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Potential and Challenges for Emerging Development Partners: The Case of Indonesia

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Potential and Challenges for Emerging Development Partners: The Case of Indonesia

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Abstract

Emerging development partners can play an extremely important role in international cooperation, because they have accumulated valuable experience and knowledge in identifying and implementing their own development solutions. They have also overcome many of the same difficulties and constraints that other developing countries face. However, such experience and knowledge has hitherto not been effectively shared among countries of the South. For example, most development partners from the South have not yet established an articulated institutional framework to carry out such knowledge sharing with other countries. Valuable knowledge and technologies are often not well documented or still remain tacit, thereby constraining their smooth transfer to other countries. The objective of this paper is to gather insights into the potential and challenges in development cooperation for new development partners by drawing from a case study on Indonesia. Indonesia is a member of G20 and a pioneering emerging development partner that is mainstreaming knowledge-centered South-South cooperation. The ‘Indonesian model’ is found to be flexible and pragmatic, with a significant emphasis on technical cooperation, and without a strong regional or specific-country focus. The country’s experiences and its innovative use of South-South and triangular cooperation (SSTC) might be considered valuable for other emerging development partners looking for a modality of effective SSTC.

Keywords: development cooperation, emerging development partners, South-South cooperation, triangular cooperation, knowledge sharing

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Acronyms and abbreviations

AAEHRD: Agency of Agricultural Extension and Human Resource Development
AIMS: Aid Information Management System
BBWS Brantas: Center of Brantas River Basin
BKKBN: National Family Planning Agency
BP: Blue Print (for SSTC in Indonesia)
CCITC: Coordinating Committee of International Cooperation
CD: Capacity Development
CoP: Community of Practice
CREATA: Center for Research on Engineering Application in Tropical Agriculture
GD: Grand Design (for SSTC in Indonesia)
GDLN: Global Distant Learning Network
ECBAM-UNDP: Enhancing Capacity for Better Aid Management Project
ECDC: Economic cooperation among developing countries
EEPIS-ITS: Electronics Engineering Polytechnic Institute of Surabaya
IAARD: Indonesian Agency of Agricultural Research and Development
IBEKA: People Centered Business and Economic Institute
JARCOM: Japan-ASEAN Regional Cooperation Meeting
JICA: Japan International Cooperation Agency
JIPP: Japan Indonesia Partnership Program
J-SEAM: Japan-Southeast Asian Meeting on South-South Cooperation
KM-SSC: Knowledge Management for South-South Cooperation
NAM-CSSTC: Center for South-South Technical Cooperation
NCT: National Coordination Team on South South and Triangular Cooperation
MCBAD: Main Center of Brackishwater Aquaculture Development
MCH: Maternal and child health
MOA: Ministry of Agriculture
MOF: Ministry of Finance
MOFA: Ministry of Foreign Affairs
PLSD: Participatory Local Social Development Indonesian Institute
PP: Partnership program
PRJMN: National Medium Term Development Plan
RIFA: Jambi Research Institute for Freshwater Aquaculture
RIHS: Research Institute for Human Settlement
RIM: Gondol Research Institute for Mariculture
SETNEG: Ministry of State Secretariat
SNAIC: Singosari National Artificial Insemination Center
SSC: South-South cooperation
SSC/TrC: South-South and triangular cooperation (abbreviated also SSTC in Indonesia)
SSTC: South-South and triangular cooperation (abbreviation used in Indonesia)
TCDC: Technical cooperation among developing countries
TCE: Third country expert
TCTP: Third country training program
TrC: Triangular cooperation

1. Introduction

Recent literature on development has recognized the importance of accumulation of knowledge and capabilities (Cimoli, Dosi and Stiglitz 2010) as well as the creation of a learning society (Stiglitz and Greenwald 2014) in order to achieve transformation as well as inclusive and sustainable growth. From this point of view, the role of new development partners (often called “emerging donors”) in international development cooperation may be extremely important due to the accumulation of valuable experience and knowledge in identifying and implementing development solutions, as well as overcoming difficulties and constraints that developing countries face (Hosono 2013). As such, the potential impact of accumulated knowledge of the South could be enormous – if it is fully mobilized. However, such experience and knowledge have hitherto not been effectively shared among the countries of the South for various reasons. For example, most development partners from the South have not yet established an articulated structure or an institutional framework to carry out knowledge sharing with other countries. Valuable knowledge and technologies are often not well documented or still remain tacit, constraining smooth transfer to other countries. In this context, Indonesia could be considered one of a small number of pioneering emerging development partners engaged in the implementation of knowledge-centered South-South cooperation. The experiences of Indonesia, with its outstanding characteristics, might be valuable for other emerging development partners looking for a modality of effective South-South cooperation.

The objective of this paper is to gather insights into both the potential benefits and challenges of international development cooperation for new development partners by drawing from a case study of Indonesia. As a member of G20 and a pioneering emerging country, Indonesia has been taking initiatives to strengthen cooperation among the countries of the South. This paper will first provide an analytical perspective and discuss key issues related to cooperation with other countries of the South (Section 2). It will then consider three

dimensions that are crucial for emerging development partners in making such cooperation effective: 1) Identifying and making valuable knowledge and experience available for transfer to the rest of the South; 2) establishing institutional frameworks or systems for international cooperation to smoothly share such knowledge and experience; and 3) taking advantage of triangular cooperation involving traditional donors to scale up South-South cooperation. Each of three dimensions will be discussed in Sections 3 to 5. Finally some concluding remarks will be presented in Section 6.

This paper focuses on the knowledge component of emerging partners in development cooperation (or South-South cooperation, SSC). It recognizes that SSC also has other components, including significant financial assistance, but these components are not the focus of this study. The paper also focuses on the experiences of Indonesia. This country is one of the most important new development partners¹ and has become a pioneer in South-South cooperation. Indonesia's involvement in SSC can be traced back to 1955 when the country hosted the Asia-African Conference in Bandung. Furthermore, Indonesia has been generally successful in overcoming many of the difficulties and constraints that developing countries continue to face today. The country has effectively scaled up SSC, on many occasions, through triangular cooperation (TrC). Therefore the country's knowledge and experience in relation to the three dimensions mentioned above could provide us with valuable clues for formulating strategies of addressing challenges to fully realize the potential impact of the knowledge of the South. In addition, Indonesia's aid patterns have some distinctive features: The country promotes technical cooperation ahead of economic/financial cooperation and does not have a strong country focus among recipient countries, apart from some exceptional cases such as Timor-Leste.

¹ The country has taken several initiatives to strengthen SSC. Among the most relevant initiatives is the Bali High Level Forum for Country-led Knowledge Hubs hosted by Indonesia, World Bank, JICA and UNDP in 2012.

2. Analytical perspective and key issues

As mentioned above, this paper examines three dimensions that are crucial for emerging development partners to effectively cooperate with the other countries of the South: Identification of valuable knowledge to be shared, institutional frameworks or systems for international cooperation to share such knowledge, and scaling up of SSC through TrC. These three dimensions are closely related and this paper discusses them in a holistic manner. Each of them is discussed below from an analytical perspective.

Knowledge and development experience

The outcome document of Busan High-Level Forum on Aid Effectiveness held in November 2011, “Busan Partnership for Effective Development Cooperation” (henceforth the Busan outcome document)(OECD 2011) emphasizes the importance of South-South cooperation and triangular cooperation (SSC/TrC, also abbreviated in Indonesia as SSTC). It does so in terms of knowledge sharing for sustainable development, noting that “the inputs to sustainable development extend well beyond financial co-operation to the knowledge and development experience of all actors and countries. SSC/TrC have the potential to transform developing countries’ policies and approaches to service delivery by bringing effective, locally owned solutions that are appropriate to country contexts” (9)

The importance of knowledge in development cannot be overstated. The recent literature emphasizes that investment in knowledge tends to be suboptimal for society (Hosono, Iizuka, and Katz forthcoming). It happens because knowledge is normally a public good with non-exclusive and non-rival properties. Even with the possibility of taking advantage of industrial property rights, the private sector has been reluctant to invest in knowledge because benefits from knowledge cannot be always appropriated by investors and the costs of the investment cannot be recovered. Therefore much of investment in knowledge is normally

considered risky. This phenomenon is generally much more pronounced in the South compared to the North.

Against this backdrop, the considerable and diverse knowledge accumulated in the South that has not been provided by the traditional donors may be essential for development – experiences that were created or developed almost exclusively in the South. Examples of such knowledge include the broad range of appropriate technologies and intermediate technologies such as technologies for agriculture in tropical climates that cannot be developed in the North. It also includes knowledge related to marketing of goods and services to poor consumers, the so-called “bottom of the pyramid (BoP)” businesses (Kato and Hosono 2013). Knowledge related to production based on ‘natural capital’ such as agriculture under tropical climate, aquaculture, agroforestry, livestock farming and so on is key for sustainable development. Those engaged in natural-resource-based activities, in particular, have much more difficulty in investing in knowledge than other productive sectors such as manufacturing and services due to the high degree of site specificity caused by the biological nature of this type of production (Hosono, Iizuka, and Katz, forthcoming).

Investing in knowledge for BoP businesses is also challenging. In BoP markets, firms normally cannot use patents to set higher prices, as these will not be acceptable to customers. Furthermore, by limiting competition, patents may slow the process of scaling up and thus limit development impact (Kato and Hosono 2013). There are also experiences related to the management of the new challenges of climate change adaptation and mitigation as well as the prevention of natural disasters – areas where the South and North are learning together to arrive at appropriate solutions (Hosono 2013). However, solutions applicable to the North will not necessarily be adequate for the South. For example, earthquake-resistant houses for poor, fragile regions of the South should be low-cost and affordable for low-income families. Investing in knowledge for construction of such houses is not always profitable for the private sector.

In summary, the potential impact of knowledge accumulated in the South could be enormous – if it is fully mobilized. Therefore, a key issue is to identify and make available the valuable knowledge to those countries that need it.²

National system of development cooperation

New and emerging development partners need effective national systems for international cooperation. These could be multilayered from decision-making level to the administrative and coordination level, and to field implementation-level experts and organizations, which will be the direct providers of knowledge.³ As Mawdsley (2012, 93) stated, “the administration of foreign aid and development cooperation requires trained personnel, legal frameworks, budget lines and management, monitoring and evaluation systems and so on..... The management of external assistance also requires attention to the balance of responsibilities and power between different domestic institutions, and the coordination of their relevant activities.” However, there is no standard model of national system of development cooperation.

Even among traditional donors, national systems are diverse. For example, some countries have a unified institution at the policy decision-making level, but with un-unified administrative and coordination agencies. Some others have a unified administrative and implementation agency with un-unified but reasonably coordinated decision-making institutions. Mawdsley (2012, 94-98) compared national systems of emerging development partners, finding great differences between them. Nevertheless, she argues that common features can be observed: “Most appear to be increasing their aid and development cooperation volumes; launching or rearticulating their development organization and systems.There is a sense of change and opportunity but also challenges and costs”(110). She hypothesizes that, “it

² For basic literature and discussion of knowledge, transformation and South-South cooperation, see Hosono (2013; 2015).

³ For basic literature and discussion of emerging donor aid patterns, referring to the institutionalized orientation of aid policies and institutions, see Kondoh et al. (2010).

may be that the speed and dynamism of these relationships in a new era of development cooperation are outstripping the institutional capacities of both ‘donors’ and ‘recipients’ in many context” (110).

The key issue here is to establish and strengthen national systems of development cooperation along with the dynamism of SSC by addressing challenges and costs, in order to make development cooperation as effective as possible.

Global, multinational, triangular initiatives to scale up SSC

The efforts toward development cooperation by emerging development partners could be supported by multinational and global initiatives. In this regard, the Busan outcome document recognized “that many countries engaged in South-South cooperation both provide and receive diverse resources and expertise at the same time, and that this should enrich cooperation without affecting a country’s ability to receive assistance from others.” It then highlighted the four factors essential in strengthening the sharing of knowledge and mutual learning: “a) Scaling up – where appropriate – the use of triangular approaches to development cooperation; b) making fuller use of South-South and triangular cooperation, recognizing the success of these approaches to date and the synergies they offer; c) encouraging the development of networks for knowledge exchange, peer learning and coordination among South-South cooperation actors as a means of facilitating access to important knowledge pools by developing countries; d) supporting efforts to strengthen local and national capacities to engage effectively in South-South and triangular cooperation” (OECD 2011, 10).⁴

The key issue here is how to scale up SSC effectively through TrC in practice and to establish global networks for knowledge sharing in the South.

⁴ Busan Partnership (OECD 2011, 10). <http://www.oecd.org/development/effectiveness/49650173.pdf>.

Research questions

Each of key issues mentioned above is related to the basic research questions of this paper drawing on the case of Indonesia. They are as follows: 1) How was valuable knowledge identified and made available to beneficiary countries through Indonesia's development cooperation? 2) How was a national system of development cooperation established and strengthened in the country, in a way that kept in step with the dynamism of its SSC to address challenges and costs, in order to make the cooperation as effective as possible? 3) How has development cooperation of Indonesia effectively been scaled up through triangular cooperation in practice? 4) How did the country contribute to the establishment of global networks for knowledge sharing in the South and how did the country benefit from them?

3. Knowledge and development experience: How to identify and make it available

Changing context, national vision of cooperation and identification of knowledge to be shared

The first initiative towards policy mainstreaming of South-South cooperation/ triangular cooperation in Indonesia began in 2009 when the Jakarta Commitment presented SSTC as one of the key pillars of Indonesia's development effectiveness agenda in its strategic vision (NCT 2012, 12; JICA 2013, 6). SSTC was further elevated onto the Indonesian domestic development agenda following the Jakarta Commitment (JICA 2013, 6).⁵ In 2010, SSTC became part of National Medium Term Development Plan (RPJMN). As discussed below (Section 4), a new inter-ministerial coordination body of SSTC, the National Coordinating Team on SSTC (hereafter, NCT) was established. Thus, inclusion of SSTC in the RPJMN definitively clarified its domestic function: SSTC plays an important role in promoting domestic development, which was a necessary process in gaining domestic support. With the

⁵ The Jakarta Commitment was formulated by the Government of Indonesia as an agreement document on aid coordination for development effectiveness in 2009. It touched upon SSTC as one of the key pillars of Indonesia's development effectiveness agenda in its strategic vision (JICA 2013, 6).

establishment of NCT, the institutional setting was re-defined, though it was not a full-fledged solution (6-7).

In this new context, the National Seminar on South-South Cooperation was held in 2010. According to the resulting NCT document (NCT 2012a, 13), Indonesia's vision for SSC was for a better partnership for prosperity based on the principles of equality, mutual respect, non-conditionality, experience and knowledge sharing, comparative advantage, demand driven, mutual benefit and opportunity and sustainability. A policy document and its implementation plan of SSTC – called Grand Design (GD) and Blue Print (BP) – were drafted in 2011. The Blue Print mentioned the focus of Indonesia's cooperation policy in the first period of GD (2011-14) and flagship programs were defined based on need, global challenges and the ability to contribute to national development target achievement (17). The general criteria developed for the flagship program were:

- 1) programs and activities which are in line with Indonesia's potential and initiative and have been well-implemented in Indonesia (best practice); 2) programs and activities that have been conducted with other Southern countries and have been successfully adopted, using an approach that makes wide adoption possible; 3) programs and activities which have been replication scheme and knowledge-and-technology sharing mechanism (for program and activities with technological contents); 4) programs and activities with wide impact and contribution to the future development of South-South Cooperation (17).

The proposed flagship programs were in areas such as agriculture, food security and social protection, disaster risk management, democratization and good governance, trade and industry, infrastructure, human development (health, education, population and gender) and Indonesia's commitments toward Palestinian development.

It is important to note that most of the flagship programs are based on knowledge that was created or developed in the context of the diverse local conditions of Indonesia: a broad range of appropriate technologies and intermediate technologies are essential components, including technologies for agriculture in tropical climates that cannot be developed in the North. Some examples of the most relevant cases of this approach have been highlighted below.

As is well known, agriculture plays a strategic role in Indonesia. A rice production program was implemented in the first half of the 1980s that covered seed multiplication and distribution, plant protection, dissemination of agricultural techniques, irrigation development and reduction of post-harvest losses. Subsequently, self-sufficiency in rice production was achieved in Indonesia in 1984 (JICA 2014, 13). The country received a Gold Medal award from FAO in 1984 for its accomplishment of food self-sufficiency (NCT 2012a, 18).

Due to its geographical position in the ‘Pacific Ring of Fire’, Indonesia is prone to many forms of natural disasters (NCT 2012a, 25). During the 2000s, the country suffered major earthquakes off the coast of Sumatra (and a resulting tsunami), an earthquake in central Java, and an earthquake off the coast of Padang. In 2011, United Nations awarded the President of Indonesia the Global Champion Award for Disaster Risk Reduction. The NCT stated that, “Indonesia’s Technical Cooperation Program on Disaster Risk Management is one of many forms of Indonesia’s commitment as an international citizen to share with other fellow countries, the knowledge, expertise, and experience that Indonesia has accumulated to minimize risks.” The NCT document highlighted the country’s commitment to building disaster-secure schools and hospitals (27).

With its profile as the world’s largest archipelago inhabited by a diverse population, Indonesia represents an exceptional and successful case for family planning and reproductive health and its achievement was honored with acknowledgement from the United Nations with the Population Award for ‘Outstanding Contribution to the Awareness of Population Problems

and to Their Solutions' in 1989' (37). In the process of implementing projects to improve family planning and maternal and child health (MCH), intensive efforts were made to develop an Indonesian version of the MCH handbook,⁶ a widely used tool in Japan. It took more than a year to adapt the MCH handbook and make it applicable to the Indonesian context. In 2010, more than 60% of pregnant women were provided with the MCH handbook nationwide (JICA 2014, 17). The knowledge achieved in Indonesia has been shared with several countries, including Afghanistan, Laos and Palestine (18).

These cases, together with many others, demonstrate Indonesia's vision of sharing knowledge created or developed endogenously in the process of overcoming difficulties that constrain the development process in the country. The importance of experience and knowledge accumulated in different fields has been internationally recognized.

The Vice-Minister of National Development Planning and Vice Chairperson of Bappenas, as the person in charge of international cooperation,⁷ reconfirmed this vision in his speech in March 2012, in which he pointed out that, "It is a great momentum for us to maximize the impact of the cooperation which certainly in the previous experiences has contributed to so many development issues. Now, it has showed that South-South and Triangular Cooperation provide a significant support to the sharing knowledge and experiences that have been acknowledged extensively in the international forums and development cooperation context" (Opening Speech for Workshop on Management of South-South and Triangular Cooperation, 2). In the same speech, the Vice-Minister emphasized the changing international context: "As we all aware, the global and regional position of our Government is

⁶ The MCH handbook (*Maternal and Child Health Handbook*) is distributed to pregnant women and contains information regarding pregnancy, delivery, and parenting. The handbook has pages for doctors to fill in on a woman's condition before, during and after the delivery. The MCH handbook was developed in Japan for the first time in 1942, during World War II.

⁷ As is discussed in Section 4, NCT was established by a ministerial decree of Bappenas in 2010 and the Directorate of International Development Cooperation was established in Bappenas in 2012 to chair the Technical Committee of NCT.

becoming more strategic and significant since Indonesia become member of the G-20, and has graduated to be a Middle Income Country” (2).

It was within this context that Indonesia led a global initiative to prepare an innovative platform of knowledge sharing and announced its new vision of international cooperation. The announcement was made on the occasion of an international conference, the Bali High Level Meeting “Towards Country-led Knowledge Hubs” hosted by Government of Indonesia, World Bank, Japan International Cooperation Agency (JICA) and UNDP in July 2012. The Vice President of Indonesia Mr. Boediono announced that Indonesia was ready to be a knowledge hub in three areas: development, governance and peace building, and macroeconomic management for sharing knowledge with other countries.

The Minister of National Development Planning (also Chairperson of Bappenas) elaborated on the knowledge hub in these three areas at the same meeting (NCT 2012b, 7):

- a) Development: disaster risk reduction and climate change, poverty reduction based on community empowerment, and human development;
- b) Good governance and peacebuilding: democracy, law enforcement and peace keeping; and
- c) Economy: macro-economic management, public finance and micro- finance.

With this announcement, we can infer that Indonesia aims to expand the focus of its SSTC to the new areas mentioned above, and this is a worthwhile challenge to identify the comparative advantage of Indonesia (JICA 2013, 17).

All three areas are related to Indonesia’s own experiences in overcoming the difficulties that the country has faced. In terms of disaster risk reduction, the recent natural disasters that affected the country were discussed previously (see above). As for good

governance, democracy and peace building, the NCT summarized the experience of Indonesia as follows:

“As one of the most diverse nations in the world, Indonesia have benefitted immensely from its diversity. ... There are more than 300 ethnic groups speaking in as many languages, each having their own traditions. ... It was nearly fifteen years ago when Indonesia had to cope with separatist threats, ethnic tensions, and religious conflicts. In fact, in the turbulent times following the 1998 crisis, some observers went so far as to predict the failure of Indonesia as a country. However, the majority of the Indonesian people remained committed to the unity of Indonesia. Therefore, instead of falling apart, Indonesia adopted a new approach through the government reform. Indonesia succeeded in nurturing its national unity and made a successful transition from authoritarianism to a full democratic system. ... In addition, Indonesia has also committed to build its good governance. ... From those experiences of political transition in the midst of diversity, Indonesia stands ready to share its experiences to other countries. Learning from Indonesia’s experiences, others may derive insights that are useful for their own efforts in building a more democratic political sphere” (NCT 2012, 29).

This initiative is a relevant case in which a country identifies the priority area of knowledge sharing in response to the changing context of international cooperation.

Another new area, macroeconomic management, is based on Indonesia’s “recovery from the Asian Financial Crisis, from 1990s to present, which demonstrates dignity of Middle Income Country” (JICA 2013, 17). In *Indonesia’s Experiences on Macroeconomic Management: Building Trust - The Foundations of Indonesia’s Economic Reforms*, the NCT states that the story of the modern Indonesian economy can be traced back to the Asian

Financial Crisis in late 1997, which was the starting point of a series of macroeconomic and financial sector reforms that helped make the country one of the fastest growing economies in the world (NCT 2013c, 8). Indonesia is one country that has been able to successfully navigate the series of shocks and recession that have occurred since 2008 (7).

In addition to the above-mentioned recent successful experiences, many of these new initiatives are related to the country's vision that Indonesia's traditional knowledge may help address global development challenges. For example, an NCT document on Indonesia's experiences on poverty reduction through community empowerment focuses on three key factors: community cohesion, facilitation, and leadership, related to Indonesia's concepts of 'Musyawarah', which means making a consensus among people and 'Gotong Royong', which means helping each other (NCT 2013b, 23-28; JICA 2013, 15).

In summary, Indonesia has been identifying knowledge to be shared with other countries of the South while ensuring that there are clear criteria and that the approach is based on the Indonesia's experiences of overcoming the difficulties that the country experienced during its development process.

From tacit knowledge to explicit or codified knowledge

Once knowledge to be shared has been identified, efforts have been made in Indonesia to make the knowledge accessible or sharable through several initiatives. One of the first initiatives was to compile and publish a book titled *Indonesia's Capacities on Technical Cooperation*. The book aimed "to provide information for development partners that Indonesia is able to play a pivotal role in providing technical cooperation programs" (NCT 2012, 7).

The following year, NCT published several books on Indonesia's experiences in democracy, macroeconomic management and poverty reduction through community empowerment. These categories corresponded to the three newly announced areas of which

Indonesia was ready to become a knowledge hub. In addition to these books, audiovisual materials were also made available.

However, to convert tacit knowledge into explicit or codified knowledge is not generally an easy task. Efforts of this kind for South-South and triangular cooperation have been scarce in the world. To cope with this difficulty, NCT decided to introduce a knowledge management method and the “Project on Knowledge Management for South-South Cooperation (KM-SSC),” beginning in 2012. This project was based on knowledge management theory, which explains how existing knowledge can be optimized through enhanced organizational capacities to produce innovative ideas. Through this process, “‘tacit knowledge’ or highly personal insights, skills and experiences held by certain individuals, can be shared with others through direct interaction with such individuals (this process is called ‘socialization’) at its initial stage, and then transformed into explicit knowledge in the form of documents, diagrams, films, etc. (a process called ‘externalization’) at a later stage” (JICA 2012, 7).⁸ It is expected that “innovative ideas come to life through unique combination of shared explicit knowledge (‘combination’) and their applications become habitual among members who practice them at regular bases (‘internalization’)” (7). Indeed, the application of knowledge management to the promotion of Indonesia’s SSTC is a unique attempt.

As a first attempt at knowledge management, NCT carried out a Knowledge Management Seminar for South-South Cooperation (KM-SSC). The KM-SSC project is expected to strengthen Indonesia’s capacities for effective management and promotion of SSC through, among others, improved knowledge management. For the process of converting tacit

⁸ This process of knowledge management is commonly referred to as the SECI (socialization, externalization, combination and internalization) model. It was proposed and developed mainly by Professor Ikujiro Nonaka, of Hitotsubashi University, Japan. The continuous sequence of socialization, externalization, combination and internalization is called the SECI spiral. JICA has been carrying out knowledge-based management seminars in Tokyo since 2004, in which groups of current and future leaders of Asia explore the possibilities of applying methods of knowledge-based management in solving development issues (JICA 2012, 7). For further details of the SECI model, see Nonaka and Takeuchi (2005).

knowledge into explicit knowledge as well as interactions between tacit and explicit knowledge to create innovative solutions through SSTC, implementing agencies with accumulated knowledge and capabilities should play a crucial role, as discussed below.

*Organizations in which knowledge is embodied: Centers of excellence*⁹

Knowledge that has been identified as being of importance for SSTC can then be shared with other countries of the South. The main actors of this process are organizations in which knowledge is embodied. In practice, these organizations constitute an essential part of the national system of cooperation, which will be discussed below (Section 4). In spite of their importance, their functions are not properly discussed in the existing literature.¹⁰ The Nairobi outcome document of the High-Level United Nations Conference on South-South Cooperation in 2010 encouraged United Nations' organizations to assist developing countries in enhancing or establishing centers of excellence in their respective area of competence.¹¹ Many organizations in which knowledge is embodied are already or could be converted into centers of excellence.

In the case of Indonesia, many such organizations are referred to as “implementing agencies,” mostly under the line ministries. The Vice-Minister of National Development Planning stated that, “the Government of Indonesia has committed to support process by sharing the success from the development programs that for so many years have been supported by development aid. These programs have been modified and developed further using the local knowledge and expertise. And we expect that this kind of mechanism can also be implemented in the knowledge sharing process” (Dinarsyah Tuwo 2012, 3). Organizations that implemented such programs were able to create, develop or adapt knowledge while taking into consideration local conditions have, therefore, experiences and capabilities of mutual

⁹ For centers of excellence, see Hosono (2013).

¹⁰ See for example, Mawdsley (2012).

¹¹ UN (2011, 18).

learning and co-creation of innovative solutions, when they share the knowledge through SSTC.

The 2012 NCT document (2012a) listed more than 50 organizations as implementing agencies, many of which are internationally well known and could be considered as centers of excellence or prospective centers of excellence. For example, Agency for Agricultural Extension and Human Resources Development (AAEHRD), under the Ministry of Agriculture, with its four centers is one of the most outstanding agencies in the field of agriculture. The training center of AAEHRD addressed the needs of agriculture in order to enhance the role of agricultural extension, introducing a bottom-up approach to meet the real needs of farmers (JICA 2014, 14).

The Center for Development of Agricultural Engineering Technology in Serpong, Center for Research on Engineering Application in Tropical Agriculture (CREATA, Bogor Agricultural University), Singosari National Artificial Insemination Center (SNAIC) are examples of high-level research and dissemination centers in specialized fields. In fisheries, the Main Center of Brackishwater Aquaculture Development (MCBAD), Gondol Research Institute for Mariculture (RIM), and Jambi Research Institute for Freshwater Aquaculture (RIFA), are, among others, centers of excellence in fisheries and fish farming. These institutes and centers of both agriculture and fishery areas are key institutions that have invested in knowledge and technology related to natural-resource-based activities. They have a high degree of site specificity resulting from the biological nature of these types of activities. The knowledge and capabilities accumulated in these institutions could be considered a public good indispensable for development of countries with similar natural environments.

For example, CREATA explicitly states its vision of becoming a leading center in the development and application of engineering science to create appropriate technology for the development of sustainable tropical agriculture, both in on-farm and off-farm activities (NCT 2012a, 51). It further states its mission of developing the engineering-based appropriate

technologies necessary to create optimum and environmentally sound agricultural production systems. These can be supported by the necessary rural infrastructures in developing modern, industrialized and sustainable agriculture through basic and applied research activities (51). A similar vision has been expressed by Indonesian Agency of Agricultural Research and Development (IAARD): “to be a world class research and development institution producing and developing agriculture innovations” (52).

Renewable energy for rural communities is also an area with a high degree of site-specificity in relation to natural conditions. People Centered Business and Economic Institute (IBEKA), an Indonesian NGO, is undoubtedly a leading player in the field of micro-hydropower as well as social development, training programs, biogas and clean water supply. IBEKA points to renewable energy programs as entry points for organizing and preparing local communities for empowerment programs. It emphasizes also appropriate technology with consideration given to locally specific conditions. IBEKA’s commitment is to make a significant contribution to the improvement of social and economic conditions of rural and remote communities by reconnecting local resources using appropriate technology. The knowledge and capabilities accumulated and embodied in IBEKA are considered very valuable. IBEKA has obtained recognition as winner of the Magsaysay Award in 2011 (JICA 2014, 8).

In the area of disaster prevention, one of the most outstanding institutions in Indonesia is the Research Institute for Human Settlements (RIHS), which has accumulated knowledge, especially, of appropriate low-cost earthquake resistant buildings. RIHS is embodied with such knowledge as appropriate technologies for sustainable low-cost housing, technologies for developing local building materials, technologies for provision of clean water and sustainable sanitation in tropical areas, and the planning of earthquake resistant buildings (JICA 2014, 24). In this area, Sabo Technical Center is another example of an institution that has accumulated valuable knowledge and capabilities. Since Indonesia is ranked as one of the world’s most volcanic countries, and large-scale disasters caused by volcanic eruptions are so frequent.

Countermeasures for rain- or earthquake-related sediment disasters are an important issue for the preservation of lands with accumulated volcanic ashes for years, and for economic development in Indonesia (23).

River basin development and management is another important area for sustainable economic development with due consideration for disasters such as floods. Indonesia has many major rivers, and with floods occurring every year, this constitutes a serious hazard with potentially enormous impacts (JICA 2014, 21). However rivers also are important not only for the elimination of flooding hazards but also for water supply, irrigation and hydroelectric power generation. Therefore any river basin development and management strategy needs to consider all these areas. The Centre of Brantas River Basin (BBWS Brantas) has accumulated knowledge and capabilities in this area over more than 40 years: a comprehensive and integrated development and management of watershed and land rehabilitation program carried out through a variety of activities, such as management of public forests, land use in the lower stands, development of mangrove forests, reforestation, greening/rejuvenation, green belts, areas of fruit and latex cultivation models, village nurseries, city forests/gardens, control dams, retaining dams, infiltrate wells, beekeeping, and gully plugs (21-22).

In the area of regional development, Participatory Local Social Development (PLSD) Indonesian Institute is a unique organization that provides consultations and trains local government officers and other stakeholders, and carries out studies and research related to the development of PLSD concept. The activities of PLSD enhanced the capacity of government officials to respond to a bottom-up planning approach in North Sulawesi. Later, a collaboration mechanism was established in other districts of Sulawesi (JICA 2014, 6).

In the health sector, one of the most outstanding organizations is Bio Farma, a state-owned enterprise and the largest human vaccine manufacturer in Southeast Asia. Thanks to this organization, Indonesia has been self-sufficient in meeting the needs of polio and

measles vaccines. It has earned international recognition in respect to quality standards and maintains development and improvement of production capacity through self-financing.

The Electronics Engineering Polytechnic Institute of Surabaya (EEPIS-ITS) is renowned for its excellence in the field of robotics as well as information technology. This institute organized international training courses in the field of electronics engineering education for lecturers of polytechnics/ high schools and universities throughout Asia since 1990s (JICA 2014, 20).

The above examples are only a part of the rich and valuable knowledge Indonesia has accumulated during the process of its development. Most such specific and specialized knowledge is embodied in the cited institutions and others, with many considered to be centers of excellence or prospective centers of excellence in their respective areas. This means that the assets of knowledge, the most valuable resource that emerging development partners have, need to be mobilized through such institutions. Therefore to strengthen SSTC, their active participation is crucial and the presence of an institutional set-up to motivate and facilitate their participation appears to be the key. The next section will discuss this issue.

In the mostly multi-sectorial areas of cooperation identified above, the joint efforts of centers with specializations in different areas may be effective. For example, in Afghanistan, cooperation in the areas of agriculture, community development and other activities have been carried out. In this case, the concerted participation of several implementation agencies has been crucial. In the same way, SSC in high priority areas recently identified at the Bali Conference would require also a concerted effort of agencies specialized in these areas.

4. Formation of “aid patterns”: Institutional frameworks for international cooperation and experiences of South-South cooperation

Formation of institutional frameworks: Experiences and challenges

Indonesia’s institutional framework for international cooperation is a national system resulting from several initiatives that have been taken in different circumstances. The fundamental baseline of Indonesia’s commitment to South-South Cooperation can be traced back to the “Asian-African Conference” in 1955 held in Indonesia, widely known as the ‘Bandung Conference’. The conference established the concept of the South and of cooperation among developing countries, or South-South Cooperation, for the first time. So it can be said that SSC has its origin from Indonesia’s initiative (JICA 2011, 5), together with initiatives from other countries of the South. Its commitment to SSC was renewed with the establishment of the Center for South-South Technical Cooperation (NAM-CSSTC) in Jakarta in 1995 at the initiative of the Governments of Indonesia and Brunei Darussalam with the aim of pooling and collecting all resources and abilities available in developing countries for mutual support to accelerating national development in each country (JICA 2014, 2).

Following the development of the basic concepts of South-South cooperation at the Bandung Conference, Indonesia’s engagements in South-South cooperation and triangular cooperation (SSTC) began in 1981. The Coordinating Committee of International Cooperation (CCITC) was established as the coordination body of SSTC, headed by the Cabinet Secretariat (currently the State Secretariat) as the core institution. However, after the Asian Financial Crisis in 1998, “the national coordination mechanism almost collapsed due to the decline of activities because most of the national budget at that time was diverted to domestic development and even after the country’s recovery from the crisis, the lack of national coordination continued” (JICA 2013, 6).

In reestablishing the institutional framework for a national system, important momentum was provided by the Jakarta Commitment in 2009. This reiterated the significance

of “SSTC as one of the key pillars of Indonesia’s development effectiveness agenda in the strategic vision” (6). A year after the Jakarta Commitment, two important steps were taken: 1) SSTC became part of the National Medium Term Development Plan (RPJMN), which clearly pointed out the “necessity of articulating a long-term vision of how Indonesia optimizes the utilization of SSTC” (6); and 2) A new inter-ministerial coordination body of SSTC, National Coordination Team on South-South and Triangular Cooperation (NCT), was established by ministerial decree from the National Development Planning Agency (Bappenas) in 2010. The NCT consists of four core ministries, Bappenas, Ministry of Foreign Affairs (MOFA), Ministry of State Secretariat (SETNEG) and Ministry of Finance (MOF). These two decisions could be considered milestones in the establishment of the current national system of international cooperation in the country. Two years later, the Directorate of International Development Cooperation was established in Bappenas to lead the initiative and chair the Technical Committee of NCT.

NCT is organized based on the following structure:¹² The Steering Team works at the decision-making level, with Bappenas and Ministry of Foreign Affairs as chairs. At the technical level (or administrative and coordination level), the Technical Committee is organized with the Director of International Development Cooperation of Bappenas as its Chair and Directors of four institutions of SETNEG, MOF, MOFA and Bappenas as Vice-Chairs. Under the Technical Committee, three working groups were set up: Working Group 1 on Institutional Framework; Working Group 2 on Program and Funding, and Working Group 3 on Monitoring, Evaluation, and Knowledge Management.

The long-term vision of SSTC was formulated in the process of formation of the above-mentioned framework. A policy document and its implementation plan for SSTC, the Grand Design (GD) and Blue Print (BP) documents, respectively, were drafted in 2011 (JICA

¹² Based on Ministerial Decree of Bappenas No. KEP.51/HK/03/2013 dated March 25, 2013 (JICA 2013, 7).

2013, 7). GD portrayed a long-term plan of SSTC for the period of fifteen years from 2011 to 2025, which divided the fifteen-year period into three five-year terms in line with the government's mid-term development plan (RPJMN). SSTC was mainstreamed in the RPJMN 2011-14, in which the strengthening of domestic coordination mechanisms was emphasized. It has been accomplished by the establishment of NCT and by the enhancement of its activities with the establishment of a new Directorate in Bappenas, Technical Committee under the chairmanship of the Director of this Directorate and activities of three working groups created under the Technical Committee. The Blue Print elaborated its plan for the first five years of the Grand Design.

Although the Blue Print and Grand Design documents were still in draft status and underwent considerable modification during the ongoing approval process, the formulation process of these documents provided an important opportunity for the Government of Indonesia to analyze the challenges and identify the directions that it was supposed to take.¹³

The implementation mechanisms of SSTC have been placed under the NCT. Eleven line ministries participate in technical cooperation. They are SEGNET, MOFA, Ministry of Agriculture (MOA), Ministry of Trade, Ministry of Forestry, National Family Planning Agency (BKKBN), Ministry of Public Works, Ministry of Communications and Information Technology, Ministry of National Education, and Ministry of Health. Under these ministries, there are many organizations referred to as 'implementation agencies' in NCT documents (NCT 2012a). More than 50 organizations, many of which are internationally well known, could be considered as centers of excellence or prospective centers of excellence in specialized knowledge valuable for development. There are also non-government organizations and private institutions referred to in the document. According to the document prepared by NCT and JICA, "there is an opinion that the National Coordinating Team's outreach to line

¹³ This sentence is the author's understanding of the process based on JICA (2013, 7).

ministries seems to be rather weak, while line ministries have already exchanged knowledge with concerned ministries in counterpart countries and could implement SSC individually. The role of the Coordinating Team will be more elaborated as the Team actively contact with line ministries” (NCT and JICA 2012, 82).

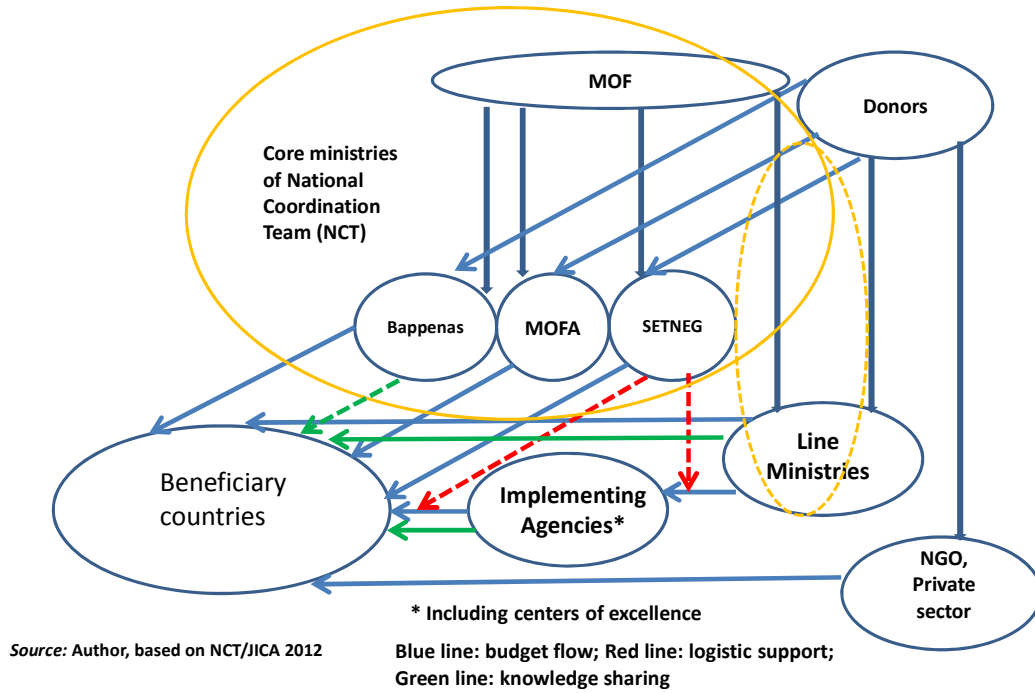
As line ministries and the implementing agencies under their jurisdiction are the direct actors engaging in SSC, the coordination between NCT and line ministries at both the decision-making level and technical coordination level, and the coordination between the line ministries and implementation agencies at the implementation level in the field is considered essential in strengthening the national system of SSC. Furthermore, strengthening of the mechanisms to facilitate SSC at the implementation level appears to be crucial in effectively promoting Indonesia’s international cooperation. This could be one of the major challenges in enhancing the Indonesian capacity for SSC.

The sources of budgets and allocation for SSC could present another challenge. SSC is financed by the state budget, funds from donors and international agencies, joint financing with other developing nations and financing through triangular schemes. However, as the above-mentioned document states, in spite of the fact that state budget resources have mainly been utilized as counterpart funds for cooperation with donors, “there is no state budget that fully supports SSC so far” (NCT and JICA 2012, 81). Nevertheless, as a government policy, Indonesia has decreased dependency on foreign assistance and intends to utilize foreign assistance as a ‘supplementary’ budget for Indonesian development; therefore, it is necessary to consider the possibility of raising funds for SSC internally (81-82).

The above-mentioned system of international cooperation is illustrated in Fig.1, highlighting flows of knowledge sharing and budgets, as well as the relationship between NCT, line ministries and implementation agencies.

Figure 1

Institutional framework of Indonesia's SSTC



Relationship between technical cooperation and economic/financial cooperation

It is important to notice that so far, the Indonesian government has promoted technical cooperation (Technical Cooperation among Developing Countries, TCDC, the term used in Indonesian documents) ahead of economic/financial cooperation (Economic Cooperation among Developing Countries, ECDC, the term used in the Indonesian document). There is an intention to consider ECDC at a later date (NCT and JICA 2012, 23). Reasons for this stance of the government are, among others things, that ECDC requires the participation of various stakeholders, including the private sector; some parties have been reluctant to provide loans to other countries because of the financial crisis Indonesia suffered (23).

The NCT and JICA (2012) study states in this regard that, “It is important to consider the Indonesian way of ECDC, taking into account of what is needed by the private sector that could not be supplied by the existing private sector. It is worth considering the strategic utilization of EXIM bank for the purpose of domestic development in relation to SSC in the long run” (23).¹⁴ However, the study mentions that, in order for EXIM Bank to provide ECDC, the “government’s clear policy and adequate funding are crucially needed” (84). In this regard, the NCT presently “focuses on TCDC, but would like to include ECDC in SSC in future” (82).

Outstanding features of Indonesia’s “aid pattern” or of the ‘Indonesian model’ and its implication to ‘knowledge centered’ SSC

Although there is a large amount of literature on China and India, beyond these two major Southern providers, literature dealing with Southeast Asian emerging donors is scarce.¹⁵ As such, it is not easy to identify rigidly distinctive features of Indonesia’s development cooperation. However, two recent studies appear to be relevant for this purpose. Kondoh et al. (2010) focus largely on ‘aid patterns’, a term that refers to the institutionalized orientation of the aid policies and institutions that are specific to an individual donor (5). Although the present paper does not aim to make a strict comparative analysis between Indonesia and other emerging donors, the conceptual framework of aid patterns utilized in the study provides a useful analytical perspective in highlighting some of outstanding features of Indonesia’s SSC compared to that of other major Asian emerging donors. This paper also referred to a comparative study on Thailand, Brazil and Indonesia by NCT and JICA on the management of SSC (NCT and JICA 2012).

¹⁴ EXIM Bank was established by the Government of Indonesia in 2009 in order to support the overseas transactions of Indonesian firms. EXIM bank has both a commercial wing and an ODA wing with the intention of expanding ODA business by supporting government programs over the long term. However, as a commercially operating entity, EXIM Bank cannot take risks associated with providing concessional loans to developing countries with high country risks (NCT and JICA 2012, 84)

¹⁵ Kondoh et al (2010, 3) pointed out that in 2010, when a Japan Bank for International Cooperation (JBIC) research project was conducted to explain the aid policies and performances of six major Asian emerging donors, there existed substantially no literature examining Asian emerging donors in detail.

From the ‘aid patterns’ analytical perspective, at least the following characteristics of Indonesia’s pattern (or model) can be identified.¹⁶ First, the basic approach of the Indonesian model could be considered flexible and pragmatic. As was discussed above, SSC concepts can be traced back to the Bandung Conference and a commitment to SSC has been reconfirmed on different occasions. However, its institutional framework, including the orientation of cooperation policies, has been flexibly enhanced in response to changing contexts. Second, Indonesia’s model promotes technical cooperation ahead of economic/financial cooperation. Third, a regional preference or a specific country focus has not generally been observed in the Indonesian model, apart from some exceptional cases such as Timor-Leste. Fourth, it scales up SSC, in many occasions, through triangular cooperation.

As a result, the Indonesian model can be said to have a strong emphasis on technical cooperation, and its international cooperation could be considered to be a ‘knowledge-centered’ approach.

5. Scaling-up of knowledge-centered South-South cooperation through triangular cooperation and regional, multilateral and global networks of knowledge sharing

Efforts to address the challenges of scaling-up

As was mentioned above, since the Jakarta Commitment in 2009, efforts have been made aiming at strengthening institutional framework to scale up South-South cooperation. In the same year, a workshop on South-South technical cooperation organized by MOFA, SEKNEG, NAM-CSSTC and JICA identified the following three challenges to SSC in Indonesia: 1) mainstreaming SSC in the National Policy; 2) enhancing human resources for international cooperation; and 3) improving the quality of SSC (Shimoda and Nakazawa 2013, 155).

¹⁶ Kondoh et al. (2010, 5) stated that the term “aid pattern” has similarities to “aid model” and can be expected to show patterns, idiosyncrasies and aid activity characteristics of each emerging donor. In reference to this distinction, this paper uses the term “Indonesian model.”

In order to address the first challenge, two studies were conducted: “Policy Direction on Indonesia’s South-South Cooperation” and “Basic Study on South-South Cooperation (Draft Grand Design and Blue Print).” The former provided useful suggestions for future directions of Indonesia’s SSC, which were derived from five concerns: 1) the legal basis; 2) the institutional framework; 3) the funding mechanism; 4) the involvement of wider stakeholders, including NGOs and private sector, and 5) the comprehensive monitoring and evaluation mechanism. Efforts were made to consolidate a coordination mechanism establishing the National Coordination Team (NCT) officially approved by a ministerial decree of Bappenas, as mentioned in the previous section. Furthermore, the SSTC was mainstreamed in the government’s mid-term development plan. The Knowledge Management for SSC (KM-SSC) project and other activities related to enhancement of human resources and improvement of quality of SSC were carried out as well.

As such, there has been important progress regarding the legal basis, institutional framework, and other aspects related to the three challenges mentioned above. However, challenges related to the funding mechanism and involvement of wider stakeholders, among others, still remain. The sources of budgets and their allocation mechanism need to be improved and the involvement of implementation agencies appears to be essential for effective SSC, as discussed in detail in the previous section. These two areas are of particular importance for further progress of institutional framework to the scale-up of SSC by Indonesia.

Scaling up SSC through TrC

The Busan outcome document (OECD 2011) highlighted the importance of triangular cooperation in scaling-up SSC, emphasizing that the sharing of knowledge and mutual learning be strengthened by scaling up, where appropriate, the use of triangular approaches to development cooperation.

In the context of Indonesia, some challenges – particularly related to budgets and funding – could be addressed by the triangular approach. Scaling up SSC typically depends, first, on financing often significant fixed costs incurred in developing and testing innovative technological interventions and, second, on keeping variable costs low so that an expanded scale of activities fits within the country’s resource constraints (Hosono 2013, 240).

However, scaling up SSC through TrC extends far beyond addressing the financial constraints. One approach is to scale up through Southern centers of excellence that specialize in particular fields. The northern partner in a triangular cooperation program provides assistance in strengthening such centers in the southern partner, which in turn can share knowledge and cooperate with other developing countries (the beneficiaries of triangular cooperation). The benefits come from the creation of knowledge by centers of excellence, from the adaptation of global knowledge to developing countries conditions, and from cost savings when assistance is extended by the centers to other developing countries (Hosono 2013, 241-42). Furthermore, these centers of excellence may obtain additional benefits from this approach. The mutual learning process enables them to achieve a deep understanding of the potential and challenges of beneficiary countries and to establish a reliable network of specialists (248). These centers may be able to accomplish a pivotal role in scaling up SSC through TrC.¹⁷

In this regard, it is important to note that Indonesia rather prefers to use the word ‘share’ in order to maintain an equal partnership, and the country is reluctant use the word ‘teach’ to other countries (NCT and JICA 2012, 23). Indonesia’s view is that by “Remembering the experiences of a recipient country, Indonesia could learn from recipient countries through SSC and be a spokesperson for developing countries at G20 as a representative of Asian developing countries. Meantime, development partners should take account of this mindset

¹⁷ For a discussion on scaling up South-South and Triangular cooperation, see also Kato (2012; 2013).

with consideration toward Indonesia's strategic position in the international community, although the former should not necessarily be regarded as a short-term "give and take" manner, but also in more comprehensive manners" (23).

Some of the outstanding centers of excellence in Indonesia were cited in Section 3 of this paper. JICA started supporting Indonesia's SSC through a third country training project, a kind of TrC, for low-cost housing in 1981. Since then, TrC between Indonesia, Japan and beneficiary countries has been carried out through schemes of Third Country Training Programs (TCTP), Third Country Experts (TCE), and Supplementary Training in a wide spectrum of sectors. Through JICA's cooperation over nearly sixty years, "many centers of excellence were established in Indonesia, and the knowledge acquired in these centers was considered as an asset that was well adapted to the local context of Indonesia" (JICA 2011, 7). Some of these assets are deeply rooted in the Indonesian context, but were able to be transformed into technologies applicable to other developing countries since they were being adapted from a society closer to other developing countries (7-8). Many of the centers are today renowned as having outstanding capacities – both domestically and internationally (27).

It is worth noting that in the case of Indonesian and Japanese triangular cooperation, a "Model of Triangular Cooperation" with a set of principles as a guideline of TrC has been established through day-to-day operations of engagement between the two countries and communication with other developing countries (JICA 2013, 10-11). Under this model, governments in beneficiary countries are expected to consider alignment with their own national development strategy in order to ascertain the relevance of TrC, and to scale up through linkages to an on-going engagement in these countries. The provider (Indonesia) is expected to make use of capacity and knowledge assets developed during past cooperation projects between Indonesia and Japan in order to guarantee the technical level of the TrC, and to ensure that the process of formulating, implementing, monitoring and evaluating the TrC endows capacity development opportunities for Indonesia. Development partner (Japan)

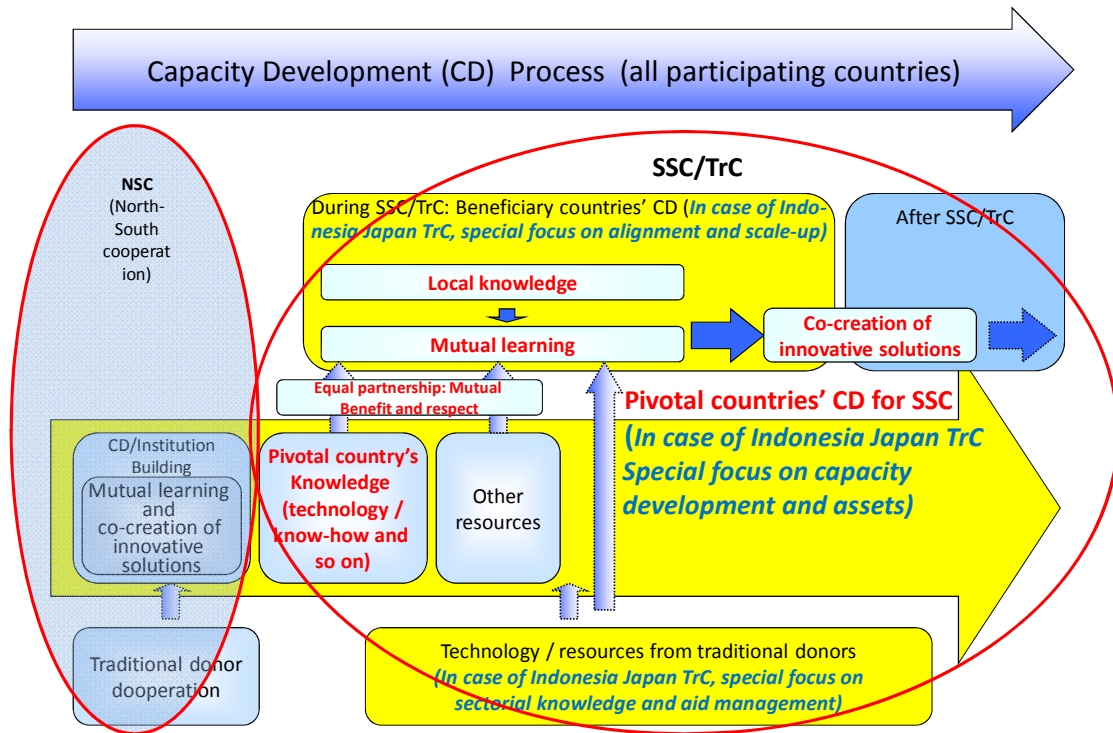
providing SSC is expected to ensure that the results of TrC can be increased, with substantial inputs in terms of sectorial knowledge and aid management of JICA.¹⁸ This model could be considered innovative and promising in addressing the challenges of TrC, including managing transaction costs, while assuring effectiveness, a demand-driven approach and quality of knowledge transfer.

The above-mentioned model of TrC is illustrated in Fig. 2, which highlights the special focuses of beneficiary countries, pivotal countries (Indonesia) and traditional donors (Japan).

Figure 2

A model of triangular cooperation

Source: Author, based on Hosono (2012, 62) and JICA (2013, 11)



¹⁸ Explanation of this model has been elaborated by the author based on JICA (2013, 10-11).

In addition to the continuous scaling-up of SSC efforts through TrC, several new initiatives have been carried out recently through TrC. These are cases in which acquired knowledge and outcomes derived from recent activities related to the formation of a policy framework, knowledge management for SSC (KM-SSC), among others, as explained above, were immediately utilized in Indonesia's SSTC (Shimoda and Nakazawa 2012, 161). Programs supporting infrastructure development such as roads, environment impact assessments, rice irrigation and other projects through TrC in Timor-Leste, are examples worthy of further examination.

Likewise, Afghanistan, Indonesia and Japan have been working together in the area of agriculture, health, and community development under the SSTC framework. These projects are closely linked to JICA's on-going activities in Afghanistan and past Japan-Indonesia cooperation in Indonesia, thus taking advantage of development cooperation assets that Indonesia has developed with Japan (JICA 2013, 24-25). Indonesia and Japan also cooperate with programs for Palestine through TrC due to both countries' parallel commitments for the state building of Palestine utilizing the frameworks of the New Asian-African Strategic Partnership (NAASP) and of Co-operation of East Asian Countries for the Middle East Peace respectively. The unique feature of this case is that TrC was designed to align the triangular projects in Indonesia with on-going JICA projects in Palestine to build a synergy between them and to address challenges that this TrC faced (JICA 2012, 9).

The partnership program (PP) of the southern partner and the northern partner could be one of the more structured approaches to dealing with the challenges of SSTC, such as high transaction costs, supply-driven bias, duplication and so on. The partnership program modality promoted by Japan provides a common framework within which a southern provider country (or pivotal country) and northern development partner country can jointly implement cooperation for beneficiary countries, while also allowing the two countries to share their knowledge and experience in aid management. PP have resulted in a more coordinated and

systematic modality of knowledge sharing, due to joint planning and periodic consultation between the two countries and to a combination of cooperation schemes, such as triangular training programs, third-country experts, joint projects and others (Hosono 2013, 249). The Japan-Indonesia Partnership Program (JIPP) was set up in 2003, under which annual meetings have been held.

Germany, another major partner country for Indonesia's SSTC through GIZ, supported the formation of the Aid Information Management System (AIMS) in Indonesia. GIZ promoted trilateral activities between Indonesia-Myanmar-Germany in the field of technical teacher training in 2012-13. GIZ plans to enhance this TrC with Myanmar by formulating a country partnership strategy in order to develop a more comprehensive framework. In addition to Germany and Japan, some other countries have recently started SSTC with Indonesia.¹⁹

International organizations have started initiatives to support Indonesia's SSTC. UNDP has supported Bappenas through the Enhancing Capacity for Better Aid Management project (ECBAM-UNDP). World Bank has facilitated South-South knowledge exchange through the Global Distance Learning Network (GDLN) in many countries, including Indonesia, and more recently through the South-South Experience Exchange Facility (Shimoda and Nakazawa 2012, 154).

Scaling up SSC through regional, multilateral and global networks

A new and innovative platform for knowledge sharing called Community of Practice (CoP) was established in 2013. The preparation of this global initiative was led by the Government of Indonesia. It is a web-based knowledge-sharing platform for practitioners of SSTC in which Indonesia, World Bank, JICA, UNDP and ADB participate. The platform enables the practitioners to exchange ideas, post knowledge, and learn from one another (JICA 2013, 16).

¹⁹ For example, the US and Indonesia signed the South-South and Triangular Cooperation (SSTC) Memorandum of Understanding (MOU) in Jakarta in February 2014, on the occasion of the visit of US Secretary of State, John Kerry to Indonesia.

This platform is an outcome of the Bali High Level Forum, Country-led Knowledge Hubs hosted by Indonesia, World Bank, JICA and UNDP in 2012.²⁰

Indonesia participated in a regional platform called Japan-Southeast Asian Meeting on South-South Cooperation (J-SEAM), which itself evolved from a mechanism known as the JICA-ASEAN Regional Cooperation Meeting (JARCOM) in 2009. This provided an innovative matching system of demand for technical cooperation and the supply of relevant experiences. A study conducted by UNDP and JICA highlights JARCOM's contribution to SSC through alignment with national priorities, enhanced ownership, support for emerging donors and a reduction in transaction costs for recipient countries (JICA and UNDP 2009). In short, JARCOM resulted as a vehicle for enhancing demand-driven SSC through the facilitation of "knowledge matching" (Hosono 2013, 258).

6. Concluding remarks

The answer to the three research questions derived from the analytical perspective of this paper could be summarized as follows.

Regarding the identification and availability of knowledge to be shared, efforts have been made in Indonesia to identify such knowledge through the lens of national vision of international cooperation of the country in response to changing contexts. First, flagship programs are defined based on need, global challenges and the ability to contribute to national development target achievement. Most flagship programs are based on knowledge that has been created or developed in the context of the diverse local conditions of Indonesia. More recently, the country announced new priority areas for SSTC, thereby identifying its comparative advantage. The National Coordinating Team listed more than 50 implementing

²⁰ For details of the Bali High Level Forum, Country-led Knowledge Hubs, see Choesni and Schulz (2013, 81-84).

agencies as organizations in which knowledge is embodied and can be shared. Each of the organizations could be considered a center of excellence or prospective center of excellence in its respective areas. As such, the country recognizes its strength and potential for knowledge sharing in changing international contexts. Efforts have been made to ensure that the knowledge identified is sharable and knowledge management for SSTC has been introduced.

As for the establishment of an institutional framework for a national system of international cooperation, important steps have been taken to create a National Coordinating Team through the ministerial decree of Bappenas, consisting of four core ministries. At the same time, SSTC is now being mainstreamed, thus becoming part of the National Medium-term Development Plan. Although, further enhancement and strengthening of the institutional framework is still needed, these two decisions could be considered a milestone in steps towards a full-fledged national system. From a comparative perspective with other Asian emerging development partners, the major distinctive features of Indonesia's aid pattern or the 'Indonesian model', discussed above, could be provisionally be summarized as flexible and pragmatic, with significant emphasis on technical cooperation, and without a strong regional or specific-country focus. Therefore, the Indonesian model could be considered a "knowledge-centered" approach.

As such, there has been important progress in establishing a legal basis and institutional framework for SSTC. However, challenges related to funding mechanisms and the involvement of wider stakeholders still remain. The sources of budgets and their allocation mechanisms need to be improved and the involvement of implementation agencies, particularly centers of excellence, appears to be essential for effective SSC. These two areas are of particular importance for further progress toward the development of institutional frameworks to scale-up SSC activities of Indonesia. Accordingly, it is crucial that the framework and institutions be strengthened through accumulation of experiences in carrying out SSTC projects. This process of learning and institution building could be a practical step in

effectively sharing knowledge accumulated in Indonesia with beneficiary countries and in establishing a full-fledged institutional framework.

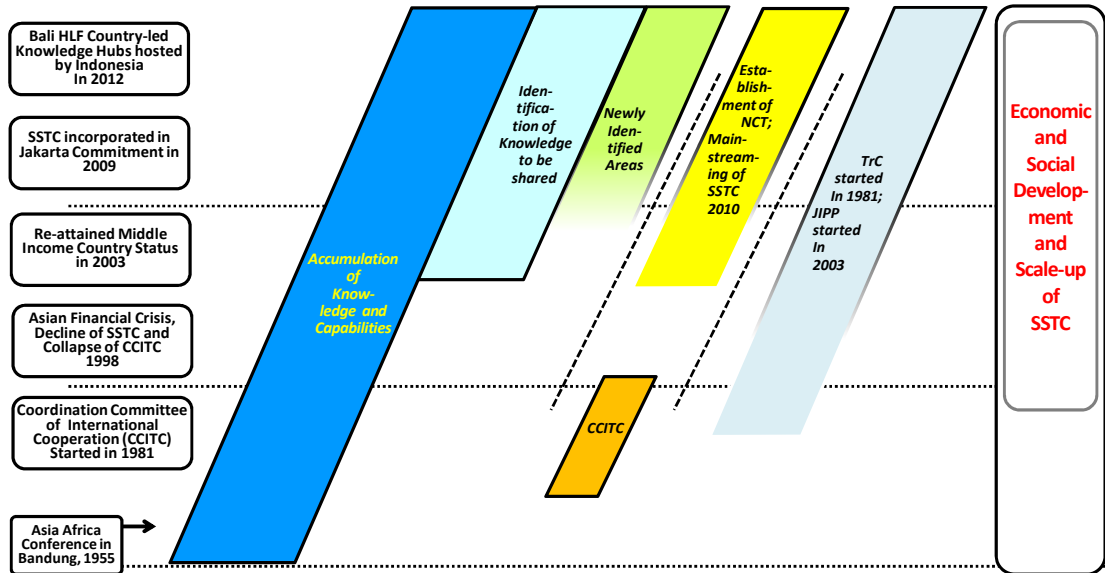
Regarding the scale-up of SSC through TrC, several new initiatives have been carried out. For example, it is worth noting that in the case of Indonesia and Japan triangular cooperation, a “Model of Triangular Cooperation” with a set of principles as a guideline of TrC has been established through day-to-day operations of engagement between the two countries and communication with other developing countries. Under this model, beneficiary countries are expected to consider alignment with their national development strategy in order to ascertain the relevance of TrC and to scale up through linkages for on-going engagement in these countries. The provider (Indonesia) is expected to make use of capacity and knowledge assets developed during past cooperation between Indonesia and Japan in order to guarantee the technical level of TrC, and to ensure that the process of formulating, implementing, monitoring and evaluating TrC endows capacity development opportunities for Indonesia. Development partner (Japan) is expected to ensure that results of TrC be increased, with substantial inputs in terms of sectorial knowledge and aid management of JICA.

In addition to the continuous scaling-up of SSC efforts through TrC, several new initiatives have been carried out recently through TrC. These initiatives, especially for Timor-Leste in the road sector, for Palestine in agriculture, SME development and health sectors, and for Afghanistan in community development, are cases in which acquired knowledge and outcomes derived from recent activities related to the formation of a policy framework, Knowledge Management for SSC (KM-SSC), among others, were immediately utilized.

The above-mentioned aspects correspond to the three research questions regarding identification and codification of knowledge to be shared, an institutional framework for South-South cooperation, and scaling-up through triangular cooperation. These have been roughly illustrated in Fig. 3.

Figure 3

Accumulation of Knowledge, Identification of Knowledge to be shared, Evolution of Institutional Framework of SSTC of Indonesia, and Changing Context



Source: Author

Based on these findings, we could highlight the role of Indonesia as a pioneering emerging development partner in mainstreaming knowledge-centered SSC. This approach could tentatively be called the “Indonesian model,” which is flexible and pragmatic, while responsive to changing context. It places emphasis on technical cooperation, working without a strong regional or specific country focus. The experiences of Indonesia with these outstanding characteristics might be considered valuable for other emerging developing partners looking for a modality of effective SSTC. However the country’s experiences with its “Indonesian model” approach deserve a more in-depth analysis, especially in comparison with other emerging development partners. Moreover, the perspective from recipient countries could be essential in any further study of Indonesia’s approach.

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Abstract (in Japanese)

要約

新興ドナーは、自国において、自らの開発課題に取り組む効果的方法を見出し、それを実践してきたという貴重な経験と知識を蓄積しており、開発のための国際協力において、重要な役割を果たすことが出来る。新興ドナーは、今日他の途上国が直面しているのと同様の困難と制約条件を克服してきた。しかしながら、そうした経験と知識は、いままでのところ、途上国間で効果的に共有されるには至っていない。例えば、新興ドナーの多くはそのような知識を他の諸国と共有するための有機的な制度的枠組みを構築するには至っていない。貴重な知識や技術は、通常、共有されるための文書として整備されておらず、暗黙知のままにとどまっている。このために、それら知識や技術のスムーズな共有は必ずしも行われていない。本研究の目的は、インドネシアの事例研究を通じて、新興ドナーの可能性と課題に関わる主要な側面（共有しうる経験と知識の同定、そのための制度の整備、南南協力のスケールアップのアプローチ）を分析することにある。インドネシアは、G20の一国であり、知識にフォーカスした南南協力を行うパイオニア的な新興ドナーであると言える。いくつかの重要な特徴を有するインドネシアの南南協力の経験から、効果的な南南協力・三角協力を模索する他の新興ドナーにとって貴重な示唆を得ることが出来ると考えられる。

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