

## Africa's Emerging Partners: Questioning Received Wisdom

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As the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) celebrates its fiftieth year at the center of the international aid complex, China, India and other emerging donors are rising rapidly as Africa's new development partners. Development assistance from donors outside the DAC is estimated at between \$11 and \$13bn in 2008 or around ten percent of the global total. This trend is received variously with increased optimism and alarm. One of the major problems highlighted in the growing literature on emerging donors is the lack of access to comparable information. Frustration stems not only from data limitations and information gaps, but also the fact that emerging partners (China and India most prominently) openly (if only rhetorically) reject the "donor-recipient" label as applicable to their engagement in Africa.

China and India as emerging development partners and creditors view their engagement with African countries from a broader perspective covering wider modalities than the traditional definition of Official Development Assistance.

This paper turns the prevailing debate on its head by posing the following question: does the emergence of China, India and other new development partners in Africa require questioning the received wisdom of fifty years of DAC-centric approach to development finance? This approach includes, for instance, use of policy and structural conditionality to elicit change; emphasis on grant financing; avowed preference for aid 'untying'; bundling in of debt relief, administrative costs, refugee resettlement costs, technical assistance in aid; preference for expenditure on social (soft) over economic (hard) infrastructure and productive capacity and the like. In sum this traditional approach, based on the narrow definition of aid as financing 'administered with the promotion of economic development and welfare as the *main* objective and concessional in character (with at least 25% grant element)' differs markedly from the "package approach" used to date by China and India in Africa. What could be the benefits and advantages (if any) of a more comprehensive "package approach" over proliferation of ODA through countless channels, both from the perspective of developmental impact, as well as cost of compliance?