for data collection.

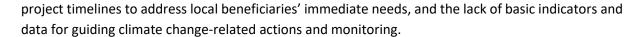
Participants also addressed operational challenges, emphasizing the need for better co-ordination between programs and statistical teams to improve a triangular co-operation statistical system. Additionally, there are concerns about the burden that reporting to several systems imposes on stakeholders, the accessbility of software for data collection and the importance of making these systems more user-friendly. The lack of a common definition remains significant for some partners, leading to different interpretations even within the same country.

2. Leveraging TrC for climate action

Participants highlighted the potential of triangular co-operation to catalyse resources and bridge the financial gap to achieve global goals. It has the capacity to mobilize both the private and public sectors, as demonstrated by Ecuador's experience with a conservation fund that involved a debt exchange with green private bondholders. This innovative approach could serve as a model for other countries.

The group also identified some challenges for leveraging triangular co-operation for climate change, such as the need for better co-ordination of actions at national and regional levels, awareness of

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3. Reducing poverty and inequality

Based on the experience of the Brazilian Cooperation Agency, participants raised the challenge of sustaining the success of development co-operation initiatives amidst national political changes. The key lies in anchoring projects in strong policies and institutionalizing them across various levels of governance.

Participants also emphasized mutual learning, highlighting the importance of tailoring solutions to each country's specific needs and ensuring recipient countries are active participants in the process, rather than passive recipients.

4. Supporting capacity development for partnerships

In an evolving world and development co-operation system, building capacity is a moving target. Participants agreed that it is fundamental to invest in capacity development, still working to raise awareness about the modality, as well as encouraging deep discussions of the bottlenecks to implement the modality. Some partners developed a community of practices of staff working on triangular co-operation.

Triangular co-operation as a modality is usually not embedded at the different levels of the development system. To address this conceptual gap for both staff and partners, there is a need to engage in training programs and develop guidelines specific for triangular co-operation. From participants' experiences, the framework needs to be tailored from country to country.

SESSION 4. Financing triangular co-operation

Speakers highlighted the immense potential of triangular co-operation to advance the SDGs and foster collaboration between countries from all corners of the world. However, financing for the modality is still a significant challenge, often due to limited and unequally distributed resources.

Participants encouraged better integration of triangular co-operation within the development co-operation toolbox, especially important for Development Assistance Committee (DAC) members to increase their engagement in this modality.

The need to measure performance of all involved in triangular co-operation initiatives and the importance of placing people at the core of delivering development co-operation were two critical aspects to boost involvement of the beneficiaries at the very early stages of the the process and ensure their needs are met.

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Participants referred to several innovative approaches to financing triangular co-operation, such as mixed funds for triangular co-operation, which involves each partner bringing their strengths and building on comparative advantages.

A number of key words emerged from the discussions: (i) <u>prioritization</u>: the need for a realistic selection of projects with the most potential and the best outcomes, given constraints in time and resources; (ii) <u>practicality</u>: encouraging innovative practices with an emphasis on people as key contributors to the sustainability of development programs; (iii) <u>partnership</u>: true collaboration is fundamental to the success of triangular co-operation, including when engaging the private sector; (iv) <u>programmatic approach</u>: especially crucial when working with limited resources; and (v) <u>potentiality</u>: triangular co-operation is a modality that offers multiple opportunities for partners to explore.

Finally, participants highlighted the importance of changing policies to adapt them to an evolving world, ensuring transfer of knowledge, horizontal and mutual-beneficial partnerships.

SESSION 5: Discussing the role of triangular co-operation: What is the future We Want?

Strategic partnerships and shared responsibilities play a critical role in addressing global development challenges. While innovation, financial resources, and knowledge sharing are essential, the core of development co-operation lies in building connections and fostering trust.

The panel stressed the importance of ensuring a holistic approach and harmonious exchanges through triangular co-operation. This involves alignment to partners' needs, prioritizing horizontality, avoiding conditionalities, and respecting sovereignty and demand-driven co-operation. Speakers noted that the benefits of triangular co-operation extend beyond the involved partners, serving as an inspirational model for other areas and fields.

Despite increasing evidence confirming the added value of triangular co-operation, participants recognised that there are still stakeholders unconvinced of its efficacy - the engagement of the Private Sector in triangular co-operation was noted as a new avenue to be developed. Triangular co-operation may not offer all-encompassing solutions, but can build bridges among countries at a time when some are inclined to build barriers.

As the world continues to undergo profound changes, it is imperative that triangular co-operation remains adaptable and responsive to emerging challenges, such as global health crises or cyber threats. The evolving landscape requires a dynamic and agile approach to ensure the continued effectiveness of the modality in an ever-changing world. The next G20 Presidency can be a good opportunity to enhance the importance of triangular co-operation for global developement.

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Closing remakrs

Ana Fernandes, President of Camões – Instituto da Cooperação e da Língua, I.P., and Pilar Garrido, Director of the OECD Development Co operation Directorate, agreed that the two days of discussions show that triangular co-operation builds a vibrant and diverse community that can achieve ambitious development goals when working together.

Triangular co-operation is a modality that, through the facilitator, pivotal and beneficiary role, brings a holistic approach to rethink the usual development co-operation relations. It contributes to building trust to uplift society in its path to sustainable development. Triangular co-operation is a mechanism promoting dialogue at the technical level. Facing multiple crises, this is a moment for joint action, mutual learning and mutual benefits.

Portugal signed a agreement with the OECD that reflects its financial and political commitment to promote the value of international triangular cooperation. It also ensures the continuity of this partnership and supports the organisation of the eighth edition of the International Meeting in Lisbon in 2024.

Germany signed a agreement with the OECD to establish a knowledge Hub on Triangular Co-operation, which will include basic training videos, as well as workshops to take deep dives into the bottlenecks of implementing triangular co-operation. All participants are invited to engage in this effort, support its progress as well as benefit from its activities.