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**A BRAVE NEW WORLD OF ‘EMERGING’, ‘NON-DAC’ DONORS  
AND THEIR DIFFERENCES FROM ‘TRADITIONAL’ DONORS**

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**Editor**

**KENNETH KING**

**Editorial Address for this Special Issue**

**Kenneth King, Hong Kong Institute of Education, Tai Po, New Territories, Hong Kong**

**Emails: [Kenneth.King@ed.ac.uk](mailto:Kenneth.King@ed.ac.uk) or [Pravina.King@gmail.com](mailto:Pravina.King@gmail.com)**

**Co-ordination Address**

**Michel Carton, Graduate Institute of International and Development Studies (IHEID),  
Post Box 136, Rue Rothschild 24, 1211 Geneva 21, Switzerland.**

**Telephone: +41 22) 908 43 24/23**

**Email: [michel.carton@graduateinstitute.ch](mailto:michel.carton@graduateinstitute.ch)**

**NORRAG NEWS No. 44****[September 2010]****A BRAVE NEW WORLD OF “EMERGING”, “NON-DAC” DONORS  
AND THEIR DIFFERENCES FROM “TRADITIONAL” DONORS**

This issue of NORRAG News (NN44) is dedicated to an analysis of the new development partners, sometimes termed emerging donors. These are not very useful terms and especially as they are often used to refer to India, China and South Korea which have been involved in development cooperation for a very long time. These newer actors in development assistance are also sometime called non-DAC donors. This is also a misleading and a rather negative way of defining this very diverse group, as some of these new development assistance partners are new EU member states, others are OECD members but not of its Development Assistance Committee (DAC), others are Gulf States, while others again are members of the group called BRICS (Brazil, Russia, India, China and South Africa). And there are many more.

We are not, in this issue, dealing with the very diverse and complex world of private sector aid or aid from foundations; these may be analysed in a future special issue of NORRAG News. Rather, we are looking at the whole range of non-traditional bilateral actors from India to Nigeria; from Brazil to China; and from Turkey to Thailand.

There is a very wide range of these non-traditional, newer donors, and several of them are from countries where our NORRAG membership is not large, such as South Korea, Russia and Saudi Arabia. In other cases, such as South Africa, India, China, Chile and Brazil, we have quite large NORRAG memberships.

Here are some of issues we are dealing with in analysing these non-traditional donors, or newer development partners:

- \* How different are their approaches and modalities from those of the more traditional DAC donors, always remembering that there are very substantial differences *amongst* DAC donors?
- \* How tied is the aid offered by these newer donors and how important are the national experts of these countries in aid delivery?
- \* How are these newer donors perceived in the countries they are supporting?
- \* How regionally oriented is this new cooperation, and how much does it cross continents like Brazil's support to countries in Africa?
- \* What can the older donors learn from these newer development partners?
- \* Are academics and consultants from countries associated with the DAC donors giving advice to any of the newer development partners?
- \* What does the rise of these new donors mean for donor coordination?
- \* Are these newer development partners involved in the countries where NORRAG's two partners, ERNWACA (in West and Central Africa) and RedEtis (in Latin America), are operating?

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## PREFACE

**Kenneth King**  
**Hong Kong Institute of Education/NORRAG**  
[Kenneth.King@ed.ac.uk](mailto:Kenneth.King@ed.ac.uk)

Welcome to the first issue of NORRAG News that is entirely concerned with new development actors and partners!

NORRAG News has arguably had a preoccupation with the traditional donors, and, as we said in the last issue, NN43, on The World of Reports, these were reports associated with World Education Conferences, such as Jomtien and Dakar which were organised by the leading multilateral agencies, or with major policy papers such as the Global Monitoring Reports, or World Bank and UNESCO reports. We did not run a special issue on the first meeting of TICAD, the Tokyo International Conference on African Development in 1993, nor on any of the major conferences or summits associated with the Forum for China Africa Cooperation (FOCAC), from 2000. Partly this was because these were not Education and Training conferences, but concerned with development, trade and aid more generally. But partly because China, India and Brazil had not swum into view as major donors in the way that Japan had already done by 1990.

We hope that these fifty short pieces on different dimensions of these new development partners, or new development actors, will spark some debates! We have tried with several of these new actors to have several different perspectives on the same country, such as China, India, Brazil and South Africa. Interestingly, no less than twelve pieces address China's aid. You will notice that we did not put human resource development (HRD) in the final title of this special issue. Not all of the contributors made HRD an aspect of their analysis of the new donors. Which is fine because it has been important first of all to sort out who are these new development actors.

There will soon be other opportunities to look in detail at the HRD side of these new, and not-so-new donor voices. One such will be in the Working Group on Cooperation in Training in the EADI/DSA triennial Conference next year. This Working Group focuses specifically on the HRD dimensions of the new development actors. By a happy coincidence, this EADI/DSA General Conference, to be held in York in September 19-22, will be just four days after the UKFIET Oxford International Conference on Educational Development. We trust that NORRAG will be well represented at both events. On November 19<sup>th</sup> 2010 in SDC headquarters in Berne there will be a meeting of NORRAG coorganised with the Swiss Network on Education and International Cooperation, to discuss the special issue of NN44 on the emerging donors.

### **NORRAG Review**

During this month of September 2010, about 70 NORRAG News readers will be telephoned as part of an in-depth more qualitative attempt to review NORRAG's current role, and perhaps assess different approaches. You will recall we carried out a very short questionnaire assessment earlier in the year, and the results of that are set out in the NORRAG section towards the end of this special issue. These 70 telephone

interviews are being organised at the regional level, in seven different regions. Thus there will be 10 in-depth interviews from each of these areas. The results will be available in the next issue of NORRAG News.

It may prove tricky for the regional assessor to carry out this task to the full in Asia. For some reason that we cannot fathom, it is not possible to open the NORRAG website from the Chinese mainland, but it is of course possible to get round this temporary problem by the use of VPN. This does mean that the assessor will find it hard to ask mainlanders their impressions of recent developments in NORRAG, if they have not had access to these except via VPN.

### **Skills Development**

Although the Working Group on Skills Development formally closed at the end of 2008, NORRAG has continued to be active in the area of international networking on skills development. Thus it organised a valuable conference on policy learning in skills development in Geneva in June 2009; and then a joint conference in New Delhi in May 2010 on the *Challenges facing skills development in India*. For this concept paper for this conference see *What's New?* on the NORRAG Home page. In September 2010, NORRAG supported Swiss Development Cooperation (SDC) in mounting a major Regional Skills Development Conference in Dhaka. Doubtless, NORRAG will also in due course seek to support the work of the Global Monitoring Report (GMR) team as they soon start work on Skills Development and Adult Learning for the EFA GMR of 2012.

### **Michel Carton Colloquium**

On the 18<sup>th</sup> November 2010, there will be a special Colloquium organised in IHEID, Geneva to mark the formal retirement of Michel Carton. The title of the *Colloque* is Knowledge, Skills and Development: Global Frameworks and Local Realities in Higher Education and TVET. And it is open to all who can come! It is almost 20 years since Michel contributed his first two articles to NORRAG News in January 1992 (NN13); and he would not have encouraged the informal group called NORRAG to move from its base in The Hague to Geneva if he had not been involved in NORRAG for several years before that. His sustained support for NORRAG over these 20 years has been critical for its becoming what it is today. Many of his friends world-wide are hoping that he will want to continue his engagement with NORRAG and with much else over the next many years. We hope to see several of you on the 18<sup>th</sup>!

Kenneth King,

Visiting Professor

Department of International Education and Lifelong Learning & Department of Education Policy and Leadership, Hong Kong Institute of Education, Hong Kong

10<sup>th</sup> September 2010

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**EDITORIAL****New Actors – Old Paradigms?<sup>1</sup>****Kenneth King, Hong Kong Institute of Education; NORRAG**Email: [Kenneth.King@ed.ac.uk](mailto:Kenneth.King@ed.ac.uk)

**Keywords:** emerging donors; development partners; south-south cooperation; north-south cooperation; Paris Declaration; horizontal cooperation; new development actors

**Summary:** The article explores the terminological challenge of describing the new development actors in ways that distinguish them satisfactorily from the so-called traditional donors, especially when account is taken of the history of both groups.

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**Not-so-new-donors?**

We shall shortly be submerged by the sheer numbers of emerging donors, partners, actors or South-South co-operators! Riddell (see article in this issue of NN) has estimated that there are 30,000 donor missions a year to recipient countries, more than 100 a day.

The names of some of the older co-operators have almost become household words or brands, in development circles, such as USAID, GTZ, JICA, CIDA, Sida, AusAID and DFID. But other traditional donors are much less well-known internationally, such as DGIS in Holland, or the AECI in Spain, not to mention the administration of aid in Italy, Portugal or Belgium.

And then suddenly we have a whole lot of new acronyms. There are TIKA (Turkey), TICA (Thailand), and TAC and NTF (Nigeria). There are ITEC (India), KOICA (South Korea) and ICDF (Taiwan). And there are AGCI (Chile), ABC and SENAI (Brazil) and SADPA (South Africa). And others like China whose cooperation is not linked to a specialist development agency or acronym at all.

But their newness is far from accurate; SENAI was set up in 1942 and was in South-South cooperation from 1956; in the same year, 1956, the first four Egyptian students went off to study in China through Sino-Egyptian cooperation; ITEC was formally established in 1964, and South Korea began knowledge-sharing technical assistance in the mid 1960s, while the NTF commenced in 1976. Many of the Arab donors also began cooperation after the dramatic rise in oil prices in 1973. What is new, more accurately, is the recent recognition by aid analysts that these bodies constitute an appropriate field of study. How long ago was it when the term ‘emerging donor’ was first used? It now registers millions of hits on Google in a tenth of a second.

Although South-South cooperation and horizontal cooperation have begun to be used more frequently, the concept of Technical Cooperation among Developing Countries

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<sup>1</sup> The wider research on China-Africa education cooperation, related to this article, has been financed by Hong Kong’s General Research Fund (GRF), ref no.750008.



(TCDC) goes back to 1978; indeed in that same year, Weinberg (see also his article in NN44) organised a major conference to share experience between national vocational training systems in Latin America and their counterparts in Africa.

### **How are these ‘Not-so-new-donors’ different from ‘traditional donors’?**

The first thing to say is that the so-called traditional donors are themselves different from each other, and most of them are different today from what they were yesterday. The traditional donors are far from homogeneous; thus they can be broken up into clubs or informal groupings such as the ‘like-minded donors’, a term which of course suggests similarities and differences **within** the group of regular development partners. These distinctions run along lines of different aid modalities or approaches, including the donors who work primarily with project rather than programme aid, those who can and cannot put money directly into sector or general budget support; and then, within particular sectors, such as education, there are substantial priority differences in donor allocations, whether to basic or post-basic education.

Historically, too, the so-called traditional donors have obviously changed their traditions. Thus, a potentially close linkage between Aid and Trade Provision in British aid was only abolished as recently as 1997.<sup>2</sup> Similarly, the end of the Cold War began to change the strategic allocation of aid to developing countries for political reasons. Put differently, the end of the Cold War introduced a new set of political conditionalities from some Western donors, with much more emphasis on multi-party democracy and human rights than was evident before.

In other words, many of the criticisms of the emerging donors today, e.g. for non-interference in the politics and policies of aid recipients, or for tying aid and technical assistance, can be found in the traditional donors’ actions of yesteryear, if not yesterday.

### **Are the emerging, not so new donors becoming part of the new aid architecture?**

Since the Millennium Summit of 2000 and the development subsequently of the Millennium Development Goals, and, later, the Paris Declaration (2005) on aid effectiveness, there has been a powerful sense that external assistance needs to be better harmonised, as well as aligned with national (recipient) policies. A whole lexicon of indicators for the ownership, alignment, and harmonisation of external aid initiatives has been established (See further NN42). The architects of the Paris Declaration were anxious to be inclusive. So they hoped that the spirit of Paris could encompass not just the traditional North-South cooperation, but also a community of development partners which were perceived as operating more in a South-South cooperation framework. This is clearly a reference to our diverse group of emerging donors who it was hoped would also play the development cooperation game by using the Paris Declaration rules as a point of reference.

Intriguingly, the Paris Declaration allows that there could be some difference in the operating principles and preferences of those partners involved in South-South

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<sup>2</sup> Ten years later Chile’s International Cooperation Agency was saying: ‘Chile has a development strategy that regards trade as a key element, and trade is a powerful component in our cooperation programs within South America and Central America.’ ([www.oecd.org/dataoecd/45/19/39639012.pdf](http://www.oecd.org/dataoecd/45/19/39639012.pdf))

cooperation; they are seen, perhaps rather patronisingly, as a useful addition to the North-South mainstream. Paris-with-South-South characteristics?

South-South co-operation on development aims to observe the principle of non-interference in internal affairs, equality among developing partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. It plays an important role in international development co-operation and is a valuable complement to North-South co-operation. (Paris Declaration, 2005: paragraph 19e)

This almost certainly exaggerates the distinctions between North-South and South-South cooperation. But what it is difficult to know, without a great deal more empirical research than is currently available on the emerging donors, is just how significant to their decision-making on cooperation is the architecture of the Millennium Goals, the Paris Declaration, or the subsequent Accra Agenda for Action (2008). This is less of an issue for the New Member States of the European Union; they will progressively become involved in European Commission aid processes through legally binding agreements for accession countries.

### **Specific identity**

But for the many other new donors, will their aid priorities, in reality, not be driven, in part, by the same concerns with 'spheres of influence', historical connections, common language, religion and ethnic identity, as some of the older donors with their strong links to the English-speaking Commonwealth (54 member states), *La Francophonie* (56 members), Portuguese-speaking countries (10 countries)? Thus the bulk of India's aid goes to some of its neighbours, though it has expanded recently to Africa. Similarly, Turkey started with an orientation to the Caucasian Turkic republics, but has since expanded to no less than 100 countries worldwide. Scotland, for historical reasons going back to the 1850s and to David Livingstone, selected Malawi, initially, as the focus of its new aid partnerships.

### **The discourse of solidarity**

But while a common language, if not a previous colonial relationship, can help to explain in part current connections between Brazil and Portuguese-speaking Africa, no such primarily linguistic relations are available for China in approaching Africa, even if they are through the English language for India in Anglophone Africa. So, instead, for several of the new donors, there is recourse to a different discourse, that of solidarity with other developing countries, including, for some African countries, a history of support during the period of resistance to colonial rule. Thus China, for example, has embassies in no less than 47 of Africa's 53 countries, irrespective of language, history and culture; and its mechanism for relating to the continent, the Forum for China Africa Cooperation (FOCAC) is truly Pan-African in scope,<sup>3</sup> as has been Japan's Tokyo International Conference for African Development (TICAD) from its beginning in 1993 when no less than 48 African countries were represented in Tokyo.

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<sup>3</sup> There are still four African countries which retain diplomatic relations with Taiwan.

### **Sharing relevant experiences of development**

For a number of the new donors, beyond the inclusiveness of third world solidarity, there was the mission to share with others their own dynamic development experience. With no new donor has this been more explicit than with South Korea which wanted to share its experience of moving from being 'one of the poorest countries in the world to one of the most economically advanced'. Of course, this desire to share national development experience is one more element that cuts across any too sharp dichotomy between traditional and emerging donors; Japan has long felt that its own experience of transformation after the second world war, and its insights into becoming a donor whilst still being a recipient may be of potential value to other countries on the development path. This offer of relevant development experience characterizes India's ITEC, also, with its explicit commitment to 'share the fruits of its socio-economic development and technological achievement with other developing countries'. It is a feature also of all those programmes, from Taiwan to Nigeria, and from Chile and China to Cuba where experts and volunteers are provided to transfer abroad insights from this specific experience of development at home.

### **Mutual benefits and give-and-take rather than one-way giving**

It is argued by several of the emerging donors that they are not engaged in charity but in reciprocal arrangements, not one-way giving but give-and-take. Almost 40 years ago, Zhou Enlai captured this avoidance of the donor-recipient relationship by saying in his 8 principles of foreign aid: 'The Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries. It never regards such aid as a kind of unilateral alm [sic] but as something mutual.'

This is the kind of solidarity that Zhou Enlai often talked of in his famous African visits of the early 1960s: 'mutual economic assistance among the Asian and African countries was the kind of assistance between poor friends who were in the same boat pulling oars together' (King, 2006: 3).

But is this mutual benefit a defining characteristic of the emerging donors? Almost certainly not. It is not uncommon for traditional donors to perceive aid as both a moral obligation and at the same time a source of security and even prosperity for the more developed country. Here is UK's former prime-minister, Gordon Brown, making a mutual benefit case for aid: 'We will do so because it is morally right. But also because our prosperity, security and health are increasingly inseparable from events far beyond our borders.' [DFID, 2009: 5] Even more explicitly, AusAID speaks of its two key outcomes in its most recent 2008/9 annual report, and both are about the mutual benefit dimension of aid. For example, 'Outcome 1: to assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest' (AusAid, 2009: 11). The linkage between the development and the security agenda, sometimes termed the 'securitisation of development', is further evidence of the difficulty of arguing mutual benefit as distinctively a feature of emerging donors and their forms of cooperation.

### **Make poverty history vs build a road if you want to be rich?**

Despite these clear parallels in mutual benefit strategies by both new and old development partners, it may still be possible to suggest that there has developed a powerful discourse amongst many Western donors, including NGOs, around the slogan of 'Make poverty history'. This focus on a big push, to end poverty in our lifetime, has considerable resonance in the West, and it has a different character than the Chinese axiom about building a road if you want to be rich. Translated into cooperation strategies, China clearly sees that infrastructure is crucial to successful development, whereas several Western donors have emphasized the priority of investment in education, health and the social sectors more generally. But again too sharp a distinction between new and traditional donors does not work, as Japan has consistently emphasized the vital role of infrastructure investment over against a focus entirely on the MDGs.

### **Concluding propositions**

It might be concluded from these brief remarks that in terms of distinguishing these two groups of donors, the terminology of new vs traditional does not help very much; DAC vs Non-DAC does not take account of the moves within the New Member States towards DAC; Paris vs. Non-Paris does not take account of the fact that South-South cooperation is accommodated within Paris; equally, solidarity, mutual benefit, and special experience of successful development all turn out to be difficult to attribute to the new donors alone.

What is needed are many more critical accounts of the discourse of the new development actors, as well as empirical work on their operations in partner countries. The forthcoming EADI General Conference in September 19-22, 2011 in the University of York could provide an opportunity to look at the new development actors in much more detail. There will be an opportunity to pay much more attention to the HRD dimension of these new actors. See both the Working Group for Cooperation in Training and the Sub-Group on Non-DAC Donors (<http://www.eadi.org/gc2011>).

### **Further reading**

AusAID (2009) Annual Report 2008/9. AusAID, Canberra

DFID (2009) Eliminating World Poverty: Building our Common Future. Cmd 7656, London

King, K. (2006) China and Africa: New Approaches to Aid, Trade and International Cooperation, CERC, Faculty of Education, University of Hong Kong, 24 March 2006 (<http://www.hku.hk/cerc/KK-Article.htm>)

OECD (2005) The Paris Declaration on Aid Effectiveness. Paris.

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**RATIONALE, REALPOLITIK  
&  
REALITY OF NEW  
DEVELOPMENT PARTNERS**

## Roles and Activities of the “New Development Partners”

**Penny Davies, Diakonia, Stockholm**

Email: penny.davies@diakonia.se

**Keywords:** emerging donors; new development partners; non-DAC donors; aid effectiveness; aid modalities

**Summary:** There is a lack of appropriate terminology to describe so-called emerging donors, which should be addressed. While differences exist, emerging donors also demonstrate similarities with DAC donors in their roles and activities. Importantly there is an expressed shared interest in ensuring that aid is effective. Looking ahead, all need to embark on a process of reform and mutual learning.

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A key dilemma in describing the group of so-called emerging or non-DAC bilateral sovereign donors is the lack of satisfactory terminology. By using DAC as a reference point you define them by what they are not, rather than by what they are. Furthermore, several are not new at all, but have long standing histories of providing assistance. Many do not refer to themselves as donors and prefer to consider themselves as engaging in partnerships in a South-South context. Also, the group encompasses such diversity (geographical, socio-economic as well as experiences of delivering assistance), that it is valid to ask whether it makes sense to refer to them as a group at all. This challenge points to the need to move beyond traditional terminology and categorisations of donors and to find a better way of capturing the increasingly diverse forms of, and partners engaged in, development cooperation.

The increase in volumes of assistance (reflecting global economic power shifts) from the so-called new development partners, is perhaps what has generated most interest. Assessing volumes is difficult due to lack of systematically collected and reported data, and the lack of a globally agreed definition of what counts as “aid”. Figures are often exaggerated. In 2008, total ODA from non-DAC donors reporting to the DAC reached \$9.5 billion, up from \$3.4 billion in 2003. If the sum of various credible estimates of development assistance from the so-called BRICS countries, ranging from \$2.3 to \$5.1 billion, is added to this figure, this would amount to some \$12-\$15 billion or the equivalent of 10-12 per cent of overall ODA. (see source below).

While volume matters, how aid is channelled, to whom, based on what criteria and with what results merit more attention. A review of the roles and activities of new development partners reveals similarities to as well as differences from DAC donors (examples are given in the source below).

On average, new development partners target less assistance through multilaterals (18 per cent) than DAC donors (30 per cent). While geographical proximity is an important factor for determining the direction of assistance, and that of Southern donors in particular, overall aid programs in fact demonstrate a wide geographical reach. As for DAC donors, an increased focus on Africa is also visible among the emerging donors. Like DAC donors, new development partners also tend to focus assistance on the poorer countries, and to some extent recipients converge. The bias towards infrastructure and productive sector financing is to a large extent

complementary to that of DAC donors. However, it is a mistake to think that emerging donors disregard social sectors and several in fact channel assistance to a diversity of sectors. The mainstay is project assistance and, in contrast to DAC donors, budget and program support is not frequent, with a few exceptions. Assistance is almost always tied to the purchase of goods and services; however, this is not always associated with the drawbacks that usually come with tied aid, such as higher costs for the recipients. These are just a few general examples, and each should be looked at carefully from a partner country perspective to avoid sweeping generalisations.

While differences exist - such as the emphasis on non-interference of Southern providers versus the conditionality practices of DAC donors - there are also many common features. Importantly, there is an expressed shared interest in ensuring that aid is effective and that it contributes to partner country development objectives and the MDGs. For this to materialise, the following steps should be taken:

- **More inclusive dialogues on aid effectiveness should be established for mutual learning** so as to better incorporate the diverse experiences of new partners beyond those already involved. All actors should recognise they can learn from each other.
- **Collaboration should be strengthened** to make the most of the comparative advantages of different assistance providers and ensure complementarity. At the same time, the diversity of options available for partner countries should be retained.
- **Transparency and exchange of information should be enhanced.** This is essential for mutual learning and for fostering accountability. Information on who does what at the country level needs to be shared, including the volumes, types and terms of assistance.
- **Partner country ownerships should be strengthened,** and all providers of assistance need to ensure that they align their assistance to country priorities. Partner countries should in turn exercise strong leadership in setting the priorities in broad based democratic processes.
- **Increased focus on aid effectiveness principles and social and environmental standards.** Providers of assistance need to move beyond lip-service and ensure that assistance benefits poor people and contributes to long-term sustainable development.
- **All policies need to be coherent with the objectives of development assistance.** Aid, in particular from emerging donors, is often intrinsically linked with other types of cooperation (trade and investments) and all policies should strive to contribute to a fair and sustainable development.

#### **Further reading:**

Davies, P. (2010) *A Review of the Roles and Activities of New Development Partners*, CFP Working Paper Series no.4, The World Bank: [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/04/07/000333038\\_20100407034236/Rendered/PDF/538660NWP0CFPW10Box345632B01PUBLIC1.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/04/07/000333038_20100407034236/Rendered/PDF/538660NWP0CFPW10Box345632B01PUBLIC1.pdf)

Davies, P. (2010) "South-South Cooperation: Moving Towards a New Aid Dynamic" in *Poverty in Focus, South-South Cooperation - The Same Old Game or a New Paradigm?*, International Policy Centre for Inclusive Growth, UNDP: <http://www.ipc-undp.org/pub/IPCPovertyInFocus20.pdf>

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**‘Emerging Donors’ and the Changing Landscape of Foreign Aid: Contributions from Gift Theory**

**Emma Mawdsley, Department of Geography, Cambridge University.**  
Email: eem10@cam.ac.uk

**Keywords:** Emerging donors; aid characteristics; gift theory

**Summary:** Drawing on gift theory, this note evaluates the symbolic regimes that ‘emerging donors’ construct around their foreign aid ideologies and practices.

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This refers to the symbolic regimes that ‘emerging donors’ (such as Brazil, China, India and South Africa) construct around their foreign aid ideologies and practices. It draws upon gift theory, something that has previously been confined to analyses of the dominant western donors, NGOs and their publics. Five characteristic features of the symbolic regimes of ‘emerging’ aid are identified and analysed: the assertion of a shared ‘Third World’ identity; a specific expertise in appropriate development; an explicit rejection of hierarchical relations; an insistence on mutual opportunity; and the positive value given to reciprocity. These claims stand in sharp contrast to the construction of western aid as charity to the less fortunate. They also implicitly and explicitly act to critique the failings and damage associated with the dominant aid architecture and modalities. My longer paper\* then examines what these symbolic regimes might seek to ‘euphemise’ or obscure in the realpolitik of South-South relations. It concludes by assessing what these insights imply for postcolonial theory.

\* [For readers interested in the longer paper, please write directly to Emma Mawdsley. Editor]

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### Are 'New' Donors Different?

**Axel Dreher, Georg-August University Goettingen, Germany, KOF Swiss Economic Institute, Switzerland, IZA, and CESifo, Germany.  
Peter Nunnenkamp and Rainer Thiele, Kiel Institute for the World Economy, Kiel, Germany.**

Emails: [mail@axel-dreher.de](mailto:mail@axel-dreher.de); [peter.nunnenkamp@ifw-kiel.de](mailto:peter.nunnenkamp@ifw-kiel.de); [rainer.thiele@ifw-kiel.de](mailto:rainer.thiele@ifw-kiel.de)

**Keywords:** aid allocation; new donors; donor motives; aid modalities; avoiding dichotomizing new and old donors.

**Summary:** We compare the aid allocation of major DAC donors with those of newly emerging donors. We find that, on average, new donors care less for recipient need than old donors. New and old donors alike disregard merit by not taking the level of corruption in recipient countries into account. Concerns that commercial self interest distorts the allocation of aid seem to be overblown for both groups.

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An increasing number of 'new' or 'emerging' donors provide alternative sources of aid for developing countries. More than 30 donor countries operate outside the Development Assistance Committee (DAC) of economically advanced OECD members. Some of these donors are in fact not so new in international development cooperation. Some non-DAC donors have provided aid to Africa for more than half a century now.

Yet, the quantitative importance and allocation behavior of these donors is hard to pin down exactly. The OECD reports aggregate net disbursements of non-DAC aid of US\$ 26.2 billion during the 2001-2007 period (in current prices). Bilateral aid accounted for about 85 percent of this sum. However, information on the distribution of non-DAC aid across recipient countries is scarce. For instance, China does not disclose its aid allocation.

Anecdotal evidence on how alternative sources of aid are spent has provoked a controversial debate on whether such alternatives are a change for the better for international development cooperation, or even the aid recipients. The notion of "rogue aid" clearly represents an extreme view, but concerns about the motives underlying the allocation of non-DAC aid are widely shared. Indeed, these concerns are not too different from those well known to scholars of aid allocation by traditional DAC donors. On the other hand, donors that have been at the receiving end of foreign aid until recently might be more familiar with recipient need and, therefore, provide better targeted aid.

Empirical evidence on whether and how the allocation of non-DAC aid differs from that of DAC aid is scarce and largely descriptive. We close this gap by assessing the aid allocation across recipient countries for a group of 16 non-DAC donors in the period 2001-2008. We draw on the newly released database by the AidData initiative that offers project-related information on the engagement of donors in specific recipient countries.

Our results based on Tobit and Probit models strongly suggest that the current debate on the strengths and weaknesses of new aid sources is hardly informed by solid empirical evidence. The allocation of aid by new donors differs in some respects from traditional patterns, but these differences do not fit easily into the stereotypes characterizing the current debate. Least surprisingly perhaps, almost all new donors in our sample are more selective when deciding on whether or not a country is eligible to receive any aid. Most strikingly, the poverty orientation of aid from new donors is clearly weak by DAC standards. This is even though new donors are fairly active in responding to natural disasters, notwithstanding overall budget constraints. However, recipient need as measured by per-capita income, malnutrition and child mortality has hardly any impact on the allocation of aid by new donors. For most new donors, any greater familiarity with recipient need does not translate into needs-based targeting.

On the other hand, new and old donors behave similarly in several respects. It is true that new donors, on average, do not favor less corrupt and more democratic recipient countries. But old donors, too, often disregard merit by not taking the level of corruption in recipient countries into account. In other words, new donors do not generally exhibit a stronger bias against better governed countries. Concerns that the emergence of an increasing number of new donors erodes merit-based DAC aid seem to be overblown. Likewise, we find little reason to blame new donors for using aid as a means to promote commercial self-interest.

All in all, our results challenge both the critics of new donors as well as the optimists expecting better targeted aid from new donors. This is not to ignore the limitations of our study. We lack data for important new donors such as China and India. Unless these donors become more transparent and release comparable data on their aid allocation, it is hard to tell whether the similarities observed for the present sample would carry over to a still more heterogeneous group of new donors. In other words, rash generalizations are clearly unwarranted as information gaps continue to be wide. Arguably, new donors resemble the older bunch in one important respect, namely that both categories disguise considerable variation within these groups with regard to need, merit and self-interest as motives underlying aid activities.

**Further reading:**

Dreher, A., Nunnenkamp, P. and Thiele, R. (2010) Are 'New' Donors Different? Comparing the Allocation of Bilateral Aid between Non-DAC and DAC Donor Countries. Courant Research Centre: Poverty, Equity and Growth Discussion Paper 25, March.

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## **Diversity in Humanitarian Donorship: the Role of Non-DAC Donors**<sup>4</sup>

**Adele Harmer, Humanitarian Outcomes, London and Ellen Martin, ODI  
London**

Emails: [adele.harmer@humanitarianoutcomes.org](mailto:adele.harmer@humanitarianoutcomes.org); [e.martin@odi.org.uk](mailto:e.martin@odi.org.uk)

**Keywords:** parallel aid system; no homogeneity; aid concentration; state-to-state aid; supply-driven aid; solidarity; aid coordination

**Summary:** This piece argues that without effective engagement with non-DAC donors, there is a risk of a parallel international aid system developing, resulting in a more dysfunctional humanitarian response.

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Non-DAC donors have received increased attention in recent years, particularly for their role in the provision of humanitarian assistance. This is partly because non-DAC donors are playing a more strategic role addressing funding gaps in certain crises and institutions. It is also because there's growing realisation of the need to address the problematic perception that the international humanitarian system is dominated by the West – and by promoting and increasing the visibility given to non-DAC donors – aid might begin to be perceived as a more universal pursuit than it is often understood to be.

Non-DAC donors do not comprise a homogenous group, however there are some general trends which they share, which are different to that of DAC donors.

Non-DAC donor contributions to humanitarian crisis remain relatively small compared to DAC donors. On average over the last decade, non-DAC contributions have made up approximately 14% of the total government contributions.<sup>5</sup> However aid from non-DAC donors tends to be concentrated geographically. The Gulf States' for example have sent much of their assistance over the last decade to only 6 contexts: the occupied Palestinian territories, Bangladesh, Lebanon, Iraq, Pakistan and Sudan. Given the concentration, some non-DAC contributions far outweigh those of their DAC counterparts. Saudi Arabia, for example, provided eight times more to Bangladesh in response to cyclone Sidr in 2007, than ECHO or the United States, the second and third largest donors respectively, contributing over 55% of the total response. South Korea has channelled 90% of its humanitarian aid to neighbouring North Korea. In addition, a smaller number of significant contributions have been given to multilateral institutions, such as Saudi Arabia's landmark contribution of US\$500m to the World Food Programme in 2008 in response to the food and fuel price crisis appeal. In addition to financial support, non-DAC donors have played critical roles in aid diplomacy, such as China's engagement with the Myanmar

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<sup>4</sup> The term 'non-DAC' is used to refer to the group of donors that remain largely (although not entirely) outside the membership of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). Although the non-DAC grouping disguises a diverse range of institutions, policies and capacities of donors, terms like 'new' and 'emerging' or 'non-traditional' do not reflect the long histories and established programmes of aid donorship non-DAC governments have in many affected states.

<sup>5</sup> As reported to OCHA's Financial Tracking System (<http://fts.unocha.org>)

government in the early and tense days of the international response to cyclone Nargis.

One of the most striking differences between DAC and non-DAC donors is the engagement with the affected state. Most non-DAC governments prefer to channel humanitarian assistance through host-state mechanisms. This is to ensure that the affected state has the primary role in managing the humanitarian response within its territory. Non-DAC donor governments argue that the affected state should be the sole determinant of the type of external aid it receives and the way in which this aid is coordinated and managed. For non-DAC donors this is a matter of principle, and draws its roots from the non-alignment movement of the 1960s. As a result, the balance between bilateral and multilateral funding is, comparatively, heavily skewed towards the former.

Non-DAC donors pride themselves on speedy, timely response, often being the first respondents on the ground. The humanitarian allocations from the non-DAC community could, however, be criticised for being supply-driven – providing the affected state with immediately available in-kind goods or technical assistance, rather than offering support based on an assessment of the needs of the affected population.<sup>6</sup> This is tempered by a perception among non-DAC donors that part of the purpose of humanitarian aid is to demonstrate solidarity. As a result, non-DAC donors have a broader understanding of humanitarian assistance, than their DAC counterparts, often labelling development assistance and, in some cases, economic investments, as ‘humanitarian’ if they are allocated during a time of crisis. Non-DAC donors also place great importance on rapidly shifting from emergency relief to transition, reconstruction and development programmes.

Perhaps as a result of some of these differing approaches, non-DAC donors are rarely involved in the wider coordination efforts of the international community, and overall, analysis of these countries’ humanitarian response efforts is inadequate compared to that devoted to the DAC, UN and NGO-led responses from western states.

The international community is at an important juncture – without effective engagement with non-DAC donors, there is a risk of a parallel international aid system developing, resulting in a more dysfunctional humanitarian response. The alternate is that non-DAC donor perspectives more effectively shape humanitarian discussions in international fora, and that they contribute to establishing a set of norms that govern international humanitarian assistance, as well as increased coordination in the field. This would bring a greater diversity of experience and perspectives to relief efforts, it would make humanitarian action more geographically, politically and culturally representative and it would increase the opportunities for universal humanitarian values to be promoted.

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<sup>6</sup> It should be noted that there is evidence, despite commitments to more principled allocations of aid, that DAC donor assistance continues to be highly politicised in certain contexts, and not driven on the basis of needs.

## **The DAC, the Emerging Economies, and Development in a G20 World**

**Richard Manning, Consultant, formerly Development Assistance Committee,  
OECD**

Email: richardmanning@btinternet.com

**Keywords:** OECD-DAC; G20; the expanding DAC club; new members states; Middle-Eastern donors; emerging economy donors; solidarity; mutual benefit; multi-lateral development banks; representation of new donors in aid and global architecture

**Summary:** This piece explores the rich and varied new aid landscape with its multiple, different development actors. There are multiple challenges in engaging both DAC and non-DAC actors in bilateral and multilateral solidarity with the continuing demands of development. Issues of underrepresentation will clearly need to be tackled in the IMF and MDBs. The G20 will need to take on board what these new configurations may mean for aid and development.

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Remember the 'G8'? With China having just officially overtaken Japan as the world's second-largest economy, it's no surprise that these days the key locus for international economic policy discussions has moved to the G20. It's worth thinking through what this new configuration may mean for aid and development, a topic that the G20 is gradually coming to recognise as hard to ignore – just as it became (and indeed remains) an essential part of G8 declarations and dialogue.

Let's start with the landscape of donors outside the long-established 'club' of the Development Assistance Committee of the OECD. It's a diverse club, of course, but has agreed over the years various norms and standards by which its members agree to be judged, from regular reporting to the untying of most aid to least developed countries. It's been an expanding club, too, with countries like Spain, Portugal and Greece all joining in the 1990s and Korea – already a significant provider of aid with big expansion plans – becoming a member just this year.

First, there are the donors who might naturally see DAC norms and standards as something to aspire to. These include OECD countries such as Turkey (already a substantial donor), Poland or the Czech Republic (countries that have inherited economic cooperation relationships across line ministries from COMECON days, and which have now moved to a more typical aid structure based around the Foreign Ministry). Several of these countries could become DAC members before long. A second group in this category is that of the EU member states which are not members of OECD. Most of these have very modest programmes beyond their EU contributions, but all, even relatively poor countries such as Bulgaria and Romania, have a commitment in principle to expanding aid.

Second, there is the grouping of Middle-Eastern donors, mostly with cash-rich economies fuelled by oil resources. They are marked by a strong collective ethos (more harmonised in some ways than DAC members), good technical skills, and a focus on specific projects financed by untied loans. Typically they have maintained a

centralised ‘head office’ model as opposed to the system now more common in DAC members and the major multilateral agencies, where country offices play a major role.

And third, there are the ‘emerging economy’ countries outside the OECD, which have become much more substantial contributors to international cooperation in the past decade: key members being of course China, India, Brazil and Russia – but also including regionally significant countries like South Africa, Malaysia, Thailand and Venezuela. This is the group whose cooperation programmes have expanded the fastest – to the point where China, in particular, has substantial weight as a source of finance and technical assistance to many aid-dependent countries.

So, how ‘different’ is this group? Unlike the Middle Eastern group, it is far from homogeneous. But most countries in this category do agree on one thing: they see what they do as South-South cooperation for solidarity and mutual benefit, not as North-South ‘aid’ driven by a sense of obligation, whether of post-colonial guilt or of ‘richesse oblige’. The middle income countries in particular, most of whom still receive substantial amounts of aid from DAC members, see themselves as countries which have struggled to make their way in a world where the rules have been set by the G8 and OECD, and which therefore have an instinctive rapport with still poorer countries whose voice has not been heard internationally.

Who would argue with solidarity in a rapidly globalising world? It’s rather the ‘mutual benefit’ aspect that worries the members of DAC. As they have – often painfully – striven to make their own programmes less obviously driven by commercial advantage (remember Britain’s ‘Aid and Trade Provision’?) and Great Power rivalry (all those aid dollars for Mobutu), will other, sharper operators gobble up mineral concessions, scoop up the major contracts, drive recipients into a new debt trap, or encourage failing elites to hang on to power?

Such concerns cannot be entirely dismissed. All forms of aid have, alas, the potential to weaken the domestic ‘contract’ on which all developed economies have been constructed over the centuries: good government (imperfect though it is) in exchange for local taxation. These potential negative effects can be, and are, mitigated where there is transparency and broadly-based local ownership of development strategies. These pre-conditions are not everywhere in place. Emerging economies, just like traditional donors, need to improve substantially the transparency of the projects and programmes which they finance.

Where such pre-conditions are in place, the availability of new sources of assistance should be of real benefit, particularly where such assistance is responsive to local needs which some traditional donors may not be prepared to address, such as economic infrastructure or where emerging economies can provide assistance that transfers their skills and experience effectively. It is particularly important that sustainability is addressed, so as to avoid the mistakes made by so many traditional donors in financing infrastructure that is inappropriately specified or which cannot be maintained. Turnkey projects are good for ensuring construction to schedule, but may be harder to manage when handed over than projects where the local client plays a stronger role from the outset.

DAC donors should in any event avoid presenting themselves as ‘superior’. They almost all have long histories of using aid to achieve political positions, commercial contracts, cultural visibility and the like. Their protestations can easily look like hypocrisy. And ‘mutual benefit’ is, as long as the poorer partner can have its full weight in the transaction, a more secure foundation for sustainable cooperation than is charity. Instead, a process of mutual learning (as is being taken forward by the DAC with China) is a much better basis for dialogue. The challenges of how to improve development outcomes in weak institutional and economic environments are massive, and all providers of cooperation have an interest in development that works.

But there’s also another aspect of the G20 world that needs to be addressed, and that’s the multilateral development system – the UN development programmes, the Multilateral Development Banks, the major global funds. All of these have been traditionally underwritten by DAC donors, with some investment also by Middle Eastern donors (though this has fluctuated with the price of oil). The major emerging economies have been under-represented in the governance of the MDBs in particular (and in the IMF), and also very modest contributors to the concessional loans and grants that these institutions make (though repayments by emerging economies of MDB soft loans are a major source of finance going forward).

If the multilateral development system is to thrive – and for all the problems of operating multilaterally, its benefits cannot be dismissed – both these issues have to be addressed. A modest start has been made in tackling under-representation in the IMF and MDBs, but this will only be properly resolved when Europe gives up its now embarrassing level of over-representation in relation to its economic weight. And emerging economies, relatively poor though many of them are, need to recognise that they will have to play their part in international solidarity not just through bilateral South-South cooperation for mutual benefit, but also by a serious investment in the main multilateral channels, in exchange for greater voice and for effective delivery by the agencies concerned.

At the end of the day, the emerging economies have the same interest as DAC members in the rapid progress of the world’s poorest countries. The G20, just like the G8, cannot ignore its collective responsibility to the poor, whose representation in the world’s powerhouses of economic dialogue remains distressingly absent.

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### **DAC Approach to the New Donors**

**Eckhard Deutscher, Development Assistance Committee (DAC), OECD**

Email: [mail@dacchair.org](mailto:mail@dacchair.org)

**Keywords:** DAC approach; new donors; reform of aid architecture; South-South cooperation; development outcomes

**Summary:** Meeting the aid effectiveness agenda and addressing the other concerns about development will require an evolution in how the development community works and how it thinks about development. Development impact, not inputs, will

become the defining theme for aid effectiveness and for development co-operation – for “traditional” donors and “new” donors

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The aid effectiveness agenda, which has been the defining driver of development co-operation reform since 2003, is the best indication of how seriously the development community is taking these concerns. What follows looks at what the development community is doing to address them. There is still a long way to go to meet the targets set for making development co-operation more effective. There are less than two years left before the 4th High Level Forum on Aid Effectiveness in Korea, which will assess how all parties have progressed in making aid more effective. Progress is currently too slow to reach the agreed targets. Meeting the aid effectiveness agenda and addressing the other concerns about development outlined here will require an evolution in how the development community works and how it thinks about development. It is increasingly evident that in the years ahead, development impact will become the defining theme for aid effectiveness and for development co-operation – for “traditional” donors as well as for “new” donors.

It takes more than aid to achieve development results. A strategic reflection exercise explored how development assistance needs are likely to evolve over the next 10-15 years given the rapidly changing global context. Key findings include:

**(1) Development co-operation must be viewed as a strategic investment in a common future.** In a globalised world it is a key instrument to achieve stability, economic integration, human security and opportunity for everybody. A major task now is to communicate this function of development co-operation better, especially to dispel the common but inappropriate myth that development is public charity.

**(2) The development community needs to become less insular and more involved in other policy areas that shape the international context for development.** To date, the tendency has been to discuss policies largely in internal fora. The development community needs to better match the talk with joint action and approaches beyond the "development industry". Successful development means tackling global issues such as climate change, control of infectious diseases, financial stability, accessible and equitable world trade, access to knowledge, and international peace and security. Development co-operation needs to help foster coherent policy actions in areas like trade, investment, security, migration, tax co-operation and anti-corruption.

**(3) The current architecture and institutional set-up of development institutions must be changed.** This will require a better focus on poor countries and people as the beneficiaries; simplified organisational structures, instruments and procedures; greater synergy and coherence among bilateral and multilateral assistance; and a more effective division of labour among institutions.

**(4) The development community will have to deal much more with factors beyond its direct remit, and often beyond its control.** In its determination to support poor countries' development, the development community must become involved in a wider array of policies and activities that have a bearing on poverty and



the effectiveness of their co-operation. Development agencies must move beyond the sphere of traditional development partnerships to work on these broader issues together with other government departments and policy portfolios. This will be a crucial factor for achieving development results in poor countries.

Implementing these ideas will mean transforming today's DAC. The DAC is on the way to making these reforms. The DAC of the future will be much more involved with the global architecture of development finance; with the development dimension of global public goods such as climate change, peace and security; and with an equitable global trading system. In doing so, the DAC will build on its analytical strengths, its convening power and its unique position as an impartial facilitator with no operational functions at stake in providing development assistance. Another change will be a stronger focus on policy coherence for development, as the DAC works much more, and more directly, with the non-aid policy communities. An enhanced emphasis on policy coherence by the OECD overall has decisively increased the scope for such joint work, and for its impact. To achieve all this, the DAC will need better and sharper policy tools, notably peer reviews and statistics. We will place greater emphasis on monitoring the impacts of our work and holding ourselves to account. Finally, we will be much more inclusive and pro-active in working with others, for example by expanding our membership and reaching out to work with a broader array of countries.

There is no doubt that many other economies have made important, and often long-standing, contributions to development co-operation. In particular, with the rise of major emerging economies, the profile and significance of South-South co-operation have reached new dimensions and are bound to continue to grow. The DAC welcomes and supports this, and is looking to work with others who share the commitment to supporting poor countries in an open-minded and self-critical way. But this will not work if the process is consumed by terminology and language questions; it must be driven by a shared desire to have concrete and lasting impacts in poor countries. DAC members are defined by their commitment to supporting poor countries as they strive to develop, and by doing so together in a spirit of mutual learning, transparency and accountability. In this commitment, and in the way it works, the DAC acknowledges that perspectives and approaches differ, and appreciates the wealth that comes with diverse experience gained both within and outside of the DAC membership.

It is this broader approach that also underpins the work of the China-DAC Study Group. The study group began in 2009 through a partnership with the International Poverty Reduction Centre in China, and takes China's impressive poverty reduction experience as its reference point for research. Its first major event - on the theme of development partnerships - was a unique opportunity for participants from China and Africa, and DAC donors to think about applying the China experience to the design of development co-operation and strategic policies for improving development in Africa. Similarly, a policy dialogue meeting, co-hosted by the Mexican government in September 2009, and the establishment of the Task Team on South-South Co-operation (a Southern-led platform hosted by the DAC Working Party on Aid Effectiveness) are clear evidence of the DAC's willingness to engage more strongly with other providers of assistance, based on a recognition of their specific strengths.

The DAC's new orientation will be defined by a focus on development as an outcome, rather than aid as an input. However, there is no danger that ODA will be neglected or downgraded. Instead, the new focus will allow ODA to have better results. Recent years have demonstrated how global factors beyond aid have a huge impact on development. They have also left no doubt about the importance of development co-operation for tackling the development challenge. The conclusion is straightforward: development co-operation needs to work with, and on, numerous related policy areas, and with the actors who shape the outlook for poor countries' development. I am encouraged that the route has been well charted by the Paris Declaration and the Accra Agenda for Action. I am confident that we are walking down this road together as a strong alliance of developing and developed countries, donor and development institutions, and civil society.

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### **(North-) South-South Cooperation in the Context of Standardized Aid**

**Gita Steiner-Khamsi, Teachers College, Columbia University, New York**  
Email: gs174@columbia.edu

**Keywords:** South-South cooperation; standardized aid; policy transfer; aid indicators; unruly donors

**Summary:** In addition to the traditional DAC donors, today's aid terrain is getting crowded by a host of "unruly donors".

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With China and the Russian Federation re-emerging on the scene of bilateral donors, South-South cooperation and East-East cooperation, respectively, have experienced a remarkable come back. South-South cooperation (SSC) is by no means a novel idea but rather is periodically reinvented to match the changing aid environment.

Different from earlier times, notably the period of the Cold War, when the movement of non-aligned countries used the concept politically to mobilize countries in the South, the term is nowadays mainstreamed in the aid jargon. The UN system, as manifested in the Special Unit of South-South Cooperation hosted in UNDP, but also other agencies emphasize their belief in regional cooperation and South-South cooperation. The term is positively associated with a different type, purpose, and modality of aid; one that promises to free poor countries from the dependency trap. Is this positive connotation justified, is SSC possibly overrated as a new, better form of aid? The argument was made that under today's conditions of standardized aid, SSC is, on closer scrutiny, a form of policy transfer, first from the North to the South, and then from one developing country to another (Chisholm & Steiner-Khamsi 2009). In other words, it is a form of N-S-S (North-South-South) transfer. This particular kind of policy transfer comes across as a global circulation of "best practices."

As with transfer, cooperation among the individuals and institutions in the South reflects a changed environment for aid. It is an environment that has become

increasingly standardized, prescriptive and coercive for national governments. The new emphasis is on benchmarks, standards, and targets. How governments in the South achieve these benchmarks, established in the North, is secondary. In fact, “national ownership” has become the buzzword of the new millennium. How governments choose to implement reforms in line with internationally set targets is left, to some extent, up to them. In this new era of evidence-based policy-making and standardized aid, South-South cooperation can be seen as a vehicle to accelerate the accomplishment of development targets established by the North. Perhaps we need to curb our enthusiasm for this revitalized concept in development and acknowledge instead that South-South cooperation is part and parcel of standardized aid, designed, funded and monitored by the North. The Cartel of Good Intentions (William Easterly 2002) has strengthened and expanded its global governance and is now granting some leeway to ODA-recipient governments in the South. The purpose however is to achieve the standardized targets, determined in the North, in a more efficient and, if possible, cost-effective manner.

There is little to expect in terms of more effective aid when the flow of “best practices” is merely redirected in ways that makes them seem to emanate from another poor country. In most cases, the “donor logic” is unaltered, that is, the reasons, purpose and conditions for giving aid have remained the same despite the rhetoric and the practice of SSC. Today’s aid terrain is crowded by a host of “unruly donors,” from glamour aid to businesses with philanthropic branches. They have at least one thing in common: different from bilateral and multilateral agencies, they are not held accountable by their members or electorates, and as a corollary they must not commit themselves, even not by lip service, to rules and regulations established by an international community. They do not follow the Paris Declaration, do not evaluate their funded projects, do not publish in journals or newsletters of educational development, do not participate in any of the conferences of comparative and international education nor do they participate in venues of our community where there is room reserved for reflection and discussion on the aid relation and on aid effectiveness.

In addition to a host of unruly donors, mentioned above, we now witness new bilateral donors situated in the South: China, Venezuela, Turkey - only to name a few - have become powerful regional or global players. There is no doubt that more SSC - as an idea and as a practice - is currently being re-invented in ways that match this new aid environment which now includes the arrival of powerful donors in the global South.

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## Arab Donors: More Prosperous, Less Generous?

Debra Shushan and Christopher Marcoux, College of William and Mary,  
Williamsburg

Emails: dlshushan@wm.edu; cmmarcoux@wm.edu

**Keywords:** Arab donors; ODA/GNI ratio; Arab recipients and non-Arab donors; from aid to domestic investment

**Summary:** Several key Arab donors (particularly Kuwait, Saudi Arabia, and the UAE) have become less "generous" during the past decade by not increasing their giving in line with rapidly growing wealth.

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What are oil-rich Arab states doing with their money? Foreign aid provision is part of the answer. Among non-DAC members, these countries are some of the most prolific donors of foreign aid. However, our research suggests that the national aid organizations of key Arab donors (particularly Kuwait, Saudi Arabia, and the UAE) have become less "generous" during the past decade by not increasing their giving in line with rapidly growing wealth.

Wealthy Arab states began to provide substantial foreign aid after the 1973 oil embargo and resulting soaring prices generated windfall profits for these countries. New data sources on foreign aid, including AidData, provide a more detailed look on how the disbursement of that aid is organised. Despite this, there is much about Arab aid we still do not know. While the three main bilateral Arab donors report aid given through their national aid organizations, they also make unreported transfers. Saudi Arabia gives a particularly large amount of its aid in such an undisclosed manner. Some countries (like Kuwait) are more reliable and consistent at reporting their bilateral aid than others. We are encouraged by the UAE's establishment of a Foreign Aid Coordination Office in 2009, tasked with collecting data on Emirati governmental and non-governmental aid, which should improve future reporting. Qatar, an increasingly significant donor, is launching its own national development fund.

What does it mean to say that Arab donors have become less "generous"? Following convention, generosity measures a country's aid as a percentage of its GNI. In 1970, the UN called on all states to give a minimum of 0.7 percent of their GNI as ODA, and Arab donors have compared favorably with DAC donors in their aid generosity. We find that the decline in the generosity of bilateral Arab aid since 2000 is due not to lower aid levels (they have remained relatively flat) but to soaring GNI resulting from tremendous oil profits. Simply put, generosity seems to have fallen because Arab donors have not increased aid commensurate with their ascending national wealth. By contrast, in the 1980s, aid from Arab countries declined as oil prices fell.

There is another intriguing trend. Arab recipients, who receive a majority of the aid allocated by Arab donors, have experienced a surge in contributions from *non-Arab* donors since the start of the 2003 Iraq war. During the five-year period from 1998-2002, non-Arab states gave Arab recipients an annual average of \$8.2 billion. From 2003-2007, that yearly figure increased to almost \$20 billion. Thus, aid from non-Arab donors to Arab states more than doubled after 2003. Meanwhile, average annual

*Arab* aid to Arab recipients was \$2.3 billion from 1998-2002, and \$2 billion per year from 2003-2007. Significantly, that aid was responsible for 22 percent of aid to Arab recipients during the first period, and only 9 percent of aid to Arab recipients in the second -- despite rising GNI.

Why has the relative generosity of key Arab donors declined? One answer may be that these donors have given increasingly through multilateral channels. Indeed, we find that aid commitments by four multilateral aid organizations that receive most of their aid from Arab donors -- the Arab Fund for Economic and Social Development, the Islamic Development Bank, the OPEC Fund for International Development, and the Arab Bank for Economic Development in Africa -- have grown steadily since the late 1980s. This shift to multilateral giving is interesting, given both declining norms of Arab solidarity at the political level and our finding that Arab bilateral and multilateral donors display similar preferences for aid allocation to infrastructure projects in the transportation, energy, and water sectors. Regardless, commitments by Arab multilaterals have not increased enough to compensate for the shortfall in bilateral Arab generosity.

What have Arab donors done with their increased wealth, if they have not allocated it to foreign aid? In part, they have spent these funds at home, substantially increasing domestic government expenditures. For instance, Kuwait's domestic expenditures have grown more rapidly -- and began their increase earlier -- than GNI. From 2001 to 2007, Kuwaiti government expenditures roughly doubled, and since 1975, these expenditures have grown by about twelve-fold. Possibly concerned with regime stability amidst growing opposition, leaders in oil-rich Gulf countries may have calculated that it is wisest to distribute wealth at home in order to increase their odds of political survival.

Much remains to be learned about Arab foreign aid. Recent work, highlighting the contributions of these "non-traditional donors," overlooked for too long, helps broaden our overall understanding of global aid flows. Additional data from other significant Arab donors, like Qatar and Libya, would augment this effort, as would more reliable and transparent reporting by established Arab donors. We are hopeful concerning such future developments.

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### **"Emerging Donors" and the International Development Assistance Architecture**

**Dane Rowlands, Carleton University**

Email: dane\_rowlands@carleton.ca

**Keywords:** emerging donors; reform of aid architecture; definitional challenges; historical neglect of new donors; DAC/Non-DAC two way learning.

**Summary:** The presence of "new" or "emerging" donors complicates and challenges our understanding of the international development assistance architecture for several reasons. This piece explores those reasons.

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One of the most interesting and dramatic changes in the international development assistance landscape has been the growing importance of “new” or “emerging” donors. While most of the attention has been on the large projects of China, there are many other large “non-traditional” donors of importance, including India, Brazil, and South Africa. Their presence complicates and challenges our understanding of the international development assistance architecture for several reasons.

First, it is almost impossible to categorize or characterise these development partners. Many have been engaged in similar activities for many years, so they are neither “new” nor “emerging”. While they are engaged in development cooperation, many of their activities would not fit the standard definitions of official development assistance (ODA). So calling them “donors” is something of a misnomer, and the label fits poorly because these countries have not been part of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), the self-appointed arbiter of the traditional aid architecture. Non-DAC donor may be the best label, but it fails to reflect their growing importance or their varying relationships to the DAC. For example, the Gulf state donors have long reported data to the DAC without being members. In fact the only real common feature is that they have hitherto been largely ignored by traditional donors and researchers.

Second, it is very difficult to gauge the importance of these emerging donors to the development assistance landscape. Because they do not have the reporting duties of DAC donors, and because of the opacity of the terms of some of their development program arrangements, it is impossible to derive clear and comparable data on what and how much is being provided as aid. Part of the analytical difficulty lies with the administrative structure of their development programs. Many activities grew up as cooperative arrangements based in line departments, especially technical cooperation agreements, with minimal central agency oversight. While some countries (Brazil, and more recently South Africa and India) have established or begun to establish central agencies to coordinate development assistance programming, these agencies do not yet have the same scope and capacity as their DAC-member counterparts.

Finally, it remains unclear the extent to which these actors will challenge or conform with DAC norms and arrangements. For some countries, such as China, being associated with traditional DAC donors would seem to be anathema. Others, such as Brazil and India, prefer to characterise their activities as a non-hierarchical partnership of south-south cooperation, though they may cautiously accept some DAC norms to improve aid effectiveness. Still others seem quite content to be seen as being in the DAC league (Russia) or even ultimately join the DAC to complete their transition from recipient to donor (South Korea).

Many of these emerging donors are themselves current or recent recipients of traditional ODA, and can offer new perspectives and challenge old thinking about aid. This potentially positive influence has to be weighed against the possibility that their programs may fail to incorporate any useful lessons from DAC programs simply to distance themselves from the traditional donor-recipient framework. Their programs may offer recipient countries alternative assistance that allows them to avoid DAC donors and their policy conditions. While donor competition of this sort would

enhance recipient state sovereignty, in some cases it may also have detrimental effects on the poor.

Ultimately there is a need for the existing development assistance architecture to reflect the experiences of emerging donors, and there is a need for emerging donors to look carefully at the DAC-defined processes and protocols that legitimately improve the delivery of foreign aid. Development assistance has always been subordinated to varying degrees to the interests of the donors. The presence of less-established and less-wealthy development assistance providers may be a useful way to bridge the traditional donor-recipient gap, but only if both new and old donors engage with one another with an eye on the interests of the poor countries and people they are claiming to assist.

(The content of this article has been drawn in part from lessons learned from the 2008 study on emerging donors sponsored by the International Development Research Centre. The reports for the study can be found at [http://www.idrc.ca/en/ev-140964-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-140964-201-1-DO_TOPIC.html). Other suggested readings include Richard Manning (2006) "Will 'Emerging Donors' Change the Face of International Co-Operation?" *Development Policy Review* 24(4): 371-385.)

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### **Why we need a radical re-think of official aid**

(excerpt from *Europe's World*, Spring 2010)

**Roger Riddell, Oxford Policy Management, Oxford**

Email: [riddell@waitrose.com](mailto:riddell@waitrose.com)

**Keywords:** ODA; systemic problems; not pro-poor; short-term; volatility; multiplicity of donors; unharmonised; tied aid; vertical funds; single global fund.

**Summary:** The central problem of the aid system is that there is no system. Resolving key systemic problems related to aid would probably have a greater effect on extreme poverty than expanding the amount of aid given.

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The central problem of the aid system is that there is no system. The way aid is given and received suffers from two fundamental problems. In the first place, no attempt is made to determine accurately which countries need development aid or to assess each recipient's specific requirements, even though we know that the gap between what is needed and what is provided is very large. And in the second place there is no system for raising aid funds or for ensuring that aid goes to those who need it most. Aid-giving is voluntary, and no sanctions or penalties are applied either to those who choose not to provide aid, or who pledge to provide aid and then renege on their promises. The aid channeled to different countries is the sum of the separate decisions made by individual donors of how much aid they will give to their chosen recipients. If one donor decides not to provide aid to a particular country, no other donors feel the need to make up the shortfall.

The reason why these systemic problems matter so greatly is that directly or indirectly they are the cause of a number of major distortions and practices which together severely undermine the effectiveness and impact of aid. Aid-giving decisions are made by rich country governments. While all acknowledge that the prime purpose of aid is to contribute to sustainable development and poverty reduction, their decisions continue to be influenced by short-term political considerations and their own national and commercial interests. The following illustrates some of the consequences.

Most aid does not go to those who need it most. Less than half of all official aid is channeled to the poorest 65 countries of the world.

Aid is given on a short-term basis, often switched to different recipients and is volatile and unpredictable. Afghanistan, Iraq and Pakistan together received less than 2% of all official aid in 1999. Five years later, they accounted for 26% of all official aid (including debt relief), nearly a 30-fold increase. Aid volatility has risen over the past two decades, reducing the effectiveness of aid by a loss equivalent to \$16bn.

The number of donors recipient countries have to deal with has increased dramatically, from an average of 12 in the 1960s to 33 by 2005; currently at least 30 countries have to deal with more than 40 separate donors each. In 1996, 17,000 separate donor-led aid activities were recorded and 10 years later this had risen to 81,000. It is estimated that over 30,000 donor missions to recipient countries take place each year, averaging over 100 a day. In some countries, a new donor mission arrives every day.

Less than half of all aid that poor countries receive passes through the recipient governments' financial systems. Most aid is packaged up into different projects, overseen and often managed by the donors. Less than half of all aid is completely untied with the recipient free to choose where to purchase the goods and services it needs. The tying of aid from donor countries raises the costs of aid to recipients by between 20% and 30%, equivalent, in aggregate, to a loss of about \$8bn a year.

Donors have in recent years been creating a succession of new mechanisms and funds to channel aid to recipient countries to address such specific needs as increasing food production, expanding primary school enrolments, extending immunisation programmes to address HIV/AIDS, TB and malaria problems, or addressing environmental and climate change problems. These run in parallel with, but are usually not linked to mainstream aid programmes. The allocation of money from these funds is predominantly controlled by the donors, although that's the reverse of what was agreed in the Paris Declaration and often skews the budgets and sectoral priorities of recipient countries.

Almost since official aid was first given, politicians have both warned of aid's systemic problems and proposed alternatives. These include raising aid funds through an automatic compulsory mechanism based on the ability to pay; pooling aid resources and allocating them on the basis of need; and, if there are grounds for believing that the recipient government is unable or unwilling to use the aid funds transparently, "ring-fencing" the aid in a fund to be administered independently.



Most of these good ideas have been eclipsed by the focus on increasing aid levels. A common response to anyone advocating these solutions to aid's systemic problems is the counter-argument that they are part of the very nature of the aid system, and that it is naive to suggest that it can be changed. They warn that if governments are unable to decide for themselves how to give aid and then check on its use, then they simply won't provide it.

There are two ways to respond to these arguments. One is to point out that that aid's systemic problems are getting worse and fast, and frustrating progress on the core objective of ending extreme poverty. Resolving key systemic problems would probably have a greater effect on extreme poverty than expanding the amount of aid given. The other is to draw attention to high-level discussions where the sorts of changes needed to fix aid are being presented as politically viable. At the 2006 Spring meetings of the IMF and World Bank, UK Prime Minister Gordon Brown made a plea for the operational work of the IMF to be made "independent of political influence and wholly transparent". Why stop there? The argument about short-term political distortions and independence applies with equal force to the aid system. And at last September's meeting of G20 finance ministers a background paper tabled a proposal for all except the very poorest countries to pay into a global climate fund and for the money to be disbursed to the countries needing it most. Once again, why stop there? The same argument should be extended to the aid system as a whole.

The aid system needs a radical overhaul. The catalyst for change lies in political leadership, and EU governments provide almost 60% of all official aid and are also among the world's most forward-thinking donors. Now, the Lisbon treaty offers Europe a new opportunity to speak out about the need for fundamental change in the aid system and to lead the discussion about how to bring this about.

[This excerpt is from a longer piece by Roger Riddell entitled: Why we need a radical re-think of official aid. For original see:

[http://www.europesworld.org/NewEnglish/Home\\_old/Article/tabid/191/ArticleType/ArticleView/ArticleID/21588/language/en-US/Whyweneedaradicalrethinkofofficialaid.aspx](http://www.europesworld.org/NewEnglish/Home_old/Article/tabid/191/ArticleType/ArticleView/ArticleID/21588/language/en-US/Whyweneedaradicalrethinkofofficialaid.aspx) ]

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### **Innovative Financing for Education**

**Desmond Bermingham, Centre for Global Development, Washington**

Email: [desmondbermingham@yahoo.co.uk](mailto:desmondbermingham@yahoo.co.uk)

**Keywords:** Innovative financing; LCDBEd; IFFEd; COD; EdVF; FTI

**Summary:** The growing interest in 'new donors' has been matched in recent years by attention to innovative approaches to financing such as international bond issues and various forms of voluntary levies and taxes to support global development.

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The growing interest in ‘new donors’ discussed in this edition of NORRAG News has been matched in recent years by attention to innovative approaches to financing such as international bond issues and various forms of voluntary levies and taxes to support global development.<sup>7</sup> This has been partly driven by the recognition that traditional donors are unlikely to be able fill the large financing gaps that persist in many developing countries seeking to achieve the MDGs.<sup>8</sup> It has also been influenced by widespread frustration at the slow pace of progress on the Paris Agenda to improve the effectiveness of traditional bilateral and multilateral aid. The innovative financing movement seeks to mobilise additional resources from public and private sources that will supplement traditional aid and inject a culture of innovation and risk taking into the development effort. It is clear that there is interest in some of these initiatives from some of the new development actors.

The most successful innovations have mainly taken place in the health and climate change sectors. The International Financing Facility for Immunisation (IFFIm) has mobilised over US\$2 billion since its launch in 2002 to support immunisation programmes delivered by the members of the Global Alliance for Vaccinations and Immunisation (GAVI). The Solidarity Levy and Airline Tax in France have also succeeded in raising US\$100 million to support UNITAID’s work to fight AIDS, TB and Malaria. The RED campaign has mobilised popular support for the work of the Global Fund through high profile partnerships with The Body Shop and other international corporations. In the climate change sector there have been various forms of carbon tax and financing schemes to support environmental protection and climate change mitigation and reduction programmes.<sup>9</sup>

There have been relatively few initiatives to develop similar innovative approaches in the education sector. Nick Burnett and I produced a review earlier this year of the current state of proposals on Innovative Financing for Education (IFFEd) for the Open Society Institute.<sup>10</sup> The review was presented as a contribution to the Leading Group Task Force on Innovative Financing for Education which is developing a briefing paper for a side meeting on this topic for the MDG Summit in September 2010.<sup>11</sup> In our review, we stressed the importance of using innovative approaches to financing to support innovation *within* the sector as well as seeking finance from innovative sources. The aim should be to inject a new energy of risk taking into a generally conservative sector. We also argued strongly for the importance of developing approaches to make better use of *domestic* resources particularly given the predominance of local funding which typically finance 70–80% of the total cost of education sector programmes in most developing countries.

In our assessment, there are several promising proposals which could be developed into pilot initiatives in the next 12 – 18 months. In terms of mobilising additional *domestic* resources, the most promising proposal is the Local Currency Development

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<sup>7</sup> [The Leading Group for Innovative Financing for Development](#)

<sup>8</sup> This has become even less likely as most OECD DAC countries now have to deal with deep fiscal deficits of their own after the recent financial crisis.

<sup>9</sup> [Innovative Financing At A Glance](#)

<sup>10</sup> [Innovative Financing for Education](#). Burnett and Bermingham. OSI. June 2010.

<sup>11</sup> [Leading Group Education Task Force on Innovative Financing for Education](#) .

Bond for Education (LCDBEd) proposal. This is based on an award-winning proposal developed by Results for Development and Affinity Macro Finance to leverage higher returns from the US\$1 trillion in pension funds in developing countries by offering financial guarantees to allow the funds to invest in higher risk projects and diversify their portfolio beyond government bonds. In the education sector, these projects could include private universities or secondary schools or any education initiative with a revenue stream to pay back the investment. This approach has the added advantage of mobilising local currency which can be used to pay costs without increasing currency risk. The concept has been thoroughly developed and would be ready to pilot in early 2011.

In terms of *delivering* finance for education in innovative ways, the most promising proposal is the *Cash on Delivery Aid* (COD Aid) concept<sup>12</sup> developed by Nancy Birdsall and her team at the Center for Global Development in Washington. COD Aid proposes paying countries for results achieved and seeks to change donor behaviour by encouraging them to take a ‘hands off’ approach to achieve these results. The example used by COD Aid is a payment for every child that takes a test at the end of primary school. Donors are encouraged to make binding agreements with countries so that they can be assured that the finance will be delivered once the result has been achieved. In return, the country agrees to an independent review of the assessment system and progress reports. The main strength of this proposal is that it increases predictability of aid and reduces the incentives for development agencies to micro manage interventions in the education sector. This proposal has been thoroughly researched and appraised. COD Aid is likely to be piloted in one or two countries in Africa in 2011.

Finally, the most promising proposal which combines innovative approaches to *mobilising additional financing* with measures to *promote innovation within the education sector* is the Ed Venture Fund (EdVF) concept developed by Results for Development in Washington DC. This concept proposes taking a ‘social venture capital’ approach to promoting innovation in the education sector in developing countries. As with a private venture capital fund, resources can be mobilised from a variety of sources including public and private donors; emerging donors, sovereign trust funds and private foundations; financial transaction taxes; international and local bond issues; and other forms of innovative financing for development. The return to the investor is measured in terms of ‘social capital’ rather than financial profit and would be most attractive to ethical investors or new donors seeking an entrepreneurial approach. The EdVF uses the discipline of a venture capital fund and insists on a clear entry, scale up and exit strategy as well as robust, independent evaluation from the outset of the project intervention. The EdVF would be set up to take risks and given the freedom to learn lessons from interventions that fail as well as those that succeed. The EdVF is still at concept stage and will need further work to develop the details of its business model and implementation strategy. The concept would also need to articulate clearly how it would support or complement other initiatives in the sector such as the Education for All Fast Track Initiative as well as existing bilateral and multilateral education sector programmes.

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<sup>12</sup> [Cash on Delivery Aid. A New Approach to Foreign Assistance](#). Center for Global Development. Washington.

The development of innovative approaches financing for education will form an important part of the global discussion on funding for education in the next decade. New and 'emerging' donors (as well as traditional donors) will want to find new ways to deliver their support more effectively and ensure that their investments in the education sector achieve maximum impact. This is likely to involve new partnerships and modalities that build on the successes and learn the lessons from the failures of the global education movement of the past two decades.

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**THE BUILDING BRICKS  
(BRICS) OF THE NEW  
DONOR CAPACITY  
BUILDING?**

## Brazil's Emerging Aid Programme: Time to Move Beyond the *Jaboticaba* Complex

Lídia Cabral, ODI, London and Julia Weinstock, consultant, London

Email: [l.cabral@odi.org.uk](mailto:l.cabral@odi.org.uk); [juweinst@uol.com.br](mailto:juweinst@uol.com.br)

**Keywords:** Brazil aid; home-grown preferences; technical cooperation; experience-led aid; no policy conditionality; horizontality; aid quality; policy learning

**Summary:** It is time to move beyond the discourse that Brazil has a unique way of delivering aid.

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A popular saying in Brazil goes “all which is not *jaboticaba*,<sup>13</sup> is nonsense”,<sup>14</sup> illustrating Brazilians’ enthusiasm for all that is home-grown. The same reasoning applies to the country’s approach to development cooperation. But it is now time to move beyond the discourse that Brazil has a unique way of delivering aid. Without reviewing the impact of its aid programme on the ground, listening to the voices of recipients and contrasting its trajectory with that of other emerging as well as traditional donors, the novelty and value added of Brazilian development cooperation cannot be taken for granted. We draw on this country’s experience to make the case for stronger field evidence and more comparative research on emerging donors’ institutional structures and practices.

Brazil is amongst the group of countries categorised as emerging donors.<sup>15</sup> Although it has been active in the provision of development cooperation for many years, its aid programme has recently received a significant boost, driven essentially by a vibrant foreign policy, aiming to turn Brazil into an influent global player.

A recent estimate puts the volume of Brazil’s aid programme at US\$1.2 billion<sup>16</sup>, which places the country alongside India and China, as well as traditional DAC donors like Finland and Ireland.<sup>17</sup> Technical cooperation constitutes an important part of Brazil’s aid programme, representing about 40 percent of overall aid. Agriculture, health and education are top areas of assistance, together accounting for about half of the technical cooperation portfolio. Portuguese-speaking countries are amongst the main beneficiaries of technical cooperation. Countries in the region, particularly Haiti, are also important recipients of humanitarian and other types of assistance. Brazil is currently expanding development cooperation provision worldwide, in line with its all-embracing foreign policy agenda.

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<sup>13</sup> *Jaboticaba* is a fruit tree native to Brazil, which is generally believed to grow only in the country.

<sup>14</sup> This quote is attributed to Nelson Rodrigues, a renowned Brazilian novelist.

<sup>15</sup> Brazil tends to frown at such label, preferring to portray itself as partner in a horizontal and mutually beneficial relationship with developing countries.

<sup>16</sup> This figure excludes loans from the *Banco Nacional de Desenvolvimento Econômico e Social*, as their degree of concessionality can not be established. Source: The Economist (2010) ‘Speak softly and carry a blank cheque’, published on 16 July 2010.

<sup>17</sup> Sources: UN (2008) ‘Trends in South-South triangular development cooperation’, background study for the Development Cooperation Forum, United Nations Economic and Social Council, New York; OECD-DAC aid statistics, [www.oecd.org/dac/stats/data](http://www.oecd.org/dac/stats/data).

Brazil's approach to development cooperation has some seemingly appealing attributes. The country has pioneered a number of successful policy experiences (for example, in the areas of agricultural research, HIV-AIDS treatment, conditional cash transfers and trade negotiations), which could be of relevance to developing countries' development processes. Its technologies and expertise are arguably better suited to developing countries' level of economic and institutional development (as well as climatic conditions) than those provided by traditional donors. The lack of a past colonial relation may grant the country a degree of political neutrality vis-à-vis some traditional donors. The fact that the country is simultaneously aid provider and recipient may give it a better understanding of the needs and constraints facing other aid recipients. Lastly, the absence of policy conditionality attached to aid disbursements is appealing to beneficiaries.

In spite of these attractive features, some of which are shared with other emerging donors, and Brazil's claims of altruism and horizontality as guiding principles to its cooperation relationship, it is too early to draw conclusions on the quality of its assistance. Little is known about the performance of the Brazilian aid programme on the ground. A monitoring and evaluation culture is lacking and independent portfolio reviews of performance and impact are virtually non-existent. These gaps are a reflection of the development cooperation's institutional set up, as well as its underlying motivations, that is, the subordination of development assistance to foreign policy.

Brazil's cooperation system is operationally fragmented. A number of institutions, at both federal and state level, are involved in the provision of development cooperation but articulation amongst them has been insufficient. The Brazilian Cooperation Agency (ABC) was created in 1987 to oversee and articulate technical cooperation. Yet, with limited autonomy from the Ministry of Foreign Affairs, known as *Itamaraty*, ABC lacks adequate institutional capacity, struggling to establish a stable and qualified cadre of development cooperation experts. In addition, the existing legislation does not foresee contributions from Brazil to the benefit of other countries; thus, there is no legal framework regulating development cooperation provision, which has to be delivered via *ad hoc* mechanisms. This void constrains the capacity of Brazilian institutions, and ABC in particular, to perform basic development assistance functions abroad.

The strong subordination to *Itamaraty* implies that Brazilian cooperation is very reactive and subject to the whims and short-termism of foreign policy, leaving little scope for the development of a cooperation policy, or indeed an operational strategy allowing for the efficient use of financial and human resources.

Brazil still has some way to go before it can claim to have a fully-fledged aid programme. Moving forwards, the country needs to be less inward looking and obsessed with Brazil's uniqueness and be more forthright and objective about its achievements. Evidence on the quality and impact of its development cooperation programme in recipient countries is urgently needed and, in order to generate it, a monitoring and evaluation culture needs to be injected deep down the system, allowing for the voices of beneficiaries to be heard. Brazil should also be open to learning from other countries, from either inside or outside the DAC, and looking at both present and past experiences. Japan in the 1960s went through a similar

trajectory to that facing Brazil today – both in its early focus on technical cooperation, in its subordination to foreign policy and in its transition from aid recipient to aid provider. Comparative research on emerging donors' experiences (both contemporary and from the past) could help Brazil rethink the institutional set up for its aid programme and provide grounds for the creation of development cooperation as a policy domain in its own right.

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### **Brazil in Africa**

**Akemi Yonemura, UNESCO-International Institute for Capacity Building in Africa (IICBA), Addis Ababa**  
Email: [a.yonemura@unesco.org](mailto:a.yonemura@unesco.org)

**Keywords:** Brazil aid; mutual benefits; solidarity; self-interest; tied aid; North-South cooperation; TCDC; ABC.

**Summary:** This article highlights the unique focus of Brazil's aid in Africa – technical assistance in science, technology, and professional development, built on its historical and cultural tie with Africa. This may also help Brazil to achieve its economic and political goals.

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### **How different Brazil as a 'new donor' is from the old donors?**

Vaz and Inoue's study for Canada's International Development Research Centre (2007) reveals that the emerging donors have gained an important role in development assistance and may challenge the norms and standards of traditional donors, whose focus is on the quantity, distribution, type of aid, levels of cooperation and efficiency, which are often perceived as weakly adhered to. The study characterizes emerging donors' assistance as partnership and south-south cooperation, entailing "mutual benefits," which are contrasted with traditional donors' approach, "recipient's needs versus donor interests." Although emerging donors have common approaches, there are still slight differences even among them. For example, China and India have been less collaborative with each other in relation to their foreign partners due perhaps to the fear of losing policy independence, but Brazil and South Africa seem to be more cooperative both in development programs and research for development. However, like China and India, whose motivation may be characterized as part of their global political and commercial ambitions, Brazil seems to be shifting its ambition from regional political influence to commercial and technological interests. Like China, which emphasizes mutual support and non-interference in domestic affairs as the key principles, Brazil also prefers the concept of horizontal cooperation.

As far as motivation goes, there are mixed views – on the one hand, it is observed that Brazil's foreign policy has been emphasizing **cooperation and solidarity with developing countries**, while on the other hand, it is suggested that the Brazilian policies are also **consistent with its own economic self-interest** (Vaz, and Inoue, 2007).



A good example of Brazil's openness to collaborate with other donors is the Africa-Brazil Cooperation Program (ABCP) on social protection, which is a partnership of the Brazil's Ministry of Social Development, DFID and UNDP to promote south-south cooperation on research and training on poverty. The program aims to share Brazil's technical knowledge on social development strategies, such as *Bolsa Família* (Family Stipend), a part of the [Brazilian](#) government's [welfare](#) program, *Fome Zero* (Zero Hunger), which provides financial aid to poor families on condition that their children attend school and are [vaccinated](#). The program attempts to both reduce short-term [poverty](#) by direct [cash transfers](#) and fight long-term poverty by increasing [human capital](#) among the [poor](#). Since 2006, several African countries participated in a study tour to Brazil to learn about this program. Another such example is Brazil's donation of \$23 million to Mozambique for the construction of a plant to produce generic drugs for the treatment of HIV/AIDS, which is expected to supply AIDS drugs across Africa. The purpose of this assistance for a developing country like Brazil, which is still facing domestic problems to reduce poverty and inequality, is to share knowledge of their successes with other developing countries. This assistance is seen more as **a social and political motivation rather than economic interest**. In this connection, it is noted from a portfolio review that there are no explicit links between Brazilian companies in developing countries and its technical cooperation; thus, **Brazil's cooperation contrasts with the allegedly tied-aid of some of the traditional north-south models**, and even with the policies of other BRIC countries, such as China (World Bank, 2009).

Another contrast from the traditional donors is that Brazil has **better understanding of the development context** than traditional donors. Sharing of Brazilian experience, expertise and training to Portuguese-speaking countries is based on the common language and culture, which presumably is welcomed by the beneficiary countries. This is also linked to Brazil's historical ties with Africa, from where four million Africans were brought to work in the fields as slaves. Therefore, Lula sees the technical assistance as a moral duty to pay back part of the debt owed to Africa (World Bank, 2009).

### **Brazil's preferred modalities**

Brazilian assistance programs have focused on **technical cooperation in developing countries (TCDC)** since the 1960s, rather than grants or concessional loans. TCDC programs are based on Brazilian scientific and technological advances. Brazil's assistance programs are channeled through the Ministry of External Affairs and its adjunct, the Brazilian Cooperation Agency (ABC), the Ministry of Science and Technology (MCT) and its National Council for Scientific and Technological Development (CNPq), and the Ministry of Planning's Department for International Affairs (SEAIN).

Priority areas for TCDC programs are: "agriculture, health (particularly HIV/AIDS), water, professional education, meteorology, energy, environment, electoral support, cooperation in sports, and production and use of biofuels (especially ethanol and biodiesel)." Geographic priorities have been naturally Latin America, particularly Mercosur (Southern Common Market) partners, but they are also expanding to Portuguese-speaking countries in Africa and East Timor. Although the government has made an effort to enhance the coherence of these programs through coordinating

institutions, such as the ABC, the formulation and delivery of development programs remain fractured and decentralized. This makes it difficult for us to understand the whole picture of Brazil's assistance.

In fact, the volume of assistance is estimated to be much higher than the official figure, i.e., ABC's technical assistance programs. In 2010, ABC has a budget of \$30 million, but studies by Britain's Overseas Development Institute and Canada's International Development Research Centres estimate that other Brazilian institutions spend 15 times more than ABC's budget. This could be channelled through various organizations and modalities. If defined more broadly, including \$300 million in-kind support to the World Food Programme and \$350 million emergency aid to Haiti, the value of all Brazilian development aid reaches close to \$1.2 billion a year. This increased aid effort has wide implications. First, assistance to Africa helps Brazil compete with China and India in political influence in the developing world, and in turn, could support the quest for a permanent seat on the UN Security Council. Secondly, spreading ethanol technology to poor countries can create new suppliers and increase the chances of a global market, thereby generating business for Brazilian firms. Thirdly, Brazil's aid helps the world's aid industry, not only by offsetting the slowdown in aid from traditional donors, but also, like China, Brazil does not impose Western-style conditions on recipients, which can help to change the aid business landscape (The Economist, 2010).

A final point about Brazil and Africa on the HRD side: if Africa is to maximize its benefit from Brazil's support in science, technology, and professional education, policy makers of teacher education in Africa should also respond to the requirements of these fields quickly by establishing conducive policies and opportunities to train quality teachers and create a favorable environment to retain them within their countries, and thus profit from external assistance in these areas.

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## Emerging Aid Donors: India

Subhash Agrawal, India Focus, New Delhi

Email: indiafocus@yahoo.com

**Keywords:** India as recipient; aid provider; ODA/GDP ratio; regional aid focus; ITEC; knowledge sharing focus; incoherence

**Summary:** This piece provides insight into India's far less known role as a provider of development assistance to other countries.

India's experience as a long-standing recipient of aid from developed countries is well known and well documented, but far less so its own role as a *provider* of development assistance to other countries. In the last decade, India has quietly become a significant donor of aid to other less developed countries, and current trends suggest that it could become a *net* exporter of aid in the next few years. This transformation is being driven by a combination of factors, including India's self-conscious role as an emerging power, its competition with China for political influence and energy resources, and the rapid growth of its economy, including both its non-profit and private sectors.

Around the mid-1980s, India was the world's largest recipient of multilateral aid and among the top recipients of bilateral aid. However, Indian economic reforms that began in the early 1990s have almost doubled the country's long-term annual GDP growth, consequent to which foreign aid has become far less central to India's overall economic development. In fact, the level of both multilateral and bilateral support has dropped sharply in the last decade, and it is currently less than US \$ 2 billion annually, which is just about 0.2 percent of India's GDP.

In contrast, India's own overseas development assistance (ODA) program, which officially began in 1964 when a separate budget heading for foreign aid was first created, has grown rapidly in recent years (table below), registering a compound annual growth rate of 6.9% from 2004 to 2010. In fact, India's accumulated aid over the last 3 decades currently stands at over US \$2.5 billion – for a poor country that represents a significant financial outreach.

**Table 1. India's foreign aid-related budget, 2004-10 (INR million)**

	2010	2009	2008	2007	2006	2005	2004
<b>Grants and loans</b>	23,834	24,083	26,999	18,133	17,290	21,620	19,619
Of which grants (%)	84.1	82.3	65.6	93.7	90.7	79.1	70.9
<b>Contributions to International Organizations</b>	5,578	5,317	12,775	3,550	3,595	3,320	2,568
<b>Investments in IFIs</b>	2,948	67,627	30,900	137	580	180	101
<b>EXIM Bank expenditure</b>	4,300	4,394	5,098	2,350	1,600	1,717	2,266
<b>Total estimated budget</b>	<b>36,660</b>	<b>101,421</b>	<b>75,772</b>	<b>24,169</b>	<b>23,065</b>	<b>26,836</b>	<b>24,554</b>
<b>In US\$ million</b>	<b>785</b>	<b>2,171</b>	<b>1,622</b>	<b>517</b>	<b>494</b>	<b>574</b>	<b>526</b>

Source: *indiabudget.nic.in*

The bulk of India's overseas assistance is directed at neighbouring countries of Bhutan, Afghanistan and Nepal, while a significant and increasing share is directed to African nations. Approximately 60 percent of Indian ODA is spent on training of civil servants, engineers and public-sector managers of recipient nations; about 30 percent is spent on providing soft loans to foreign governments to enable them to purchase Indian equipment or services, such as trucks, ground-water pumps, medicines, public health infrastructure or railway equipment; and the remainder 10 percent is spent on project-related costs abroad, such as feasibility studies or technical expertise from India on government-run institutions such as hospitals, railway services and universities. In general, India gives very little aid as outright cash grants.

Training and education are done under ITEC (Indian Technical and Economic Cooperation Programme), a department within the MEA, with Indian diplomatic missions abroad acting as major contact points. Soft lines of credit are usually channeled and managed by the EXIM Bank of India, a public sector bank which works under the administrative control of the Ministry of Finance.

The single-most defining characteristic of India's overseas aid program is that it attempts to share India's own experience in poverty alleviation and development through an active pipeline of consultants and experts. The bulk of Indian aid is spent on human training, capacity building and other "soft" investments in recipient nations, though it also supports a number of physical projects through financial or technical assistance.

Of course, India's economic diplomacy has just barely begun and is way behind China's in hard numbers, and in fact Chinese ODA is estimated to be about ten times larger than India's. However India has a vast array of IT and other knowledge-based skills, English language skills, human capital, institutions and legacies that constitute tremendous potential for providing technical assistance to others, all at relatively low cost. In addition, India has a long tradition of democracy that may be relevant for governance reform in many poorer countries.

Overall, there are many reasons to believe that India is moving to become a major player in the development assistance world. At the outset, there is the simple geopolitics of aid and India's quest for regional power status, even membership as a permanent member in a restructured UN Security Council. India's growing middle class and a confident entrepreneurial class have created a huge appetite for energy sources and simultaneously allowed the country to parley its economic footprint abroad. And of course, India has also found a strategic opening for itself after the collapse of the Soviet Union which disrupted the steady source of economic assistance to many poor countries of Africa and Asia. All these broad trends have coalesced to propel India into the donor category.

However, despite its expanding foray in ODA, India's attempts have been filled with many inconsistencies and even incoherence. There is still no single ODA agency in India's vast bureaucratic empire, though successive governments have contemplated creating a dedicated aid agency. There is a belated recognition in India's foreign policy establishment that if Indian ODA is to achieve its unstated but evident aim of

helping India become an influential regional player, its development assistance effort will need more money, better focus, sharper delivery and a more professional administration.

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### **India: An Emerging Donor?**

**R.V.Vaidyanatha Ayyar, Hyderabad (Former Secretary to Government of India)**

Email: rv\_ayyar@yahoo.com

**Keywords:** India; aid history; neighbouring countries; technical assistance; letters of credit for tied aid; bilateral focus; knowledge sharing; civilian and military training.

**Summary:** India's approach to development assistance is explored, including the different modalities under which it offers support.

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It is a misnomer to call India an emerging donor as if it is only of late that it had begun to offer assistance. India's emergence as a provider of assistance was almost coeval with its emergence as a recipient of assistance. Assistance to Nepal, a neighbouring country with strong historical, cultural and social relations, began in the 1950s. Till recently, India's approach to official development assistance (ODA) had been 'Giving moderately and receiving a lot'. Now, with the burgeoning foreign exchange reserves, receiving ODA has ceased to be a policy objective.

Data on ODA in the public domain is sparse, mainly due to the fact that India is not a member of OECD-DAC, and there is no nodal agency like DFID or SIDA for managing ODA. Even the information that is available it is not sufficiently disaggregated to have a clear idea about the individual activities funded, and much less to permit a definitive and comprehensive appraisal of the nature and quality of the assistance. It is not possible to classify the expenditure by sectors, or even by activity. Estimates of Indian ODA vary. For the period 2005-6, the estimates vary from US \$100 million to \$1 billion. The author's own estimate places ODA at US \$ 449.73 million for that year, about 0.04% of GDP. It had remained more or less at the same level in subsequent years. India has bounced back from the 2008 Global Economic Meltdown. However, it is likely that in the near future, India would continue to follow its policy of giving moderately in accordance with its strategic priorities.

There are three strands of Indian overseas development cooperation:

- project assistance to neighbouring countries, particularly to Bhutan and in recent years to Afghanistan;
- technical assistance to 156 countries in Asia, East Europe, Central Asia, Africa and Latin America under the Colombo Plan, Indian Technical and Economic Cooperation [ITEC] and Special Commonwealth Assistance for Africa Programme [SCAAP]; and
- extending Letters of Credit [LOCs] to developing countries through Export-Import [EXIM] Bank for financing imports of Indian equipment, technology, projects, goods and services on deferred credit terms. The LOCs carry concessional interest rates and

repayment periods. The terms are determined on the basis of levels of income and external debts of the recipient countries.

Over seventy percent of ODA is delivered as project assistance.

Like China, strategic political and economic considerations drive the offer of ODA. Almost all ODA is delivered bilaterally. India does contribute to UN organisations but such contributions are essentially in the nature of 'assessed contribution' which each Member State is required to pay by virtue of being a member. **Neighbouring countries including Afghanistan accounted for 95 % of the total assistance in 2007-08; Bhutan accounts for about half the ODA. In recent years, Africa has emerged as a major destination of Indian ODA.** In April 2008, an India-Africa Partnership Summit was held in Delhi. The Summit adopted the Delhi Declaration and the Africa-India Framework for Cooperation, which are similar in nature to the Beijing Declaration (2000), and the Beijing Action Plan [2007-09]. The framework of cooperation covers almost every conceivable area.

**Indian assistance is offered through:**

- **the Ministry of External Affairs [MEA] ;**
- **the Department of Economic Affairs [DEA], a constituent part of the Ministry of Finance [MOF]; and**
- **the EXIM Bank, a parastatal attached to DEA.**

**MEA accounts for over 85% of India's assistance to other developing countries.** MEA offers project as well as technical assistance to other developing countries by way of investment in select projects, consultancy services like project formulation, deputation of experts, provision of placements in Indian institutions for foreign students, and humanitarian assistance in kind, cash, and manpower (mostly drawn from armed services). **DEA** offers LOCs and advances mostly through EXIM Bank; it also offers modest technical assistance under the Colombo Plan.

For want of data, it is not possible to be specific about Indian assistance in the area of education. Since 1964, when it was started, the ITEC has been a major vehicle for providing technical assistance. Apart from deputing Indian experts abroad, ITEC offers extensive training for nominees of ITEC partner countries. Training has two distinct segments: civilian training and military training. For imparting civilian training, over 40 institutions have been listed for offering over 220 courses covering a wide range of specialty areas such as Information Technology, Accounts and Finance, Parliamentary Studies, Rural Development, Mass Communication, and Educational Planning and Administration. The ITEC training programmes have been very popular in Africa, and every year over a thousand persons receive training in a vast range of fields. In recent years, the scope of assistance had been expanded significantly. India's expertise in Information Technology is being harnessed to develop a Pan-African e-Network which would link to Indian universities and hospitals via satellite and fibre-optic network five regional universities, five specialty hospitals, 53 regular hospitals and 53 educational institutions across Africa. India has offered \$100 million for the project for which 29 countries have already signed up.

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## India's Transition from Recipient to Donor

**Indu Grover, Haryana Agricultural University, Hisar**

Email: [indugrov@gmail.com](mailto:indugrov@gmail.com)

**Keywords:** India; transition; recipients cum donors; no conditionalities; ITEC; agricultural technical assistance; reality of Indian poverty

**Summary:** This piece explores India's transition from recipient to donor, and ends with a call for the set up of a centralized agency administering its foreign aid programme.

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Though aid is a crucial input in South-South development cooperation to achieve desired outputs and outcomes, the need for increased state accountability in relation to the Millennium Development Goals (MDGs) is widely emphasized; and when aid is not used effectively it has been labeled by critics and analysts as The White Man's Burden (Easterly), Dead Aid (Moyo) and The Samaritan's Dilemma (Gibson et al.).

The MDGs include global partnership as one of the eight goals and countries including India are extending themselves in this direction. Donors are classified as DAC / traditional donors who have been supporting aid for a long time though often with 'strings attached' while developing and middle income countries that are also extending aid are tagged as new/emerging or non-DAC e.g India, China, Brazil, and they extend aid without attaching conditionalities. However, some non-DAC countries including India have contributed to aid for a fairly long time while their approach to international cooperation with poorer countries seems to be proceeding on a very different trajectory to traditional donors with each country following different aid routes, guidelines, terms, mechanism, style and achieving different goals. For the past few years, there has been a marked shift in the size, focus and strategic thinking behind India's aid programme (Chanana, 2009).

China and India which are both recipients and donors at the same time, remain two of the largest Global Fund recipients and their plan to transition from recipient to donor should be an example that is followed ([www.one.org/report/2010](http://www.one.org/report/2010)). Turana (2010) points out that the increased accessibility of grants from the BRIC nations, which are being provided with less conditionality compared to the World Bank and the Western countries' bilateral aid, has encouraged Sub-Saharan Africa nations to re-orient their engagement from the West to the East as it would allow their economies to access affordable technological know-how suitable to their needs. As emerging economies begin to occupy a larger space in the global economy and take a seat at the table in global decision-making structures, they are also playing a more active role in sub-Saharan Africa's development through rapidly expanding relationships based on trade, investment, development assistance and loans ([www.one.org/report/2010](http://www.one.org/report/2010)).

India has the dubious distinction of both receiving and extending aid while the transition has gradually shifted from a recipient to a donor. Aid was first provided by India to Nepal as early as 1950 and the Indian Technical & Economic Cooperation (ITEC) programme was started in 1964. Since 1982 India has contributed to African Development Fund and recently it boosted this assistance. Today, in a changed and

strategic capacity of a global player, India is an increasingly active donor. This is mainly because the country has achieved robust macro economic growth for the past few years despite the global recession, the country is also politically stable with a democratic elected government, it has a large pool of trained manpower, is a hub of higher education and it is therefore being looked upon for aid assistance by many developing countries. As its aid contribution has increased several-fold to UN, regional and bilateral aid networks, the country has gained more voice, status, respect, importance and some increase in voting right at some forums. It is both a participant and a player in global aid.

Since independence in 1947, the country has been a recipient of aid for over sixty years. In the 1980s India was one of the world's largest recipients of foreign aid. But as this share has decreased to a low of around 0.3 % of GDP, India is now emerging as a net donor and a net creditor in the International Monetary Fund (Bijoy, 2010). At the same time India is still the single largest recipient of British overseas aid but the aid package could shortly be reduced as part of an overall review of British assistance to fast developing major economies (Suroor, 2010).

A time line for the early 2000s reveals that in 2003-04 the India Development Initiative (IDI) was announced with a focus on aid assistance for education and training, health and infrastructure in South Asia nations. There is little further to say about this Initiative. But what can be said is that India's existing Official Development Assistance (ODA) has been utilized by many countries, including neighbours (viz. Afghanistan, Bhutan, and Nepal), countries in Southeast Asia, Central Asia, Africa and the Pacific. In 2006, India co-founded the Global Network of Exim Banks and Development Finance Institutions (G-NEXID). In 2007 it lobbied for setting up of the Development Cooperation Forum (DCF) under the aegis of the UN Economic and Social Council (ECOSOC). In 2008 the country allocated US\$547 million to aid-related activities while approving US\$2.96 billion in Lines of Credits (LoCs) mostly to Sub-Saharan Africa (SSA) (Binoy, 2010). It is one of the largest contributors to the Commonwealth Fund for Technical Co-operation (CFTC) which provides developmental assistance support for conducting workshops, deputing technical advisors, offers capacity building to member states. India is also a major contributor to the SAARC Development Fund. It is, in addition, one of the four major aid contributors in the South-South Development Cooperation Fund. Its bilateral allocation for aid related activities for bilateral loans amounted to US \$ 547 million in 2008 and in addition it also approved lines of credit through Exim Bank of \$704 million in 2007-08 ([www.one.org/report/2010](http://www.one.org/report/2010)). India's total debts write off is about US\$ 37 million (Chanana, 2009).

Having one of the biggest National Agricultural Research Systems (NARS) in the world, operating through the Indian Council of Agricultural Research (ICAR), India is emerging as a key donor in the field of agricultural education, training, research and extension. It is helping interested developing countries establish a system on similar lines, deputing experts, organizing training and workshops, sharing knowledge and technology, donating agricultural equipment, sending innovative farmers to teach other farmers and it has recently announced 15 international fellowship of three years duration for pursuing doctoral degrees in agriculture and allied areas ([www.icar.org.in](http://www.icar.org.in)). Connected to this, Indira Gandhi Open University offers 363 courses in total, and 3 million students from India and 37 other countries are enrolled.



India is a keen participant cum player in multilateral groups such as BRIC, BRICS, G-8, G-20, G-77, IMF, NAM, SAARC, UN, WTO, Commonwealth and numerous other developing country blocs and development aid consortia. It is one of the major contributors to the new UN Democracy Fund, has played an active role in the formation of the India-Brazil-South Africa (IBSA) Dialogue Forum, has lobbied for the Association of South East Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), Shanghai Cooperation Council, South-South Development Council, developing linkages with Southern African Development Community (SADC) and the Common Market of Eastern and Southern Africa (Comesa). India is also working towards a South Asian Regional Forum, is promoting a South-South solidarity initiatives such as the NAM and the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). Its cooperation with several African countries has increased in recent years. According to the IMF, the Asian region will grow at 7.5% this year, a much faster rate compared with 4.5% for global economy, and India would play a key role in this.

Though India the largest democracy, with 17% of world's population, is emerging as one of the fastest growing economies of the world, is becoming a key strategic international partner, an assertor in development aid, the irony on its home front covers a very grim picture with widening gaps on income, gender, HRD, caste, digital access, technology, education, health, regional disparity, and quality of life parameters. The country has the largest number of malnourished children (46%), illiterates (304 million), high incidence of school dropouts (40%), high maternal and infant mortality and lowest proportion of trained youth in the world. Nearly 250 million of the population live on less than a dollar a day while recent estimates of the UNDP's forthcoming 2010 Human Development Report, on a new Multiple Development Index , a composite indicator made up of 10 markers, estimates that about 645 million people or 55 % of the country's population is poor with 8 among the 28 states in India (Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa , Rajasthan, Uttar Pradesh and West Bengal) rated to be poorer than 26 African countries (Shrinivasan /TNN, 2010). On another Index developed by the Economist Intelligence Unit (2010), India is positioned last at 40<sup>th</sup> position in the End of Life Care, and stands even below Uganda.

As the economy is growing fast, has substantial foreign exchange reserves, intends to develop and extend social, economic, political ties and win goodwill with other countries it will surely continue to a key donor. However, India is a very complex, diverse, and highly populated country with a small section comparable with the West but a large section of population who live in a constant state of deprivation, especially on account of poor human resource development. The multitude of problems the country faces and the widening internal gaps ring an alarm bell which could encourage the donors to continue with aid while its transition to a donor progresses at the same time. Presently, there is no consolidated estimate of Indian ODA as there is no centralized agency administering its foreign aid programme. Both are the need of the hour for sustainable development of the country and of other economies that are benefiting from it.

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### Coming to the Table: China's Agricultural Cooperation in Africa

**Hannah Edinger, Frontier Advisory, Johannesburg and Ron Sandrey, Trade Law Centre for Southern Africa, Stellenbosch**

Emails: [hedinger@frontieradvisory.com](mailto:hedinger@frontieradvisory.com); [rons@tralac.org](mailto:rons@tralac.org)

**Keywords:** China; Africa; learning from China's agricultural experience; appropriate technologies; FOCAC; agricultural investment in Africa

**Summary:** Donor negligence has been a three-decade trend in Africa's agricultural sector. However, agriculture continues to constitute the livelihoods of many Africans. Investment and productivity improvements in the sector can play an important contribution in the growth and development of African economies. Looking at success stories in agriculture of "non-traditional" partners of the continent, such as China - a country which has also indicated a willingness to assist with the continent's developmental challenges by drawing on its own track-record - can pose valuable lessons for the continent.

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Donor negligence has been a three-decade trend in Africa's agricultural sector. Agriculture, however, continues to constitute the livelihoods of many Africans. More than two-thirds of sub-Saharan Africa's (SSA) population is employed in the sector, which only contributes about one third of SSA's GDP. Poverty and malnutrition have continued in both absolute and relative terms across the continent, largely due to inefficiencies in the sector, and a lack of investments and productivity improvements constraining output.

In contrast, of specific interest are developments in Asia, and particularly China, where great strides have been made in agriculture over the past three decades. In China, agricultural progress and policy changes were part of the key drivers of economic growth and development during the country's reform period. Especially since the 1990s, the Asian powerhouse has achieved significantly higher agricultural yields, based partially on the wider application of agricultural research and technologies.

As the 'green revolution' took shape in Asia, yields for cereals increased. This was largely related to technology developments (seeds, fertilizers, pesticides), infrastructure rollouts, financing and investment, and management related skills. Yields rose, and development assistance to the agricultural sector declined.

Africa experienced a similar decline in agricultural development assistance, for the two decades from the late 1980s onwards, but the continent did not record any significant progress in cereal yields. A lack of investment to spur self-sufficiency and sustainability in the sector (and ultimately food security) has been evident, with donor assistance skewed towards directly providing food aid, rather than financing or investment. Furthermore, a lack of coordination of donor programmes, but also weak government structures and host country policy environments, poor policy implementation, a lack of political leadership and long-term vision coupled with no access to technological innovation, contributed to the poor performance of the sector in SSA over the past few decades.

While, OECD donor support to agriculture in Africa has continuously waned over the three decades from 1975-2004, a renewed focus on the primary sector has recently emerged. The 2008 World Bank report, *Agriculture for Development*,\* emphasizes that governments and donors alike have recognized the important contribution that agriculture can play in the growth and development of African economies. But, in line with higher world food prices, high rates of urbanization in emerging markets and changing dietary patterns, decreasing arable land in major agricultural producing economies and water shortages in others, as well as cleaner energy targets, mounting interest in the continent's agricultural sector has emerged from "non-traditional partners". These include "partners" and investors from the Middle East (Saudi Arabia, Qatar, United Arab Emirates) and Asia (China, India, South Korea).

China, a rising non-DAC development partner of the continent, has been active in agricultural assistance programmes for the last five decades. According to a report by Shelton and Paruk (2008),\*\* about 200 agricultural cooperation programmes have been implemented in more than 40 African states since the 1960s, including agricultural demonstration centres and agro-technology programmes. These projects spanned from the DRC to Uganda, Guinea and Mauritania. During this period more than 10,000 agricultural experts and technicians were reportedly dispatched to train local African farmers. This included friendship farms (Zambia), or support from the agricultural institute in China's Hubei province to establish a Chinese farm (DRC).

With the establishment of the Forum on China-Africa Cooperation (FOCAC) in 2000, the emphasis on agriculture in the Sino-African relationship has been intensified. The focus has been increasingly placed on investment into agricultural/agro-processing

projects, agriculture-facilitating infrastructure, provision of agricultural inputs, and the creation of 20 agricultural technology and demonstration centres. The latter will focus specifically on technology and skills transfers – a key component of China’s agricultural sector progress.\*\*\*

Of interest to Africa specifically is that China’s overall political and macro-economic package enabled the agricultural policy package to realize its objectives in the economy. This in turn fostered investment in the sector, specifically into agricultural technologies, resulting in “twin paths” that were followed in the rural sector. The first of these twin paths is the traditional agricultural pathway, which was driven by technology and mainly involved the adoption of new plant varieties, also augmented by the associated increases in the use of other inputs. Augmenting these technologies to ensure that this success happened has been achieved by an extension service of over one million staff facilitating the transfer of technology right through to the last farmer.

The second includes a uniquely Chinese rural pathway, namely the “village industrialization” – setting up township enterprises that provide jobs for the rural population. These light manufacturing firms and other forms of development to the rural sector are incorporated to mitigate the migration surge to the cities. This has greatly facilitated many aspects of China’s recent development and distinctly sets this country aside from Africa.

But while these and many other specific lessons can apply to the continent, the challenge exists for Africa to operationalise technologies and such development pathways in the absence of much of the necessary flanking support (policies, prices, infrastructure, agricultural credit etc).

What can be extracted from the above for Africa? The transfer and accessibility of technologies, coupled with investment into the agricultural and related sectors, rather than perhaps “traditional aid”, will be essential to further progress in the sector. Probably the best agricultural technologies for transfer from China to Africa are water and soil related technologies. Africa is generally a water-challenged land, and soil degradation is a setback. China offers solutions especially for small-scale farmers, including water saving and augmenting techniques, tillage and planting methods, soil enhancing methods such as mulching, and the maximisation of fertilizer usage by soil testing and application techniques. Research on mechanization techniques, and techniques including rural energy sources, and a more thorough investigation of Chinese aquaculture, also could provide valuable lessons for Africa.

In line with the announcements made at the fourth FOCAC summit held in Sharm el-Sheikh, Egypt, in November 2009, Beijing is expected to be more active in fostering measures in terms of funds and policies for Chinese agricultural enterprises to invest in Africa, and to develop diversified cooperation with African counterparts in order to assist with agricultural development and productivity improvements, to improve people’s livelihoods and stimulate socio-economic progress in a number of African states, but also to secure new sources of agricultural related imports. Beijing’s cooperation in the sector was reaffirmed at the recent agricultural follow-up forum held in Beijing from 11-12 August 2010. The meeting also looked to serve as a platform for Chinese and African agricultural businesses to increase cooperation.

The sector has also become an investment focus of the China-Africa Development Fund (CADFund). Capitalised by China Development Bank, the fund in 2009 already promised to invest US\$ 20 million related to agriculture projects on the continent, focusing on making Chinese technologies and skills practical and available to African farmers. Projects include cotton planting and processing facilities in Zambia, Malawi and Mozambique as well as a leather processing project in Ethiopia.

China considers that it has largely solved the problem of feeding 20% of the world's population and lifting most of its citizens out of abject poverty. Given the dramatic growth in the Chinese economy over the last quarter of a century, and the role of agricultural technology and productivity over this period, it is important for Africa to examine Chinese agriculture to see what lessons can be learnt and where opportunities for collaboration exist.

Undoubtedly, Africa has developmental challenges. But only Africa can solve these issues, and looking to success stories such as China's agricultural development could be a part of that solution. Moreover, China has indicated a willingness to assist with the continent's developmental challenges. Perhaps this assistance is more closely aligned to Africa's needs than previous assistance from traditional donors.

\* World Bank 2007 "World Development Report 2008: Agriculture for Development", Washington. [Online]. Available:

[http://siteresources.worldbank.org/INTWDR2008/Resources/WDR\\_00\\_book.pdf](http://siteresources.worldbank.org/INTWDR2008/Resources/WDR_00_book.pdf)

\*\* Shelton, G and Paruk, F, 2008, "The Forum on China-Africa cooperation: A strategic opportunity", Monograph 156, Institute for Security Studies, December.

\*\*\* See AATF 2010. "Study on the relevance of Chinese agricultural technologies to African smallholder farmers". Nairobi, Kenya: African Agricultural Technology Foundation. (online) Available: <http://www.aatf-africa.org/userfiles/AATF-Chinese-technologies-report.pdf>

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### **China Overseas: "Exporting Hordes of Experts" or "Teaching How to Fish"?**

**Deborah Bräutigam, American University, Washington**

Email: [dbrauti@american.edu](mailto:dbrauti@american.edu)

**Keywords:** China; technical assistance; capacity building; enterprise-based training

#### **Summary:**

The conventional wisdom on Chinese engagement in other developing countries is that the Chinese do not do much capacity building. This piece challenges this wisdom, noting that China's capacity-building efforts might be driven more by profit than altruism, but perhaps because of that, they may ultimately be more sustainable.

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The conventional wisdom on Chinese engagement in other developing countries is that the Chinese do not do much capacity building. The common practice of Chinese

companies bringing relatively large numbers of their own personnel to implement construction projects - a stadium, government office building, or a road - contributes to this perception. In 2008, for example, a Chinese aid project constructing village water systems in Tanzania, employed 50 Chinese engineers and technical staff, along with 500 local personnel (1:9); other Chinese companies in Tanzania had an average ratio of 2:8. In Angola, the ratio of Chinese construction workers appears much higher, with estimates ranging from 5:5 to 9:1 (Brautigam 2009: 156; Centre for Chinese Studies 2006: 52). But is it true that there is little technology transfer or skills development connected with China's growing overseas engagement?

Over the past five decades, donors have wrestled with the challenge of low capacity. Some addressed the problem by establishing project implementation units (PMUs) that effectively "bypass" government departments. Others promoted public-private partnerships with NGOs and corporations, or financed foreign experts to provide training and expertise. Former Dutch Minister for Development Cooperation, Evelyn Herfkens, estimated in 2002 that traditional donors were employing more than 100,000 expatriate technical assistants in Africa, at a cost of some \$5 billion. In 2008, DAC donors disbursed US\$17.2 billion in technical cooperation, i.e. the supply of teachers, volunteers, and sector experts to do education, training, and advising.

During the same period, Chinese development aid and other forms of official cooperation have also tried to transfer technology and build skills. During the 1960s and 1970s, as I point out in my book on Chinese aid and economic engagement in Africa, *The Dragon's Gift*, the Chinese government developed a five-step process to promote the sustainability of aid projects. This involved asking the host government to assign local counterparts, a gradual transfer of responsibility to them, training in repair and maintenance, organization and transfer of any blueprints, drawings or operating instructions, and providing booklets with drawings and part numbers for ordering replacements. Some governments were unable to assign local counterparts, however, and in their absence the other steps were often not implemented successfully. Language difficulties also contributed to skill development in some areas, although in China's many agricultural projects, "learning by doing" appeared to be an effective way to transfer technology (Brautigam 1998).

Outside of agriculture, a small number of other aid projects also attempted to build skills. In 1997, China's aid program financed, equipped, and sent trainers to the Uganda Industrial Research Institute, which contains an incubator, R & D laboratory, and training center for Ugandans and people from the region. In 2000, a long-term program to build vocational training in Ethiopia commenced, involving first the dispatch of Chinese trainers, and later the construction of the Ethio-China Polytechnic College. This is projected to train 3000 students per year in construction skills, engineering, and information technology. Further, extensive scholarships and training programs provide stand alone capacity development, as noted by Liu Haifang. Little public evaluation exists of the impact of these programs on capacity, however.

As Chinese researcher Liu Haifang (2009) has pointed out, "terms such as 'capacity' and 'capacity building' ... were regarded as 'unsuitable' and therefore never used in bilateral official documents." Now these terms are "key words" in Chinese pledges, she noted. In 2005, as part of the effort to attain the Millennium Development Goals, the Chinese pledged to train 30,000 personnel from developing countries by 2008,

half in Africa. In late 2009, training was promised for an additional 20,000 people from Africa, by 2012. These training programs range in length from around three weeks to several months, and can cover a variety of areas from China's experience in poverty reduction to technical areas such as leather processing.

Other stand-alone government programs are in place to build capacity, although details are scarce. In 1986, China was offering 1600 university scholarships annually for African students. More than two decades later, scholarships had increased substantially. In 2008 Chinese leaders pledged to raise university scholarships to an annual level of 10,000 by 2012 (5500 of these would be for African students). In 2008, the Chinese made separate pledges to help train 1,000 doctors, nurses and administrative personnel for African hospitals (increased to 3,000 in 2009), and 1,500 school headmasters and teachers. Both promises accompanied pledges to construction of hospitals and schools. There has been almost no research on the efficacy of this capacity building. Recipient governments could fairly easily track and at least monitor the outcomes of some of this work, giving an initial report on their impact on capacity development.

To see the larger picture of Chinese impact on capacity, we need to also include Chinese commercial engagement. As China embarked on its reform transition in the late 1970s, its companies began winning overseas business financed through means other than Chinese foreign aid. In 2008, at least 140,000 Chinese were officially working in Africa under contracted engineering or labor service programs. Chinese construction companies signed contracts for over \$39 billion of work in Africa alone that year (Ministry of Commerce, 2009). The vast majority of these projects will be financed by non-Chinese entities: African governments, bilateral and multilateral aid agencies, private clients. The Chinese government can press for localization, but can do little to affect these projects, which will be subject to the requirements on work permits, skills development, local labor, and technology transfer imposed by host governments, those paying the bill, or the companies' own business incentives.

In troubled Sudan's vertically-integrated oil industry -- where Sudan has had a joint venture with CNPC, China's major oil company, since 1995 -- 93 percent of workers were reportedly Sudanese (Lee and Shalmon 2008: 135). Some Nigerian industrialists have hired Chinese technicians to install factory equipment and train their Nigerian workforce; they report high satisfaction with the resulting technology transfer. To reduce its costs, Chinese telecoms giant Huawei has established regional institutes in Angola, South Africa, Nigeria, Egypt, Tunisia, and Kenya to train Africans in skills needed to operate and maintain the company's wireless and broadband systems. A growing number of Huawei's department managers and engineers are now African. Even in the construction industry, research shows that Chinese companies hire more personnel locally, the longer they are present in a country (Tang 2010). In Nigeria, the giant China Civil Engineering and Construction Corporation (CCECC) reports that it has employed some 20,000 Nigerians for the 70 projects it has implemented since 1980, hired Nigerian engineers who were educated in China, and sent other Nigerians to China for additional training (Xinhua 2010). These capacity-building solutions are pushed by profit, not altruism, but perhaps because of that, they may ultimately be more sustainable.

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### **South Countries Combining their Strengths - the Perspective of Sino-South African Cooperation in Development Assistance to Africa**

**Hu Mei, Institute of African Studies, Zhejiang Normal University, Jinhua**

Email: [humei@zjnu.cn](mailto:humei@zjnu.cn)

**Keywords:** Development assistance; emerging donors; trilateral cooperation; South-South-South cooperation

**Summary:** Both China and South Africa are two important emerging donors in the international development cooperation system. But both countries have many difficulties dealing with the problem in the development of African countries. If the two donors combine their strengths they might better promote the development of Africa.

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Development assistance to Africa has been dominated for a long time by the former colonial powers, emphasising their role as donors and the role of African countries as the recipients of aid. The appearance and advance of the new donors has led to a tremendous diversification in the sources of international aid. As two important emerging donors, both China and South Africa now play important roles in the development of African countries. Both countries have developed some unique



characteristics of development assistance, different from the approaches of the traditional donors.

However, both China and South Africa seem to face lots of challenges in their assistance to Africa as well. First of all, there are so many complex obstacles encountered by African countries during the development that neither China nor South Africa will be able to deal with them all, and, at the same time, they cannot meet all the developmental needs of the African countries. Secondly, both China and South Africa are in an ambiguous position in between developing and developed countries in their own prominent economic behaviour. South Africa is often regarded as a "Northern" power in "the Southern world" and China's status as a developing country is also being challenged. Although both South Africa and China use a "South-South" discourse, their behaviour is actually often explained as "neo-colonial" by Africans as well as outsiders.

The aid coming from emerging countries is a very important trend in the overall international resources. But it is impossible for any donor alone to deal with all the problems related to the development of African countries; so efficiency and coordination in their assistance have become important topics in the cooperation. Thus trilateral development cooperation is becoming an emerging trend in the area of international assistance.<sup>18</sup> In the area of international development assistance, trilateral cooperation is being put into practice in many countries. However, most often trilateral partnership is referred to as a form of North-South-South cooperation. A North-South-South Cooperation activity can be the initiative of one or more Southern countries that wish to cooperate with one another. Such countries can ask for the support of a Northern donor as a third partner in order to maximize their financial, logistical and technical resources. Alternatively, a donor can partner with a developing country willing to provide technical support to other Southern partners whose initiatives match the Northern donor's priorities and interests.

The Northern donors would then offer to support South-South cooperation through a triangular approach by providing financial and/or technical support. However, with the growing capacity and influence of emerging countries, South-South-South (SSS) trilateral cooperation is also becoming an option at the moment. Since the floods of Mozambique in 2000, South Africa has become a trilateral partner with more and more other countries – some Northern and some Southern. Current Northern tripartite partners of South Africa include Netherlands, Switzerland, Sweden, Norway and Belgium. An example of South-South-South is the recent cooperation among Cuba, South Africa and Rwanda where South Africa financed Cuban nurses in Rwanda.<sup>19</sup> At the same time, trilateral cooperation is also welcomed by many African countries, such as Tanzania, Sudan and Ethiopia, but they would not like to see a Northern donor to be the leading role in the trilateral cooperation for they are worried the cooperation are controlled by the Northern donors.<sup>20</sup> So this new South-South-South cooperation would be most likely favoured in some further initiatives for the development of African countries.

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<sup>18</sup> Predeep S Mehta, Nitya Nanda, *Trilateral development cooperation: an emerging trend*, <http://www.cuts-international.org/documents/Trilateral-Cooperation.doc>

<sup>19</sup> Interview with High Commissioner of Rwanda in Pretoria, South Africa, July 16, 2010.

<sup>20</sup> According to the interview with the Ambassador or High commissioner of these countries in Pretoria, South Africa, July, 2010.

Both China and South Africa are Southern countries that have tried to promote the development of African countries in recent years, and development cooperation is one of the most important ways they have chosen. Since both China and South Africa are promoting South-South cooperation and equal development partnerships with the recipient countries, they have the basis to cooperate with each other as well. In the opinion of South Africa, “if the country’s development assistance were monitored, coordinated, and channeled, its impact and effectiveness could be vastly improved and it could play an enormous role in enhancing South Africa’s role and profile on the continent.”<sup>21</sup> For the Chinese government, under the principle of South-South cooperation and non-interference, the path of trilateral cooperation to promote the development of African countries is both possible and welcomed.<sup>22</sup> In fact, for its geographical location, culture, history, and comparatively developed status within the continent, South Africa is also a valuable partner in development cooperation. For South Africa, China could be a very significant partner in a potential trilateral partnership in Africa as well, both because of its engagement in Africa, its available funds and technical expertise and so on. Following the visit of Zuma, the President of South Africa, to PRC in August, 2010, the relations between two countries will make significant progress under the framework of the Comprehensive Strategic Partnership.

If China and South Africa combine in development cooperation with African countries, they can take advantage of their separate strengths, and coordinate with each other to increase the efficiency of assistance, and to deal with the common problems encountered by the developing countries more effectively.

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**China’s Aid Logic to HRD in Tanzania:  
Give a Fish, Teaching to Fish, and Sharing the Fish**

**Yuan Tingting, University of Bristol**  
Email: [davinti.yuan@gmail.com](mailto:davinti.yuan@gmail.com)

**Keywords:** China’s educational aid; Tanzania; scholarships to China; visiting experts

**Summary:** Tanzania is China’s biggest recipient country in Africa. This piece explores a little China’s educational aid to Africa.

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There has been considerable discussion of China as a rising power in the global arena, especially of its active engagement in Africa. However, the nature and purpose of China’s aid in the educational field still give rise to curiosity. Rather than pursuing the Millennium Development Goals aimed at Universal Primary Education, or claiming to be carrying out educational cooperation and cultural exchange, China is creating its own approach to human resource support for African countries, with a distinct logic

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<sup>21</sup> The South African Institute of International Affairs, *Emerging Donors in International Development Assistance: The South Africa Case*, 2008, p.4.

<sup>22</sup> Interview in the Chinese Embassy in Pretoria, South Africa, July 12, 2010.

and focus. This focuses mainly on higher and vocational levels of education, taking the forms of student scholarships, short-term training and Chinese language study. Here we focus on long-term scholarships.

How is this different from the orthodox aid by traditional DAC donors? The logic that all countries could become 'modern' and 'catch up' with the West if they followed the same stages as the West did can be seen as both a theory and a prescription (Dale, 1982); this has set the basis for the Western model of development. Rather than giving a standard prescription or defining conditions to the recipients, China claims to do it via a 'win-win' (mutually beneficial) route (FOCAC, 2006). Different from the Western logic of building a framework for modernisation, or promoting an economic/political adjustment, China is working actively to build bilateral relations rather than framing a global structure (although the influence seems to be increasingly global). According to the 'win-win' rules, it can be argued that China is gaining broader political and economic relations through this human resource transformation.

Tanzania is China's biggest recipient country in Africa. The diplomatic link between the two countries can be traced back to their socialist brothers' time. The Nyerere-Mao friendship built close emotional ties between the older generations of Tanzanian and Chinese. The Tanzara railway, still the biggest aid project of China in Africa, is seen as a monument for the two countries.

China's educational aid in Tanzania consists mainly of offering scholarships, especially at post-graduate level. Based on the Agreement of Cultural Cooperation between the Government of the Republic of Tanganyika and the Government of the People's Republic of China signed in 1962 and the upgraded Cultural Agreement signed in 1992 between China and Government of the United Republic of Tanzania, the sub-agreement on developing the cooperative project of higher education between the Ministry of Education of PRC and the Ministry of Science, Technology and Higher Education of Tanzania was addressed in June, 2000. According to this higher educational agreement, the Chinese side promised to provide the Dar es Salaam Institute of Technology (DIT) two teachers every year and to train DIT lecturers and students in micro-computer knowledge. Between 2005 and 2007, the Chinese side offered one hundred government full scholarships to Tanzania each year. The Tanzanian side offered China five government scholarships in 2006 and four government scholarships in 2007.<sup>23</sup>

Despite other individual Tanzanians who get the Chinese governmental scholarships, DIT is a leading case as an institutional recipient in Tanzania since 1990s (including accepting student scholarships and Chinese lecturers). Under the agreement between the government of PRC and Tanzania in 1991, a collaborative project between Xian Highway University (Xian Jiao Tong University, China) and Dar es Salaam Technical College (currently, DIT) was set up to develop a Highway and Transportation Engineering Laboratory. The laboratory was established in 1993. In June 2000, China entered an agreement to develop a Computer Laboratory at DIT and provided fifty micro-computers and Chinese experts to train in computer applications, as well as

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<sup>23</sup> See the website of Embassy of PRC in the United Republic of Tanzania: <http://tz.china-embassy.org/eng/ztxg/>

opportunities of training in China. The project was for two years as from December 2001.

During fieldwork done in DIT in 2008, I interviewed a number of lecturers returned from China, including some from Xian Highway University. They had all got higher degrees in China - mainly a PhD degree. After graduation they returned to DIT, teaching and doing research, which means that their academic knowledge from China on engineering or computer science has been delivered to more and more Tanzanian students. Compared with the equipment donation (especially for computers which quickly become out of date), and the small number of Chinese teachers dispatched to Tanzania, the process of training DIT members in China with high level degrees from Chinese universities seems to be the most effective and practical way of improving Tanzanian capacity in applied science.

The feedback from DIT lecturers indicates that getting a master or PhD degree in China is attractive, although there are still some shortcomings in degree length, communication language and teaching quality for foreign students. The members of DIT pointed out that developing learning capacity for future development is more important than consuming some donations. For example, the principal of DIT mentioned, 'We have to produce something, and we need the ability of producing. A good quality education is needed, and more opening up for education is needed. We want to know how China is rising up and we want to learn advanced skills from them.' The principal also hopes to cooperate with Chinese companies in Dar es Salaam, which shows that education is not the aim but the approach, for getting better opportunities for local individuals or institutions. Education is part of China's win-win logic, and while it is benefiting African countries, it also helps China win the benefit for its long term developmental goals.

Providing assistance in higher education in certain fields for Tanzania's urgent needs and carrying out technological training may be seen as wayw of saving African people from the low effectiveness of some foreign aid. The Chinese media likes to use a proverb from Lao-Tzu to describe China's logic of educational assistance for Africa: 'Give a man a fish and you feed him for a day; teach him how to fish and you feed him for a lifetime'. Indeed, when both of them depend on the fish they can get, the 'teaching' approach seems more meaningful.

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### **China and Egypt: The Continuation of a Long Friendship<sup>24</sup>**

**Bjorn H. Nordtveit, Faculty of Education, University of Hong Kong**

Email: [bjorn@hku.hk](mailto:bjorn@hku.hk)

**Keywords:** China; Egypt; Islam; Arabic; cooperation; education; language

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<sup>24</sup> The research related to this article has been financed by the University Grant's Committee (UGC) of Hong Kong's General Research Fund (GRF), reference no.750008.

**Summary:** This piece gives an overview of Sino-Egyptian relations in language education, focusing on Islam, mutual aid and win-win relations.

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The Egyptian Pavilion in the Shanghai 2010 exposition had as its theme, “Cairo – mother of the world” and, according to an interview with the Pavilion Director, strove to show continuity between the past and the future. The director underlined that the “two oldest civilizations in the world” had a number of commonalities, including education. Citing the Prophet Muhammad, who famously declared, “Go in quest of knowledge even unto China,” the director noted that the two countries have seen increasing cooperation in education over the last 50 years, dispatching Egyptian teachers to China to teach Arabic, and receiving Chinese students who are coming to Egypt to study language and civilization. For those not so fortunate to be able to go, the pavilion received about 40,000 visitors every day, streaming through the strikingly modern black-and-white pavilion to enjoy its exposition of objects old and new, films and pictures, exploring “how to face the challenges of the present and future based on experiences of the past.”<sup>25</sup> Most of China’s own development can be characterized with the same question. One particular group of the Chinese population may view the answers of that question in a particular light: the twenty million (or more)<sup>26</sup> Muslims in China, for many of whom the learning of Arabic is essential. Whereas most Chinese learn Arabic in China, an increasing number also study it abroad.

According to an interviewee at the Chinese Embassy in Cairo, many Chinese students come to Egypt to study Islam. This is also underlined by the Embassy’s web site, which indicates that modern cooperation in education started as early as the nineteenth century, when “in 1841, Ma Fuchu, a theologian and Islamic scholar of the Qing Dynasty came to the Al-Azhar university, setting a precedent for the Chinese students studying in Egypt.”<sup>27</sup> According to the embassy, in 1931 China began to send students to Egypt regularly, and this educational cooperation continued in 1949 when the People’s Republic of China was founded. China’s need to learn Arabic has, according to several scholars, recently entered a new phase. As noted by Jackie Armijo, “At a time of rapid economic development and growing social unrest, and as income disparities escalate and government social welfare benefits disappear, increasing numbers of Chinese are seeking ... a faith that has survived for over 1,300 years in China, through periods of isolation, state persecution and state support: Islam.”<sup>28</sup>

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<sup>25</sup> Expo Pavilion Archive, Egypt, retrieved from: [http://en.expo2010.cn/c/en\\_gj\\_tpl\\_86.htm#gk](http://en.expo2010.cn/c/en_gj_tpl_86.htm#gk)

<sup>26</sup> Little agreement seems to exist on the number of Muslims in China. Estimates vary between 10 and 100 millions. Most estimates seem to agree on 20-25 million.

<sup>27</sup> Chinese Embassy in Egypt, retrieved from: <http://eg.china-embassy.org/eng/zaigx/jyjil/t76340.htm>

<sup>28</sup> Armijo, J. (2006). Islamic Education in China. *Harvard Asia Quarterly* 10(1).

However, not all Chinese students in Egypt seek to learn Arabic for religious reasons. A group of students from Beijing interviewed in the summer of 2009 at the Suez Canal University in Ismailia seemed more motivated by the economic and cultural reasons that were later displayed at the Egyptian Pavilion in Shanghai. One student said, “There are 22 Arabic-speaking countries in the world – a huge territory – and encouraging futures in all the industries. Very few people in China study Arabic, so we will have good job opportunities.” Several others echoed these reasons for coming to Egypt to study.

The same university, Suez Canal, also provided Chinese teaching for Egyptian students, who were possibly less attracted by the words of the Prophet than by the ever-increasing mass of tourists from China. A Chinese teacher at the university noted that there were three main reasons for learning Chinese: for tourism, as a translator, or – “the big dream” – to enter the academic world to teach Chinese. Interviewed Egyptian students who wanted to become translators or to work in businesses with Chinese companies, confirmed this. One student said, “There are Chinese people everywhere, so we must learn to speak Chinese;” whereas others had academic goals: “I would like to go to China to teach Arabic.”

According to an interviewee at the Chinese Embassy, the number of Chinese tourists has increased from zero only ten years ago to over 100,000 annually at present. This also increases the need for Chinese teaching at Egyptian Universities, and, according to interviewee, “our most important cooperation is language instruction, which has developed very fast in recent years.” As a proof, the Embassy pointed out that before 2000, only one university offered Chinese instruction: the Chinese Department at the Faculty of Al-Alsun at the Ain Shams University. Currently, four additional universities have established Chinese Language Departments: in Cairo, Suez Canal (Ismailia), Al-Azhar (Cairo), and at the Misr University of Science and Technology at 6<sup>th</sup> of October City. As for Al-Alsun, the Chinese department was founded in 1958 with a handful of students and currently has 30 instructors and over a thousand students. Most of the students are girls: “because girls in Egypt prefer languages; some also say they’re better than boys [in languages].”

At least three main venues for language education are open for Egyptian students: Chinese Language Departments in the aforementioned five universities, which are open for students and leading to normal university degrees in Chinese language. A second option consists of Confucius Institutes, of which there are two in Egypt: in Cairo and Suez Canal Universities, and a Confucius Classroom in Alexandria. Although they are located within University structures, the Confucius Institutes are open for all, not only for students. Also, they tend to offer a less formal and theoretical education, and therefore attract students that are less interested in academic work or formal translation jobs. Many of the students at the Chinese Language Departments also enroll in the Confucius Institutes, to get more oral practice in Chinese (in Ismailia, about 60% of the students at the language department also enrolled in the Confucius Institute). A third venue for learning Chinese is offered by the Chinese cultural center in Cairo. Of course, private tutoring offers an additional, less formalized possibility for learning Chinese.

The Director of the Egyptian Pavilion in Shanghai said that Egypt is seen as a gateway to Africa, and the Chinese are interested in the country, both for tourism and for investment. For education, the two oldest civilizations seem to be well matched:

both offer something the other needs: culture, business, or religion. The Chinese scholarships for Egyptians to go to China are matched with Egyptian scholarships for Chinese to go to Egypt. In the aftermath of the Sichuan earthquake, Egypt also provided 50 tons of relief goods to the area, transported to Chengdu by special planes.<sup>29</sup> The Fourth Forum on China-Africa Cooperation (FOCAC) took place on November 8 – 9, 2009, in Sharm el-Sheikh, Egypt, with 49 African heads of state or government attending the opening ceremony. In hindsight, it seems as if China and Egypt's cooperation in education, instead of being dominated by discourses of "aid" and "donor-recipient" relations, seems rather to be the continuation of a long friendship.

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### **China – A Not So New Donor?**

**Henning Melber, Dag Hammarskjöld Foundation, Uppsala**

Email: [henning.melber@dhf.uu.se](mailto:henning.melber@dhf.uu.se)

**Keywords:** China; Cold War relations with Africa; Tazara Railway; post-Cold War relations

**Summary:** China is not a newcomer to Africa. The question is what is new about China in Africa?

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The new offensive pursued by China, which is expanding aggressively into African markets and seeking access to the fossil energy resources and other minerals and metals it needs to fuel its rapid industrialisation process as the most eminent emerging economy, represents a shift towards a new multilateral rivalry. This new stage of competing forces has resulted in a plethora of recent analyses dealing mainly if not exclusively with the Chinese impact on and practices in African countries. Interestingly enough, the EU and US policies and practices in the continent seem almost to have faded away from the picture. But the current type of Cassandra-prophecies presents a rather one-sided story. Selective narratives tend to downplay the damaging external effects, which the existing socio-economic imbalances and power structures have created and consolidated over a long period. The criticism raised towards China is more an indicator of an increasing fear of countries losing their own economic interests in Africa than being motivated by a genuine concern for the African people.

Ever since the Bandung Conference in 1954, Chinese foreign policy included ambitions for a hegemonic role in the South as part of the Sino-Soviet rivalry and competition. China pursued a pro-active, interventionist policy with regard to African countries in its support to liberation movements and governments in newly independent states. This expansionist policy under the flag of anti-imperialism was at times guided by disastrous misjudgments and resulted in not only financially costly adventures under Chairman Mao, but came also at the expense of human lives. More

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<sup>29</sup> PRC (MOFA). (2009). *China's Foreign Affairs, 2009*. Beijing: World's Affairs Press.

recently, Chinese foreign policy has displayed an even more active (though still low profile) policy of going abroad.

The aid architecture which emerged with the independent states as a programmatically defined commitment during the 1960s has been through a variety of changes since then. Despite continuous South-South collaboration dating back to the already mentioned Bandung conference and notwithstanding the socialist internationalism, it has always been perceived as a Western approach to assist the African countries in a process termed development. It is often overlooked that China had its share in supporting African governments in their aspirations towards more sovereignty and development not only by her rhetoric but also in practical terms.

One of the single biggest and most ambitious infrastructural projects of the mid-1970s was the Tazara railway, connecting the Zambian copper belt with the port of Dar-es-Salaam. Western donors considered this as a megalomaniac affair, which China would not be able to pull off. It indeed proved to be difficult to get into operation and – more difficult even – to maintain it operationally. Almost at the point of collapse, it has since then been revamped and remains an asset. Instead of making China a laughing stock, it became considered a project of exemplary support for further economic cooperation and self-reliance between two neighboring countries, and China. It shaped as much the positive image among African governments towards Chinese collaboration as the plethora of public buildings such as state houses and other representative monuments of government power. Maybe even more importantly the sports arenas (in the main football stadiums), which the Chinese built over decades as a token of friendship, impact on public perceptions. The World Social Forum, which took place in Nairobi in January 2007, had a Chinese-built stadium as the venue.

Not that this positive image would protect the current Chinese onslaught from critical repercussions, mainly from ordinary people affected in their daily struggle for survival by the new competition from abroad. But more than half a century into decolonisation, China had established a track record, which made her in African eyes anything but a new kid on the bloc. It can build on decades of friendly relations established at least with governments and individual leaders, if not with the ordinary people.

With China and other new powerful actors joining and challenging the earlier established network of external relations between African countries and the rest of the world, one needs to re-visit the aid and development paradigms to see if and how they change or how the changing economic relationships impact on defined priorities as well as potential collaboration among old and new donor countries.

Several fundamentals of the current aid paradigm and policies are under scrutiny when taking into consideration the Chinese ‘constructive engagement’ in Africa. These include among others the following essentials:

- the role played by multilateralism versus bilateral relations among states;
- the balance between collective responsibility and national sovereignty;
- the prominence and preference given to either hard (infrastructural) or soft (good governance and institutional capacity building) priorities.



These areas touch upon earlier debates dating back to the days of the developmental state policy of the 1970s. The official notion propagated then (largely by governments accountable mainly to themselves) had demanded development first, human rights and democracy later. It contrasted with the later established, post-Cold War era understanding that there is no sustainable development without institutionalised democratic norms and the entrenchment of human rights and their corresponding values.

It remains to be seen, if the proponents of the two views find a way to shift towards convergence of priorities in one coherent framework, which gives sufficient recognition and space for implementing both approaches in a complementary fashion to induce and promote sustainable development for the benefit of a majority of the people in the countries. Put differently the question is if the external stakeholders move back into geopolitics reminiscent of the earlier Cold War period or if the ground is laid for more *Realpolitik* seeking benefits for all stakeholders, not least the hitherto marginalised at the receiving end.

The Chinese track record emerging is not an indicator of a new trajectory, which would benefit the majority of the African people. More so, the Chinese foreign policy gospel of non-interference is an attractive tune for the autocratic leaders and oligarchies still in power, be it in Angola, the People's Republic of Congo, Equatorial Guinea, the Sudan, Zimbabwe or similar societies still run to a large extent like private property of cliques. Double standards and differences between official rhetoric and practical action are not so different from those who demand democracy elsewhere only when it suits their other interests and remain generously passive on human rights violations when these are committed by "friendly" regimes or those countries in which vested economic interests dominate the relations. In that sense, China is a not so new a donor in both meanings one can read into the title.

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### **Avoiding Traditional Approaches? The Case of South African Development Aid**

**Elizabeth Sidiropoulos, South African Institute of International Affairs,  
Johannesburg**

Email: Elizabeth.Sidiropoulos@wits.ac.za

**Keywords:** South African Development Partnership Agency; African Renaissance Fund; South-South cooperation; mutual benefit

**Summary:** South Africa (SA) has avoided being characterised as a 'donor', and has been unwilling to adopt the DAC framework in its assistance. Instead SA has emphasised that it is a partner in development.

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In her budget speech in April 2010, the South African minister of international relations and cooperation, Maite Nkoana-Mashabane, announced formally that she would soon table a bill to establish the South African Development Partnership

Agency. This would provide a 'legal framework to the execution of our foreign policy and facilitate more effective cooperation'.

This legislation, which has not been tabled to date, does not signal the start of South Africa's development cooperation; rather it is driven by a desire to consolidate and provide an overall government framework for an activity that has been happening for many years – preceding in fact the end of apartheid in 1994.

SA's development cooperation during apartheid was driven largely by the National Party government's ineffectual efforts to bolster its support in a few African countries in an attempt to win friends and buy votes at the UN. Development assistance was also designed to support the so-called 'independent homelands' or Bantustans in South Africa.

Since 1994 a different, more legitimate set of imperatives has determined SA's development cooperation, encapsulated in its 'African Agenda' foreign policy priorities. These were driven first, by the necessity of the new democratic government to re-integrate SA into Africa (i.e., to return the country to its African identity) and second, by the aversion to the apartheid government's destabilising 'hard power' policies that it had wielded in the region. Democratic SA believed that its own transformation carried lessons for others, and that it had a responsibility to help bring peace, security and development to the continent. This was not only because many countries in the continent had helped the anti-apartheid struggle, but also because a stable hinterland would no doubt be good for SA's own development and growth.

In the spirit of South-South cooperation, SA has avoided being characterised as a 'donor' – a point made by other new cooperation partners such as China, India and Brazil. Nor has it been willing to adopt the DAC framework in its assistance. Instead, SA has emphasised that it is a partner in development, without the political conditionalities or tied aid of Northern development aid. (For example, assistance is not conditional on SA experts being used.) SA's cooperation is project-based rather than budget support. Unwilling to be considered a 'hegemon' in Africa, SA has sought to develop its assistance in ways that respond directly to requests from other African states.

SA's development cooperation has ranged from pre-election support to the Democratic Republic of Congo (DRC), assisting with water supply in Katanga province (DRC), to the Burundi peace process and capacity building and public service training in Southern Sudan. Other projects include agricultural support around phytosanitary measures and science and technology cooperation.

The African Renaissance Fund (ARF) of the Department of International Relations and Cooperation was established in 2000 to enhance cooperation between SA and others (especially Africa) through the promotion of democracy, good governance, prevention and resolution of conflicts, socio-economic development and integration, humanitarian assistance and human resource development. While it accounts for only a small proportion of overall development assistance, as estimated by National Treasury, it operates within a legal framework with clear objectives, although still without sufficient monitoring and evaluation systems in place.

Many government departments, parastatals, government agencies and other statutory bodies undertake initiatives in other African countries, outside the ARF, although largely promoting its objectives. In 2006 Treasury embarked on a survey to map out SA's development cooperation across government, realising that if the government is to measure how much aid it disburses and how effective it is in achieving certain objectives, there needs to be more coordination and tracking. The new development agency may well fulfil such a function, although it is not clear whether the assistance provided by numerous government ministries and parastatals is to be integrated into such an agency.

Is SA's development cooperation different from traditional approaches? In truth, much of SA's assistance, whether it be in conflict resolution or post-war state reconstruction and development, has not been explicitly linked to either political or economic conditionalities. So much so, that a number of senior officials in government in recent years have, in private, lamented that notwithstanding SA's substantial efforts to bring peace and stability to various countries, it has not benefited from subsequent economic opportunities in the post-war environment; nor has it increased its influence or related 'soft power' leverage. Will this view, to extract greater political capital from development cooperation, prevail as SA establishes its development agency? Or will the political sensitivities around 'hegemony' and 'big brother' result in SA's emphasising its assistance as being in the spirit of South-South cooperation and hence as mutual benefit, rather than donor-recipient?

Under President Zuma, SA's foreign policy in the last year has emphasised commercial diplomacy and bilateral relations with key countries. Both are driven in some measure by the huge socio-economic challenges the country faces, of which unemployment is the biggest scourge. But there is equally much scope for SA to build alliances and influence in Africa in pursuit of its vision for itself and the continent. Furthermore, the government's tighter fiscal space in the current global economic climate requires a more judicious expending of money both at home and in its international cooperation. All this may point – at least behind the scenes – to a more hard-nosed approach to the drivers of its development cooperation in the future. As SA's development cooperation becomes more streamlined and coordinated, the government may find it difficult to balance South-South cooperation solidarity rhetoric with its own perceived economic imperatives, or indeed avoid accusations that its development cooperation masks an underlying commercial and self-interested political agenda. This won't be unique to SA, but SA may be more politically sensitive to its image and identity and how such perceptions may affect these.

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### Exceptionalism in South Africa-China Relations<sup>30</sup>

**Kenneth King, Hong Kong Institute of Education, NORRAG**

Email: [Kenneth.King@ed.ac.uk](mailto:Kenneth.King@ed.ac.uk)

**Keywords:** South African Development Partnership Agency; cooperation in education and training; symmetrical partnership; South African expertise on China-Africa

**Summary:** This article notes a number of the features that make China's cooperation with South Africa different from its relations with many other countries in Africa. In some ways, South Africa is an excellent example of the win-win, mutually beneficial cooperation that China so frequently promotes.

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South Africa stands out. It is the only African country that has historically had a resident population of Chinese going back long before the more recent migration of Chinese to many countries in Africa (Yap and Man, 1996). Unlike many other African countries, South Africa had relations with Taiwan from 1976, and only switched to diplomatic relations with China very recently in 1998. Over the 12 years since then, there has been intense cooperation. Despite not being an oil exporter, South Africa's two-way trade with China has reached more than \$16 billion dollars. China's much quoted preference for symmetrical, win-win cooperation between equals, rather than aid relations, is illustrated by its partnership with South Africa. A bi-national commission between the two countries was established in 2000; and there are now over 50 cooperation agreements in nuclear energy, science and technology, as well as in culture, education and tourism. The importance of scientific cooperation is signalled by the presence of a Chinese Science and Technology Counsellor, the only one in the whole of Africa, apart from Egypt.<sup>31</sup>

South Africa also has one of the only Chinese Education Counsellors in the whole continent, again apart from Egypt. The presence of these education counsellors points, not to aid relations, but to countries where historically significant numbers of students from China could be found, and is therefore a commentary on the quality and attraction of the universities in South Africa rather than on the numbers of South Africans seeking university education in China.

South Africa is also unusual in being one of the only African countries to be in the process of setting up a development cooperation agency (South African Development Partnership Agency [SADPA]); this will in due course take the place of the African Renaissance Fund. Thus South Africa will, like China, be in the business of providing aid funds to poorer countries at the same time as continuing to receive development assistance from external agencies. The latter will not however constitute more than 1% of gross national income.

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<sup>30</sup> The wider research on China-Africa education cooperation, related to this article, has been financed by Hong Kong's General Research Fund (GRF), ref no.750008.

<sup>31</sup> Science and Technology Counsellors at the country level are widespread in China's embassies in Europe, North America, East and South Asia.

A further area in which South Africa is different from other African countries in its relations with China is that apart from the community of Chinese South Africans who have been here for a long time, South Africa also has the largest number of new Chinese residents on the continent.<sup>32</sup> As elsewhere in Africa, it is difficult to know with any precision the number of these economic migrants but the total is widely said to be around 300,000; and some estimates reach half a million. Intriguingly, when Taiwan was linked diplomatically to South Africa, its migrant population reached a total of 30,000 in the eighties and early nineties, a key element of them being industrialists responsible for setting up factories in the remoter parts of South Africa. Taiwanese numbers have since declined dramatically, and are now around 6,000 (Park, 2008: 166).

A last dimension on which South Africa is special is that it has become the source of a great deal of the knowledge about what China is doing in all parts of Africa. The Centre for Chinese Studies started in the University of Stellenbosch in 2004, as the first and still the only Centre for Chinese Studies (CCS) in Africa. It has covered a great deal of China's engagement in Africa over the past 6 years including, for instance, on infrastructure development, the relevance of Chinese agricultural technology for Africa, China's aid modalities in Africa, patterns of Chinese investment, aid and trade in specific countries, and, most recently, an evaluation up to 2009 of the Forum on China Africa Cooperation which for the last ten years has been the key umbrella mechanism for China's engagement with the whole of Africa. Apart from this commissioned research, there have been academic articles, but also very valuable for scholars following China-Africa developments have been the Centre's weekly *China Briefing*, and its almost 50 issues of *The China Monitor* ([www.ccs.org.za](http://www.ccs.org.za)).

Following the move of its first director, Martyn Davies, from CCS to the Gordon Institute of Business Science (GIBS) of the University of Pretoria in late 2009, there has developed a further South African source of regular China-Africa information and analysis through the launch of the China Africa Network (CAN) and the *China Africa Business Weekly* (from March 2010) as well as the monthly *China Africa Focus*. This new network has a much more explicit business focus than the CCS, and it intends 'to facilitate and promote the competitiveness of African private sectors and economies vis-a-vis their engagement with China' (China Africa Network, March 2010).

These special factors in the positioning of China in South Africa make it very different from other countries. China is in some ways both less and more visible in South Africa than in many other countries of the continent. It is not responsible, for example, for any of the massive stadia erected for the FIFA World Cup of June/July 2010, nor is it responsible for driving highways through the great cities and the countryside of South Africa as is so evident in, say, Ethiopia. Nor is the purchase by the Industrial and Commercial Bank of China of 20% of the Standard Bank of South Africa, for more than 5 billion dollars, particularly visible to ordinary South Africans. Perhaps increasingly evident is the opening of Chinese supermarkets and China Town malls in cities and large towns, and even in small rural villages, the Chinese general store is becoming commonplace. China's new embassy, the largest in Pretoria,

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opened in April 2010. It dwarfs that of India which is often called the other ‘Asian Driver’ along with China.

What do any of these special factors imply for China’s role in education and training in South Africa? For the almost 20 years since the unbanning of the ANC and the release of Mandela, South Africa has prided itself on the strong ownership of its policies in education and training. This is reminiscent of India in the same sector. Hence it is understood that any external aid in the education and training sector should fall in line with existing country policies.

When it comes to the main modalities of China’s cooperation in education and training, such as the long-term scholarships and short-term training, it should not be surprising that these are not as salient items of competition in South Africa as in countries such as Kenya or Ethiopia. Equally, as mentioned above, there is as much or even more interest in Chinese students coming to study in South Africa as the other way round. This is, as we have said, a commentary on the quality of the key universities in South Africa in the eyes of the majority of non-white South Africans and overseas Chinese students, rather than any criticism of Chinese universities.

Similarly, when it comes to the introduction of Confucius Institutes in South Africa, there would appear, in some situations, to have been some more questions raised about their role, ideology and positioning in university settings in South Africa than have been raised elsewhere on the continent.

On the FOCAC pledges from the great Beijing summit of November 2006, it would seem that two of the items, the 100 rural schools and the 300 young volunteers, were not seen as particularly relevant to South Africa. But in the case of the latest November 2009 FOCAC Ministerial Conference in Sharm el Shaikh, Egypt, the targets seem particularly germane to South Africa. Indeed it might be argued that the very pledges of China-Africa science and technology partnerships are in a real sense already in place in South Africa, as was referred to above. It might be claimed that the existing model of scientific cooperation between South Africa and China has become the very modality proposed for the whole of Africa in some of the new pledges from FOCAC 2009. However, the China-South Africa collaboration seems to be much more of a genuinely symmetrical partnership than an aid relationship. If the same kind of partnership in science and technology is to be attempted in many of the other countries of Africa, with their weaker scientific and tertiary institutions, it may involve more of an aid mechanism than a regular, symmetrical partnership amongst equals.

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## Russia Returns to Africa

**Pandji Kawe, The University of Ngaoundéré, Cameroon**

Email: kawecm@afrik.com

**Keywords:** Russian aid ; oil, energy, arms ; Africa's Russian debt

**Summary:** Russia is back, and ready to compete. This piece notes the different approach the Russians are taking, as well as highlighting some of its partners in Africa.

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The time has passed when Russia was considered as a major actor of political disturbances in Africa. During the Cold War, while disputing the leadership with the United States and the capitalist world, Russia had to cooperate with many African countries. The 1990s are considered by the historians as a period of recovery. Russia has tried to recover her position of being one of the most powerful countries in the world, and this objective resulted in the end of a frank collaboration with many African countries.

Nevertheless, Africa as a whole was literally indebted to the Russian government. The amount was close to \$25 billion by 1991, and Russia was not ready to cooperate with many of those African countries without the recovery of the debt. This is another reason why it took so long for the Russian government to return to Africa. The admission of Russia to the Paris' Club in 1997 led to the cancelling of the African debt, and opened the way to a new model of cooperation.

Things really speeded up when Vladimir Putin was elected in 2000. Following the wave of many developed and emerging countries being ready to invest in Africa, the Russian leader inaugurated a tour in many countries and signed some important agreements. Generally, the Russian approach is different from the others in many important points:

- While some countries like France, UK or the USA are fastidious about the respect of democracy regulations and human rights, Russia has never made it an obligation for her partners to be democratically oriented.
- Even though Russia has played a major role in some African civil wars, she benefits from a positive prejudice because she has had no colony in Africa.
- Russian aid is specifically oriented in three major areas: energy and raw materials, weapons (remember the old times), and oil.

Since the year 2001, Evgueni Primakov who was appointed minister of foreign affairs visited some African countries which are seen as some of the most important partners of Russia. The Republic of South Africa (RSA) is one of these. The country has signed some important economic agreements with Russia. Since 2006, the manganese located in the Cape Coast is extracted by *Renova*, a company of the Russian billionaire known as Viktor Vekselberg. The RSA benefits also from the help of Russia which is the exclusive provider of uranium for the nuclear South African centre of Koesberg.

Morocco is another major partner of Russia in Africa. The king of Morocco visited Russia in 2002. The agreements between the two countries are one of the most diversified. Morocco has tripled the rate of the oil which comes from Russia, and she sells fish flour and vegetables to the Russian Federation. Neighbouring Algeria is also one of the major actors with whom Vladimir Putin has signed many agreements in 2006, based on the importation of weapons and tanks for an amount of almost \$8 billion dollars.

Angola and Nigeria are the most prolific partners of the Russian Federation in Central and West Africa. Angola has been a partner for decades, during the Angolan civil war from 1975 to 2002, encouraged by Russia. But the ideology is quite different now. Russia is willing to support Angola, and she has provided financial and structural help to build hydroelectric dams and extract diamonds.

Nigeria is an essential partner for Russia. The country is one of the most important oil producers on the continent, and Russia needs energy to diversify its production and renew its markets. Putin and Medvedev interventions led to an agreement between the Russian consortium Gazprom and Nigeria Oil Gas in 2008. The aim is to help Nigeria to discover and exploit additional oilfields with Russian expertise. This also led to one of the most important infrastructural projects in Africa: the construction of a pipeline of 2500 kilometres from Nigeria to the Mediterranean Sea, sponsored by the Russian Federation for completion in 2011.

Many other countries benefit from a close cooperation with Russia. The country intends to become one of the major partners of African development. The Russian approach is not so different from the Chinese one, but differs from that since it is mainly oriented to energy and derived domains. Putin outlined the new partnership between Africa and Russia in June 2009 when he said that “*The traditional areas of influence in (...) Africa have passed into disuse; and Russia is ready to work there*”. Yes, Russia is back, and ready to compete.

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# **NEW (NON-BRIC) ASIAN DONORS**

## **South Korea, the Newest DAC Donor and its Challenges**

**Hong-Min Chun, Korea Institute for Development Strategy, South Korea**

Email: [andrewchun@kds.re.kr](mailto:andrewchun@kds.re.kr)

**Keywords:** Emerging, DAC donor; North Korea; KOICA; EDCF; ODA/GNI ratio

**Summary:** South Korea's ODA has been increasing rapidly as it has successfully transitioned from a recipient to a donor by joining the OECD/DAC in Nov 2009. Yet its challenges remain to improve the quality of aid to meet increasing expectations from the developing partners.

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### **South Korea, the newest DAC donor**

South Korea joined the Development Assistance Committee (DAC) of OECD in November 2009, which was a remarkable breakthrough for a country in absolute poverty just sixty years ago. South Korea was one of the poorest countries in the early 1950s experiencing colonization and civil war. Its per capita GDP was around \$80 in early 1960s. This soared to \$10,000 in mid 1990s when it became an OECD member in 1995, and it achieved the level of \$20,000 in 2009.

To meet growing expectations from the international development society, South Korea has been increasing its ODA volume rapidly. The country has announced to increase the ODA/GNI ratio to 0.25% by 2015 from its current ratio of 0.09%. It is also reviewing overall policies, contents and processes of its ODA to incorporate DAC guidelines whilst balancing that with its national agenda for Korean aid. Discussions and debates are going on among the government, politicians, civil society groups and academics regarding reforms to Korea's ODA activities.

### **Major characteristics of South Korea's ODA**

There are a number of characteristics of South Korea's ODA that may be common with non-DAC donors.

First of all, Korea has a dual system of ODA where Korea International Cooperation Agency (KOICA), under the guidance of the Ministry of Foreign Affairs and Trade, controls grants and technical cooperation of Korea's ODA while the Economic Development Cooperation Fund (EDCF) of Korea's Exim Bank, under the guidance of the Ministry of Strategy and Finance, is responsible for the soft loans to developing countries. There is a coordinating body of the dual system within the Prime Minister's office; yet the execution of aid is largely done by KOICA and EDCF.

Secondly, despite the recent increase, Korea's ODA/GNI ratio is still among the lowest for OECD members. Korea's ODA disbursement reached 0.09% of GNI in 2008 while the average for DAC members reached 0.31%. Portugal, which is a DAC member with a similar level of GNI per capita to Korea's (USD 18,950), contributes about 0.27% of its GNI to ODA, a ratio three times greater than that of Korea.

Thirdly, Korea's grant ratio (the portion of grant aid out of the total bilateral aid) is relatively lower than that of DAC donors. The grant ratio of Korea was 63.7% in 2008, while that of DAC members marked a level of 87.5%. The figure becomes lower when it comes to aid for the least developed countries (LDCs). The OECD peer review team mentioned that "in 2006, loans made up 60% of Korean bilateral aid to least developed countries (LDCs) and grants 40%."

Other characteristics of Korea's ODA include a relatively high tied ratio, geographical concentration to Asian countries, and a relatively large number of recipients. Especially on the final point, Korea provides aid to no less than 114 countries despite a relatively small volume of bilateral ODA with 539 million USD. On average, DAC members provide assistance to 110 countries with the average ODA volume of 26.4 million USD per recipient. Korea's ODA volume per recipient is only 4.3 million USD.

### **Key challenges for Korea**

One of major reasons behind these characteristics is the lack of consensus regarding the objective of aid within Korea. Its export-oriented economic structure, as well as strong dependence on the US for security matters pressures the policy makers to seek ways of furthering its national interests through aid rather than solely pursuing humanitarian objectives.

Thus, the annual volume of assistance to North Korea is nearly the size of yearly ODA disbursements, which stands as another challenging factor against increasing the ODA volume. Assistance to North Korea mainly consists of loans, development food aid, project aid and humanitarian aid. Any sudden change in the regime of North Korea will directly affect Korea's commitments for increase of ODA.

Also, getting a balance between harmonization of aid while maintaining Korea's unique value of its aid poses another challenge. There are currently over 30 donors per recipient country, which leads to strong competition among donors for recipient recognition. However, international guidelines for aid effectiveness recommend stronger coordination between donors and the use of multilateral approaches. Therefore, it is a key concern particularly for all new donors to achieve visibility in an increasingly harmonized system.

### **Korean initiative for a new development paradigm?**

The G20 Summit and the 4<sup>th</sup> High Level Forum on Aid Effectiveness will both be held in Seoul in 2010 and 2011 respectively. They are expected to bring a new perspective on the current development framework of 'MDGs' and 'Aid Effectiveness'. It would be interesting to see whether a growth-based development framework based on Korea's own development experience can become an alternative, supported by developing countries and traditional donors alike in coming years.

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### Korea: ‘Something Old’ and ‘Something Borrowed’

Soyeun Kim, University of Leeds

Email: [s.s.kim@leeds.ac.uk](mailto:s.s.kim@leeds.ac.uk)

**Keywords:** Korea; Japan aid model; aid norms; development model; KOICA; EDCF

**Summary:** Korea’s aid system has been influenced by diverse factors including the historical ‘experience’ from its own economic development, the aid relationship with Japan.

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Researchers have begun to critique the rather dichotomist approach to emerging donors through such categories of DAC vs non-DAC, and ‘traditional’ vs ‘emerging’. This tendency has thus far reduced them into a set of ‘deviances’ for what they are not. However, in order to better gaze at and engage with emerging donors, it is critical to understand their diverse historical and experiential contexts in which their current aid architecture/strategies have been shaped and moulded. Korea makes a fitting contribution to further this query by highlighting how its aid system has been influenced by various factors.

#### ‘Something Old’ from the past experience

Korea’s ‘proven record’ of economic development seems to appeal to the hearts of many developing nations. It emphasises how the country successfully overcame the devastating experience of colonialism and civil war, and has risen to the world’s fifteenth largest economy to date. In selling the so-called Korean model packed with its own development experience, Seoul aims to achieve a competitive edge while vowing to serve the role of a bridge between the developed and developing nations. This is clearly epitomised in President Lee Myung-Bak’s recent keynote speech at the 9th IISS Asia Security Summit: “... a young boy who once stood in line to receive used clothes from foreign missionaries now stands before you as president of the Republic of Korea. *I know what it is like to be in want. I have benefited from other peoples’ compassion and so I know more than others what kind of help should be given to those in need.*” This ‘compassionate’ approach is also evident in the Knowledge Sharing Programme (KSP) and the Saemaul movement programme as they claim to provide an alternative to the mainstream (neoliberal) model for the

developing countries. However, this ‘we know best’ approach, if not careful, will bring a potential risk of imposing what is perceived as effective/successful by the Korean government.

### **‘Something Borrowed’ from Japan**

Japan’s influence on Korean aid is a relatively little commented topic so far. Korean officials in the 1980s visited Japan to study Japan's (advanced) aid system. Many JICA senior officials during my interviews made positive comments on this historical cooperation. Thus, the Korean aid system was initially modelled on the Japanese one, which is evident in Seoul’s two pillar aid system: grant aid through KOICA (Korea International Cooperation Agency) and concessional loan assistance through EDCF (Economic Development Cooperation Fund). Japan previously handled grant aid through JICA (Japan International Cooperation Agency) and Yen loans through Overseas Economic Cooperation Fund. While copying the system, Japan’s then fragmented aid organisation/management was also inherited – a major obstacle for effective aid delivery identified by the 2008 DAC special review report. There are two major ministerial powers Ministry of Foreign Affairs and Trade (overseeing KOICA) and Ministry of Strategy and Finance (overseeing EDCF), and about 30 other ministries/agencies/municipalities executing their own ODA budget/projects in developing countries. And, although Japan now has a single ODA agency JICA, its aid system still suffers from almost identical ministerial turf wars in securing vested interests. In addition to these structural commonalities, Japan and Korea also share ideas/philosophy on economic development. As such, both put great emphasis on the state-directed growth as well as the recipients’ self help through loans, infrastructure development, and education.

However, this ‘something borrowed’ raises an interesting yet important question – why has Korea chosen Japan over other advanced donors such as the UK or US in adopting a model for its new aid system (despite the fact that the US was the largest donor to Korea)? Some Korean officials and academics have pointed to the colonial legacy and cultural proximity which possibly made it easier for Korea to internalise Japan’s system and norms over Western donors. Yet, such commonalities discussed above – whether through similar internalisation or not – are also observable among the emerging donors such as China and Thailand that have been major recipients of Japan’s ODA. It will be indeed an interesting future research to investigate whether recipients internalise development norms through aid and internalise certain aid norms over others – and, if so, how and why.

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### **Rising from the Ashes of War: the Republic of Korea and its Role in the Global Agenda**

**Gwang-Jo Kim, UNESCO Asia-Pacific Regional Bureau for Education, Bangkok**

Email: [gj.kim@unesco.org](mailto:gj.kim@unesco.org)

**Keywords:** DAC membership; ODA/GNI ratio; Korea's development experience; poverty eradication

**Summary:** South Korea has emerged as an important G-20 nation and new member of the DAC. This article briefly tracks South Korea's rise, noting that it has become a 'bridge' between still developing countries and donor nations. It comments on the challenges that Korea still faces.

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The Republic of Korea (ROK or South Korea) marks another milestone when it hosts the G-20 Summit in November this year. While it may be less spectacular than the Olympics and other international events hosted by the country in the past, the G-20 Summit probably carries the same importance but is of deeper significance. Hosting the G-20 Summit is a confirmation of ROK's belonging to an exclusive group of the world's most developed nations, a proper recognition of its hard work to achieve that status, an accomplishment that has been honored by its membership of OECD/DAC earlier this year. It is an immense source of pride for a country which, only half a century ago, was one of the world's poorest with a GDP per capita of less than USD 100. Nearly four decades of Japanese colonization and three years of Korean War denied the country any chance to develop; its people were subjected to deprivation, condemned to live in misery and desolate conditions. That desperate situation lasted until the early 1960s. Today, ROK is a vibrant example of a well-functioning democracy with a dynamic economy that has successfully transformed locally-made products into highly-respected global brands led by Samsung, Hyundai, LG, to name just a few.

A generation ago, the ending the vicious cycle of absolute poverty had to start from scratch since there was nothing – no capital, no technology, and no resources – to work with other than people themselves. ROK's industrialization and democratization owe much to its state-led development strategies with catch-words such as "let's live a better life" and "Saemaul Undong (New Village Movement)" that inspired people to work harder, fueled their determination to beat the odds, and succeed. It must of course be remembered that ROK benefitted greatly from international aid – not only financial but also knowledge and technology.

ROK is the only country from the developing world to have become an official member of the donor community. Its distinctive trajectory of development places it in a unique position to act as a bridge that, hopefully, will not only connect the two divided worlds but may also serve to greatly reduce the disparities between the two. In playing such a role, ROK has to reflect seriously on what it can offer to the rest of the world. But first, it must address one important question: is the country – by virtue of its extraordinary experience and great achievements – fully equipped to render assistance to other countries?

In a world plagued by economic crises, natural disasters and armed conflicts, increasing ODA as a member of OECD/DAC is certainly one of the immediate actions it can undertake although it only partly addresses the problem of declining level of development assistance. Maybe more important will be to share its development experience and know-how before they become obsolete. Unlike other OECD countries, ROK has one or two generations of people – including myself – who have lived through periods of “absolute destitution” and “compressed development” and hence possess unparalleled experience in dealing with poverty alleviation. Moving from the individual experience, the transformation of ROK from being an aid recipient to that of a fully-fledged donor by espousing the right development strategy, supported by people with strong determination to succeed, can probably inspire other countries and people in similar situations to reject apathy and adapt a “can do spirit” that served ROK well and allowed its people to excel.

Following its accession to OECD/DAC, it may be useful to take a step back and ask if ROK is living up to international expectations. In this regard, it will be crucial to know whether ROK will deliver the promise to double its ODA as President Lee Myung Bak has pledged on several occasions. More crucial still is the question of how. In 2008, ROK’s ODA spending was only *0.09% of its GNI, far below the average ODA/GNI (0.31 %) of DAC member nations. The target ratio of the UN by 2015 is 0.7%, compared to ROK’s target of 0.25%.*<sup>33</sup> *Unless ROK revises its target upward to bring it to a par with the other DAC members, and that of the UN, it may have to face the harsh reality of being unfairly criticized by those placing upon it some high expectations.*

Another challenge that ROK must overcome for it to be considered a true international leader lies in its people’s mindset and behavior. Being ethnically and linguistically homogeneous, Koreans have shown an inward-looking tendency in dealing with international agendas, preferring to keep their distance or shying away from engaging or taking a lead in global issues such as poverty alleviation, climate change responses and sustainable prosperity. With so many more global-scale challenges now than ever before, the world is in desperate need of a new wave of thinking to find alternative solutions to development. To this end, it is a good time for ROK and its people to demonstrate “noblesse oblige” to the development community. If it does, it would be a ray of hope for many countries in the world as it arose from the ashes of war. It could and should act as an honest, compelling and yet not intimidating broker to narrow the gap between the rich and the poor.

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<sup>33</sup> <http://www.odakorea.go.kr/>

## **Thailand's Official Development Assistance: A Partner for Capacity Building**

**Banchong Amornchewin, Ministry of Foreign Affairs, Bangkok**

Email: banchonga@mfa.go.th

**Keywords:** Thailand; TICA; CLMV (Cambodia, Laos, Myanmar, Vietnam); South-South cooperation; tri-lateral cooperation

**Summary:** Thailand prioritizes its support in the CLMV countries and uses capacity building and technical assistance as major avenues of assistance.

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Since 1992, Thailand has emerged as a new development partner as the government has shifted its policy to render more support to other developing countries. With its almost three decades of receiving technical assistance from various external sources, the country is now transferring its knowledge and know-how as well as experiences gained from the past to her partner countries. This has been working through south-south cooperation with developing countries, based on the view that the learning processes need to take the issue of context to heart.

### **Strategic Framework**

The objectives of Thailand's ODA are to support developing countries in reducing poverty by increasing their capabilities for sustainable development, to strengthen cooperation at regional and sub-regional levels, to extend partnerships with other donors in development cooperation, and to promote Thailand as a center for development cooperation. A strategic framework has been prepared for 2007-2011 to meet those objectives. Key strategic issues to be implemented are to promote human resource development, supporting Thai experts, volunteers, and institutes to work internationally, sharing experiences of the alternative development of a self-sufficient economy, promoting more proactive bilateral cooperation and regional (Asian) and sub-regional (Greater Mekong Sub-region) cooperation, extending partnerships for development cooperation, and strengthening public-private sector cooperation as well as civil society.

Thailand prioritizes its support to its neighbouring countries (Cambodia, Lao PDR, Myanmar, and Vietnam) in using technical assistance to support and to boost economic activities. This is intended to narrow the gap in economic growth between Thailand and its neighbouring countries in order to support their regional integration. However, the ODA programme, particularly that related to human resource development, currently covers more than 88 countries from all continents. In 2009, Thailand funded 3,090 participants to attend short and long term training. Among these, 165 fellowships were granted mainly for master's degrees. During 2003-2008, Thailand funded 12,298 participants' training in various fields. The key areas of cooperation are agriculture and rural development, community-based economic development, public health, natural resources environment and energy, tourism, education and human resource development.



### **Partnership and Tri-lateral Cooperation**

The country has extended the partnership or tri-lateral cooperation with other donors. This provides a new framework for development cooperation among partners in a joint effort to support other developing countries. At present, Thailand International Cooperation Agency (TICA), a focal agency for administering the ODA programme, has collaborated closely with the German government in implementing the educational program in Lao PDR. In addition, Thailand has also continued working on a partnership basis with other donors such as Japan, France, Luxemburg, UNDP, UNICEF, UNFPA, ADB, World Bank, and ESCAP in strengthening countries in the region and beyond.

To prepare to work extensively with other development partners, Thailand joined with UNDP, has accumulated its best practices and lessons learned in development as well as Thai agencies' profiles as sources of expertise. These documents enable donors and developing countries to be selective and to prioritize their chosen cooperation programs with Thailand, and to maximize the sharing and learning from those best alternatives.

### **Future Prospects and Challenges**

Asia is in a time of turbulence and dynamism. Its development agendas are highly complicated with aiming at ASEAN to become one community. This would of course seek the full cooperation of both public and private collaboration to advance mutual interests. What is the most important in achieving this goal is that countries in the region should work together as strategic partners in balancing the strength and reducing their weakness. Countries in the region need to share their best practices to solve the technical bottle-necks they face. In doing this, Thailand places much value on capacity building as a key to the success of sustainable economic and environmental development.

**Further reading:** Readers can connect to TICA to see more detail such as Thailand's ODA Report, a brief strategic framework, and Thailand's Best practices at [www.tica.thaigov.net](http://www.tica.thaigov.net)

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## Human Resource Development from the TaiwanICDF

**Phil Barber, TaiwanICDF, Taipei**

Email: phil.barber@icdf.org.tw

**Keywords:** Republic of China; Taiwan; TaiwanICDF; human resource development; overseas volunteers

**Summary:** This piece gives an overview of the TaiwanICDF's human resource development operations — for programs and projects operated both within Taiwan and overseas, and within the context of Taiwan's own experiences of development.

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The rapid period of economic growth that Taiwan underwent during the 1980s and early 1990s was due in no small part to the effect that education, training and human resource development had in increasing both the quantity and quality of its workforce. From 1970-71 to 1990-91, expenditure on education as a proportion of GDP was raised from 4.5 percent to 6.5 percent. Correspondingly, enrolment in higher education almost doubled between 1981-82 and 1991-92; while between 1980 and 1990, GDP per capita almost quadrupled from \$2,397 to \$8,132.<sup>34</sup> Public investment in education has since remained at around 6 percent of GDP right up to the present day, so contributing to Taiwan's transformation from an agrarian society to an advanced, export-oriented economy with an excellent reputation for trade, ICT, commercial agriculture and aquaculture, and health care.

The International Cooperation and Development Fund (TaiwanICDF) was established in 1996 and is the dedicated national development agency representing the government of the Republic of China (Taiwan).<sup>35</sup> Given the circumstances and factors that influenced Taiwan's own development, the organization places a major emphasis on human resource development. We boost partners' human resource by leveraging the comparative advantages and skills possessed by the Taiwanese workforce, and by exploiting close links to civil society and private sector institutions in Taiwan.

The role of the TaiwanICDF Overseas Volunteer service is characteristic of this approach. Over the past 14 years, 451 short- and long-term volunteers have served in 34 countries, working directly with local citizens to offer the benefit of their practical experience in agriculture, ICT, medicine, environmental protection, or as consultants in business and finance. Since 2001, meanwhile, 618 qualified servicemen have been drafted into the Taiwan Youth Overseas Service, opting to perform similar volunteer duties in lieu of military service.

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<sup>34</sup> Ministry of Education, Republic of China (Taiwan). Datasheet available at <http://english.moe.gov.tw/public/Attachment/9101916565871.pdf>; accessed August 10, 2010.

<sup>35</sup> Specifically, the TaiwanICDF works under the overall direction of the Ministry of Foreign Affairs, whose May 2009 *White Paper on Foreign Aid Policy* is available at <http://www.mofa.gov.tw/public/Attachment/991021195571.pdf>. The *TaiwanICDF 2009 Annual Report* is available at [http://www.icdf.org.tw/english/e\\_pub\\_anual\\_contect.asp?pid=185](http://www.icdf.org.tw/english/e_pub_anual_contect.asp?pid=185).

Within Taiwan, our International Higher Education Scholarship Programs assist partner countries to satisfy an increasing demand for highly qualified individuals. Under an umbrella organization known as the Taiwan International Cooperation Alliance, we presently cooperate with 16 top-ranking Taiwanese universities to offer 24 undergraduate and graduate courses that focus on challenges to development in our partner countries. Since the establishment of the program, 533 students have received scholarships to study for subjects such as agricultural policy development and management, public health, and civil engineering; while as of the end of 2009, 265 students from 28 countries were studying in Taiwan.

A similar setup exists to exploit the benefits of Taiwan's world-class health care systems. In 2006, we formed the International Healthcare Cooperation Strategic Alliance (IHCSA) with a number of Taiwanese hospitals, and manage a Healthcare Personnel Training Program in cooperation with these IHCSA members. This year, 43 medical professionals from 19 partner nations are taking part in an eight-week course of clinical training at IHSCA institutions. Since 2006, a total of 117 doctors, nurses and medical specialists have received hands-on training in Taiwan.

Our annual program of TaiwanICDF International Workshops draws on the "Taiwan Experience" of development, and attempts to strike a balance between theory and practice. Lecturers and consultants from a range of relevant industries pass on first-hand knowledge and advice, while participants also make site visits to successful enterprises and organizations to observe best practices in action. Long-standing workshops have focused on Taiwan's comparative advantages, such as trade and the WTO, agricultural technology, health care management, and human capital management. Over time, newer courses have reflected contemporary trends in development, both globally and within Taiwan: recently, for example, two courses were introduced on the development of the tourist sector; and on cultural and creative industries, and community development. In 2009, 12 workshops were attended by 268 government officials from 54 countries.

All of these regular programs of activities are complemented by a focus on human resource development during overseas projects. Some brief examples from ongoing projects illustrate how concerns for human resource development are integrated into our wider work:

- In the Caribbean and Central America, a focus on ICT has seen the establishment of a number of National ICT Centers, which allow citizens equal access to the Internet, and to modern computing facilities — and ultimately, therefore, to knowledge and education.
- We have also developed a suite of interactive, multimedia learning software for use in TVET programs, focusing on practical experience and on-the-job training. Already in use in college classrooms in Kiribati, the Dominican Republic and Nauru, the software will soon be rolled out in Guatemala, Nicaragua, The Gambia and Tuvalu.
- In El Salvador, three Small Farmholders' Financing Schemes are run on a two-tier structure, in which funding is complemented by technical training in the field, education on marketing and production, and instruction in financial management.

- We continue to invest in research that feeds into higher education and training opportunities for highly skilled human resource in the agricultural sector. In Panama, for example, our Pesticide Residue Testing and Training Project established an on-site laboratory at the Central Agricultural Market in Panama City, accompanied by a parallel testing system in the field. This is a key step toward Panama gaining access to international markets, and their associated financial and social benefits.
- We sponsor an ongoing scholarship program for primary and secondary education in Mongolia, which has now reached over 7,000 children; and recently part-funded the rebuilding of a school in Myanmar after Cyclone Naris devastated the country.

Education, training and human resource development is the priority of much of our work in 42 partner countries across Africa, Asia-Pacific, Latin America and the Caribbean, Central and Eastern Europe, the Middle East and Central Asia. Creating a critical mass of highly skilled citizens is an essential prerequisite for long-term socio-economic growth, and benefits both individuals and the state. The TaiwanICDF believes that a full complement of human resource development services – from hands-on training in the field through to specialist academic instruction – offers the best chance for partners to reduce poverty and achieve sustainable, equitable development.

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### **The South Pacific – a Diplomatic Battleground**

**Hilary Tolley, University of Auckland**

Email:htol002@aucklanduni.ac.nz

**Keywords:** People’s Republic of China (PRC); Republic of China (ROC); Pacific Island Countries (PIC); One-China policy; TaiwanICDF

**Summary:** This piece examines the distribution of diplomatic allegiance to the PRC and ROC among Pacific Island Countries. It highlights how the ‘One China’ Policy has made a diplomatic battleground of the region and discusses how internal Chinese politics has impacted on some specific Pacific countries.

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China-Taiwan tensions date to the end of the Chinese Civil War in 1949 when, as Mao Zedong’s Communists swept to power, the defeated Nationalist government fled to the island of Taiwan. Since then Taiwan has regarded itself as the independent Republic of China (ROC). Mainland China, however, has always regarded it as a rebel region that must be reunited with the People’s Republic of China (PRC) (BBC, 2010). The long-standing tensions that ensued have not remained local but have reverberated around the world.

China’s insistence that nations cannot have official relations with both China and Taiwan has, in effect, turned the South Pacific into diplomatic battleground. Currently, Taiwan has diplomatic relations with only 23 countries worldwide, nearly a

quarter of which are Pacific Island Countries (PIC). Currently six of the sixteen members of the Pacific Island Forum formally recognise Taiwan (Palau, Marshall Islands (RMI), Kiribati, the Solomon Islands, Nauru and Tuvalu); the remaining members<sup>36</sup> (including New Zealand and Australia) side with the PRC. This division of allegiance is by no means static and the ongoing contest for diplomatic recognition places countries such as the Federated States of Micronesia, which are surrounded by pro-Taiwanese Palau, RMI and Nauru under considerable pressure. Indeed, as van Fossen (2007) points out, “available information suggests that the primary motivation behind China’s activities in the South Pacific remains the extirpation of Taiwan’s ‘diplomatic space’. That is, China is deploying its diplomatic and economic resources to stop South Pacific countries from treating Taiwan as a sovereign state.” Counteractively, Taiwan’s motivation seeks support from the small island nations in furthering its goal of UN recognition as a separate entity to the PRC.

Both Chinas have been seen to offer considerable incentives to support these motivations and over the years several Pacific Islands have switched sides in a bid to maximise benefits. States which have switched allegiance from PRC to ROC include Kiribati (2003), Nauru (1980-2002, 2005) and briefly Vanuatu (2003-05); in contrast, in 1998 Tonga switched to mainland China after recognising Taiwan for 26 years (1972-1998).

At the same time, greater understanding of China –Taiwan political relations, together with the economic difficulties and political instability affecting the region, have increased the bargaining power of South Pacific government loyalty and as such has made negotiations more expensive and uncertain (Van Fossen, 2007) in recent years. Many speculate that the resultant “cheque-book” diplomacy has added to (although not caused) many of the region’s problems by manipulating political landscapes and undermining ties between Pacific nations and regional powers such as Australia and Japan (Powles, 2007).

Despite both Chinas professing not to interfere in the domestic affairs of its aid recipients several examples of political interference exist. In the Solomon Islands, for instance, the election of Prime Minister Rini and subsequent riots in Honiara in 2006 have in part been attributed to Taiwan taking a direct hand in domestic politics and supporting individual candidates (Dobell, 2007). Dobell goes on to claim that only about 15 percent of Taiwan’s aid to the Solomons actually goes through projects and loans handled (transparently and accountably) by Taiwan’s International Cooperation and Development Fund. The remaining 85 percent of aid is provided as ‘slush’ funding through the Ministry of Foreign Affairs. While this is hard to verify, it might imply that Taipei’s policy priorities are 85 percent about fighting for international space and 15% development assistance.

China’s recent increased aid activity in Fiji (Brant, 2009) has been seen by some as a classic example of China muscling in and taking advantage of the vacuum left by the sanctions imposed by western donors since the Fiji coup in 2006. Indeed, China’s aid to Fiji has risen sharply - from US\$1 million pledged in 2005 to grant and loan pledges of US\$167 million by 2007 – and now dwarfs Australia’s skeletal commitment of \$27 million for 2008-2009 (Brant, 2010; Hanson, 2008a). It is

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<sup>36</sup> Samoa, Kingdom of Tonga, Cook Islands, Niue, Fiji, Vanuatu, FSM, and PNG

undeniable that China is currently providing much needed aid and investment that is not forthcoming from western sources and Fiji's recently re-instated Look North strategy has been declared to compensate for what Fiji has lost rather than replace Australia and New Zealand (Tarte, 2010). Fiji's aid relations with China in the past, however, have not yielded significant economic gains and there are instances where aid commitments have been announced without the groundwork in place to implement the aid (ibid) or appropriate needs analysis. Indeed, both Taiwan and China have reputations for erecting disproportionately huge, inappropriately designed (and questionably unnecessary) high profile buildings in many PICs, such as the parliamentary complex in Vanuatu, government offices and the National University in Samoa, the \$5 million convention centre in RMI and sports complexes to host the Pacific Games (Fiji, Samoa, Kiribati). These have saddled the countries with often unmanageable operation costs and maintenance bills, thus rendering the investments white elephants in some cases.

China's recent significantly increased support to the Pacific Island Forum Secretariat and explicit funding for the Pacific Plan (Brant 2009) and statements made during Taiwan's recent Pacific visit (Callick, 2010) suggest that both China and Taiwan want to participate in the international 'aid effectiveness agenda' and be involved in more recipient-led development initiatives. To these ends, both nations have shown willingness to engage more collaboratively in the development activities of government and other donors in the Pacific through joint partnership agreements. However, China's insistence on "The One China Policy"<sup>37</sup> weakens these harmonisation mechanisms since most other donors active in the six Pacific "Taiwan" states are politically affiliated to PRC and therefore unable to sign any document in conjunction with Taipei.

While there may be much to criticise in terms of Beijing and Taipei making the South Pacific a diplomatic battlefield, there are also lessons their western donor counterparts would do well to learn. Not least among these is the high level of respect afforded by the Chinese to Pacific Leaders. Such dignified respect resonates with many and stands in stark contrast with the oft perceived approach of many western donors in the region (Hanson, 2008b).

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### **Brunei Darussalam's Assistance to Other Countries in Skills Development or TVET**

**Paryono, VOCTECH, Brunei Darussalam**

Email: paryono@voctech.org.bn

**Keywords:** Brunei; SEAMEO VOCTECH; SEAMEO; ASEAN; skills development; overlap; harmonisation

**Summary:** Brunei, through SEAMEO VOCTECH, the Centre for Vocational and Technical Education and Training, assists its southeast Asian neighbours in the area of skills development.

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Brunei Darussalam has been very active in providing assistance to other countries in skills development. Since 1990, the Brunei Government committed to assist the Southeast Asian countries in the area of skills development by establishing SEAMEO VOCTECH, the Regional Centre for Vocational and Technical Education and Training under the umbrella of the Southeast Asian Ministers of Education Organisation (SEAMEO). Through this Centre, the Brunei government allocates more than US\$ 1 million annually to cover the Centre's activities

Up to now the Centre has trained more than fifteen thousand teachers and school administrators, mostly those working in TVET institutions from the eleven SEAMEO member countries - namely Brunei Darussalam, Cambodia, Lao PDR, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor Leste, and Vietnam. Besides training programmes, the Centre also conducts research and publishes journals, books, and training materials and offers consultancies to address various TVET issues in the region. In the area of capacity building programmes, there are five areas that Centre is concentrating: curriculum, management, refreshment programmes for teachers, research and development, and ICT in education.

Brunei Darussalam's government is also an active member of ASEAN (Association of Southeast Asian Nations) through which the members are assisting each other in various areas including education and culture. The country members of ASEAN are the same as SEAMEO minus Timor Leste. ASEAN has been very active in addressing the issues of skills standards and skills recognition in the region.

Based on current skills development assistance in South Asia, much of the assistance goes to country-level associations which makes it more sustainable in nature. Each country member allocates some funds annually to run the Centre located in the country. The richer member countries normally allocate more funds and assist more than the less rich countries. This cross-subsidy mechanism has proved to be very effective and has sustained this modality for decades. The downside of this approach is that the assistance is primarily focused on the member countries.

There is some direct assistance to specific other countries but it is sporadic and not sustainable. Most of this assistance was based on the results of bilateral meetings or in response to natural disasters.

#### **Assistance in the Southeast Asian Region**

Examining the practices of SEAMEO and ASEAN as regional level associations, many members are contributors to or donors of the other members. In SEAMEO's case, for example, those countries committed to having a SEAMEO Centre or Centres located in their country, have to allocate special funds and sponsor participants from less developed countries; therefore they are donors in that sense. Some Centres offer more sponsorships and assistance than others. Countries like Indonesia with five SEAMEO Centres and a network, Philippines and Thailand with two Centres, Singapore, Brunei, Vietnam, and Myanmar with one Centre in their countries, all have to a certain degree contributed financially and professionally to the development of human resources in the region.

The issue of overlapping assistance does exist in the region. Among the 18 SEAMEO Centres, there are efforts to synchronize the training topics by strengthening collaboration among centers. Some Centres have similar areas of speciality and programmes where collaboration would be appropriate.

Between SEAMEO and ASEAN, considering that the two have similar member countries, some of this overlapping especially in the area of education and training has to be addressed to maximize their impact. In addition, there are some international organizations working in the region, such as UNESCO and ILO, which also tackle similar issues in skills development. Continuous efforts to synchronize the programmes by having better communication in programme planning are necessary. Synchronization may start from the institutional level, then at the Ministerial level within the country and then at the regional level. The consolidation at the national and regional level governments will eventually help synchronize the efforts from multi-national organizations and other foreign assistance.

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## TVET and Tied Aid?

**Rupert Maclean, Hong Kong Institute of Education, Hong Kong**

Email: [maclean@ied.edu.hk](mailto:maclean@ied.edu.hk)

**Keywords:** TVET; tied aid; mutual benefit; humanitarian aid

**Summary:** A lot of aid for TVET is linked to giving a direct or indirect benefit to the donor country.

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Over the past few years some development donors, both DAC and non-DAC, have shown a special interest in offering assistance for strengthening and upgrading skills development for employability, with particular reference to technical and vocational education and training.

Although they may claim to do so, donors rarely provide development assistance for purely humanitarian or ethical reasons, such as for poverty alleviation or to promote social justice and equity in the countries concerned. To varying degrees, donors want something in return, whether in broad terms, such as to increase their general sphere of influence in a particular country or region, or in more specific terms such as to gain access to and influence in an expanding consumer marketplace, or greater control of valuable natural resources in the countries they are assisting. Development assistance is openly used to gain political influence internationally.

Sometimes development assistance is provided through a partnership between government and members of the corporate sector, to encourage recipient countries to adopt a particular type of education and/or training system, which may be of benefit to the donor country. For example, the Government of Germany has encouraged and helped many countries to adopt the dual system of technical and vocational education and training, but the dual system has not taken root in those countries mainly because it is not easy to transplant a system of TVET from one country to another, without making substantial adaptations to accommodate the local socio-cultural and business contexts.

In Africa, China is providing substantial development assistance to improve TVET skills in the mining industry, sometimes in the form of support to governments but also directly to firms in the corporate sector. Much of this assistance has been focused on assisting those involved in the mining of industrial grade diamonds. Although it could be argued that this provides valuable TVET assistance to improve workforce skills, it also ensures a supply of skilled workers to mine industrial diamonds so that a reliable and consistent supply of this important product is available for export, including to China.

Papua New Guinea is very rich in natural gas, having amongst the largest supplies of natural gas in the world. There is keen competition amongst China, Australia, Japan, the United States and Canada to gain access to this valuable resource. These countries are providing development assistance to PNG in the area of TVET, one of the motives clearly being to ensure that PNG has a sufficient supply of skilled workers to support the exploration, transport and processing of natural gas.

Donor countries therefore provide developing countries with development assistance for a variety of reasons. While part of the motive may be humanitarian and ethical in nature, many of the outcomes of providing development assistance also impact positively on the donor countries, since development assistance often comes with strings attached which substantially benefit the donor countries. Recipient countries may, for example, be compelled to use consultants, products and services from the donor country in order to qualify for funding. In the past donor countries often tried to disguise such motives, but increasingly they do not try so hard to disguise the mutually beneficial nature of much aid.

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**SOUTH-SOUTH  
COOPERATION –  
A LATIN AMERICAN VIEW**

## South-South Cooperation: The Case of Vocational Training Institutions in Latin American and Caribbean Countries

**Pedro Daniel Weinberg, Consultant, Montevideo, formerly CINTERFOR**

Email: pdweinberg@gmail.com

**Keywords:** Latin America; Caribbean; TVET; South-South cooperation; TCDC; CINTERFOR; VTI; mutual benefits.

**Summary:** Technical assistance developed between vocational training institutes in Latin American and Caribbean countries represents an old and highly successful experience in South-South cooperation.

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Technical assistance developed between vocational training institutes (VTIs) in Latin American and Caribbean (LAC) countries could be registered as one of the oldest and most successful experiences in the landscape of South-South cooperation, at least in the Americas Region.

Some key facts to illustrate this assertion.

- 1. South-south cooperation in the field of vocational training could be identified in the Americas as early as the 1950s.** SENAI Brazil (the first specialized VTI body created in any LAC country by Brazilian industry employers in 1942 provided technical assistance to the Governments of Colombia (1956) and Venezuela (1958), through the ILO and ECLAC (Economic Commission for Latin America and the Caribbean countries), to assist them to create their own national vocational training bodies. The result was the foundation of SENA (1957, Colombia) and INCE (1959, Venezuela). Moreover, SENAI/ILO promoted the development of the so called VTI model across South and Central America; the model turned up to be one of the most successful institutional building initiatives if compared with those equivalent ones under the umbrella of either Ministries of Education or Ministries of Labour.
- 2. At the 1961 Conference of ILO, Americas Ministries of Labour, official delegations coming from Argentina, Brazil, Colombia, Venezuela, among others, promoted the creation of CINTERFOR. In spite of its very long name (Inter-American Center for the Development of Research and Documentation on Vocational Training), since 1963 the Center has promoted an approach of horizontal technical cooperation among those specialized bodies in the field of training and development of human resources.** The approach proved to be useful, legitimate, and duly institutionalized.
- 3. After almost half a century, the Center is still actively promoting exchange of officers, ideas, innovations, information, documentation, et cetera. The scheme freely operates on the basis of equity, sharing costs, and, most important, the absence of any kind of hegemonic institutions.**
- 4. The United Nations, through the UNDP started to design the concept of TCDC (Technical Cooperation between Developing Countries). To develop that concept, the UN hosted a World Conference at Mar del Plata (Argentina, 1978) to discuss the idea**

of horizontal cooperation. That means, fifteen years later, if compared with the 1961 ILO/LAC countries' initiative. **At that time, both ILO and LAC VTIs could show to the world not only a concept, but also a well-proven mechanism of south-south horizontal cooperation.** During those initial years, VTIs around CINTERFOR have designed and published teaching resources to train workers in almost every occupation, conducted regional and subregional teacher training courses for trainers, promoted a skills certification model, and upgraded courses on managerial skills for VTIs CEOs as well as for top leaders at national, regional, local, school and sectorial level.

5. Currently, CINTERFOR not only continues to play its original role, but also accompanies other initiatives based on south-south cooperation. Mainly, at subregional, national and sectorial level. Operating at the **subregional level** are CANTA (Caribbean Association of National Training Agencies), the Network of VTIs from Central America and Dominican Republic, as well as arrangements at both Andean countries and MERCOSUR countries. Secondly, at **national level** there are numerous agreements amongst individual VTIs, always conducted on a non-profit basis, always sharing costs – mainly travel and subsistence - mostly without any kind of institutional or professional fees. Finally, at the **sectorial regional level** should be mentioned those understandings and agreements reached in the printing arts and building industries.

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### **Cuba's Support to Africa**

**Daniel Hammett, School of Geography, University of Sheffield; School of Geography, University of the Free State**

Email: D.Hammett@sheffield.ac.uk

**Keywords:** Cuba; decolonisation; South Africa; south-south cooperation; international solidarity.

**Summary:** Cuba's longstanding involvement in South-South development provides illustrations of a series of benefits and costs to such alternative development paradigms.

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South-South development cooperation has emerged as a fashionable topic in recent years – providing a view of self-help and determination for the 'Global South' free from the politics, constraints, power relations and colonial baggage of donor aid from the North. South-South co-operation has, however, been functioning for many years before its more recent positioning as central to the policy intentions of the Group of 77 and the launch of the New Partnership for Africa's Development. Central to this history is the role of Cuba.

Since 1959 Cuba's communist government has pursued an internationalist foreign policy based upon a philosophy of proletarian solidarity, providing military and humanitarian volunteers to many countries across Africa, Latin America and the Caribbean. Initially, these practices secured a position of relative power and security

within the Global South. More recently, with the marginalisation of the island in post-Cold War geopolitics and the continued economic blockade of the island, the provision of humanitarian aid has afforded the island benefits in the accrual of symbolic capital and direct and indirect economic benefits.

Following the revolution, the Cuban government invested heavily in education and health care resulting in a surplus of university graduates, qualified teachers and medical staff. The 'export' of these skills and human capital – through bilateral agreements and usually for fixed-term periods – emerged as a key component of Cuba's international policy and, over time, became an increasingly important source of hard currency. The beneficiaries/recipients continue to be post-colonial governments in the Global South whose health and education systems bear the legacies of colonialism in terms of poor infrastructure and capacity, under-investment and shortages of human resources. Layered on to these challenges are the movement of many qualified personnel from the public into the private sector and in many cases, their emigration from the country. Thus, the possibility to import skilled, experienced staff to the public sector from Cuba provides these states with short- to medium-term assistance in mitigating these challenges.

Since 1995 South Africa and Cuba have enjoyed bilateral agreements providing doctors and medical lecturers to South Africa, as well as training South African medical students in Cuba. Cuban teachers, teacher educators and doctors are also present in Namibia, Ghana, Togo and Botswana in order to expand the skills base in these states. In particular, benefits to the recipients include an immediate (albeit short-term) increase in human resources – often in rural or other 'undesirable' or 'marginal' areas, increased service delivery and thus garnering of political capital for the government in these areas, and a mitigation of rural-urban disparities in service provision. Further benefits may include the supervision and professional development of local, newly-qualified practitioners under the guidance of more experienced Cuban staff and the completion of more advanced surgery or pedagogical practices.

In return, Cuba benefits from hard currency income – in the case of Cuban doctors working in South Africa, this derives from the South African government paying the income tax on the doctors' salaries to Cuba – and from remittances sent back to the island by the doctors themselves. In addition, these humanitarian agreements often generate or are associated with broader bilateral trade and development agreements leading to increased exports.

Concerns remain, however, over the sustainability of Cuba's international solidarity programmes in the face of continued economic pressures and the change in political leadership. Questions over language abilities and the suitability of training for the divergent educational- and health/disease- environments encountered by international volunteers have also to be raised. Furthermore, allegations of coercion of staff to undertake international projects and the measures taken to prevent volunteers overstaying their initial contracts and/or having to travel without their families, present further challenges. Thus, while it would be naïve to suggest that such schemes offer a panacea to developmental challenges or are driven by altruism, they do provide short- or medium-term alternatives to 'traditional' aid paradigms that may offer a series of benefits to all parties involved. Not least amongst these are capacity building and

quality enhancement allied to the decolonisation of education and other public sector services.

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### **New Actors and Challenges of Coordination in Latin American Cooperation in Skills Development**

**Claudia Jacinto, Red de educación, trabajo e inserción social en América Latina (redEtis), Buenos Aires**

Email: [cjredetis@yahoo.com.ar](mailto:cjredetis@yahoo.com.ar)

**Keywords:** horizontal cooperation; traditional, vertical cooperation; coordination and learning; CINTERFOR; SENAI; VTI.

**Summary:** In Latin America, horizontal cooperation in skills development is increasingly developing South-South linkages challenging the coordination among all actors, traditional and new ones.

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During the last decades, attention on Latin America (LA) has decreased in international aid while the focus has shifted more towards new recipients like Eastern Europe, or has continued with Sub-Saharan Africa. In this changed context, new actors have emerged in the region such as some Asian countries and Latin American countries that are offering bilateral cooperation as it is the case of Venezuela and Brazil for example. Their agendas are very different from those of traditional cooperation. Frequently, political approaches and contents of the technical cooperation of traditional and new actors are the complete opposite.

Along with these new schemes, the actors in international cooperation in education and training for work are increasingly diversified. Donor agencies (both from the region and from outside) interact not only with national stakeholders but also with NGOs, or religious actors, forming a complex configuration of actors. Enterprises are also emerging as donors, and very often there are foundations linked to enterprises that have large resources to use within the framework of social responsibility. In this heterogeneous context, it is a difficult challenge for the agencies to collaborate and make alliances in which they coordinate approaches. The countries themselves are faced with coordinating different sources of cooperation.

Another characteristic of international cooperation in LA is the so called horizontal cooperation; cooperation between a Latin American country and another developing

country, including within Latin America. This horizontal cooperation normally involves different types of technical cooperation.

Latin America has a long history of horizontal cooperation among similar organizations in different countries. A pioneer example is the Movimiento Fe y Alegría (Faith and Happiness Movement), whose programmes main component is to promote sharing and reciprocal support among organizations in different countries involved in training young people for work. A recent CINTERFOR ILO survey among Vocational Training Institutions (VTIs) in the region shows that 16 VTIs of them are providing horizontal cooperation and offering mutual assistance in subjects like: development of skills-based training; quality and equity management in training; use of information and communication technologies (ICTs) in training, etc.

The case of SENAI in Brazil is an example of a BRIC country institution that is increasing its bi-lateral involvement in programs to set up regional vocational training centres in Portuguese-speaking countries in Africa. In fact, SENAI has a network of technology centres that offer vocational education and technical and technological services as part of its strategy to support industrial development in Brazil. SENAI has adopted a technical cooperation strategy as a channel for modernization and to make the institution sustainable. The cooperation has different modalities: a) trilateral cooperation: considered by other countries to be a cooperation partner, especially for the transmission of know-how; b) horizontal conventions and actions as a recipient and also as a provider of cooperation, in technological programs with other VTIs in Latin America.

Is there a degree of competition between horizontal cooperation on the one hand and a more vertical, traditional model of cooperation? These new donors are very diverse in nature and they constitute a very complex panorama with different operating strategies. Even when the agencies share the same criteria, it is clear that there are differences in approach and emphasis. It can be supposed that horizontal cooperation in a South-South perspective is based on a less asymmetric association and there are good examples of technical cooperation that have evolved in regionally shared perspectives, like Ministries of Employment adopting similar approaches for the development of employment bureaux or Ministries of Education signing an agreement on 2020 Educational Goals. But naturally, coordination continues to be a complex issue in planning and implementation among all the actors taking part in international cooperation, whether in the older vertical or more recent horizontal patterns.

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**SOUTH-SOUTH  
COOPERATION –  
AFRICA AND NEAR EAST**

## **Nigeria is a Donor! But with a Chequered History**

**Kunle Osidipe, Zhejiang Normal University, Jinhua.**

Email: klexymosidipe@aol.com

**Keywords:** Nigeria; foreign aid; foreign policy; NTF; TAC; ACP; coherence

**Summary:** This piece gives a brief critique of the Nigerian government's foreign aid programme against the background of existing practices in foreign aid globally.

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This might sound weird, but Nigeria should not be left out of the number of countries on the list of international donors (whether traditional or non-traditional). Though the country may not be properly classified as a traditional or emerging donor, her involvement in giving international aid is worth taking note of. Nigeria is a recipient of much international aid from countries in the OECD and the non OECD member countries, but significantly, she has, at different times, made some bold ventures in giving aid to other countries. These aid programmes do not include the usual humanitarian aid for countries during emergencies. We will be looking briefly at Nigeria's foreign aid programme to understand the type of aid, the recipient(s), as well as to examine the relevance or otherwise of the aid programme to Nigeria foreign policy.

The first most visible venture of Nigeria into the turf of foreign aid donor countries can be seen in the Nigeria Trust Fund (NTF), a special African Development Bank (ADB) fund initiated by Nigeria in 1976 with an agreement between the ADB Group and the Nigerian government. The objective of the fund was to assist the development efforts of the Bank's low-income regional member countries whose economic and social conditions and prospects require concessional financing. The NTF became operational in April 1976 with an initial capital of US\$80 million.

Many countries on the African soil have benefited from the fund and most recently in 2009 Gambia got approval for a loan amounting to US \$5.0 million under the NTF. And US\$ 0.7 million debt relief under the HIPC initiative was also approved for Burundi and Togo under the fund. The fund is solely managed by the ADB through its own organisation, services, facilities, officers, staff and such other experts and consultants with regular consultation with Nigeria's Governor for the Bank.

The second visible vestige of Nigeria's foray into the body of nations giving international aid was The Nigerian Technical Aids Corps Scheme (TAC). Established in 1987, the TAC Scheme is primarily an alternative to the Nigeria government's direct financial aid to Africa, Caribbean and Pacific countries (ACP). Instead of providing direct financial aid, Nigeria shares its know-how and expertise based on already assessed and perceived needs of the recipient countries, The Scheme also promotes co-operation and understanding between Nigeria and ACP States.

The programme is a strategic instrument of Nigeria's foreign policy, involving the deployment of highly experienced Nigerian professionals in the field of Medicine, Nursing, Education, Engineering, Agriculture, Accountancy, and other related field to

ACP countries for a period of two years. More than 2,000 volunteers have served in more than 27 ACP countries since the inception of the programme.

While Nigeria's role in giving aid to other countries is commendable, it is pertinent to underscore the paucity of strategic organisation and focused management of the said aid programme. A huge contrast to what obtains in the activities of many traditional and emerging donors. Despite the substantial human and financial resources committed to the foreign aid programme by the government, it is difficult to properly evaluate the effectiveness of the aid given out by the country. Also difficult to analyse are the necessary policy documents, follow ups, reports and other instruments. All these are effectively put to use by many traditional or emerging donor countries to monitor and appraise their aid programme and to give room for improvement.

The business of governance in Nigeria has made it difficult to have an effective foreign aid programme. The TAC for example is managed by a directorate in the Foreign Affairs Ministry; consequently, the scheme has been a victim of frequent changes in government and the ministry. Every new government or minister has a new idea or policy different from the predecessor; so any existing idea or policy of the predecessors usually gets abandoned.

Aside from this, in spite of Nigeria's commitment of human and financial resources to foreign aid for other countries, she is not benefiting from adopting a coherent foreign aid policy. This is a sharp contrast to what obtains in the activities of many traditional and emerging donors. If the current stance of the Nigerian state in the giving of aid is sustained, her action could be likened to a frittering of resources.

In conclusion, though Nigeria may not be classified among the traditional or emerging donor countries, she has actually made some few bold steps in giving aid to support the development of other countries. The aid programmes, however, need to be re-appraised and overhauled in order to be in tune with existing practice in international aid. Nigeria, like other countries who give aid, should fine-tune her foreign aid policy with underlying focus on strategic diplomacy, economic benefits as well as promoting her core ideologies and values. As a recipient of much international aid herself, Nigeria could use her own experience with donor countries to formulate a more focused and practical foreign aid policy that will have direct relevance to her foreign policy thrust. The current posture of the country in the business of international aid places a question mark on the country's leadership position in Africa and needs to be addressed promptly.

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## Human Capital Perspectives of China's Aid and Nigeria's Recipient Experiences

Benjamin A. Ogwo, State University of New York, New York

Email: [ogwoben2a@yahoo.com](mailto:ogwoben2a@yahoo.com)

**Keywords:** China's aid; Nigeria; human capital; sustainability; non-interference; corruption; Nigerian leadership

**Summary:** The piece presents an overview of the aids transactions between China and Nigeria. It describes the human capital ecology of aids to include all human elements of political, policy, technical and socio-economic contexts of the giving and receiving nations and concludes that the onus of achieving sustainable economic development in Nigeria, through Chinese aid, for example, rests squarely on Nigerians.

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Africa has witnessed a considerable change of fortune regarding who sends her aid and for what reasons. The 20<sup>th</sup> century aid experiences of most African countries were primarily dictated by whether the nation had opted for socialism or capitalism. Thus the country received more aid from capitalist or socialist nations if deemed to be pursuing either ideology. At the end of the cold war there was a hiatus on this ideological focus for aid provision. However, the emergence of donors like Brazil, China and India has changed the focus towards the establishment of a presence in Africa. South-South cooperation has assumed more prominence as the 21<sup>st</sup> century rationale for sending aid to Africa by these emerging donors. On that account the policy thrust of this aid has become merely to throw money at identified problems and perhaps diminish the dominance of the earlier donors from the north. Many African nations are presently experiencing crises of confidence with the northern donors linked to their colonial past and are turning to the emerging donors like People's Republic of China (PRC). But evidently the crucial issue appertaining to international aid in Africa is not the donor's identity but how, in the long-term, aid could assist in developing the country's human capital.

The sustainability of any foreign development initiative is dependent on functional and adequate local human capital. Thus when development aid is provided to countries in need without factoring in the human capital dimensions, it will amount to window dressing or dead-on-arrival, unsustainable projects. The human capital ecology of international aid broadly includes all human elements of the political, technical, socio-economic contexts of the recipient nation. Whereas the sovereignty of the recipient nation remains allegedly sacrosanct, the conscious neglect of the ordinary citizenry, when dispensing international aid, would directly undermine the potential development prospects of the recipient nation. In this case, it obviously suggests that aid is meant to placate the whims of the political class at the expense of sustainable and socio-economic needs of the citizenry. Conversely, the use of aid to impose any particular political ideology is equally counterproductive since this might in the long run lead to general political destabilization. For sustainability, aid to any nation should be systematic in anticipating every factor that would ensure a positive ripple effect in respect of improving the general well being of the recipient citizenry.

The literature on China's aid to Africa is a very mixed bag depending on the source and orientation of the authors. What is common to most sources is the recognition of increased financial transaction between Africa and China in the forms of in-kind aid, foreign direct investment (FDI), concessional loans, and debt cancellation. According to Lum, Fischer, Gomez-Granger & Leland (2009) China's foreign assistance and government-supported economic projects in Africa, Latin America, and Southeast Asia grew from less than \$1 billion in 2002 to \$27.5 billion in 2006 and \$25 billion in 2007; however, aid and related investment to Africa showed the most significant increase. China's FDI inflows to Nigeria, for example, increased from an average of \$0.55 million in 1999-2000 to about \$5.5 million in 2006 (Ogunkola, Bankole and Adewuyi, 2008). These economic activities of China have been in the following areas: oil, rail, manufacturing agriculture and infrastructure (water, electricity, roads and housing). Lum et al also attempted to distinguish this Chinese engagement from that of the United States and Europe, excluding areas like development grants, humanitarian assistance, social welfare programs, and food aid. Arguably, the Chinese engagement has been heavily investment-focused and not directly targeted on poverty reduction themes.

In another respect, China adopts the non-interference approach to aid administration which does not augur well for human rights activists. Walker and Cook (2010) cited the example of the Guinean government announcement of a \$7 billion deal with the China International Fund when the international community was considering sanctions following the killing of opposition supporters. This scenario is not any different in the Nigeria-China relationship as China's activities seem indifferent to the widespread corruption in Nigeria; a practice that China shows zero tolerance of in its own country. Some scholars like Ogunkola, Bankole and Adewuyi (2008) have criticized China's economic/aid interest in Nigeria for, in some cases, not complying with health, labour, safety and environmental laws while being closed to scrutiny and excluding local experts. However, it should be acknowledged that China is relatively new as a donor agent in some African countries and is naturally going through a learning process of priority setting and refinement of its real mission on the African development landscape.

Irrespective of what part of the argument on the aid/context debate one takes, it is foolhardy expecting foreign aid donors to genuinely champion Africa's human capital development initiatives and irresponsible to indulge in playing the blame-game on foreign aid for not solving the human capital situation in Africa. Nigeria, for instance, will remain the bride for both the North and China's economic initiatives, given all its abundant natural resources. There is a need for candour in checking the context of aid donation from the perspective of the citizens who should review its use, be empowered to institute functional government, trained technology use, and earn honest living within culturally relevant environments. Realistically, such conditions can only be home-grown and prioritized by Nigerians. In an ideal world there has to be commitment by the governed and the government in judicious utilization of aid irrespective of who the donors are. The rest of the world is advancing in e-literacy while a very significant proportion of the Nigerian workforce is still grappling with general illiteracy even as many of its economic activities are evolving digitally (Ogwo, Onweh and Nwizu, 2010). There is therefore a lot of technological/structural catching-up to do with any aid; and it is only achievable through strategic planning and commitment by Nigerians themselves.

Many Nigerian political leaders are very willing to deal with this new donor that does not appear to care much about changing the status quo in Nigeria. The good governance factor is being deemphasized for dispensing aid; and exploiting of natural resources is now all that matters. Furthermore, the use of aid, even by the United States and Europe, to check upon institutional shortcomings is now diminishing as their desire for more presence in Africa becomes more important than the aid conditionalities. Aid is supposedly meant to assist holistically in improving the lives of the recipient citizens and not just the fortunes of the ruling class. Hence any aid programme that ignores the systemic conditions surrounding the use of such aid on the disguise of national sovereignty is pretentious. This type of indifference or sitting on the fence is a concealed position which only time will tell at perilous consequences to humanity. While awaiting for time to tell, African leaders especially Nigeria need be mindful that human capital development extends beyond technical skills associated with foreign direct investment to include conducive politico-economic environment that would ensure that the trained get employed, the employed get paid, the paid feel safe and the safe feel they belong, in an ever globalizing world.

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### Turkey's Twenty Years of Development Assistance: TIKA

Cennet Engin-Demir, Middle East Technical University, Ankara

Email: cennet@metu.edu.tr

**Keywords:** Turkey; TIKA; UNDP; South-South Cooperation;

**Summary:** The Turkish International Cooperation and Development Agency (TIKA) reaches more than 100 countries with a total aid portfolio of US\$780 million.

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Turkey has come a long way in terms of development assistance and taken important steps towards becoming a donor country by realising the Millennium Development Goals of the United Nations for its own people. This aid achieved through an increasing budget has greatly contributed to Turkey's emerging role as a donor.

The Turkish International Cooperation and Development Agency (TIKA) is the Turkish Government's Cooperation Agency linked to the Republic of Turkey's Prime Ministry. It was established as an agency affiliated to The Turkish Ministry of Foreign Affairs in 1992 and was transferred to the authority of the State Ministry in charge of Central Asian and Caucasian Turkic republics and Turkic and relative communities in 1999.

When it is first established in 1992 the main objective of TIKA was to assist newly independent countries of Central Asia in their efforts to align with market economy and global politics. This initial objective then changed through the years and expanded its scope of activities to the Balkans, Middle Eastern and African countries upon request. Today TIKA reaches more than 100 countries through 23 field offices in 20 countries. The total of aid provided by Turkey in 2008 has reached US\$780 million dollars. As stated by the TIKA president, these developments have led Turkey to move from a position of recipient country to an emerging donor country.<sup>38</sup>

TIKA implements projects within a framework of improving cooperation and assuring development support and humanitarian aid through establishing corporate structures in all sectors, enhancement of agriculture and animal husbandry, infrastructure improvement, social development and improvement of living standards, providing vocational training and employment, protecting monuments of joint heritage and culture, improvement of cultural relations, as well as publishing activities, and assisting the teaching of the Turkish language as part of capacity development.<sup>39</sup>

Different fields of development assistance in Turkey are handled by various public agencies and institutions. TIKA coordinates all technical assistance activities conducted by all Turkish public agencies and institutions delivering aid in their own fields in order to develop a joint understanding.

In accordance with the current trends in global development, Turkey has begun a comprehensive rethinking of its Official Development Assistance. Turkey aims to strengthen its position in international development cooperation through assessing the capacity of TIKA as its national development agency. For this purpose "Bridging South-South Cooperation and Emerging Donor Roles: Strengthen Turkey's Participation in International Development Cooperation Project" was initiated in partnership with UNDP Turkey Office and TIKA. It is expected that the project will help the government of Turkey to contribute to the achievement of the Millennium Development Goals in developing countries by sharing its experiences with other donors and "best practices" as an emerging donor.<sup>40</sup> As acknowledged by the

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<sup>38</sup> See [http://www.undp.org.tr/Gozlem2.aspx?Web\\_SayfaNo=2450](http://www.undp.org.tr/Gozlem2.aspx?Web_SayfaNo=2450).

<sup>39</sup> For detailed information on projects see <http://www.tika.gov.tr>.

<sup>40</sup> (<http://www.undp.org.tr>).

president, TIKA will continue developing policies and projects to establish development strategies by following international progress on development, to become a OECD/DAC member and a net donor country.

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### **Chinese and Western Development Projects in the Democratic Republic of Congo.**

**Ignace Pollet, Catholic University of Leuven**

Email: [Ignace.Pollet@hiva.kuleuven.be](mailto:Ignace.Pollet@hiva.kuleuven.be)

**Keywords:** Belgium; China; DRC; field studies; relevance; sustainability; ownership; alignment; capacity building

**Summary:** A mixed Belgian-Chinese-Congolese research team plans to study a number of concrete development projects in the Congo initiated by Belgian and Chinese donors. The study aims to bring about recommendations regarding the ownership and alignment of projects, and to increase the platform of mutual understanding between donors of different traditions.

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For some time now, the Chinese have appeared on the African scene. Their agreements with African governments and their tying up of aid projects with trade and investment activities have raised quite a few Western eyebrows (a.o. Lee, 2007). Unimpressed by the criticism, which often bases itself upon Paris Declaration principles such as alignment, harmonization and ownership, the Chinese invariably refer to their own Beijing Consensus principles like mutual respect and mutual benefit (He Wenping, 2010). Studies and debates on the two approaches mostly focus on the policy and the principles. However, field studies on the subject are few and far in between. In the DRC, where the Chinese maintain a large presence since the ‘deal of the century’,<sup>41</sup> frustration and unrealistic expectations from the part of the local beneficiary population has at times led to an uneasy atmosphere for both Chinese investors and Western aid agencies. Inspired by requests of the Belgian as well as the Chinese embassy, the Belgian Foreign Department has commissioned a study which would be based on observation and analysis of concrete development projects in order to reveal to what extent considerations such as ownership, local embedding and respect for local stakeholders are taken into account. While the outcome is awaited, this field approach may certainly prove to provide first-hand observations that will add to the debate.

The study will be carried out during 2010 and 2011 by three institutes: HIVA (Research Institute of Work and Society, University of Leuven, Belgium), IASZNU (Institute of African Studies at Zhejiang Normal University, China) and CDS (Chaire

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<sup>41</sup> 9 billion US worth of infrastructure and other investments in the Congo in exchange for an undisclosed volume of extraction of raw materials



de Dynamique Sociale, University of Kinshasa, DRC). The study design holds that four development sectors are identified wherein both the Belgians and the Chinese have projects: infrastructure, health, education and agriculture. In each sector, the Belgian and the Chinese researchers will select two case-studies each. They will then carry out their first case-study simultaneously, allowing the Belgian researchers to also observe the Chinese case and vice-versa, the whole field process facilitated and accompanied by the Congolese researchers. The Congolese researchers would subsequently carry out the two other case-studies on their own, bringing the total number of case-studies per sector to four, and of all sectors combined to sixteen. The presence of Congolese researchers is indispensable when entering project sites, while at the same time participating in this study counts as an elementary experience in the process of capacity building of a young research institute like CDS.

While the study is still in the early stages, the team faces the task of constructing a common conceptual framework, which means the unpacking of the term local embedding into a set of commonly understood research questions and indicators. This may prove to be a challenging exercise, as terms like ownership and sustainability are known to be understood in a different way by the Chinese compared to Westerners. Still, it is thought important that all stages of this research project - from the methodology to the outcome - would be carried out by all research teams. The idea is that this would add weight to the research conclusions and recommendations, both in the West and in China. In this sense, the study follows those scholars who look for mutual learning rather than maintaining parallel understandings (Jin Ling, 2010).

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# **OTHER BILATERAL DONORS**

## New Donors in East and Central Europe

Simon Lightfoot, University of Leeds

Email: s.j.lightfoot@leeds.ac.uk

**Keywords:** New donors; Central and Eastern Europe (CEE); EU membership; Commonwealth of Independent States (CIS); ODA/GDP commitment.

**Summary:** This piece explores the transformation of new donors in Central and Eastern Europe from recipients to donors. It highlights their achievements and the challenges they face in coming to terms with the demands placed upon non-DAC donors by EU membership.

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The new donors from Central and Eastern Europe that joined the EU in 2004 and 2007 provide an interesting case study for this issue, despite the majority of states being relatively small bilateral donors and the majority of their aid being channelled through multilateral actors, especially the EU. The interest comes from the fact that never before have so many recipients of EU aid joined the Union and taken on the commitment to become aid donors. Whilst many states in the region have a history of development aid, that aid was highly political. Therefore the established view is to view them as new donors or at the very least emerging donors. Probably the biggest spur to these states becoming donors was the prospect of EU membership, which the majority achieved in 2004 (Romania and Bulgaria had to wait until 2007). Therefore whilst they are accurately described as non-DAC donors, this label is a little misleading, for amongst the non-DAC donors they are unique in having the norms and values of their international development policy shaped by DAC norms via the EU development policy *acquis* (the EU's rule book). A number of these new member states (NMS) are OECD members or have plans to join. The commitment to DAC norms can be seen by the fact that three NMS, the Czech and Slovak Republics and Poland have all paid for informal DAC peer reviews.

Since joining the EU we have seen some positive changes. The majority of states have a division of the Ministry of Foreign Affairs at least dedicated to international development policy. All EU states have an ODA share of GDP commitment, with the target for CEE states being to "strive to achieve" 0.17 % by 2010 and 0.33% by 2015. However, a number of challenges remain. Even in the front runner states such as the Czech and Slovak Republics we find a low governmental commitment to development policy and a lack of a significant constituency for development cooperation. There are also weak legal and political frameworks, such as the lack of detailed laws or multi-annual budgets. International development policy is therefore in a precarious position within many states. This could be seen in the aftermath of the financial crisis of 2008/9 with nearly all states cutting their development budgets. Bulgaria cut its budget by 27%, whilst Hungary cut theirs by 9%. Only Slovenia and Lithuania were on track to meet their targets. There is also the issue of aid inflation with many states inflating their aid. Having said all this it must be borne in mind that Greece and Italy saw huge cuts in their international development budgets and that both states are also seen to be the worst culprits for inflating and tying their aid.

The CEE states tend to prioritise aid to neighbouring countries, in particular the former Yugoslavia and CIS states. This can be seen by examining the priority countries of the NMS in more detail: Moldova, Ukraine, and Georgia are examples of countries where new member state donors are active. There is a relative lack of engagement with African states, although some small bilateral links exist (Poland and Zambia for example). Bilateral aid tends to be spread thinly across a number of priority states, although this trend is changing in light of the need for policy coherence and complementarity. As a result we are seeing NMS states starting to be active in those countries and sectors where they have a comparative advantage, such as democratisation, market liberalisation, and managing transition to EU membership, whilst at the same time seeing cooperation and cofinancing amongst donors on program based approaches, such as the Slovakia and Austria infrastructure projects in Kenya or between the Czech Republic and Luxembourg in the field of water quality.

Part of the interest in these donors was the fact that they started with almost a clean slate when it came to development policy. There was therefore a large degree of optimism. This optimism was soon tempered by the reality of aid, especially when faced with a challenging financial environment. There is also the view that in designing bilateral aid systems the European Commission decided to follow the steps of the worst performing ODA donors instead of following the best examples. The focus must therefore be tackling the issues raised in the informal peer reviews and also building up political and public will, and ensuring the governance structures are in place. In 2011 most donors in CEE states will be ten years old, as they started out as donors in the run-up to their accession. They might therefore reflect upon the recommendation of the recent informal peer reviews as to how they can strengthen their international development policies but also remember that states like Ireland and Spain took many years to transform themselves into donors.

**For further information visit:**

TRIALOG is a project to strengthen civil society and raise awareness of development issues in the enlarged EU <http://www.trialog.or.at/start.asp?ID=63>

**Further reading**

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## Scottish Aid: Worthy Aid from a ‘Responsible Nation’ or Muddying the Waters?

**Rachel Hayman, Consultant, formerly University of Edinburgh**

Email: rachel.hayman@ed.ac.uk

**Keywords:** Scotland; responsible nation; sub-national donor; devolution; mutual benefits; complementarity; Scotland-Malawi partnerships; twinning

**Summary:** Scotland is a new and small sub-national donor and provides assistance to several Sub-Saharan African and South Asian countries. This piece outlines Scotland’s assistance, before raising questions concerning what small donors bring to the aid table.

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In 2005, Scotland published its first international development programme, entering the world of aid as a new, small sub-national donor. Scotland finds itself in the difficult position of being a nation within a nation. It has a devolved government within the wider United Kingdom; while it has powers over a range of policy issues, it does not formally have authority in the field of international relations, including international development. Since the elections of 2007, the Scottish Parliament has been led by the Scottish Nationalist Party which has Scottish independence at the heart of its agenda.

Despite not having formal authority in international relations, Scotland nevertheless has foreign policy activities, including in international development. Scotland’s international development profile started from an almost personal relationship with Malawi, nurtured by former First Minister, Jack McConnell, and justified on the grounds of Scotland’s historical links with Malawi through a heavy missionary presence. The Scotland-Malawi Partnership remains the backbone of Scotland’s international development strategy. Nevertheless, Scotland’s development relations have since expanded and it now provides assistance to several Sub-Saharan African and South Asian countries (Malawi, Zambia, Rwanda, Tanzania, Sudan, India, Pakistan, Bangladesh and Sri Lanka), providing humanitarian assistance for emergencies, supporting Scottish-based development and humanitarian aid agencies, and supporting development work in Scotland. The total budget is £9 million for 2010/11. The justification for these activities is that Scotland should play its part as a “responsible nation” and recognise its “global responsibility to work together to achieve the Millennium Development Goals”.<sup>42</sup>

Scotland thus joins a number of small and sub-national donors who are increasingly engaging in international development. But its foray into this field raises several questions also, specific to Scotland and of wider significance. In the first place, why does Scotland even need a development policy? As part of the wider United Kingdom, Scotland’s people are well-served in these matters by the large budget and influential work of the Department for International Development, and Scotland’s budget is but a drop in the ocean in comparison. To understand this we need to look to another key phrase within the Policy which highlights how this forms part of Scotland’s broader international framework aimed at “building mutually beneficial

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<sup>42</sup> Scottish Government International Development Policy, May 2008.

links". While Scotland's aid does not go down the line of tied aid, there is certainly a strong dimension of benefit to be gained for Scotland in terms of stepping onto the world development stage, showcasing the country and building potential trade relationships behind the policy. This is all the more pertinent under a Nationalist administration. The development policy also serves another vital purpose of supporting a burgeoning number of Scottish-based non-governmental organisations. Indeed, the policy itself has been strongly influenced by a civil society lobby. The question of what Scotland stands to gain from its development policy is equally pertinent to other small donor nations or sub-national entities.

Following on from this, Scotland's policy raises interesting questions about how a sub-national entity devises and manages its development activities when it is constrained by the boundaries of what is a reserved and what is a devolved matter. This has set the framework in many respects, requiring justification for countries of operation and delineation of fields of activity. The policy is presented as being complementary to DFID's work, with civil servants being extremely careful in avoiding stepping beyond the boundaries. A further constraint comes from having limited in-house capacity devoted to development. As a result, rather than being carefully mapped out, with reflection on how the country could make a real difference with its small budget, Scotland's development policy has evolved, heavily influenced by particular politicians and strong civil society voices.

Scotland's development activities are both highly traditional and intriguingly innovative. The themes are fairly standard – poverty alleviation through capacity building, skills development, community-led activities, all with poverty reduction and fulfilment of human rights at heart. In 2009 the Sub-Saharan Africa Development Programme awarded grants of £1 million over three years to partner countries, channelled through one large NGOs per country.<sup>43</sup> It would be interesting to see how 'Scottish' these activities are in terms of whether the budgets and activities are subsumed into broader programmes and thus the ultimate Scottish funder becomes invisible and how aware recipient authorities are that a new donor is in town. The response of one Rwandan official to news of Scotland's £1 million budget for Rwanda was a groan of frustration at the prospect of dealing with another donor!

More intriguing perhaps is the relationship with Malawi and the 'partnership' approach which is spreading to other countries of operation. At its core is a fairly classic development programme, framed by the Scotland-Malawi Cooperation Agreement of 2005. This provides grants for projects in four priority areas: education, health, governance and sustainable economic development. But beyond more standard project contracts between implementing organisations and recipients, what has evolved is an ever-expanding web of partnership links between different institutions and organisations in Scotland and counterparts in Malawi. These range from links between the parliaments and institutions such as the Advocate General's Office and the Scottish Prisons Services, to twinning links between churches, local authorities, hospitals, schools and higher education institutions. Malawi is in these days

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<sup>43</sup> The Scottish Government, 'Sub-Saharan Africa Development Programme Funding Allocations', January 2009. Available from: <http://www.scotland.gov.uk/Topics/Government/International-Relations/internationaldevelopment/idffundingguidance/ssadevprog>

apparently awash with eager Scots.<sup>44</sup> This approach appears to have captured the imagination of many people in Scotland, and Malawians are apparently enthusiastic about the relationship. Similar links are being formed with other countries such as Rwanda. An evaluation of Scotland's support for Malawi highlighted that the funding was clearly aligned with Malawi's Growth and Development Strategy and with the aim of supporting the MDGs.<sup>45</sup> But the programme does raise questions about the overall objectives, particularly in light of shifts in global discourse on aid effectiveness. Is this an efficient way to provide aid? How much pressure does this system place on the Malawian authorities and structures? What is the real gain on both sides? What are the real development impacts?

This brings me to my concluding reflections on what small donors bring to the aid table. Do they represent irritating flies in the ointment of aid effectiveness and division of labour debates? Do they represent a throw-back to the tied aid and self-serving development programmes of the past? Or do they bring innovative ideas and new approaches to partnership, demonstrating that aid is not just about big budgets, global agreements and big players?

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### **China: from Recipient to Donor. What have we Learned?**

**Halima Begum, DFID, Beijing**

Email: H-Begum@dfid.gov.uk

**Keywords:** China; minorities; Gansu; regional disparities; universal primary education; policy learning and policy transfer; China's recipient experience.

**Summary:** This article explores lessons from 10 years of British education assistance in China, focusing on Gansu, one of the poorest provinces in the country.

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China runs the largest education system in the world – 20% of the world's students. To put this in perspective – the student population in China is equivalent to Nigeria's total population of 140 million people! Yet with this number of children, the Chinese government has achieved the two important goals that it set itself in 1993 in the area of education - that by 2000, youth illiteracy would be eliminated and that nine-year compulsory education would be available to all. By 2007 these goals had been realised in the areas inhabited by 99% of the population. By the end of 2007 net primary enrolment had reached 99.4%, secondary gross enrolment 66% and tertiary gross enrolment 23%.

However, the impressive achievement of almost 100% primary net enrolment hides stupendous rural disparities. In North-West China, rural poor, ethnic minorities, girls

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<sup>44</sup> LTS International, 'Independent Review of Scottish Government International Development Fund Projects Focused on Malawi', Scottish Government Social Research, 2008.

<sup>45</sup> Idem, page 5.

and migrants are typically disadvantaged and unreached. Given the size and scale of China, the numbers of children out of school are large in absolute terms. Their exclusion from education is both a denial of education rights, but low school participation also holds back the growth of these less developed parts of the country which still have the potential to show double digit growth rates like the coastal belts, and can therefore contribute to more balanced development in the whole country. Enrolment in rural schools is still low because of the low income of the rural household and the high and spiralling education costs. China's rate of achievement has been uneven across the country, echoing the different economic development patterns of the wealthier Eastern coastal regions and the poor Western and rural areas which receive less attention.

The focus of this article from China is on reaching marginalised and excluded groups. The UK-supported Gansu Basic Education (GBEP) was designed in 1998 and implemented between 1999 and 2006 to pilot a number of new approaches to education reform in poor rural areas. Gansu is one of the poorest western provinces, in the north-west of China. Gansu's population of 26 million is more than the population of Mozambique or Yemen. The minority population accounts for more than two million. There are 12 different nationalities; Hui is the largest minority nationality.

Following the successful pilots of the first GBEP, a new project was initiated to support province-wide roll out of new approaches to teacher training, school inspection, school management and monitoring and evaluation. DFID designed its work to build on the Chinese government's own programmes on basic education with a particular focus on children from the poorest families, girls, children from ethnic minorities and children with disabilities. A lot of effort has been put into encouraging disadvantaged children to go to school, in particular minority girls, disabled children and drop-out students. After 10 years of project implementation and a rise in government investment in education, the enrolment rate across Gansu increased to 99.45% in 2009.

Many important lessons were learned through DFID China's education programmes between 2003 and 2010. The main reasons for children in poor families not entering or completing basic education are complex and include: the financial costs of education, poor teaching facilities, low teaching quality, and barriers to do with ethnicity, physical ability, and gender. Such constraints are well documented inside China and also internationally in the annually collated EFA Global Monitoring Reports. China has been unusually receptive to learning from donor-supported education pilots that have shown what works and Ministry of Education has scaled up quickly successful projects from international agencies – where additional value is clear.

The power of demonstrating what works in education reform has spurred the government onto to make much-needed reforms. China has showed considerable willingness to learn from innovative pilots from donors who had initially experimented with and successfully implemented programmes to reach marginalised groups.



The lessons learnt are now being piloted in new projects in other counties and provinces going beyond the original 4 target counties under GBEP. The achievements of the projects have spread across a wide range of education areas – from reformed teaching practices to a dramatically improved education management information system, through to participatory, pupil-centred learning.

Over six million RMB (£574,000 sterling) of scholarship money has been provided to school children, of whom 72% are minority girls; free lunches were introduced in four schools, resulting in a significant increase in enrolment and female teachers were posted in rural schools in order to attract more Muslim girls.

### **Nigeria-China Education Collaboration**

The two projects made a very positive impact on education in Gansu and these achievements have been widely disseminated nationally and internationally, raising great interest in education circles. In October, 2009, supported by DFID, a high level study tour was undertaken by 12 senior education officials from Nigeria to learn possible lessons. The officials came from Lagos, Kwara, Kaduna, Jigawa and Kano states. The Nigerian team visited the Gansu schools which were transformed by these new approaches. The China study tour has had a profound impact on all the Nigerian delegates and each delegate went back to Nigeria with a practical and relevant knowledge for transforming education fortunes of millions of poor children.

### **Learning from traditional donors: Ten Years of British support**

The UK's development assistance programme in China has gone from being an aid programme to one of being a strategic partner with China on a wide range of international development issues. China's status as both a developing country and an emerging player on the world stage in economic and political terms presents many opportunities for traditional donors like the British. On the one hand, British aid to China is stopping; but on the other hand, more and more countries want to learn from China's experience of poverty reduction. The space for south-south collaboration and lesson learning is bound to grow larger – as developing countries look east towards China for more lessons.

[Given everything that is said about emerging, non-DAC donors learning from their own recipient experience, here would appear to be a fascinating opportunity for China to build the lessons from Gansu and other innovative education reform projects into its own educational aid programme of school building in Africa, and teacher and head teacher training of African education leaders in China. This would not appear to be happening yet. Editor]

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# **RECIPIENT VIEWS OF AID FROM THE NEW DONORS**

## **Non-Traditional Donors in Africa: the Challenging Case of Kenya**

**Bernard Momanyi, University of Nottingham**

Email: benardmomanyi@yahoo.com

**Keywords:** Aid modalities; governance; no conditionality; non-DAC donors; Gulf donors; Iran

**Summary:** China, Iran and other donors from the East are currently supporting many African economies to tackle poverty and underdevelopment. However, due to suspect circumstances under which these aid is given, there is need for caution as to the real agenda of many of these emerging donors.

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Donor support has been central to Kenya's development agenda since independence. Traditionally a major component of this support has come, with relatively soft conditions, from the Breton Woods Institutions and the DAC-OECD members. However, the stance changed in the wake of Stabilisation and Structural Adjustment Policies (SAPs) and later demands for introduction of multi-party democracy and the fight against grand corruption in the government in the early 80s. This resulted in strained relations between the former KANU (Kenya African National Union) government under the retired president Moi and many western countries. This marked the beginning of stronger economic ties between Kenya and many countries of the East led by China. One of the landmark projects was the construction of the Moi International Sports Centre in Nairobi by the Peoples Republic of China in Kenya.

When the NARC (National Rainbow Coalition) government under President Kibaki came to power in 2002, competitive politics was no longer an issue. Donor support that had been withheld by DAC agencies during Moi's tenure was restored. However, corruption remained a thorny issue and this led to a reduction in aid and even suspension of lending altogether to Kenya. Like his predecessor, Kibaki's government began increasingly to look East for economic aid with a visit by the President to China in 2005. Since then there have been two other visits, one in 2006 and another this year, 2010. Thus the East has been one of Kenya's alternatives perhaps in part to avoid the West's demand for accountability and sound economic policies.

Besides Japan and Korea (both OECD members), China, India, Qatar, Kuwait, Iran and Saudi Arabia are Kenya's main donors from the East. The majority of these "non-DAC" donors have quite different approaches and modalities from those of traditional donors - the main reason why the government seems to prefer them. They seem to release aid without any attached conditions. Traditionally Japan has also been doing things this way under its policy of non-interference in the internal affairs of the country. However it has done so by a highly developed system of channelling and monitoring of the use of its funds that limited the scope for corruption and misappropriation. Thus much of the aid from Japan continued to flow even when other DAC members withheld aid to Kenya.

However, a major, and indeed worrying, donor of late has been China with its apparently conditionality-free approach. The Kenya government argues that China is

a more honest donor than those from the west because it attaches no conditions to its aid packages. Moreover, as Kenya's Minister for Economic Planning stated recently, it takes a short period of time from the start of negotiations till the release of funds for emerging donors like China, unlike the traditional donors of the West. Further still, the new donors are ready to finance projects that have been shunned by the western donors, e.g., the construction of a second seaport and its associated infrastructure like the railway line and the road that links it with Southern Sudan, which will be funded by China. However, one needs to look further into China's interests in Africa generally and Kenya in particular, to understand why China has made this decision while Mombasa port is operating under capacity and the century-old railway line from Mombasa to Kampala is dilapidated. With a huge and fast growing economy that is thirsty for oil, a railway line to Southern Sudan is perhaps more in China's interest than it is in Kenya's, even though the current regime is supporting the project for political expediency. Furthermore, China seems to be angling for lucrative reconstruction projects in Southern Sudan in case the people there vote to break with the Northern Sudan.

On the other hand, donors like Qatar, Kuwait and Saudi Arabia have specifically supported projects in the semi-arid and underdeveloped North and Eastern parts of Kenya as these have remained behind in development. While this seems plausible, there are suspicions in Kenya that these arid Gulf states are also eyeing the rich soils of the lower part of the Tana River that has fertile alluvial soils for food production as part of the Africa-wide trend for oil-rich countries from the Middle East to buy up or lease large tracts of African farming land to promote their own food security.

Another equally worrying donor for Africa and Kenya in particular outside DAC club is Iran. Faced with a potentially pariah status within the wider international community due to its many confrontations with the UN over its nuclear plans, Iran embarked on whirlwind visits to East Africa especially in 2009, striking several deals with Uganda, Zimbabwe, Senegal, and Kenya. The tour seemed to be a move to drum up support for its nuclear programme rather than a genuine attempt to help poor African countries. In Senegal, for example, the Iranian president managed to extract President Abdoulaye Wade's support for Iran's nuclear program which has raised USA's hackles. In Kenya further to the signing of a deal for low-priced oil and for scholarships for Kenyans to study in Iran, a deal was signed for Tehran to inject a massive 110 billion Kshs (\$1.4 billion) into Kenya's fledgling economy in order to revive it. While this is a good gesture, Iran's notoriety when it comes to cooperation with the UN for the inspection of its nuclear programme is indeed a cause of serious concern to anyone who cares about world peace and stability.

Thus whereas more and more African countries are likely to look to the east for donor support, there is, sometimes, a likelihood of a hidden agenda. While China, Iran and other countries from the east are indeed supporting poor countries like Kenya, there is a potential risk of making bad governance in Africa worse by giving aid unconditionally. A very good example is the controversy that a Chinese loan of \$53 million for construction of mobile hospitals has stirred in Zambia currently. The public, health experts and the western donors are against the project due to bad roads and the fact that Zambians are not nomads. Furthermore, similar project of mobile

clinics in the 90s became “white elephants”. Thus, supporting regimes that are not accountable to their people is not helpful at all, as in the end it will hurt the people.

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### Engaging with ‘Emerging’ Development Partners: the View from Kenya

Emma Mawdsley, Department of Geography, Cambridge University.

Email: eem10@cam.ac.uk

**Keywords:** Kenya; India aid; India-Kenya development cooperation; Chinese visibility; Indian private sector presence; donor coordination

**Summary:** Using the case of Kenya, this piece looks at how the ‘emerging’ donors of China and India engage at the country level.

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The ‘mainstream’ actors and institutions of the development industry are increasingly aware of and responding to the (so-called) ‘emerging’ development actors. Initiatives to engage the ‘emerging’ actors are evident in the establishment of the ECOSOC Development Cooperation Forum, and in debates within the OECD’s Global Forum on Development, and the Development Committee of the World Bank and the International Monetary Fund. In 2006, under the auspices of the Russian Presidency, the G8, the OECD and the World Bank held a conference on ‘Emerging Donors in the Global Development Community’. In 2005 DAC announced that outreach to the non-DAC donors was now a formal policy agenda. The new buzzwords include ‘triangular cooperation’, by which a DAC and non-DAC donor cooperate in development programmes in a third country (Altenburg and Weinhert 2007; Chahoud 2008; ECOSOC 2008). For their part, some of the ‘emerging’ donors are keen to collaborate and move closer to the DAC community, notably non-DAC members of the OECD, and a number of ‘new’ European member states. Others are cautious of aligning with the ‘mainstream’. Some do not wish to circumscribe their development aid policies within DAC restrictions; while others openly reject what they view as the discredited

policies and practices of the western-dominated aid community. According to Rowlands (2008) Brazil and South Africa are more open to 'trilateral' cooperation, but even here:

"Though less reticent [than China and India], Brazil remains wary of such arrangements, and takes care to ensure that it is not simply re-establishing older hierarchical relations wherein it plays a subordinate role to a traditional donor" (p.16)

How do these initiatives to engage the 'emerging' donors play out on the frontline, away from Paris, London and New York? My study of India-Kenya development cooperation suggests that the 'traditional' donor community in Nairobi has, understandably perhaps, only really got eyes for China. India's profile and agenda as an official development partner with Kenya is very modest, presently restricted to a \$5 million Line of Credit (shared with a number of other east African countries) and about 50 technical training places. This low quantum of flow is the case with most of the countries with which India is engaged in development partnership; so this is not particularly surprising. The dynamism of India-East Africa relations is being left largely to India's vibrant, globalising private sector.

On 10 Sept 2007 the Kenyan Joint Assistance Strategy (KJAS) was launched after two years of negotiation. KJAS is an attempt by 13 DAC bilaterals together with the European Commission, the African Development Bank, the UN and the World Bank Group in Kenya to move towards greater harmonisation of aid, in accordance with the Paris Declaration. All of the interviews with representatives from the bilateral and multilateral parties involved in KJAS suggested various problems and benefits with the process and outcome, but from varying positions of commitment to the principle of harmonisation, and with a rather different range of interests and incentives to support or frustrate the process. All interviewees were asked whether they had ever considered approaching India as a potential member or simply observer of KJAS. The universal response was negative, with various expressions of bemusement that this should even be on the agenda. Most stated that this thought had never crossed their minds. As one respondent in a sizeable and active bilateral said:

"Until you pointed it out, I didn't realise that we never talk about India"

This stands in sharp contrast to the position on China. Although there were different degrees of interest in trying to engage the Chinese Embassy in Kenya, every single interviewee had quite a lot to say about the subject. All were aware of the various efforts to persuade China to attend key meetings, and of the main lines of debate between the various Chinese, Kenyan and DAC actors involved. All were knowledgeable on the Chinese position on the different donor and donor-government forums, and most interviewees were interested and willing to discuss China's growing role in Kenya, Africa and the world in some detail. In the case of India, it would seem that its macro-scale ambitions, and growing assertiveness and presence in various global forums (including mainstream foreign aid debates), still did not overcome the fact of its weak country presence. In the case of Kenya at least, despite being an important donor hub, the DAC donors have not sought to pursue an outreach policy to 'emerging' development actors other than China.

The steps towards dialogue, negotiation and potential cooperation/cooptation between the 'mainstream' and the 'emerging' development actors have filtered down to the majority of country offices of bilaterals and multilaterals in uneven ways. In Kenya, which acts as a key location for many development agencies working in the wider east African region, the only 'emerging' donor that seemed to really be on the agenda is China. India is so far under the radar in terms of its donor activities that it hasn't even registered as a donor presence. There are, of course, obvious reasons for this. In formal terms, India's donor activities are negligible in East Africa, and they do not threaten to undermine the DAC agenda by offering the sort of 'exit option' that China might. But (optimistically, admittedly) it is perhaps by working together on the ground with the smaller 'emerging' donors, that valuable learning and dialogue might take place.

**For the full paper, please contact the author or see:**

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**Mali: The New Donors - Towards a New Form of Bilateral Co-operation**

**Djénéba Traoré ERNWACA, Bamako**

Email : dtraore@rocare.org

**Keywords:** Mali; independence; new donors; partnership; development; transfer of expertise; capacity building

**Summary:** In 2010, 17 African countries celebrate the fiftieth anniversary of their independence. This event marks a time for reflection. Africa's former colonial powers have been weakened by the more and more visible and dynamic intervention of partners coming in the majority from the South, the so-called "new donors". The present article gives an overview of the policy led in Mali by these new donors.

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In Mali, the new donors mostly come from emergent nations like China, Brazil, Russia, India as well as from others like Cuba, Iran and Turkey. The common

denominator of these countries is that none of them colonized the African continent, and some of them were even invaded and put under colonial oppression.

How did the new donors come to Africa? What is their approach/strategy? New donors like India, China and Brazil used a form of cultural conquest before weaving some economic and diplomatic relationships with the African countries. Indeed, movies coming from the Asian continent and the Brazilian TV series conquered the African public from the beginning of the 1960s and the 1980s respectively. These cultural offerings should be considered, if we want to understand the very reasons of the success of some of the new economic and political partnerships. The Russian cooperation, for instance, can boast because more than 10,000 Malians have, from 1960 to now, graduated from Russian universities. Thus, when stronger cooperation links began to be established, the new donors were already accepted by African elites and populations who were seduced by their cultures and their life styles.

Can we therefore establish any parallel in this cultural conquest with the former colonial strategy? Rightly or wrongly, there may be a parallel, because it was with the Bible and the missionaries that the colonial penetration started in West Africa during the second half of the 19<sup>th</sup> century. The real reason, we know, was economic and had to do with political empowerment.

What characterizes the policy conducted by the new donors is the search for more human considerations, based on egalitarian principles in the implementation of bilateral and multilateral cooperation relationships. A long time before the Paris Declaration on aid effectiveness, the new donors had understood that development support had to be directed to the local communities and populations living in rural zones, without access to water, electricity, and should be aimed at the social services of health and education.

The Chinese-Malian cooperation for example has existed since October 25, 1960, as China built its bilateral cooperation with Mali on the pedestal of a “traditional friendship”.

Chinese support to Mali has increased significantly in the last 5 years (since 2005), especially in the areas of construction, concessional loans without interest and preferential customs clearance for certain Malian exports to China.

Cultural cooperation between China and Mali was made the object of a formal agreement signed on July 15, 2004 regarding the training of trainers, teaching and the organization of training sessions.

In the field of health, China constructed an anti-malaria centre and a modern hospital in Bamako. In addition, it sends medical teams of doctors, sanitary facilities and emergency funding.

Mali-India cooperation has developed since 2009 in the domain of the electrification of villages by the development of solar energy system and renewable energy.

Bilateral cooperation between Mali and Brazil aims to be focused on the necessity for Mali to make progress in its socioeconomic development. Thus, Mali signed with



Brazil in 2002 a Memorandum of Understanding regarding the transfer of technologies in the field of agronomic research and the improvement of the cotton culture. Thanks to these arrangements, Mali expects to increase its production capacity and to create hundreds, or even thousands of new job opportunities. An agreement has also been reached between the two parties on the scrapping of visas for holders of diplomatic and service passports.

Sharing of successful experiences is another axis of cooperation between Brazil and Mali. In this connection, Malians have been invited to go to Brazil in order to learn from the rich experiences of this emergent nation in the domains of health, education and renewable energy.

Aid for development bestowed by the new donors is not conditioned by the forced implementation of democracy and human rights rules, as required by the countries of the North.

However, there are trade-offs: for instance, the construction of a hospital for Mali by China has been negotiated in exchange for the exploitation of the forest at Kita, a region being already subject to an overexploitation of its flora.

But we have to consider that the new donors privilege the understanding between the peoples and the mutually advantageous character of cooperation, in order to encourage social and economic progress.

The former donors, who are principally the former colonial powers, have to learn that the past times are over and that the new Africa wishes to be treated as an equal during negotiations. Today's Africa has an urgent need to benefit from the transfer of expertise and building of the capacity of its institutions and human resources, without which the billions of dollars that are provided in the name of aid for development for the last five decades will have had no effect.

In fact, the new donors have understood and are applying this crucial insight.

### **Websites references and further reading (consulted on August 15th, 2010)**

[It should be noted that these web-references cover several more bilateral relations than are discussed in this article. Editor]

#### **Cooperation Mali-South Africa**

[www.malikounda.com/nouvelle\\_voir.php?idNouvelle=8068](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=8068) -  
[www.malikounda.com/nouvelle\\_voir.php?idNouvelle=6567](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=6567) -  
[www.journaldumali.com/article.php?aid=989](http://www.journaldumali.com/article.php?aid=989) -

#### **Cooperation Mali-India**

[www.malikounda.com/nouvelle\\_voir.php?idNouvelle](http://www.malikounda.com/nouvelle_voir.php?idNouvelle)  
[www.malikounda.com/nouvelle\\_voir.php?idNouvelle](http://www.malikounda.com/nouvelle_voir.php?idNouvelle)  
[www.malijet.com/...du\\_mali/cooperation\\_mali\\_inde.html](http://www.malijet.com/...du_mali/cooperation_mali_inde.html)

**Cooperation Mali-Iran**

[www.malijet.com/index.php?news=26072](http://www.malijet.com/index.php?news=26072)  
[www.malijet.com/...maliienne/coop\\_ration\\_mali-iran\\_le\\_pr\\_sident\\_iranien\\_mahmoud\\_ahmadinejad\\_d.html](http://www.malijet.com/...maliienne/coop_ration_mali-iran_le_pr_sident_iranien_mahmoud_ahmadinejad_d.html)

**Cooperation Mali-China**

[www.malikounda.com/nouvelle\\_voir.php?](http://www.malikounda.com/nouvelle_voir.php?)  
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[www.temoignages.re/renforcer-l-amitie-et-la,12912.html](http://www.temoignages.re/renforcer-l-amitie-et-la,12912.html)  
[quebec.com/.../about5914.html&sid=d3f41515e2dc1031b8316c3dd2b0c9cb](http://quebec.com/.../about5914.html&sid=d3f41515e2dc1031b8316c3dd2b0c9cb)  
[ml.china-embassy.org](http://ml.china-embassy.org)  
[www.maliweb.net/category.php?NID=14612](http://www.maliweb.net/category.php?NID=14612)  
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[french1.peopledaily.com.cn/International/7014725.html](http://french1.peopledaily.com.cn/International/7014725.html)

**Cooperation Mali-Brazil**

[www.malikounda.com/nouvelle\\_voir.php?idNouvelle](http://www.malikounda.com/nouvelle_voir.php?idNouvelle)  
[www.journaldumali.com/article.php?aid=1314](http://www.journaldumali.com/article.php?aid=1314)  
[www.journaldumali.com/article.php?aid=1300](http://www.journaldumali.com/article.php?aid=1300) -  
[www.essor.ml/societe/article/mali-bresil-mission-prospective](http://www.essor.ml/societe/article/mali-bresil-mission-prospective)  
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**Cooperation Mali-Cuba**

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[www.malikounda.com/nouvelle\\_voir.php?idNouvelle=3063](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=3063)  
[www.malikounda.com/nouvelle\\_voir.php?idNouvelle=5043](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=5043)  
[www.primature.gov.ml/.../index.php?emba.cubaminrex.cu/malifr/](http://www.primature.gov.ml/.../index.php?emba.cubaminrex.cu/malifr/)  
[www.malijet.com/...mali/cooperation\\_sportive\\_mali\\_cuba\\_hamane\\_niang.html](http://www.malijet.com/...mali/cooperation_sportive_mali_cuba_hamane_niang.html)  
[www.malipages.com/presse/news\\_03\\_05/news\\_0067.asp](http://www.malipages.com/presse/news_03_05/news_0067.asp)  
[www.afribone.com/spip.php?article3876](http://www.afribone.com/spip.php?article3876)

**Coopération Mali-Russia**

[ambamali-russie.ru/](http://ambamali-russie.ru/) -  
[www.un.int/wcm/webdav/site/mali/.../fr/.../1164134682.pdf](http://www.un.int/wcm/webdav/site/mali/.../fr/.../1164134682.pdf) -  
[www.malikounda.com/nouvelle\\_voir.php?idNouvelle=9441](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=9441) -

**Coopération Mali-Turkey**

[www.malikounda.com/nouvelle\\_voir.php?idNouvelle=7145](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=7145)

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**External Educational Support to the Palestinian Authority**

**Basri Saleh, Ministry of Education, Ramallah**

Email: [basrimoe@palnet.com](mailto:basrimoe@palnet.com)

**Key words:** commitments and disbursements; traditional donors; non-DAC donors

**Summary:** The Palestinian Authority depends a good deal on external support for its education development strategic plan. While much of this assistance comes from traditional donors, several new development partners have been involved also.

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In July 2008, the Ministry of Education and Higher Education launched its 5-year Education Development Strategic Plan (2008-2012). The plan indicates what Palestinian education should look like over these five years. It also indicates what needs to be done and what are the resources needed to realize these needs. Its main focus is on the improvement of quality of the Palestinian education at large and better linking it to the socio-economic needs of society, especially linking TVET and higher education to the labor market. The Plan is expected to serve as the basis for the first Sector Wide Approach in education, the first ever in Palestine.

During the last three years (2007-2010) the education sector received a good portion of the total aid disbursements to the Palestinian Authority; but commitments to the sector were well above the actual disbursements. Commitments totaled approximately \$110 million over the last three years. The largest proportion (80%) of disbursements in the period went to educational facilities and training. This is partially due to the fact that school buildings or rehabilitation, like other infrastructure projects, can be easily implementable and can act as temporary employment generation projects. Teacher training, an issue which directly affects the quality of education, received only about 5 percent of disbursements during these years. Early childhood education received well under one percent.

There is no one donor which dominates the sector; but the donors with the greatest disbursements during the last three years have been: Islamic Development, Germany, USAID, Norway and Belgium, in addition to around fifteen other donors and international institutions that are contributing to the implementation of the education sector development plan and other related strategies. As far as so-called 'new donors' are concerned, Korea, through KOICA, has been a great source of support for more than eight years, especially in the area of school construction, TVET, nutrition and

ICT. In the last three years their contribution has been around \$5 million dollars. Oman has made an indirect contribution via the local authorities.

Different sub-sectors of education have drawn on different donors. For instance, vocational education which received nine percent of total disbursements of the education sector had only five donors (EC, Belgium, USAID, Korea and Germany).

Concerted efforts are underway to develop a sector-wide approach supported by a pooled funding arrangement in the form of education sector budget support, possibly to be set up by the end of this year. The partnership principles are the first stepping stone on the way to a full fledged sector-wide approach; and a joint financing agreement will hopefully follow swiftly.

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### **Chinese Aid: No Consensus on Beijing in the South Pacific**

**Philippa Brant, The University of Melbourne  
International Poverty Reduction Centre in China (IPRCC), Beijing**  
Email: [plbrant@gmail.com](mailto:plbrant@gmail.com)

**Keywords:** China; Pacific Island Countries (PIC); China as alternative; Look North; China model; contrasting aid modalities.

**Summary:** This piece examines the discourses surrounding the appeal of China as a provider of development assistance in the South Pacific region. Drawing upon interviews with a range of stakeholders, it highlights the complexities of Chinese engagement, particularly in how it is perceived and presented, indicating that there is no consensus about China's role in the South Pacific.

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Chinese development assistance to Pacific Island Countries has increased in scope and prominence in recent years. As in other parts of the world, Pacific Island governments and communities are trying to utilise China's presence – positive and negative - for their own objectives. As such, the discourses on the appeal of China indicate that there is clearly no consensus about the role and implications of Chinese involvement in the region. The complex dynamics should, though, prompt other donors to reexamine their approach, policies and practices to ensure they really are aligned to the desires of Pacific governments and communities.

Many analysts and commentators present China as being appealing to recipients because of 'negative' factors – lack of transparency, less-stringent environmental requirements, a policy of 'non-interference' and so forth (see, for example, Henderson & Reilly 2003; Shie 2007; Skehan 2009). Whilst many of these elements are undoubtedly legitimate concerns with Chinese aid, the attempt to paint China as 'bad'

vis-à-vis traditional donors and the suggestion that Pacific Island governments only like China because of these characteristics tends to further entrench the patronising approach to ‘developing’ countries – part of what has led them to seek out China in the first place. It also ignores what may be real benefits of Chinese aid, and denies Pacific Island governments and communities the ability not only to determine their own development partners, but to be able to assess for themselves the benefits and drawbacks of Chinese funding.

That being said, it is important to keep in mind that different stakeholders find different aspects of China’s engagement appealing, and for different reasons. Political *leaders* in the region, for example, frequently brandish their relationship with China. Disenchantment with current aid regime norms and priorities and the approach and agenda of traditional donors in the region has led to some governments embracing Chinese assistance precisely because it appears different to and operates outside the dominant system. China is presented as politically appealing and is *used* by leaders to say they have an alternative.<sup>46</sup>

Many leaders perhaps fell under the spell of the Chinese, jumping at the opportunity to diversify reliance on traditional powers, emerging starry-eyed from lavish receptions, arms full of gifts. But many have awoken – they are all aware that no gifts are free and that China, like all the other players, has its own reasons for engaging. Pacific Island leaders recognise the growing economic and political power of China, and, like others, see the value in trying to develop a strong and positive relationship with it. As in other parts of the developing world, China is particularly appealing and valued as a source of large sums for aid and investment projects, especially in infrastructure.

China’s economic development path is frequently touted in the ‘Look North’ strategies of Pacific Island states (Zhang 2007). The so-called China ‘model’ is not presented as desirable; however, Pacific Island governments *are* interested in the lessons of China’s economic (state-led) development, especially in contrast to the privatisation agenda that is being religiously pushed by many of the traditional donors and lenders – which is seen as problematic in many small-island states. The feeling is that the unilateral development path promoted by the West has been proven wrong by the Chinese; so it is now worth looking to China (and Asia more generally).

Whilst their top political leaders may indeed trumpet China’s support and try to use it for their own political (or personal) gain, Pacific Island government officials are not blind to some of the problems that often come with Chinese assistance. They are more nuanced in their understanding of the alternative that China presents: ‘China’s presence gives PNG another alternative, another source of funding, and an extra bargaining card’. They try to use this to their advantage, playing donors off against each other, though, ultimately, they tend to see Chinese assistance as additional, ‘complementary’ funding, rather than a way to rid themselves of traditional donors, as their leaders often like to suggest.

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<sup>46</sup> Fijian leader Commodore Bainimarama offers a recent example: Flitton, D., ‘Fiji’s Chief Plan to Spurn Australia and Turn to China’, *The Age*, August 12 2010, <http://www.theage.com.au/national/fijis-chief-plans-to-spurn-australia-and-turn-to-china-20100811-11zsu.html>

China's approach to development assistance is also appealing to government officials as they feel they are included in the processes, with a number of PIC officials speaking highly of the Chinese responsiveness to their needs. 'They spend very good time with recipient country, to work out project design, incorporate feedback, so it is incorporated into the project. This is appreciated...it is not seen as a gift, both parties have worked together to make it happen'. The Chinese are also praised for being very adaptive: '(they are) willing to change their ways, prepared to come to the table to compromise, have learnt from their mistakes'.

Chinese development assistance is appealing for practical reasons as well, and many government officials feel that China is often more attuned to their realities. PICs complain bitterly of the complexities of the traditional donor approach: 'too many meetings, too many forms, too many reporting requirements, too many advisors, too much preparation...'. China is *perceived* as easier to work with. Many suggested the responsiveness and short timeframe of the Chinese process compared with others is also more befitting to conditions in the South Pacific region. However, in reality, this applies to Chinese grants rather than larger concessional loans, which, to date, have been cumbersome.

At the local community level, Chinese development assistance appears to be more contentious. Although many NGOs in the region are critical of the one size fits all approach to development, and from this perspective welcome China's engagement with different values and different ideas, they are wary that negative western influence will simply be replaced with negative Chinese influence. Many people speak of being pleased with the projects China provides – a new road, school dormitories, scholarships, a bridge – but the Chinese Government's aid projects get entangled with the problems associated with Chinese migrants and practices of Chinese companies. Interestingly, communities and NGOs are also using their concerns with the Chinese presence to express dissatisfaction with their own government representatives and practices.

China's involvement and assistance thus seem to resonate in the Pacific for a variety of reasons – personal, practical, economic and political. The appeal of China appears to be enhanced by traditional donors' approach and practices as China is usually presented as appealing *compared to* others rather than appealing *per se*. Perhaps this tells us more about the concerns and problems with traditional donors and the aid regime itself. What *is* certain is that different elements of China's engagement are embraced and utilised by different actors to support their own objectives – whatever they may be.

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### **Emerging Donors from a Recipient Perspective: Some Insights from Cambodia**

**Jin Sato, The University of Tokyo**

Email: hwaka@rr.ij4u.or.jp

**Keywords:** Cambodia; recipient perspectives; aid commonalities; aid diversities; emerging donors; traditional donors

**Summary:** JICA conducted fieldwork to see how the recipient government perceives newly emerging donors in Cambodia. This is the summary of the findings.

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Debates about the role and impact of so-called “emerging donors” are becoming increasingly heated. However, they often lack the most critical element in evaluating what emerging donors are all about: the recipient countries’ perspective. A survey team of the JICA Research Institute conducted fieldwork to see how the recipient government perceives newly emerging donors in Cambodia, i.e., one of the most aid dependent countries in Asia. We paid specific attention to the processes of aid provision by the new donors, i.e., China, India, the Republic of Korea, and Thailand and compared them with traditional donors such as Japan.

In short, emerging donors are very much welcomed by Cambodian governments despite international concerns over the ever-intensifying aid fragmentation. They are welcomed because they fill the investment gap, particularly the infrastructure sector where western donors provide insufficient funds. Most importantly, the emerging donors provide political leverage for Cambodia by giving them alternatives. Cambodia can now negotiate not only with traditional donors like Japan but with new donors like Thailand. For example, Thailand used to dominate road construction projects in the Thai-Cambodian border, but now Kuwait has started to fund infrastructure in the same area. This option gave Cambodian government a relative autonomy without being dominated by a single donor.

The common treatment of these new donors as distinct from traditional donors has had the unfortunate effect of blinding us to two important aspects of the evolving aid landscape: 1) commonalities between emerging donors and traditional Development Assistance Committee (DAC) donors, and 2) diversity *among* emerging donors. The way China develops its projects through the private companies is very much like how

Japan generated its projects up until the 1980s. China, on the other hand, is very different from Thailand which seems to follow the DAC model of aid provision. The two biases are derived not only from the lack of existing information about how these donors operate on the ground, but also from the lack of efforts to integrate available information for analysis. By accounting for the experiences of the recipient country, our paper challenges the conventional view that aid fragmentation should be reduced *a priori*. The central challenge in the near future is to have aid assessments by the people of Cambodia, not only by its government. Both traditional and emerging donors can contribute towards building capacities of the civil society who can make a sound judgment on the types of aid they wish to receive.

### **Further reading**

Our paper on Cambodia can be accessed freely from the URL below:

[http://jica-ri.jica.go.jp/publication/workingpaper/how\\_do\\_emerging\\_donors\\_differ\\_from\\_traditional\\_donors.html](http://jica-ri.jica.go.jp/publication/workingpaper/how_do_emerging_donors_differ_from_traditional_donors.html)

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# **NORRAG-RELATED MATTERS**

## **The New Website Goes Live – Latest Update**

**NORRAG secretariat**  
Email: [norrags.org](mailto:norrag@norrags.org)

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NORRAG recognises that the [norrags.org](http://norrags.org) website is the key dissemination mechanism for NORRAG News (NN), activities and networking. In light of this, the [norrags.org](http://norrags.org) website has been through two phases of development since 2006 to make it a more effective platform. Below is a summary of some of the most recent changes made to date.

### **Norrags.org upgrading (2009/10)**

The content management system was updated so that we are able to use the most recent website tools. There is now open-access (without login) to the majority of all website content; this includes all the online articles (including the latest issue), all policy briefs (including latest issue), all NN contents pages and editorial of all NN issues (including the latest). Only a few areas of the site now require a password to login; these include: i) latest issue of NN in pdf format; ii) the NORRAG networking tool; and iii) the members' area. The registration area has been updated so that members can enter multiple areas and countries of expertise. Registered members are able to view and update their own profile online, using a password. A new "google type" search engine (with basic and advanced search options) replaced the old (limited) search facility on the site. The email alert system was updated. Google Analytics is now in place and will allow us to learn more about where our visitors come from and how they interact with the NORRAG site.

### **PLEASE UPDATE YOUR PROFILE TO GET FULL ACCESS TO THE NEW NORRAG SITE!!**

**The only action that needs to be taken by you is to update your profile.** On the homepage, there is a box headed: 'You're a member already'. Please enter your email in this box and you'll be taken to a screen to update your profile, including setting a password of your choice.

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### **NORRAG Survey Results: Summary of the Findings**

**NORRAG secretariat**  
Email: [norrags.org](mailto:norrags.org)

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Between November 2007 and January 2008 NORRAG conducted an online survey of its members in order to assess their opinion of how NORRAG was doing. This survey was the first of its kind for NORRAG and gave us a valuable insight into its membership as well as many ideas of the direction we should take. Two years later it was decided to conduct another online evaluation of this sort, which took place over about two months (between 15<sup>th</sup> April and 11<sup>th</sup> June 2010). 230 members responded to the online survey.

**Members by institution**

- One of NORRAG's objectives is 'Critical advocacy of education and training policies and strategies to governments, NGOs and other organizations'. The survey responses suggest that perhaps 70% of all of NORRAG members are from these types of institution (13% governments, 8% aid agencies, 14% NGOs and 36% higher education institutions); so NORRAG is doing a fair job at directly reaching these groups.
- It can also be argued that NORRAG indirectly reaches out to other organizations through another approximately 20% of its members; both research students and consultants.

**Use of norrag.org**

- Over half of all respondents said that they refer to the current issue of NN regularly, compared to about 1 in 4 members who look at back issues of NN regularly. Back issues of NN are clearly still very popular.
- The most popular way of accessing NN is by reading one or two articles online (not necessarily downloading the complete pdf issue). About 1 in 4 respondents also claimed to use NN as a reference tool.
- About 7 in 10 respondents had not used the NORRAG Networking tool, though 5 in 10 of these said that it was potentially very useful.
- Almost two-thirds of those who responded said that the policy briefs were either a valuable synopsis of the full NN issue, or a stimulus to read the individual articles in the issue.

**How members are using NORRAG News**

- Overall, it appears that members are using NN to keep themselves up to date with education and training issues. 1 in 5 also claim to use NN very often for their research work.
- Over 40% of respondents claimed that they used NN to inform projects and policy, either often or very often.

**Members' views of recent NN issues (NN41, 42 & 43)**

- The vast majority (about 95%+) of all those who responded said that they considered the last three issues of NN to be either excellent or good. Not one respondent said that these issues were poor.

**Degree to which members consider the objectives of NORRAG are met**

The objectives are:

1. Collection, critical analysis, and synthesis of research on education policies and strategies, and on international cooperation.
  2. Dissemination of just-in-time information and knowledge on aid policies.
  3. Critical advocacy of education and training policies and strategies to governments, NGOs and other organizations.
  4. Cooperation with other networks in order to share information, carry out joint programmes, joint efforts in advocacy and strengthen networks.
- According to this latest survey, higher proportions of NORRAG members consider that all objectives are being met than in 2007.

- Members considered that NORRAG has most successfully met Objective 1; 93% of all respondents indicated that NORRAG had been ‘very’ or ‘quite’ successful in achieving this objective (compared to 89% in the 2007 survey). Only 2% of all respondents indicated that NORRAG had not been successful in achieving this objective.
- Similarly, Objective 2 was considered to be well met; 86% of all members considered that NORRAG had been ‘very’ or ‘quite’ successful in achieving Objective 2 (compared to 79% in the 2007 survey). 3% of all members indicated that NORRAG had not been successful in achieving this objective (compared to 7% in 2007).
- With respect to Objective 3, 71% of all members considered that NORRAG had been ‘very’ or ‘quite’ successful in achieving it (compared to 67% in 2007). However there was some concern among a minority of all NORRAG members (10%) that NORRAG had not been successful in achieving this objective (this compared to 14% in 2007).
- 59% of all members considered that NORRAG had been ‘very’ or ‘quite’ successful in achieving Objective 4 (compared to 53% in 2007). There was concern from 6% of all respondents that NORRAG had not been successful in achieving this objective (in 2007, 20% of respondents voiced this concern).

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### **IAMR/NORRAG Skills Meeting in New Delhi**

**Kenneth King, Hong Kong Institute of Education/NORRAG**

Email: [Kenneth.King@ed.ac.uk](mailto:Kenneth.King@ed.ac.uk)

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This meeting was a direct successor to the valuable NORRAG conference on Policy Learning in Skills Development held in June 2009 in Geneva. Dr. Santosh Mehrotra, director of the Institute for Applied Manpower Research, who spoke at the Geneva conference, was persuaded that this kind of critical analysis of skills, including by donors and academics concerned with skills development, would be timely in India’s attempt to deliver on the most ambitious skills agenda the Government of India has ever formulated. Consequently a very valuable background paper was developed: *The Challenges Facing Skills Development in India*. This formed the basis for a highly interactive set of discussions in New Delhi during May 6-7th 2010.

NORRAG was responsible for bringing to the table expertise on South Africa from Adrienne Bird, and from Mexico from Enrique Pieck. These proved to be very welcome additions to the otherwise national debates on skills development.

The background paper for this meeting will also be available in September 2010 at the Regional Skills Development Conference in Dhaka, which Swiss Development Cooperation is hosting, with the support of NORRAG. A full report on the Delhi Skills Meeting is currently being finalised.

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## **A NORRAG cluster meeting in Addis Ababa**

**Stephanie Langstaff, Addis Ababa University**

Email: Stephanie.langstaff@gmail.com

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NORRAG, in collaboration with the Organization for Social Science Research in Eastern and Southern Africa (OSSREA), organized a meeting in Addis Ababa on April 13, 2010. The meeting was on "The Use and Usefulness of Educational Research and Global Development Reports from the perspective of Ethiopia", in relation to NORRAG NEWS n°43 (NN43) on global reports. It gathered 27 participants from training and research institutions, ministries, international organizations and DFID.

After an introduction to NORRAG and NN43 by Kenneth King and a presentation by Dominic Agyeman (ERNWACA), participants discussed the following points:

*1) Do policy makers in Ethiopia read research or global reports?*

Paschal Mihyo, the Director of OSSREA, made some of the key points about policy makers and their use of global knowledge. Research, Global Development Reports, as well as NORRAG NEWS, are beyond the reach of policy makers because of their format. They are too long and not user-friendly for policy-makers, who read selectively according to what can be used. The message needs to be short and translated into a language that policy makers can understand. According to some participants, the research conducted is not relevant to the context and needs of Africa and does not interest policy makers. That may be because few African researchers participate in the research conducted for global reports.

*2) How do global reports and educational research impact on policy and discourse?*

Participants agreed that they definitely have an influence on priorities and on discourse in Ethiopia. Policy-makers care about their image and are concerned about rankings. Statistics are the most influential. The influence of global reports on policy is also linked to aid conditionality and policy prescriptions from donors on the government.

In recent years, several new terms and topics of research, that are products of the global knowledge, were introduced in the Ethiopian context: "quality assurance", "learning assessment and outcome", "best practice", "benchmarking". It means that the global architecture is transferring knowledge that influences policy priorities, terms and ideas about the way education should be delivered; but that could undermine the reflection on what education would be best for the country.

Some participants raised an interesting contradiction: Global reports, global knowledge are influencing national policies but according to the Paris Declaration, donors should align their policies with national policies.

However, due to historical factors, Ethiopia does not have clear role models and yet there is a good ownership of policies. For example, the Ethiopian government defines priorities which are not driven by donors or the global architecture, e.g. the expansion

of tertiary education. And Ethiopia has also an influence on global policy: The new DFID education strategy parallels the Ethiopian strategy for enrolling more children in primary education. Ethiopia was asked to share its successful experience during the EFA high-level meeting which was held in Addis Ababa in February 2010.

Finally, one participant said that the link between politics and research plays a big role in the country; the impact of policy recommendations is related to how they fit with political priorities. The content of research reports or global reports is not just transferred; it is selected, reinterpreted and adapted.

*3) What are the conditions to stimulate the use of research in Ethiopia?*

The link between the government and researchers is weak. The government needs a structure to absorb and use research. Think-tanks are used by donors more than by the government. There is currently no platform for discussion between researchers, policy-makers, practitioners and other stakeholders such as parents and NGOs. Policy review meetings are conducted every year but researchers are not invited. The representative from DFID explained that there is also a very weak link between donors and researchers. DFID supports, through funds to UNDP, policy-oriented research but very few proposals come from Ethiopian researchers. Academics who participated in the meeting explained that there is no enabling environment to conduct and disseminate research in Ethiopia. Their contract stipulates that only 25% of their time should be allocated to research. Research proposals submitted to the university are examined through a very long process, up to the Ministry of Education. When the proposal is accepted, money comes a long time later. They are, therefore, more involved in teaching, because it is better for income-generation.

Overall, this meeting provided the opportunity for participants to meet, exchange views and experience, and learn about NORRAG. After the meeting, there was an increase in membership by some 25 % - from 33 to 40 members registered as residents in Ethiopia. It is hoped that the number of contributions to NORRAG NEWS will also increase. Since its beginning, there have been only four articles on Ethiopia (NN19, NN33, NN40 and NN42), with only one written by an Ethiopian researcher, although approximately 112 NORRAG members claimed Ethiopia as country of their own expertise (40 members in Ethiopia and 72 members outside of Ethiopia).

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# **PUBLICATIONS**

**Seven Volumes on Higher Education in Africa by Chinese scholars****Zhao Qiong, Zhejiang Normal University, Jinhua**

Email: zhaoqiong81@163.com

In association with the founding of the Institute of African Studies in Zhejiang Normal University in September 2007, an ambitious project to analyse patterns of higher education in no less than 14 African countries was launched. The first 6 volumes have been published: on Kenya, Ethiopia, Egypt, Tanzania, Nigeria and Cameroon. South Africa will follow shortly, and then a further 7 volumes will appear. They are published by China Social Sciences Press. Address: No. 158, Gulouxi Street Jia, Xicheng, Beijing. Zip code: 100720. These are substantial volumes of some 300 pages, with full referencing. They are about 30 Rmb or £3 sterling each.

**0-0-0-0-0*****Planning for Technical and Vocational Skills Development*****[Fundamentals in Educational Planning, vol. 94, September 2010, IIEP, Paris]****Kenneth King, Edinburgh and Robert Palmer, NORRAG, Edinburgh**

The position of skills development on the agenda of policy-makers and development agencies improved markedly around the turn of the 21st century. This volume tracks the ways skills have gained importance both in the developing and the more industrialized world. It analyses critically the multiple 'drivers' of skills development and the linkages of skills to the knowledge economy, growth, and employment in an increasingly competitive world. It also acknowledges the many modalities and delivery systems for skills development, arguing that this institutional diversity, often spread across several ministries and training authorities, has made it more difficult to give a national account of the skills development sector. The re-emergence of skills has triggered many reform initiatives associated with technical and vocational skills development, some of which have become almost 'fashions' and are in danger of being adopted without sufficient evidence of their effectiveness. This account provides cautionary advice and fresh insights that planners, and hopefully academics, will find rewarding.

**0-0-0-0-0****Note on the October 2010 special issue of the *Journal of International Cooperation in Education (JICE)*:****Rethinking Education Aid to Enhance its Effectiveness: Global Coordination Issues in the Allocation and Use of Education Aid****Birger Fredriksen, consultant, formerly World Bank**

Email: bfredriksen@worldbank.org

The October 2010 issue of the *Journal of International Cooperation in Education (JICE)* focuses on the scope for enhancing the effectiveness of education aid by



allocating it to areas, purposes and countries where it can have the greatest catalytic impact on national and global development goals. JICE is published by the Center for the Study of International Cooperation in Education (CICE) at Hiroshima University. This special issue includes ten articles plus an editorial. **Birger Fredriksen**, the guest editor of this issue, provides an overview of issues and options for increasing the catalytic impact of education aid. **Kazuhiro Yoshida** discusses the use of external expertise to develop human capital in Japan during the Meiji era. **Kye Woo Lee** analyzes differences in the ways Korea and Mexico used education loans from the World Bank to develop education to promote economic growth. **Kenneth King** reviews China's cooperation with Africa in the education and training sector and highlights some key differences in China's approach compared to that of other donors. **Nicholas Burnett** discusses the challenges in reforming UNESCO, the organization designed to be the pre-eminent global cooperation, standard-setting and "forward-thinking" organization in the education sector. **Digby Swift** explores whether the focus of the international education agenda on the Millennium Development Goals detracts from the education sector's ability to produce wider global public goods such as political, environmental and demographic stability. **Marito Garcia** and **Alan Pence** describe the evolution and achievements of a regional network on early childhood development in Africa. **Azian Abdullah, Devadason Robert Peter, Khar Thoe Ng, and Wahyudi** summarize the work of the Regional Centre for Education in Science and Mathematics (RECSAM), located in Malaysia, and discusses challenges in delivering the Centre's mandate as a public good institution for Southeast Asian member countries. **Olav Seim** and **Birger Fredriksen** describe how the Norwegian Education Trust Fund over a 10 year period supported preparation of more evidence-based education policies and programs in Sub-Saharan Africa. Finally, **N.V. Varghese** discusses the evolution of aid priorities in higher education.

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## POSTSCRIPT

[We end, as we began, with a question about the identity of the new who are not-so-new, and about development actors who may move for strategic reasons between different roles on the stage that is development assistance. Ed.]

### **Dancing on the BRICs Stage? China as an Emerging *and* a Traditional Donor**

**Zhou Shuqing, Zhejiang Normal University, Jinhua**

Email: dr.zhoushuqing@gmail.com

**Summary:** As a donor, China lingers between the role of a traditional and an emerging donor. Development assistance may be considered as opportunism, and it is merely an aspect of China's strategy of becoming a dominant country.

**Keywords:** China; emerging donor; BRICs; Official Development Assistance; opportunism

As one of the BRICs, China is rising. In providing support to developing countries, China is playing a more and more important role. The world has noticed this new actor, a significant emerging donor. Actually, China dabbled in development assistance in the 1960s. From then on, it has never stopped its pace. Before Deng Xiaoping came into power, Chinese aid to the poorer countries was shrouded in the ideological and political atmosphere. But in recent years China has increased its commercial interest in foreign aid. China, in company with the other BRICs, may pose challenges to the standards and norms created by the traditional donors.

In contrast with the content of traditional donors, Brazil, India, South Africa and China share some characteristics in common in their development assistance. The traditional donors concentrate on environmental assessment, democratization, good governance, and poverty reduction, while the emerging donors involve their programs in local stability and security. Moreover, trade and commercial interests accompany their assistance in more distant places. We can summarize these characteristics as follows: partnership and south-south cooperation are emphasized; local needs and interests are considered; equality is present; the principle of reciprocal trade, respect, and privilege are taken on board. All these show some contrast with the traditional donors. In view of these characteristics, the emerging donors have received increasing attention over the past ten years and the recipients have given warm praise to these emerging donors' efforts.

Nevertheless, among these main emerging donors China is even more different. It has a special pursuit of global influence, which still resides in the hands of the US. Expanding its international impact, as part of what we may call a Chinese Renaissance, has become a new goal. In this context, China is taking some actions. On the one hand, China has to show the world its distinctive character in order to get enough influence in international affairs. It also soaks itself in the dreams of a bellwether, a burning ambition to be a global leader. On the other hand, China is

aspiring to gain its power in the traditional hierarchy, just as it is acting in the UN and IMF.

It is under the guidance of the above ideas that China makes its play as a donor. It is tempted by the roles of both the traditional and the emerging donor. And whether China acts as a traditional donor or an emerging one depends on its strategic interests plus the external environment. Whether the newer, emerging force may overwhelm the older, is still a question. We can understand the question in a metaphorical way: China is acting like a dancer, and the BRICS are its stage. If it feeling tired or giddy, it will step down from the stage, and embrace the traditional and sound ground. If the BRICs are powerful enough to create a new stage or a platform, China will never get off. At that time, it will occupy a commanding position. That's China, - a country hunting for chances between the new and the old.

To China, choosing traditional ways or emerging ways is not the question. Official development assistance is only a means of achieving its strategic objectives, and that is the extension of its global power. Aid modalities, whether old or new, are just steps along the highway towards its ultimate goal: China's being a globally dominant country.

**Further reading**

The Economist, "Brazil's foreign-aid programme: Speak softly and carry a blank cheque", available at: [http://www.economist.com/node/16592455?story\\_id=16592455](http://www.economist.com/node/16592455?story_id=16592455)  
Emerging donors study reports of IDRC are available at: [http://www.idrc.ca/en/ev-140964-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-140964-201-1-DO_TOPIC.html).

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