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Emerging Donors in International Development Assistance:

A Synthesis Report

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**One of five reports on the role played by emerging economies in funding
international development**

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Executive Summary

This paper reviews the lessons revealed by the country studies of Brazil, China, India, and South Africa, who are referred to collectively as 'emerging donors'. The studies emphasize the origins, structure, and operations of these countries' development assistance programs—especially the research for development and international collaborative dimensions of their programs.

Current standards and norms of donor behaviour and activity are generally derived from traditional donors. These standards and norms include the quantity, distribution, and type of aid, levels of collaboration and cooperation, and guidelines to improve efficiency. These standards and norms are contentious and often weakly adhered to, and the presence of emerging donors may pose important challenges to the continuation of these standards and norms.

Emerging donor development assistance programs emphasize partnership and south-south cooperation, and emerging donors seem reluctant to be seen as reproducing traditional donor-recipient hierarchies. These programs also emphasize mutual benefits, which contrasts with the traditional donor debate over recipient need versus donor interests. In addition, emerging donors tend to stress local stability and strategic interests. Commercial interests accompany their assistance in more distant places such as sub-Saharan Africa.

Administrative structures for development assistance programs tend to be relatively diffuse and uncoordinated. Most countries have subordinated their development assistance coordinating agencies to other ministries and are themselves in control of only small portions of overall assistance activities. Financing is also often decentralized, and in many instances, programming is generated from the bottom up through executing agencies or from the top down through the diplomatic efforts of senior government ministers and heads of state.

Development assistance levels are rising and, in the case of China and India, involve significant amounts of money. Overall, however, emerging donors provide only a small portion of international assistance, and aid-to-GNI ratios remain typically much lower than those of traditional donors. Given their own levels of poverty and need, however, these efforts are indeed substantial.

Research for development is a problematic concept for emerging donors in particular. All four countries studied engage in some research for development activities. China and Brazil emphasize training, while South Africa and India stress the use of their own technological innovations.

India and China have been reluctant to collaborate extensively with foreign partners due to the fear of losing policy independence. These fears are subsiding, however, and the multiplicity of actors eager for international engagement suggests that more openings for collaboration will continue into the future. Brazil and South Africa have been much more cooperative in their overall development programs, as well as in research for development.

The presence of emerging donors offers many challenges to—and insights for—traditional donors and the standards and norms they have developed. As these emerging donors seek greater international legitimacy, they may also strive to adhere more closely with these norms. At the same time, their size will enable them to help shape these norms to reflect the unique insights and perspectives they have acquired as a result of their own development assistance experiences.

1. Introduction

International development assistance can be a difficult concept to work with. Value-laden euphemisms such as ‘foreign aid’ and technically specific terms such as ‘official development assistance’ are often used as awkward substitutes, making it difficult to describe development assistance in a manner that is both sufficiently broad in conception and analytically precise in application. Moreover, traditional donors have dominated international development assistance—both as a concept and a field of endeavour—making it necessary to re-examine the practice in the presence of new emerging donors.¹

To this end, the International Development Research Centre supported research projects to review the efforts of four emerging donors. The four countries—Brazil, China, India, and South Africa—represent regional powers from key emerging markets and developing regions: Latin America, East Asia, South Asia, and sub-Saharan Africa.² In addition to their regional importance, these countries are also laying claim to a greater role in international affairs, representing four of the five BRICS³ (Brazil, Russia, India, China, and South Africa) countries that have become a common grouping for analysis.

This paper brings together the main findings of these four country reports and identifies common themes by which their experience might be analyzed. While the experiences of these countries are common in many ways, they also exhibit many unique characteristics.

After this introduction, the report presents a review of international development assistance and outlines the dominance of traditional institutional structures and concepts. This particular section will serve as a point of reference with which to compare and contrast the activities of the emerging donors.

¹ The term ‘emerging donor’ is far from ideal. In some cases, these countries have been involved in some form of development cooperation for an extended period of time. In addition, some may object to being classified as donors at all, given that the restricted nature of some of their activities may not correspond to more rigorous definitions of the term ‘donor’. Despite these flaws, the term is used here due to its correspondence with the term ‘emerging market’ and because it serves as a challenge to some of the more traditional notions of donor.

² The four papers commissioned by the IDRC are by Chin and Frolic (China), Agrawal of India Focus (India), Costa Vaz and Aoki Inoue (Brazil), and Braude and Sidiropoulos of the South African Institute of International Affairs (South Africa). These reports will be referred to by the country name.

³ The missing country is Russia.

2. Origins of Traditional Views of the Donor Community

Modern development assistance programs emerged in the post-Second World War environment of decolonization and Cold War competition. The Western, or Northern, analysis of development assistance activities is conducted in the awkward space between the technical functions of development assistance as an instrument of market-oriented development theory and the reality of its inherently political origins and impetus. The current standards and norms to evaluate current donor activity arguably emerge from this Western tradition.

Much of this tradition is embedded within the official coordinating bodies and institutional arrangements of the traditional donors: the Donor Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), as well as international financial institutions such as the World Bank, the International Monetary Fund (IMF), and regional development banks. Although these agencies are far from absolute in their power to direct donor activity, and are not necessarily homogeneous in their views on development, they are instrumental in defining terms and concepts in development assistance, identifying best practices, and providing a framework within which bilateral donors can interact with a higher degree of synergy than if they had been left to their own devices. The attempt at coordination, or at least the professed confidence in it, is arguably a key dimension of traditional donor norms and a statement of intent regarding the desirability of addressing the development agenda collectively.⁴

Examples of these norms include the mythic target for development assistance of 0.7 percent of the gross national incomes of wealthy donor countries. Although this target is honoured more in the breach, it remains a benchmark and a United Nations-endorsed expression of international will.⁵ Other focal points for donor norms are often embedded within the research, program reviews, and declaratory statements of the DAC. Accordingly, the DAC conducts research on best practices and topics of importance to development effectiveness, and reviews its members' development cooperation programs roughly every four years. Furthermore, the DAC provides a forum within which members can agree on statements of common principles and actions, as exemplified by the Rome Declaration and the Paris Declaration outlining frameworks for greater coordination and efficacy in aid delivery.

While the DAC provides a forum primarily for discussion and the identification of common ground on development assistance practice, the World Bank and its regional counterparts provide a more formal structure within which development cooperation can be coordinated. As such, the World Bank's Comprehensive Development Framework, Country Assistance Strategy, Poverty Reduction Strategies, and other planning tools represent frameworks within which World Bank activities can be coordinated with those of other donors and with identified priorities of recipient countries. Although critics, such as Easterly (2006), suggest that the plethora of planning exercises undertaken by the World Bank and related entities are excessive and counterproductive, they remain a symbol of the confidence traditional donors retain in the technocratic coordination of development assistance.

The IMF's role in coordination is arguably less crucial. In addition to its participation in planning activities, the IMF plays an important gatekeeper role—in terms of both assistance provision and debt-relief coordination. Arguably, the IMF also retains considerable influence over the World Bank's activities in structural and sectoral adjustment, which rarely occurs in the absence of IMF participation. In all of these cases, IMF programs are seen as a first step in the rehabilitation of misbehaving recipients (for example, Kenya in the latter years of President Moi's tenure), as well as a necessary ingredient of debt rescheduling and relief negotiations in the Paris Club, the London Club, and heavily indebted poor country initiatives.

⁴ Hattori (2001) argues that foreign aid should be seen primarily as a symbol, one that is arguably more consistent with constructivist approaches to international relations than materialist ones. From this perspective, norms surrounding development assistance could be construed as evidence of constructivism consistent with moral foundations of foreign aid (Hattori, 2003).

⁵ For example, on the United States State Department website (State Department, United States Government 2007), there is an acknowledgement of the United Nations identified target of 0.7 percent of GNI, even though the United States government is often alleged to be skeptical of the target's legitimacy.

It should also be noted that coordination may have a downside. Woods (2007) argues that traditional donors have entrenched conditionality in their assistance programs, whereas new donors seem to favour less intrusive methods. Even though coordination is limited and arguably declining in the post-9/11 environment (Woods 2005), it functions as a mechanism to maximize donor bargaining power at the expense of poorer countries. Coordination has costs and benefits for all parties in aid relationships and serves as one dimension in which their interests compete.

On the academic side, this wider competition is embodied in the traditional debate about development assistance motivation, which emphasizes recipient needs versus donor interests. The debate about motivations is again an interesting one to contrast with the assignment of motivation to emerging donors. For the most part, the evidence points largely to the dominance of interests as the motivation and operating principles for the assistance programs of traditional donors. These interests encompass both strategic and commercial concerns, and are manifested in the geographic dispersion of aid and the emphasis on tied aid by many donors. Morrison (1998) suggests that, even in the development assistance programs of middle powers such as Canada, domestic political and commercial interests frequently dominate.

Despite the consistent evidence that aid allocation tends to be dominated by these political and strategic interests in many DAC members, there remains within the development community as a whole a sense that the true objective and motivation of development assistance is the moral one of assisting the less fortunate. Scandinavian countries—with their relatively generous levels of official development assistance (ODA) (which exceed 0.7 percent of GNI) and with limited geo-strategic interests to divert their efforts toward narrower self-interested objectives—are held up as examples of ideal donors.

The official guardians of this idealistic image of ODA are the bilateral donor agencies themselves. Even ardent sceptics of foreign aid rarely call into question the good intentions of aid workers and donor agency personnel, even though there may be doubts about their effectiveness. These agencies epitomize the desire and need of established donors to have well defined bureaucratic entities through which they can monitor properly defined flows of assistance in a coherent framework managed by a structured and democratic political process. While these bureaucratic arrangements are undoubtedly consistent with general practice, they have the added bonus of enabling comparisons with other donors and facilitating judgements about the degree to which international targets and norms are being met. In a sense, these norms and targets provide an incentive for donor countries to consolidate their efforts and channel them visibly through accepted conduits in order to improve how they look to their peers.

There is no suggestion that these ideals are adhered to or even accepted within senior political circles of donor governments. Indeed, observers cannot help but acknowledge the immense gap between rhetoric and reality in the assistance programs of most traditional donors. Nor is there much evidence that development assistance agencies exercise much influence over government policy generally, nor even over their own immediate operations. This juxtaposition of the idealized intent of development workers and the political reality of their political masters highlights the dissonance of assistance programs and inhibits the construction of a unified and coherent portrait of traditional donors.

While crude and selective, this brief review of traditional donors provides a starting point for considering the role of their emerging market counterparts. To what extent are these countries caught up in the same organizational frameworks and driven to meet the same standards of international good citizenship? The next sections of this paper explore a variety of dimensions along which the four emerging donors can be compared to one another and to the wider donor community.

3. Historical Development and Motivations

The historical origins of development assistance are remarkably similar among all donors—traditional and emerging. The four country reports offer interesting insights into the evolution and motivations of the development assistance programs of these emerging donors. Indeed, there is a degree of similarity among the countries in terms of evolution and motivation. There are also indications of important structural differences.

Beginning in the 1960s, China had three initial motivations for providing assistance to other poor countries: fostering South-South solidarity, strengthening the non-aligned movement, and outmanoeuvring politically and diplomatically the Nationalist government in Taiwan. There were clear ideological and political foundations for these motives, including mounting ambitious responses to the Soviet Union in Africa. Later on, however, and especially as China's industrial growth began to accelerate and the Cold War subside, commercial motivations gained strength as the Chinese government sought to secure access to natural resources. As China's global role expanded, so too did the reach and magnitude of its assistance.

India's venture into development assistance activities was arguably later, slower, and more accidental. The country's initial efforts were limited in scope and size, and were directed primarily toward India's immediate neighbours, who were considered to be in its sphere of influence and whose stability was important to India. As India began to grow more steadily, it made the transition from an aid recipient to a more significant donor with wider interests. Indeed, India came to see its receipt of assistance as antithetical to its vision of itself as an emerging, self-reliant nation with global ambitions and influence. Consequently, the country has been increasingly less welcome to offers of assistance—even in the face of humanitarian disasters. Ultimately, and in common with China, the Indian government has come to see its role as a donor as an important facet of its regional hegemony and as representative of its growing global political and commercial ambitions.

In contrast to China and India, Brazil's development assistance programs seemed to emerge more directly from its affinity with other less-developed countries and less from immediate political or diplomatic ambitions. Instead of being caught up in global and regional struggles over power and traditional left-right ideology, Brazil's policy seems to have reflected the wider debate between North and South that emerged in the context of the often acrimonious negotiations surrounding the new international economic order. Brazil's promotion of cooperation among developing countries was also a reflection of its commitment to the non-aligned movement and its periodic adoption of more protectionist and nationalist policies.

Even in the case of Brazil, however, there were strong pressures to focus on its immediate neighbourhood to gain political influence and increase its voice in regional affairs. As Brazil's global stature increased, there was a concomitant expansion in its development assistance programs to other regions. Finally, Brazil's commercial and technological interests also began to be reflected in its assistance to other countries.

South Africa's development assistance efforts started as an instrument of economic control over the politically and economically unsustainable "homelands", which were established by the government to maintain its apartheid system. Rising international condemnation of the country's discriminatory political, social, and economic structure led the minority-rule government to use foreign aid to acquire a measure of diplomatic approbation from poor countries, especially African ones. With the end of apartheid, this development assistance program was gradually redirected toward a more collective vision of Africa and African development. Of considerable importance is the country's emphasis on democratization, good governance, conflict management, and regional integration. Even in the case of South Africa, however, there are hints that commercial interests have gradually crept into its development assistance agenda.

The four studies all identify a public face of development assistance programs that reflects each country's status as an emerging market. To varying degrees, these public statements of solidarity with the recipients of their assistance mask the same sort of hierarchical roles and mixed motivations

that characterize traditional donor-recipient relationships. China emphasizes win-win cooperation, mutual support and respect, and non-interference in domestic affairs as key principles of its development assistance. Brazil, too, eschews the traditional language of donor and recipient, preferring instead the concept of horizontal cooperation. Finally, South Africa has been similarly careful to avoid any hint that its development assistance is an instrument of regional domination. As such, it also emphasizes its role as a partner in the larger program of African “renaissance.”

There did not appear to be the same concern expressed in the India report. Indeed, there seems to be a more distinct sense that successive Indian governments see development assistance as a public way of advertising its independence and assertiveness both regionally and globally—although, undoubtedly, Indian officials are less brazen in their rhetoric and feel strongly that they have inherited former Prime Minister Nehru’s sense of solidarity with other poor states. While such sentiments did not emerge in the India study, Price (2005) argues that the Indian government has clear concerns that aid conditionality and interference degrade recipients, and that assistance should be offered in the context of cooperation and partnership.

Brazil and South Africa appear to exhibit a particular sensitivity to the traditional hierarchy between donor and recipient. These governments could be projecting their own resentment of paternalism onto their provision of development assistance or they may simply be more aware of the potential resentment among their partners. In addition, their rhetoric of partnership may not always be matched by actual performance. Inevitably, there is an element of tension between rhetoric and reality. On the basis of these studies, however, it appears that this tension causes more discomfort for Brazil and South Africa than it does for traditional donors, or even for India and China.

Geographic and sectoral distribution of development assistance

Further insights into motivations and objectives can be distilled from an examination of the geographic and sectoral distribution of development assistance. While the traditional quantitative studies examining aid motivation cannot be replicated here for lack of sufficient data, distinct patterns are apparent.

Although many recent articles have identified China’s assistance to Africa as being problematic, not surprisingly, the largest share of its development assistance appears directed toward Asia.⁶ Although China provided considerable assistance to Southeast Asian countries in the wake of the 1997 financial crisis, the biggest recipients in the region have been Iran, Pakistan, and North Korea, and the biggest emphasis has been on infrastructure development. Infrastructure has also been the focus of Chinese programs in Africa, which are directed primarily toward large oil-producing states such as Angola, Nigeria, and Sudan. All China’s development assistance is identified in the report as being tied aid. There is not much difficulty in seeing great political advantage in its Asian focus and economic advantage in its African programs. The China report does suggest that the country has placed more emphasis recently on capacity building and social development rather than infrastructure—although little concrete evidence is available.

A similar pattern emerges for India—although this country places more emphasis on Asia than China does. In particular, Indian development programs have focused on Nepal, Bhutan, and Afghanistan. Infrastructure appears to be a key focal point for its Asian assistance programs, which benefit India by providing the country with access to markets and sources of hydroelectricity. Health and education are important secondary sectoral targets. By contrast, its African programs seem primarily focused on training and on supporting the purchase of Indian products, which suggests commercial motivations. In addition, the report notes that India sees itself as competing with China for influence and markets in Africa and access to the continent’s energy resources.

Brazil’s development assistance is also primarily directed toward its own region and Africa. The motivation for offering assistance to its neighbours is clear, as it generates the goodwill and influence that enables Brazil to better safeguard its regional interests in stability, security, and prosperity. It is less clear whether Brazil’s increased interest in Africa is a consequence of the continent’s poverty or because it is the location of the majority of other Portuguese-speaking countries. Notwithstanding,

⁶ Woods (2007) examines many of the claims about “rogue” aid donors, reviewing carefully the existing literature. Many of the reviewed papers appear to direct their attention to China.

Brazil has clearly sought to capitalize on its linguistic attributes by directing most of its non-regional development assistance attention to Angola, Mozambique, Cape Verde, Sao Tome and Principe, and Guinea-Bissau in Africa, and East Timor in Asia.

Although this focus may simply be a more efficient means of allocating limited resources in pursuit of influence and markets, it may also be a reflection of the emphasis on cooperation and the need for clear communication. In any event, the focus of Brazil's programs is perhaps eroding somewhat as other countries emerge as important partners and as even its regional interests extend toward more distant countries such as Haiti. Sectorally, the country's programs are more difficult to interpret. They emphasize technical cooperation, which could be seen as a reflection of Brazil's commercial interests in its technically advanced sectors or simply a result of the availability of human resources linked to these sectors.

South Africa's programs are—not surprisingly—Afro-centric. The country is closely tied to its immediate neighbours through commercial and monetary links. Indeed, the bulk of South Africa's financial transfers are made through formal partnering arrangements in the South African Customs Union and the Common Monetary Area. Even excluding these statutory flows, the bulk of its assistance is directed toward members of the South African Development Community (SADC)—although some of these countries, such as the Democratic Republic of the Congo (DRC), are not immediate neighbours.

Of most interest is the sectoral distribution of South African development assistance. More than 50 percent of the country's aid goes to defence and security. While the inclusion of military-related assistance might be seen as problematic in many other donor contexts, for South Africa it is seen as a reflection of its own need for regional stability and as recognition of the centrality of peace and security to development. The other main sector for South Africa's development assistance is education.

What can be discerned from these motivations, rhetoric, and disbursement patterns? First, and not surprisingly, these emerging donors seem better able to speak about development assistance as a cooperative endeavour between equals.⁷ Perhaps reflecting their resentment of past donor interference in their own countries, or perhaps because they are simply less dogmatic about trying to engineer particular domestic political, social, and economic structures, emerging donors seem content to provide their assistance with few non-commercial strings (such as governance reform, human rights, and macroeconomic policy requirements) explicitly attached. The first lesson, therefore, is the rather unsurprising one that the poorer the donor, the less intrusive its assistance programs and the more balanced the donor-recipient relationship.

Second, the anxiety about distinguishing between donor interests and recipient needs that occurs with traditional donors seems largely irrelevant to emerging donors. Being less wealthy perhaps gives them an excuse to pursue programs of assistance that also benefit the donor and emphasize win-win cooperation, which the China report identifies as a principle of development assistance. It is hardly surprising in this context that commercial interests eventually surface through typical political economy processes. Indeed, while there may be some legitimacy to the concerns about undue political influence, social and environmental irresponsibility, and negative long-term economic consequences, there are also costs to more paternalistic approaches to assistance provision. Although pure motives are difficult to identify for any of the four donors, one lesson from emerging donors is that perhaps these motives are not important. The second lesson might be that emerging donors will, by necessity, emphasize programs from which they, too, clearly benefit. In this regard, their development assistance programs are often reinforced by their investment and trade policies—although these policies may themselves exhibit elements of mercantilism in the same way that many traditional donors express.

⁷ It is interesting to contemplate the history of some established donors that had been recipients of assistance themselves, especially European countries who benefited from the Marshall Plan. This commonality with emerging donors has not led to the same sense (real, imagined, or contrived) of solidarity with poorer countries. European recipients were not "developing" as much as they were "reconstructing"—that is they were re-establishing their prior and self-deemed rightful place near the apex of the global hierarchy. Consequently, they retained either the fiction or reality of their role as imperial powers, with a superior status to poorer countries that were usually former colonies.

Emerging donor practices suggest that politically motivated assistance is of particular importance regionally, while commercial interests seem more influential the further away the recipients are located. Notwithstanding, economic motivations remain present in regional assistance since economic integration may be a key priority, as in the case of South Africa. Instead, the emphasis of assistance programs seems to be to acquire compliant and secure neighbours. Such a pattern may be apparent in the behaviour of traditional donors, such as the emphasis by the United States on Latin America and the Caribbean, and of Europe on Africa. However, for emerging donors embedded in developing regions, the pattern is more apparent. This example need not be considered undesirable or evidence of deception on the part of emerging donors. Instead, it is a logical allocation of resources to ensure an emerging donor's own immediate development interests. As such, a third lesson is that donors emphasize immediate regional stability in their assistance programming, and then turn abroad to seek other advantageous partnerships, especially commercial ones. Of course, it is also true that the more powerful the donor, the more dispersed and far-flung its political interests.

4. Administrative Arrangements and Institutional Structures

One of the common threads revealed by these studies is the absence among emerging donors of central coordinating mechanisms to manage and monitor development assistance programs. Upon reflection, it is perhaps not surprising that emerging donors have more diffused policy formulation and program execution than traditional donors. Variations in institutional structures do reveal useful insights on the origins of development assistance.

China

Of the four countries examined, China's institutional arrangements are the most coordinated. As with many Chinese bureaucratic arrangements, there are two focal points for administration: the government itself and parallel structures within the Chinese Communist Party. In development assistance, the Department of Aid to Foreign Countries within the Ministry of Commerce is arguably the central government agency. There is also some strategic oversight provided by the Ministry of Foreign Affairs, while key line ministries play the role of executing agencies and conduits for information flows from the field to policymakers. In turn, the Chinese Communist Party retains strategic oversight capacity through the International Liaison Office of the Party's Central Committee. In addition to rules for policymaking and budgeting procedures, the delivery of assistance is governed by specific guidelines. While the structure does not exactly match the usual framework of a separately funded, reasonably autonomous aid agency, China's institutional arrangements appear to have a reasonable degree of coherence, especially when compared with the other three countries.

Even so, the report notes the absence of a unified administrative structure. It is also informative that the central department managing development assistance is located in the Ministry of Commerce, providing added weight to the observation by Woods (2007) that China's assistance program provides aid that is linked to trade and investment. Such commercial connections could be viewed as contaminants of donor programs and evidence of donor self-interest. However, an increasing recognition of the need for investment and trading opportunities in the development process forces observers to consider carefully the debate over donor interests versus recipient needs.

India

India's development assistance structure is less coherent than China's. The core focal point for Indian aid programs is the Ministry of External Affairs, which directly operates the largest bilateral programs (in Afghanistan, Bhutan, and Nepal) and the country's technical training and cultural assistance programs. The Ministry of Finance plays a secondary role that includes oversight of soft loans via the country's export credit agency, the EXIM Bank. The India report concludes that, despite the apparent coherence of this framework, the different components of assistance programming do not appear to be integrated. It could be that the development programs are embedded within separate divisions within the Ministry of External Affairs; there is no evidence of a central coordinating mechanism within the ministry as there is in China's Ministry of Commerce. The suggestion in the report that the Indian government is now contemplating the creation of a specialized aid agency reinforces the supposition that a central coordinating mechanism is missing from the current structure.

Brazil

The institutional framework for development assistance in Brazil is arguably even more diffuse than in China and India—although the country has a coordinating agency (the Brazilian Cooperation Agency or ABC) within the Ministry of Foreign Affairs. This diffusion occurs because of the presence of other powerful institutions within the development assistance field (four major line ministries) and a multiplicity of executing agencies with multiple funding sources and diverse mandates. The report suggests that the key reason for the absence of central control is the limited resources available to the ABC, restricting its capacity to entice cooperation from others in the pursuit of its overall strategic objectives. As is frequently the case, the subordination of development assistance to the Ministry of Foreign Affairs also makes such programs susceptible to inconsistency due to the vagaries of foreign affairs priorities. As the report indicates, high-level diplomacy and presidential visits often generate pressure to deflect development assistance.

South Africa

Of the four countries studied, South Africa's development program seems the least coherent. The reason for this incoherence is the presence of too many focal points for policymaking and the absence of a single powerful central agency. The key institutional framework for development assistance in South Africa appears to be the African Renaissance Fund (ARF). Located within the Ministry of Foreign Affairs (though with significant Ministry of Finance participation), the ARF is arguably the most focused development-oriented agency. Unfortunately, small and powerful line ministries, such as defence, as well as a variety of parastatals and other agencies, dilute the coherence of the ARF. In addition, the report describes the process surrounding development assistance as 'demand driven', with key roles played by ministers and embassies to identify potential projects.

None of the countries studied have autonomous development agencies similar to those of traditional donors. While these agencies are not always paragons of efficiency, coherence, and independence, more diffuse structures seem to suffer many serious problems. India and South Africa are both contemplating the creation of centralized agencies to add coherence to their development assistance programs. The lack of a central agency with an independent mandate and policymaking authority precludes the presence of coherent prioritizing and effective institutional memory.

Variations in Coordinating Structures

In the four countries, assistance programs seem to emerge from below through multiple channels. While not necessarily bad (indeed, critics of planning such as Easterly might applaud such a structure), this process compromises a country's ability to coordinate development assistance and focus on priority areas of comparative advantage. Such a structure also leaves development assistance programming in a weak political position and exposes it to political interference.

Clearly, variations in institutional coherence exist among these four emerging donors and it is interesting to speculate why. China's arrangements seem the most centralized and ordered, which may be reflective of the country's tradition of central planning or the requirements of strict Chinese Communist Party oversight. The more diffuse structures found in South Africa and Brazil exist despite there being functioning structures to coordinate incoming flows. In fact, these structures have been identified as mechanisms to add coherence to outflows.

In all cases, the relative novelty of large assistance programs (after years as large recipients) and the occasional suggestion of creating centralized agencies suggest that such dispersed arrangements are simply the starting point, and that these countries will ultimately travel down the same path taken by the development agencies of traditional donors. If so, it might be informative to examine more closely the origins of these structures. The degree of decentralization may also be a function of the degree to which development assistance is seen as an important instrument of strategic international policy. China and India may want to retain policy control over development assistance in order to achieve important regional and global objectives. In Brazil and South Africa, the strategic benefits of development assistance may be more limited. As such, these countries may be more tolerant of a decentralized system that includes many agencies taking on dispersed projects.

5. Assistance Levels

A notable deficiency in all four reports is the absence of comprehensive and coherent data on development assistance. In countries such as China, data may be collected, but they are not publicly available. In any event, all four researchers had difficulty uncovering consistent estimates of the financial flows associated with development assistance.

It is informative to compare the absolute levels of development assistance from these four countries to gain a sense of their relative size and to gauge their performance according to Donor Assistance Committee (DAC) norms of aid provision. China is likely the largest donor of the four and likely the largest donor among developing nations.

The report, however, discusses the enormous difficulties in trying to piece together an estimate of Chinese aid. Conservative estimates put the level at roughly US\$1 billion. If loans are included, many of which are at concessional rates or subsequently written off (Woods, 2007), the number reaches as high as US\$10 billion. It is unclear what these figures include or exclude, and what elements would constitute development assistance versus commercial financing. In addition, calculating an aid-to-GNI ratio is further complicated by wild divergence in the estimate of Chinese aggregate output or income. The low end of the scale would be a very low 0.01 percent; however, when using an assistance estimate of US\$2.5 billion and a GNI estimate of US\$2.5 trillion, the amount rises to 0.1 percent. Deciding which GNI number to use (market versus purchasing power parity, for example) makes the calculation highly variable. While this number is low by DAC standards, it is perhaps remarkable given China's average per-capita income level.

The report suggests that there are only two conclusions about these estimates. First, development assistance flows have increased dramatically in recent years; and second, official estimates have tended to be downplayed rather than exaggerated by Chinese officials to avoid embarrassment, given that China is a recipient of assistance.

The numbers for India are equally unreliable. The India report suggests that current aid levels are roughly US\$1 billion, a figure similar to the low end of the Chinese estimate. The actual assistance budget for the Ministry of External Affairs is less than half this amount, at US\$420 million. Problems of comprehensiveness and definition again compromise the calculation. As with China, GNI calculations also vary, depending on whether market exchange rates or purchasing power parity estimates are used. Regardless, the ratio in India is roughly the same as China's.

Brazilian assistance levels are identified in the report as approximately US\$85 million, a figure that is likely a significant underestimate. Even at five times the figure, Brazilian assistance levels would appear somewhat lower in terms of the assistance-to-GNI ratio. Of the four countries studied, Brazil's assistance levels seem the most opaque.

Finally, the South African report provides a series of different estimates of amounts of assistance and ratios to GNI. The best estimate in the report is US\$280 million or 0.17 percent of GNI. For a country with significant development needs of its own, this figure is respectable. As with the other countries, determining exactly what is or should be included in the different estimates is problematic. For instance, two of the largest components of South African transfers abroad arguably would not count in development assistance totals under DAC rules. These exclusions include transfers under the customs union and monetary arrangements, and expenditures through the Ministry of Defence for conflict intervention. Yet from the South African perspective, at least a portion of these amounts is indeed a legitimate form of assistance.

There are three key observations to make regarding the levels of development assistance, and all deal with the norms established by traditional donors. First, although none of the four countries reaches the 0.7 percent of GNI target for DAC donors (unless very unusual calculations are used), they all seem to do reasonably well on the scale despite their own development needs. Nevertheless, the relevance of existing targets to emerging donors is highly questionable. Consequently, it bears some thinking about just when a country ought to provide foreign assistance and how much.

Accordingly, the reports highlight the need to revisit the question of graduation of emerging donors into the donor ranks, and the proper way to determine appropriate norms for assistance levels.

The second point is that it is the norms established by traditional donors that define what is to be included in development assistance calculations. These standards are themselves rather arbitrary. For example, the calculation of the grant element of a loan is crucial in defining official development assistance (ODA), yet the calculation uses an interest rate standard of ten percent and records the face value of the loan as ODA in the year of disbursement, with subsequent repayments recorded as negative ODA in following years. While the lack of clear budget numbers for development assistance in emerging donor countries is problematic for researchers, it is hardly surprising that governments with limited resources are not preoccupied with abiding by DAC accounting standards. As a result, observers may wish to reflect on the appropriateness of DAC norms for ODA calculation and revisit some of the more contentious definitional issues that tend to be ignored.

Finally, the absolute amount of emerging donor assistance remains relatively small compared to DAC totals. The attention directed toward emerging donors, therefore, seems somewhat misplaced. While Naim (2007) and Woods (2007) identify some of the criticisms that have emerged from the West, the India study quotes a BBC report in which South African President Thabo Mbeki warns China against being overly intrusive and imperial. Taylor (2007) also cites evidence of African discontent with Chinese practices, particularly in Nigeria and Zambia, where rioters attacked Chinese nationals in 2006. Others cited by Taylor are more favourable to Chinese investment. In many of these cases, however, the concerns were apparently generated by investment projects rather than development projects.

Although some of the concern may reflect a degree of paranoia on the part of established donors, it is a question that warrants further examination. It may be the case that emerging donor assistance is disproportionately larger in certain sensitive states such as Nigeria, Angola, and Sudan. The 2006 data on DAC ODA, however, suggests that these states enjoy considerable DAC assistance. So it may simply be a case of traditional donors preferring less competition for recipient attention. In the future, as data improve, it will be worth investigating whether or not DAC donors respond to emerging donors by increasing their own assistance, generating even greater inflows for at least a few recipient states. Such competitive behaviour between donors arguably deserves more attention even among DAC members.

6. Research for Development

Research for development is a difficult concept with which to work. It is defined in the reports as ‘the application of research to solve specific development-related problems’. As with many definitions in the field of development assistance, this one is problematic. General research capacity arguably would not count as research for development, even if this activity ultimately leads to research for development such as efforts to study specific development-related diseases or work on improved plant strains to augment nutrition or disease resistance.

The four country studies all wrestled with the concept of research for development. Not even DAC reporting standards have specific entries for these activities, so discovering hard data in the emerging donors was even more difficult. Among the four countries studied, China and Brazil focused mostly on providing targeted courses and training, while South Africa and Brazil emphasized the deployment of their own technological solutions to development problems. Using broad interpretations of research for development, and by examining specific instances of it, some preliminary observations can be made.

China engages in research for development activities through scientific cooperation—although other programs were more oriented toward supporting research in partner countries and training to enhance research capacity. The report notes that restrictions prevent China from paying the costs of visiting teams of researchers, which undoubtedly diminishes the opportunities for collaboration. Although no specific project examples were given, it appears as if some support is available for foreign researchers and research institutes, which may constitute research for development, and that Chinese experts offer their services to foreign research institutes and governments.

Training and education are significant components of India’s assistance program, and technological solutions are often deployed by India to help overcome development-related difficulties in other developing nations. An example is the provision of distance medical services in Africa. The India report, however, presents little specific evidence of what could be classified as research for development assistance. Part of the problem is again definitional. A simple lack of consistent data is also a contributing factor.

As a result, India deploys off-the-shelf technological solutions that may have been developed on the basis of its own research on indigenous development problems; however, there was not much evidence of facilitating research to address the specific problems of another developing country. Notwithstanding, the situation appears rather fluid, and given the decentralization of India’s aid program and the presence of an extensive research infrastructure, it would be surprising if research for development activity did not begin to occupy a more prominent role. For the moment, however, the report suggests that bureaucratic obstacles and a lack of interest within the Ministry of Foreign Affairs are the main contributors to the relative absence of research development in Indian development assistance.

In contrast, Brazilian development assistance appears to have a more significant research for development dimension. The country’s traditional emphasis on technical cooperation and an active high-technology sector provide a fertile ground for these kinds of projects. Brazilian funding exists for specific research projects across a wide range of sectors—from agriculture to nanotechnology to health and bio-fuel research. Specific programs, such as PROSUL and PROAFRICA, and institutions, such as the National Council for Scientific and Technological Development (CNPq), are evidence of the country’s active research for development agenda. Activities that might be classified as research for development share many of the general characteristics of Brazilian development assistance, including diffusion among many executing agencies and similar geographic focus.

The report on South Africa notes that there is an important research for development component to its development assistance program as well. These programs capitalize on the high quality of South Africa’s research capacity as well as on its familiarity with the African development context. Most activity is channelled through the Department of Science and Technology and involves South African researchers rather than direct financial support. Other line departments such as health and education

also provide related services—although an accurate breakdown of these activities is difficult, as much of the funding is provided through the line ministries themselves rather than from a central fund for support. As with South African development assistance in general, the country has structured part of its research for development program around a collaborative regional mechanism, in this case Africa’s Science and Technology Consolidated Plan, which was launched in 2007. The report also notes that the country’s research for development programs are more geographically dispersed than other assistance programs and includes aspects of one of the more prominent non-African collaborative programs, the IBSA agreement with India and Brazil.

The authors of the four reports expressed how difficult it is to obtain information on research for development activities in the subject countries. It is unclear why research for development seems to play a much more significant role in the development assistance programs of Brazil and South Africa. In some ways, it is intriguing that all four countries should not be more engaged in research for development given their extensive scientific infrastructure and the need for appropriate technologies that are relevant for developing countries. Whether this missing activity is the result of inconsistent definitions and poor information, or simply a concentration on other development-related activities, warrants additional examination.

7. International Collaboration

Woods (2007) notes that emerging donors generally have little interest in collaborative or multilateral frameworks for providing development assistance. She points out that newer donors have little influence or voice at established multilateral agencies. By extension, collaboration on a bilateral or multilateral basis may put an emerging donor in a lopsided relationship with a more powerful traditional donor. For these reasons, such collaborative exercises are unlikely, unless they are conducted with immediate peers.

China would appear to fit this expectation quite well. The report notes a general reluctance on the part of the Chinese government to become involved in collaborative development assistance. Given its strong political motivations for aid provision, it is perhaps not surprising that China would willingly see its ability to dilute the influence it acquires through bilateral programs. Of interest, then, is the recent acquiescence to work more cooperatively with other donors. These initial steps were taken in the context of local regional programming, where China was anxious to be seen as a team player and would wield considerable influence. Its work with the Asian Development Bank and the Greater Mekong Subregion are examples of this geographically based collaboration. Similarly, specific sectoral initiatives that afford China significant benefits and influence also became acceptable. The report suggests that, as China becomes more comfortable in these shared arrangements and less concerned with the concomitant infringements of its policy prerogatives, participation in multilateral arrangements might become a more significant part of the country's programming.

India, too, has seemed reticent to surrender its policy autonomy to collaborative ventures. The report notes that, while India has a general affinity for large groupings such as the United Nations, G-7, and the non-aligned movement, the country's commitment to them has generally been limited to support in principle. Smaller groupings may hold some attraction provided India plays a dominant role. Consequently, the report presented no real evidence of significant multilateral engagement in development assistance by the government of India.

The report, however, did note that cooperation with the international community over Nepal and increased contact through research and technology linkages may make India more open to cooperation. Price (2005) makes a similar observation in the context of India's efforts after the Indian Ocean tsunami of 2004. Here, India took a lead role, but also allowed the United Nations to assist in overall coordination. Price suggests that the positive experience in this instance may also help shift Indian opinion toward a more favourable view of multilateral frameworks for development assistance. One example of this willingness to collaborate with peers has been the IBSA arrangement between India, Brazil, and South Africa.

Brazil has been much less reticent to work with other donors. Trilateral partnerships with a traditional donor and a recipient are common for Brazil. The report provides several examples of Brazil partnering with Japan, Germany, and the United Kingdom. Though less reticent, Brazil remains wary of such arrangements, and takes care to ensure that it is not simply re-establishing older hierarchical relationships wherein it plays a subordinate role to a traditional donor. Despite its greater openness to collaboration, there is little evidence that such arrangements constitute a significant component of its development assistance activity.

The report on South Africa notes that its government has also been far more open to trilateral arrangements and other forms of collaboration. Most cooperation is with established bilateral donors, often from Europe. Multilateral collaboration is rare. Rather than see these arrangements as diluting its policy autonomy, the South African government views such efforts as useful ways to leverage its own resources to scale-up development projects as a means of maintaining engagement with other donors (including some who provide assistance to South Africa itself). In addition, trilateral arrangements appear to provide South Africa with a visible role in the projects while minimizing the risk that the country will be seen as attempting to dominate African affairs. Given its general comfort with cooperation, it is not surprising that participation in IBSA with other emerging donors is also being pursued.

In many ways, the reaction of these four donors to collaborative initiatives is perfectly consistent with previous observations in this report. The larger donors with more global aspirations (China and India) have hesitated to embrace these initiatives, presumably out of concern for their policy autonomy. The smaller and more regionally focused emerging donors (Brazil and South Africa) have been much more open to cooperative development programming. The former group arguably has more power to lose and views itself as having a smaller peer group. South Africa and Brazil have put more real emphasis on development assistance as a partnership, and seem to identify more closely with the states to which they provide assistance. Of interest, however, is the suggestion that even the more recalcitrant unilateralists are gradually considering more collaboration after occasional exposure to it.

While this discussion of collaboration and cooperation is derived primarily from observed behaviour at the project level, it is interesting to speculate about the future shape of emerging donors and the governance mechanisms of the traditional donors. Of specific interest is the position of these emerging donors in relation to the DAC. While adherence to DAC norms may be perceived as compromising solidarity with poorer recipients, it also provides a degree of prestige and influence. Some states, notably the Arab oil exporters with larger assistance programs (Saudi Arabia, Kuwait, and United Arab Emirates) report to the DAC even if they do not participate in all the group's other activities. Many emerging donors have begun to embark on assistance programs that align with DAC and European Union reporting and operational requirements. Such adherence again provides a degree of legitimacy and acceptability to these countries.

Emerging donors will inevitably begin to weigh the advantages and disadvantages of cooperating with the DAC. Some of the more powerful emerging donors may even consider their ability to modify some DAC norms and procedures to suit themselves, making collaboration more palatable. Since DAC is a club that attracts criticism from within and without, there is clearly scope for influencing its activities. Ultimately, however, full adherence to—and membership in—the DAC will be seen as a badge of global reach that ambitious emerging states may covet. What remains unclear is whether these potential new members will significantly affect how the DAC operates.

8. Conclusion

Research on non-traditional donors is scant, in part because of insufficient data. The country reports summarized here provide useful additions to knowledge of the emerging and increasingly important roles of these donors. The diversity of these new donors should prompt a re-evaluation of some preconceptions about development assistance. Indeed, several characterizations of donors should be revised in light of emerging evidence.

First, development assistance needs to be regarded as a general phenomenon of which the traditional provision of assistance from wealthy nations to poor ones is but one specific case (albeit an important one). The general phenomenon is perhaps more accurately portrayed as a continuum along which richer nations assist poorer ones. The emphasis is on relative capacity to provide assistance, and the gap between donor and recipient need not be particularly wide. In fact, it might be useful to consider more carefully the idea that international development assistance is simply an extension or related manifestation of the transfer system that exists within nations, communities, and families (Noël and Thérien, 1995). From this perspective the provision of assistance from a relatively poor donor may not be such an aberration.

Second, the variance among donors provides opportunities for a richer analysis of development assistance. This analysis could be performed by testing old propositions derived from traditional donor behaviour against a less homogenous group. Some of the observations made throughout this report could serve as a starting point for some of this research. For example, is the rhetoric and practice of development assistance as a partnership of equals different between relatively wealthy and relatively poor donors? Does the presence of emerging donors shed light on the old debate about donor interests and recipient needs, or does it suggest that such a debate is sterile?

A third observation is that the presence of relatively poor donors opens up new opportunities for development assistance partnerships. These donors provide potentially valuable services and could serve as credible intermediaries between wealthy donors and poorer recipients.

Finally, current understanding of development assistance is inevitably shaped by the norms that have emerged through institutions such as the DAC and the World Bank. These norms are contentious, with the reality of development assistance often falling far short of intentions, and with adherence to ideals often being weak. A vibrant community of emerging donors may challenge some of these norms and reinforce others. Such challenges may be destructive. But there is a good chance that, as a result of the influence of emerging donors, more robust and universal standards of conduct will emerge for the benefit of all donors and, more importantly, for the benefit of the poor.

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Abbreviations and Acronyms

ABC - Brazilian Cooperation Agency
ARF - African Renaissance Fund
BRICS - Brazil, Russia, India, China, and South Africa
CNPq - National Council for Scientific and Technological Development
DAC - Donor Assistance Committee
DRC - Democratic Republic of the Congo
GNI – Gross national income
IBSA – India-Brazil-South Africa
IMF - International Monetary Fund
ODA – Official development assistance
OECD - Organisation for Economic Cooperation and Development
SADC - South African Development Community