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Working paper 281.

April 2025

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WP

HUN-REN Centre for Economic and Regional Studies, Institute of World Economics
Working Paper Nr. 281 (2025) 1-39. April 2025

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ISSN 1215-5241
ISBN 978-963-301-742-5

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Working Paper Nr. 281 (2025) April 2025

Silent revolution of the aid regime: impact on Africa

Judit Kiss[1]

Abstract

Africa is the major recipient of foreign aid; however, it is not the region that benefits the most. Many African countries have become trapped in the aid syndrome leading to overspending, budget deficits, indebtedness, corruption, and moral hazard. The impact of aid is unclear, short-term microeconomic gains are mixed with long-term macroeconomic setbacks. Aid exit is a theoretical option, though its feasibility is challenged by the huge finance gap and the vested donor and recipient interests in maintaining the recent system. Critical voices have intensified, and a silent revolution has already started: aid is scaling up due to changing aid power dynamics, new theories and modalities have developed, target areas are changing while serving the same "old" objectives. As the present aid architecture is a significant constituent of the unequal North-South relationship, there is no paradigm shift at the horizon. Africa must try to make the most of the current situation which presupposes political stability and institutional reforms.

JEL: F35, O55, P45

Keywords: Africa, aid exit, aid trap, post-development theory, proliferation of donors, silent revolution

Introduction

Foreign aid, or international development cooperation as it is euphemistically called recently[2], is still a significant constituent of international relations, especially in the North-South context. As world order is drastically changing these days, international aid

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[2] The terms "foreign aid", „international aid/assistance", „international development aid/assistance", „international development co-operation" are used interchangeably, meaning non-reciprocal transfer of financial and in-kind resources from the donors' governments to the recipients' governments. However, aid given by NGOs and private, philanthropic organizations as well as the donations of private persons are also part of the extended aid regime.

regime is also transforming considerably, going through a silent revolution (Boughton 2001, Woods 2008) under the pressure of economic crises and slow-downs, epidemics and natural calamities, permanent wars and human disasters, let alone the unsettled issues of underdevelopment, especially in the case of Africa.

The most prominent characteristics of the silent revolution are: the increasing amount of aid (ODA = Official Development Assistance) and the proliferation of donors; the changing donor community composition from traditional DAC-donors (DAC = Development Assistance Committee of the OECD) to new, emerging donors (new EU members, BRICS-countries, rich Arab countries) with varying aid allocation objectives; strengthening South-South co-operation in contrast to traditional North-South collaboration; easing and/or abandoning aid conditions; newly emerging aid modalities, like innovative financing; a shift from development-oriented assistance towards humanitarian and emergency aid due to reasons beyond the control of both donors and recipients; the increasing role of civil society and organisations vis-á-vis official players partly due to the dissatisfaction with the recent system and the effect of post-development theory (Solymári and Czirják 2024). While silent revolution offers an alternative to the recent aid system (Woods 2008), however, the motivation to allocate aid only slightly changed as the aid regime is still dominated by the egoist aid allocation donor behaviour driven by foreign policy goals and economic self-interest; aid efficiency is still an issue due to the diminishing transparency and to the political and economic situation of the recipients; impact of aid on the socio-economic development of the recipients remained a crucial issue despite all the above changes (Kiss 2024).

As Africa is the largest "beneficiary" of the present aid regime and still highly relies/depends on aid inflow for financing its development and the Sustainable Development Goals (SDGs), all the above changes might have a significant impact on the present and future of Africa[3]. Consequently, the main aim of our paper is:

- to present the recent position of Africa in the changing world aid landscape,

[3] By Africa we mean the 54 countries of the continent if it is not indicated otherwise.

- to analyse the impact of the changing aid power dynamics on the continent's socio-economic development with special regard to financing development,
- to discover whether Africa is a "beneficiary" or a "victim" of the silent revolution, and
- to outline future prospects.

Our hypothesis is that Africa is trapped in the old aid system while the prospects of a new aid regime are rather blurred. Do we need any?

The paper applies an exploratory mixed methods research approach. The content analysis of relevant academic sources (books, articles, reports, documents) and that of statistical data from credible datasets of international organizations (IMF, World Bank, OECD, UNCTAD, UN Economic Commission for Africa, African Union, African Development Bank) are triangulated by primary research. In October 2024 the author managed to conduct around 10 semi-structured face-to-face interviews[4] in Ethiopia[5] with aid experts, namely with the representatives of the African Union, Centre for National and Regional Studies, Delegation of the European Union to the African Union, the ECHO, European Commission, European Investment Bank, OCHA (UN Office for the Coordination of Humanitarian Affairs), USAID, World Food Programme about the role of Africa in the changing aid regime. As the interviews were given according to the Chatham House rule, interviewees' identity is not revealed. One of the limitations of our study that due to time constraint no interviews were conducted with the representatives of recipient organisations. The other is that due to length limit, there is no separate literature review, though the individual sections are based on the most relevant and up-to-date theoretical and empirical academic sources.

[4] For interview questions see Appendix 1.
[5] Here the author would like to express her appreciation to the Hungarian Embassy in Ethiopia, especially Ambassador Attila Koppány for taking the heavy burden of organizing the interviews.

1) Role of foreign aid in Africa: the aid trap

To achieve the Sustainable Development Goals by 2030, to keep economic growth high, to enhance socio-economic development and to reduce poverty in Africa, around USD 1.3 trillion will be required annually according to the United Nations and the African Development Bank estimates (African Economic Outlook 2024, 157). As domestic resources are limited due to high saving-investment gap[6] (Addison et al. 2015, Wangwe 2006) and weak self-financing capacity[7], the continent should rely on external sources of finance to close the USD 402 billion annual financing gap[8] (African Economic Outlook 2024, 157). From the point of view of financing development, the most relevant external sources are aid, FDI (Foreign Direct Investment) and remittances.

While inflow of foreign aid had started very early, even in the times of colonialism, it has accelerated after gaining independence by the African countries and during the Cold War. After the end of the Cold War rivalry between the two poles subdued, leading to actual decrease of foreign aid inflow. Around the turn of the century, with due regard to the Millennium Development Goals and the Sustainable Development Goals recently, foreign assistance started to level up again[9]. However, in 2022 ODA declined by 6% (Graph 1) from USD 65.6 billion in 2021 to USD 62 billion in 2022 due to the increasing global uncertainty since 2020, including geopolitical tensions, the war in Ukraine and the budget cuts in major donor countries. So, aid is rather volatile, unpredictable external source of finance: between 1990 and 2021 it was 2.1 times more volatile than remittances (Africa's Macroeconomic Performance and Outlook 2024, 34), especially in the case of the most aid-dependent countries (Gupta et al. 2006). Furthermore, aid is not a dominant source of external financing, as during the 2000s remittances has taken over the leading position due to increasing outmigration of Africans[10]. The role of FDI varies from one year to the other depending on the changing investment climate of the destination countries and the investment decision of the potential investors.

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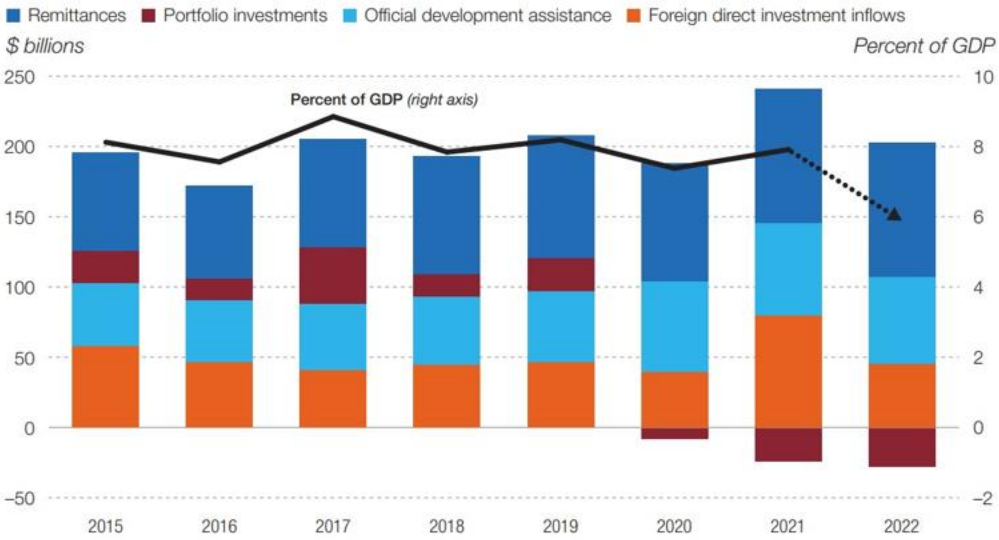
[6] For the two-gap model, see Wangwe 2006.
[7] In 2023 in the case of Sub-Saharan Africa the savings rate was 19.0%, while the investment rate stood at 21.7%, consequently the self-financing capacity was 87.5% of the GDP (World Economic Outlook 2023), meaning a 12,5% financing gap.
[8] For the calculation of financing gap see: Africa Development Dynamics 2023, 2024, 68.
[9] For the historical trends see Appendix 2.
[10] In 2022, according to the African Development Bank, remittances were USD 96 billion, almost 50% more than ODA.

Graph 1

External financial flows to Africa, 2015-2022



Source: African Economic Outlook 2024, 49

As it is indicated in Graph 1 Africa highly depends on external sources of financing, equaling around 8-10% of the continent's GDP and above 2% (2.5% in 2021) in the case of ODA varying from one country to the other[11]. On average, net ODA[12] accounted for 9% of GDP for low-income African countries, compared to only 1.4% and 0.5% for lower- and upper-middle-income countries (African Development Dynamics 2023, 2024).

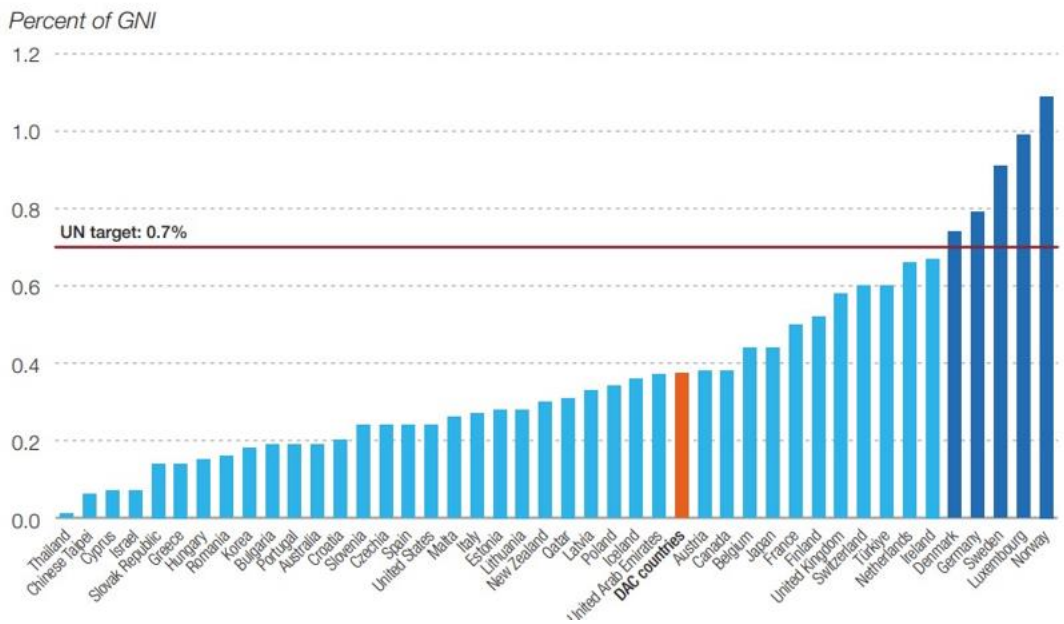
There is a big dilemma for the African countries. If they lobby for scaling up ODA (Gupta et al. 2006), which is a feasible option as most of the DAC countries are not meeting the 0.7% ODA/GNI target of the UN (it stood at 0.37 percent in 2023, meaning USD 223.7 billion, though could reach USD 389 billion in case of meeting the 0.7% target) (see Graph 2) and new donors are emerging with meaningful aid budgets, then their aid dependence is getting to be strengthened, though on a more diversified platform. While there is no guarantee that more aid means higher development (Akonor 2008), it has been evidenced

[11] Between 1980-2003 the net ODA/GDP ratio was much higher, around 5% (Gupta et al. 2006).
[12] Net ODA is defined as disbursements of grants and loans plus debt relief, net of amortization and interest payments, which is the actual inflow of foreign exchange.

that increasing aid dependence leads to increasing indebtedness[13] and budget deficits. This is a trap situation. Indebtedness is caused by the composition of aid as only part of ODA is non-refundable grant, while even concessional loans should be serviced, not to mention market term loans. Budget deficit might be caused by excessive spending (easy coming money goes easily), less savings, less efforts to mobilize domestic sources (Gupta et al. 2006) accompanied by more temptation for corruption. According to the evidence provided by the African Economic Outlook (2024) a 1 percentage point increase in ODA (as a percentage of GDP) leads to an increase in the debt ratio of 1.90 percentage points and an increase in the budget deficit of 0.67 percentage points (African Economic Outlook 2024, 51). It is interesting to note that many interviewees mentioned indebtedness as one of the pressing problems in Africa, however, none of them related it to aid inflow, only in the context of Chinese assistance which is fair as by 2022 China became the biggest bilateral creditor for Africa, with 42% share of all bilateral credits (African Economic Outlook, 2024, 151).

Graph 2

ODA by DAC-members, 2023



Source: OECD International Development Statistics database, 2024

[13] In 2024, African countries are expected to spend around $74 billion on debt service, more than their aid inflow (Africa's macroeconomic performance and outlook 2024,42) compared to USD 17 billion in 2010.

The other way out of aid trap is to make efforts to reduce aid dependence via attracting foreign capital, encouraging remittances inflow, mobilizing domestic resources, and curbing illicit financial flow. The latter item is a big loss to Africa as annually around USD 90 billion (50% more than the annual aid inflow) is leaving the continent in the form of illicit activities (commercial transactions, corporate resource leakages, tax evasion and avoidance, criminal activities, money laundering, fraud, bribery, corruption, drugs and human trafficking, etc.) (African Economic Outlook 2024, 74). Decreasing aid dependence eventually might lead to the gradual phasing out of aid except for emergency and humanitarian aid. It is no coincidence that the term "aid exit" is starting to take root in aid literature (Gupta et al. 2006, Izoboo 2020, MacPherson and Gray 2000, Wangwe 2006[14]). According to Gupta et al. "aid exit strategy is the macroeconomic path the country will follow after scaled-up aid flows fall back to more normal levels" (ibid p. 30). According to Shikwate cited by Abeselom (2018) the main reason behind aid exit is that "African states must learn to stand on their own feet" (Abeselom 2018, 370).

MacPherson and Gray (2000) in their inspiring article present and represent the two opposing views concerning aid exit strategy for Africa in a debate format. MacPherson has the opinion that due to the dependency between the recipients and donors, inflowing aid is not efficient, undermines the African countries' development and leads to indebtedness which requires additional financial resources. Consequently, aid should be gradually terminated, even more, as it has already caused significant damage to Africa. Gray, however, highlights that aid with good host country policy can promote growth and development, and after having achieved self-sustaining growth, recipients themselves will abandon accepting aid. While Gray thinks that aid can be mended, MacPherson does not, referring to Lord Bauer's famous study *Aid, End it or Mend it!* (Bauer 1991).

However, the viability of aid exit concept is rather questionable in Africa. Recently each African citizen symbolically "gets" around 50 dollar per year as compared to 3 dollars in 1960. It is not easy to abandon the "begging bowl" mentality (McPherson and Gray 2000). Furthermore, culture of aid dependency is reflected in the behaviour of the predatory state (Kalu 2018) and greedy leadership: "begging is easier for many

[14] Due to the nature of foreign aid, the „aid exit" concept was developed from the point of view of the recipients. No one thought of it as a possible donor initiative, as it is happening in the USA with the USAID.

governments and also many societies in Africa than to make efforts to be independent from aid" (Abeselom 2018, 378). They consider aid not as a supplement rather a substitute for domestic efforts, that is "aid is seen as the first rather than the last resort" (MacPherson and Gray 2000, 8) which kills the spirit of self-help used to be one of the cornerstones of economic development in Africa after gaining independence. In addition, the availability of huge amount of "free" money in the form of aid demotivates the governments to continue economic reforms and transformation, and to follow the policies of fiscal discipline and monetary restraint. Due to the above features, most of the recipients are trapped in aid with a significant *moral hazard*.

However, the main counterargument against aid exit is the vested donor and recipient interests in maintaining the recent or a moderately modified aid regime: the aid industry is a lucrative business for both sides with wide range of benefits for the participants, the livelihoods of aid workers depend on aid. Having visited many aid agencies in Ethiopia, Botswana, Namibia, and Tanzania, I could sense what is "at stake". No wonder that in the discussion with the donor community's representatives even the term "aid exit" was not mentioned, though the African Development Bank has the opinion that "Official Development Assistance to African countries needs to be rethought if it is to achieve its objective of freeing recipient countries from the aid dependency." (African Economic Outlook 2024, 75). This approach is in line with the fundamentals of the African masterplan, the *Agenda 2063 – The Africa we want to ourselves,* aiming also at overcoming the dependency syndrome.

2) Africa in the international aid landscape amidst the proliferation of donors

2.1 Traditional DAC donors

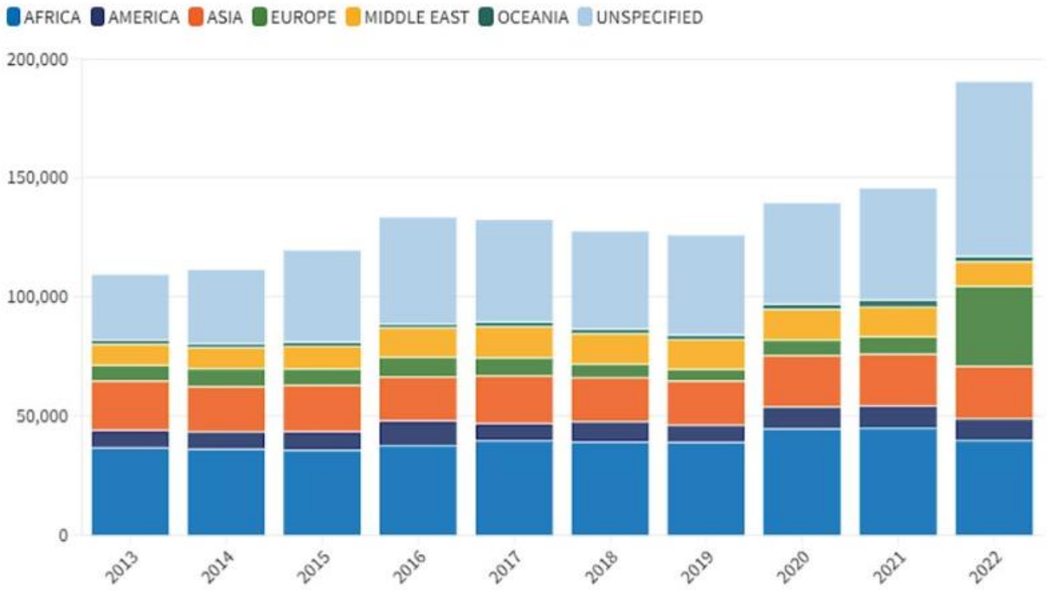
Africa is the world's most underdeveloped continent with the highest level of poverty[15], inequality[16] and climate vulnerability, lack of social protection and low level of human development. So, it is fully reasonable that Africa is the biggest recipient of international assistance. In the case of the DAC members' bilateral ODA (Graphs 3 and 4), the highest share (20.9% in 2022 and 29.4% (!) in 2021) goes to Africa. In 2022 Africa received USD 39.7 billion from the DAC members, 11.4% less than in 2021 due to lower spending on COVID-related activities, higher sums on crisis and conflict management (Syria, Yemen, Gaza, Sudan), on humanitarian purposes, robust aid to Ukraine and the decreasing ODA from the biggest donor, the USA. Out of the USD 39.7 billion designated to Africa, Sub-Saharan Africa received USD 29.7 billion, that is 75% of the total amount. As far the African subregions are concerned, the biggest recipient is Eastern Africa with USD 17.9 billion net bilateral ODA in 2021 and USD 16.2 billion in 2022. ODA to Western Africa also decreased due to reduced flows from the USA, the EU institutions, Germany and the United Kingdom, however France increased its bilateral ODA to Western Africa. According to estimates bilateral ODA to Africa is going to increase in 2023, reaching USD 36 billion in the case of Sub-Saharan Africa.

[15] By 2030, over 450 million people will be living under USD 2.15 per day in sub-Saharan Africa and 850 million will be in absolute poverty (Development Co-operation Report 2024).
[16] Out of the nineteen most unequal countries in the world, ten are in Africa, including South Africa (Zeleza 2019).

Graph 3

DAC members' bilateral net ODA by regions, 2013-2022

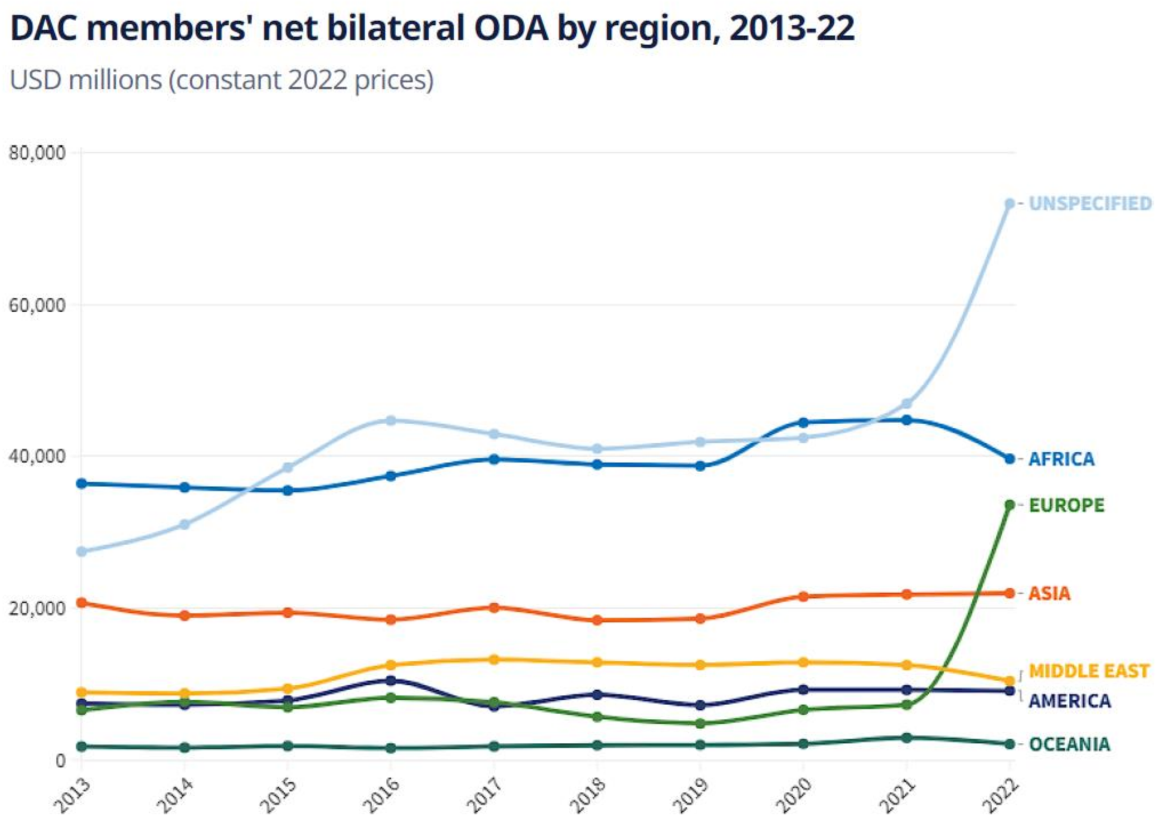
USD millions (current 2022 prices)



The high unspecified item is mainly due to the in-door refugee costs.

Source: OECD Data explorer 2024; Aid (ODA) disbursements to countries and regions (DAC2A) database

Graph 4



Source: OECD Data explorer 2024; Aid (ODA) disbursements to countries and regions (DAC2A) database

In the case of the top 10 individual DAC countries, the share of Africa in their net ODA fluctuates between 12.7% (UK?!) and 58.5% (Netherlands!!). In the case of the biggest donor, the USA it was 24.7% in 2022, while the fourth biggest donor, France directed 40.5% of its ODA to Africa. It was around 20% in the case of the EU institutions (Table 1).

Table 1

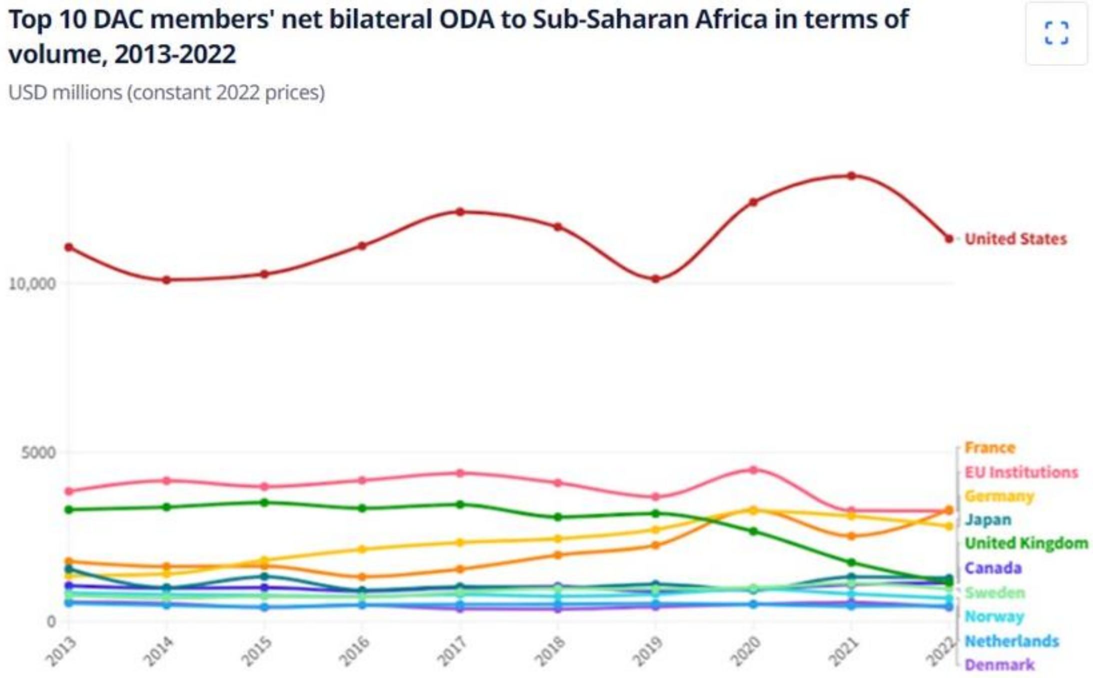
The share of Africa in the top 10 DAC countries net bilateral ODA (2022)

Donor	Net ODA (USD million)	Share of Africa
USA	12882.6	24.7
EU institutions	5551.5	20.4
Germany	5013.3	17.2
France	4259.7	40.5
Japan	1937.7	13.7
Canada	1893.2	26.7
UK	1508.9	12.7
Norway	806.5	19.6
Netherlands	731.5	58.5
Switzerland	668.1	18.1

Source: own compilation and calculation based on OECD data

In the last decade the most important DAC donors were the USA, whose aid is highly volatile, followed by Germany, the EU institutions, France, Japan, and the UK (Graph 5). The biggest recipients are Ethiopia, South Sudan, DRC, Kenya. Mozambique, Somalia, Uganda, Sudan, however the ranking changes rapidly due to emerging donors (Graph 6).

Graph 5

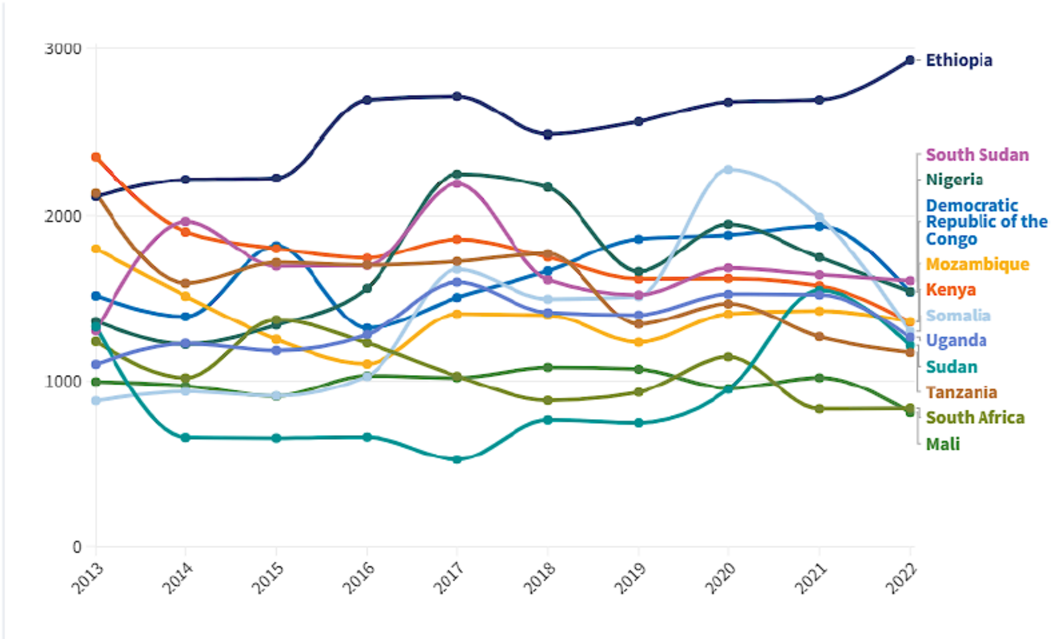


Source: OECD Data explorer 2024; Aid (ODA) disbursements to countries and regions (DAC2A) database

Graph 6

Top ten sub-Saharan African countries receiving DAC members' net bilateral ODA, 2013-22

USD millions (constant, 2022 prices)



Source: OECD Data explorer, 2024; Aid (ODA) disbursements to countries and regions (DAC2A) database

In the case of multilateral aid, disbursed by the World Bank, UN Agencies, Regional Devolvement Banks and other multilateral agencies, Africa also does play an outstanding role, more than half of multilateral aid is directed to the continent with a high share (above 80%) going to Sub-Saharan Africa (Table 2).

Table 2

Net disbursement of multilateral concessional assistance, 2022, (million USD)

	Total	**Africa**	**Sub-Saharan Africa**	**Share of Africa (%)**
2016	41518	20054	17310	48.3
2017	43954	22364	20048	50.9
2018	43354	22865	20518	52.7
2019	44744	25736	23215	57.5
2020	65923	37592	32877	57.0
2021	57397	31582	26945	55.0
2022	65601	30133	27814	45.9

Source: own compilation and calculation based on OECD data

2.2 Emerging donors

As aid provided by traditional donors is not sufficient for bridging the developing countries' finance gap, the emergence of new donors is unanimously welcome by the recipients and somewhat reluctantly by the traditional donors (Ye 2022, 73; Sun 2014, Mandon and Woldemichael 2022). Their appearance is one of the signs of the previously mentioned silent revolution of the aid regime (Kondoh 2015, Manning 2006, Rowlands 2008, Woods 2008).

The key issues are as follows. Who are these new donors? How much aid do they provide, under what conditions, for which sectors, by which modalities? What are their aid allocation motives? Do they aid strategy differ from that of the traditional donors? What is the perception of the traditional donors and the recipients about the new donors? Does their appearance mean a competition for traditional donors or rather they will supplement DAC countries' aid activities? And lastly how do they manage Africa as a recipient?

Presently, around thirty, mainly middle-income countries are called emerging donors, as due to their economic development they have become capable of helping less developed countries. This economic capability was accompanied by their aspiration to open to the world and strengthen their political and economic position internationally. Many of them became donors from a recipient status only recently (see the case of the new member states of the EU, or China which is still eligible for ODA) and some of them are re-emerging donors (like China, Hungary, the Czech Republic or Russia) as during the cold war they have already provided aid to developing countries, including Africa (Ye 2022).

The main new donors are:

a) the original members of the BRICS, the so-called regional hegemons (Brazil, South African Republic, India, China, and Russia); recently Egypt, Iran, Ethiopia and the United Arab Emirates joined the group, and Indonesia, Turkey, Malaysia and Azerbaijan are the latest candidates. While all the members are middle income countries with meaningful aid giving capacity and commitment, Ethiopia - as the biggest aid recipient in Africa with limited financial potential - is a peculiar exception;
b) some rich Arab countries (United Arab Emirates, Qatar, Kuwait, Saud-Arabia)[17];
c) middle income African, Asian and Latin-American countries (Chile, Costa Rica, Egypt, Indonesia, Columbia, Malaysia, Mexico, Singapore, Thailand, Turkey, Venezuela, Vietnam);
d) the new member states of the EU[18], some of them became DAC-members.

It is extremely difficult to estimate the *magnitude of aid* given by the new donors due to lack of reliable, transparent, and coherent datasets except for the recently set up

[17] It is interesting to note that Saudi Arabia directed more aid to Africa (around USD 5 billion in 2022) than Germany or France.
[18] Their aid allocation focus is not on Africa: Hungary directs 13.4% of its aid to Africa, while Czechia only 2.5%.

Aiddata. While those new donors who became DAC-members (like Hungary, Czech Republic, Korea etc.) or are DAC-candidates (20 countries, among others the United Arab Emirates, Kuwait, Russia, Saudi-Arabia, Thailand, Turkey etc.) report to the DAC, the remaining donors are not obliged to provide data about their aid giving activity to the international community, let alone reporting, monitoring, assessing their development cooperation. Furthermore, the *term* “aid” is interpreted arbitrarily which raises the issue of comparability (like “comparing apple to dragon fruits” (Dreher et al. 2018): Chinese aid, for instance, apart from ODA-like elements (grants and concessional loans), includes market-rate credits, export credits, turn-key projects, technical co-operation, military aid, but excludes debt relief and scholarships. Aid, trade and investments are overlapping, public and private sources are not separated (Brautigam 2009, 2010; Sun 2014), aid is gradually merging with development finance. According to the OECD estimates (Development finance of countries beyond the DAC 2020) in 2019 aid given by the thirty new donors was around USD 24 billion, that is 15% of all the DAC ODA (Table 3) (Kiss 2024). However, the potential is huge as aid/GNI ratio is around or below 0.1% in the case of the most powerful new donors (like Brazil, China, India, and Russia) (Kiss 2019, 39).

Table 3

Estimated aid flows from DAC and non-DAC countries, 2014-2019

(net disbursements, current process, USD billion)

	2014	2015	2016	2017	2018	2019	2019 (% of total)
ODA from current 29 DAC member countries	151.1	143.1	157.6	161.4	164.8	151.7	86%
ODA from 20 reporting countries beyond the DAC	25.2	12.5	17.2	18.6	22.2	16.5	9%
Estimated development co-operation flows from ten non-reporting countries beyond the DAC	5.6	5.2	6.5	8.8	7.2	7.3	4%
Subtotal flows from non-DAC providers	30.7	17.7	23.7	27.5	29.5	23.7	14%
Estimated global total	**181.9**	**160.8**	**181.2**	**188.2**	**194.3**	**175.4**	**100%**

Source: Development finance of countries beyond the DAC 2020

The new donors – especially those big powers with modest actual aid budget (like China, Russia or India) – try to distinguish themselves from traditional donors. Their main reference point is the lack of colonial past and their transformation from a recipient to a donor, meaning more empathy for the poor, better understanding the issues of underdevelopment and the requirements for catching up, consequently their aid is more coherent with key African development challenges. They question Western hegemony by offering a partnership (help to self-help, mutual respect, mutual benefit, respect for sovereignty, non-interference) and dialogue with the recipients instead of hierarchical, unequal donor-recipient relationship (see the example of the *Forum on China-Africa Cooperation).* Consequently, they do not attach any (direct) political[19] and/or economic conditions on the governments (Baumtigam 2010) (Five Principles of Peaceful Coexistence in the case of China) and they seem to focus more on the needs of the people. Their approach forces traditional donors to abandon and/or ease conditionality and to follow a need-oriented aid strategy. In the interviews it was frequently emphasized both by bilateral and multilateral donor representatives that there are no (direct) political and/or economic conditions tied to their aid. The USAID representatives emphasized that they do not have any scoreboard, they support both the bad and good governments. However, the representative of the European Investment Bank admitted that in the Bank's partner selection those countries are preferred whose policy is in harmony with that of the EU. We do not know whether the lack of overall conditionality is a virtue or a shortcoming, and whose interest is served by this feature. For sure, the African countries are happy with this situation.

The lack of conditionality is seemingly justified by the fact that while in 2010 64% of bilateral aid was provided to autocracies, in 2019 already 79% (Development Co-operation Report 2023, Debating the Aid System 2023, 27), so political conditions in the recipient countries did not play an increasing role in DAC countries' aid allocation and their merit-based aid policy is going to be eroded. However, economic conditions are in effect as the example of tied aid[20] shows. Though in 2001 the traditional donors agreed on untying aid, in 2020 only 20% (USD 29.3 billion) of all DAC bilateral aid was under

[19] Except Chinese aid to those countries which do not accept the one-China policy or criticize China for not respecting human rights.
[20] Tied aid means that aid should be spent on buying goods and services from the donors.

untying obligation (as humanitarian and food aid, technical assistance, refugee and administrative costs are exempted) and the obligation was unevenly met by the DAC members: the untying share is above 90% in the case of Germany, France, Japan, Netherlands, Norway, the UK etc., while it is below the DAC average in the USA (68%), the Czech Republic (56%), Hungary (40%), Poland (17%) etc. Furthermore in 2019-2020 50% of all aid contracts were awarded to domestic suppliers (in the case of Hungary the share was 99%, while in the USA it was 2/3) (2022 Report on the Implementation of the DAC Recommendation on Untying Official Development Assistance 2022). Having this information, it was surprising to listen to the representatives of the USAID in Ethiopia stating that the USAID does not apply the tied aid formula. In contrast, the representative of the European Investment Bank admitted that though the EU tenders are open, in the case of Africa the majority of the procurements is awarded to non-African suppliers not because of tying aid/credits to donor companies or any preference given to EU member states, but rather due to quality and other business requirements which are difficult to be met by African firms. It is interesting to note that in the case of China's projects minimum half of inputs (raw materials, technology, labour force, services) are Chinese (Bohoslavsky 2016, 9).

The other field where old donors are challenged is *the sectoral distribution* of aid with special regard to *infrastructure* projects, accomplished mainly by Chinese donors. It is true that lack and inferior quality of infrastructure is a big impediment to economic development and connectivity is indispensable in the era of globalisation. Even under colonialism roads, railways and harbours were built, serving mainly the interest of the colonizers, promoting the export of African minerals and raw materials to European destinations. During the cold war China and the Soviet Union kept on building infrastructure projects in Africa (see the example of the Tanzam railway in Tanzania-Zambia) apart from establishing some heavy industry projects[21]. After the turn of the century around 40% of the DAC ODA was spent on social infrastructure (education, health care, water supply, sanitation), followed by physical infrastructure and services (energy, roads, railways, banking, trade), while supporting economic activity (agriculture, manufacturing, trade) remained marginal (Table 4). However, a significant and increasing

[21] During the 70s two thirds of aid was for infrastructure (roads, railways, water and sewage, ports, airports, power stations and telecommunications) (Moyo 2009).

share of traditional donors' ODA was spent on humanitarian assistance (in 2022 23.2%), food aid and in-door refugee cost. According to some of the interviewees traditional donors must rethink their aid allocation with special reference to infrastructure building while it is not too late.

Table 4

Sectoral breakdown of DAC ODA to Africa, 2022

Sector	Amount (USD million)	Share of total
Social infrastructure and services	**17570.7**	**41.1**
Education	3162.3	7.4
Health	8091.6	18.9
Water supply	1607.7	3.8
Economic infrastructure and services	**7126.2**	**16.7**
Energy	2731.6	6.4
Trade	2670.3	6.2
Production sectors	**2943.4**	**6.9**
Agriculture	2308.0	5.4
Industry	533.2	1.2
Trade	102.2	0.2
Food aid	**1040.2**	**2.4**
Humanitarian aid	**9913.5**	**23.2**
Total	**42738.4**	**100.0**

Source: own calculation based on data of *Geographical Distribution of Financial Flows to Developing Countries* 2024

However, there is a sector where traditional donors are in a gaining position, which is *environmental protection, climate change* mitigation and adaptation. By 2018-2021 compared to 2010-2012 the share of these activities in the DAC countries' bilateral ODA increased from 29.3% to 35.9%, indicating that the DAC donors (that is the highly developed countries) are ready to support the protection of those public goods whose deterioration affects them (Development Co-operation Report 2023) and the utilization of renewable energy sources. A good example is the aid given by the EU to Mauritania to produce renewable energy for exporting it to the EU via high-voltage wires. In contrast to DAC countries, emerging donors, especially China are causing significant harm to the environment and environmental protection is not a priority in their aid strategy.

As far as the aid *modalities* are concerned, in the case of DAC donors and DAC-candidates at least 25% of ODA is grants, that is non-refundable transfer, while in the case of new donors the share of debt generating loans, credits are rather high with significant long-term effect on the recipients. The other peculiarity is the entanglement of public (official) and private sources which causes lack of transparency, accountability, and comparability. However, this feature is in line with the traditional donors' innovative financing modality with special regard to the so-called blended finance where public funds, namely the ODA, function as catalyst for attracting and mobilising private sources. In kind transfer is getting to be rather rare with the exception of humanitarian and food aid where donors' shipments are getting to be replaced by cash transfer, voucher assistance and/or commodities bought in the recipient country, if the goods are available. This observation was substantiated by the interview conducted with the representatives of the World Food Programme in Addis Ababa. Apart from financial resource-based modalities the emerging donors also apply soft modalities like providing scholarships, organizing cultural events, language courses etc.

While the majority of traditional donors is called by the literature egoist donors (Brown 2021) as their main aid giving *motivation* is to reach their foreign policy and economic goals, to follow their self-interest[22], to maintain the status quo, the emerging

[22] However, this motivation is lessened by the fact that the share of DAC members' funding channelled to or through multilateral organisations rose from 37% in 2010 to 45% in 2021, before slightly declining to 43% (= USD 98.5 bn) in 2022), though their advocacy ability is rather strong in the multilateral aid institutions. The greatest contributors are the USA (?), Germany and France. (Multilateral Development Finance 2024).

donors proudly emphasize their selfless approach, the win-win situation in the case of China. However, if we look behind the slogans, we have to realise that these donors also follow their vested political and economic interests, like access to raw materials, conquer new markets, profit on investment opportunities, strengthen their geopolitical and geostrategic position/influence, gain allies, polish country image etc., so they are the *same but a bit different* (Blair et al. 2022, Brautigam 2010, Dreher et al. 2018, Kilama 2016). As far the win-win approach is concerned, even under an optimistic scenario we could call it *win-win* situation with *delayed asymmetry*: the donors mostly enjoy clearly positive, immediate, and tangible benefits (access to minerals, raw materials, markets, gain strategic position etc.) while in the case of the recipients short-term, obvious and spectacular advantages (prestige projects, the so-called white elephants, like sport stadiums in Zambia and Ivory Coasts[23], monuments in Botswana and Senegal, office buildings in Togo and Ghana, a tram line in Addis Ababa) are followed by unclear, unidentified, unpredictable long-term consequences (like surmounting indebtedness/debt trap, increasing maintenance costs, environmental degradation) which are modestly ignored by the donors. The problem is that this kind of "asymmetry" is in full compliance with the *carpe diem* African mindset and the lack of long-term vision.

All in all, the emergence of new donors in the international aid landscape should be welcome as it contributes to the increasing amount of gross aid inflow, supplements the fluctuating aid budgets of the traditional donors, counterbalances their aid fatigue, and increases the opportunity for South-South or tripartite co-operation. However, it leads to the proliferation of donors and aid agencies[24], causes fragmentation[25] and duplication (Kalu 2018) of projects, increases the lack of transparency (Abeselom 2018, Yuan et al. 2022) and deteriorates aid efficiency unless cooperation and coordination is reinforced in the donor community. The above statements were underlined by the representative of the European Investment Bank who called the situation chaotic due to the competition from the donors for making a deal and being visible. However, the representatives of the USAID emphasized co-operation instead of competition. The donor proliferation is due not only to the emergence of new state actors, but also to the increased

[23] See China's Stadium Diplomacy.
[24] Between 2000 and 2019 the number of donor countries and multilateral agencies increased from 47 to 70, and the number of bilateral and multilateral agencies from 191 to 502 (!) (Understanding…2022).
[25] The growing share of countries are dealing with 60 or more donor entities (Understanding…2022).

activity of civil society, NGOs, private funds, philanthropic organizations[26] etc. leading to changing aid power dynamics.

The *multilateral development finance system* - which presently provides two-thirds of official development finance - is also gradually changing: the number of entities eligible for ODA has increased from 121 to 212 between 2000 and 2020 (Multilateral Development Finance 2024), new multilateral institutions, like the Asian Infrastructure Investment Bank or the BRICS New Development Bank have been established, new funds are created (Green Climate fund – 2016, Pandemic Fund – 2023, Loss and Damage Fund – 2026, etc.) and emerging donors (especially China, India, UAE, Saudi-Arabia) are slowly reshaping multilateral institutions' funding base in order to gain influence concerning the agenda and operations of multilateral institutions. They are the eighth biggest contributors to the UN Development System and the largest shareholders in the Southern-led Multilateral Development Banks (AIIB, NDB) (Multilateral Development Finance 2024).

2.3 What do the above changes mean for Africa?

It is beyond doubt that the increasing number of donors might lead to the extension of Africa's aid portfolio and might decrease its aid dependence on a single donor though increasing their overall aid dependence. However, while the enlarged gross aid inflow is temporarily bridging the finance gap, the long-term impact depends on the composition of the aid-package (the share of debt-generating elements, like export credits or market-based loans) and the use of aid (what kind of projects are financed, what are the collateral costs, what are the consequences).

While the intensification of donor rivalry for political and economic influence (a new scramble for Africa) (Blair et al. 2022) might benefit Africa financially[27], the proliferation of donors could be a burden for the recipient countries with budget

[26] In 2018-2019 these organizations transferred around USD 2.1 billion to Africa (0.1% of Africa's GDP) (Africa Development Dynamics 2023, 2024). In 2021 and 2022 their transfer to Africa was around 4 billion dollars, meaning almost 40% of their global contribution (Geographical Distribution of Financial Flows to Developing Countries 2024).

[27] Between 2001 and 2013 China's net foreign aid was USD 34.5 billion and 45.7% was allocated to Africa (Kilama 2016).

constraints, inefficient management, insufficient physical, human and administrative capacity[28], might hamper country's ownership, not to speak of the bigger risk of corruption and moral hazard. It might happen that donor competition for infrastructure building, preference given to climate change related actions in the case of the DAC countries and donors' competing development priorities, might lead to losing focus on poverty, basic services, inequality and human development, so the beneficiaries will not be the people.

Furthermore, the changes might have an impact on the traditional donors' strategy and behaviour. The emerging aid landscape "*forced the EU, Japan, and the United States to rethink their engagement with Africa*" (Zeleza 2019, 165). In competing with China in Africa, traditional donors started to deliver more aid to countries with natural resources, strategic political interest, and trade potential (Kilama 2016). Their aid composition is also changes from social sector to economic and productive sectors as it was evidenced by Kilama (2016). It is in line with the observation of the representative of the Delegation of the EU to the African Union, stating that certain elements of the Chinese aid model (he referred to the infrastructure building which covers around 70% of Chinese aid) might be/should be followed by traditional donors for preserving their influence. Anyway, infrastructure building is gaining utmost importance with due regard to the African Continental Free Trade Agreement (AfCFA): by 2030 USD 411 billion investment is needed in transport due to trade in AfCFA (African Dynamics 2023, 2024).

Another element of the Chinese aid model to be followed could be the linking of development aid with other forms of development financing (foreign trade, overseas investments) in order to better coordinate development assistance with economic interests and foreign policy goals.

An additional area of rapprochement is blending public and private resources via using ODA to mobilize private sources and to de-risk private investment via providing guarantees. Though blended finance is an emerging innovative financing instrument in Africa, it seems viable and applicable: between 2012 and 2022 the amount of blended

[28] Most of the multilateral organisations want a presence in the recipient country. Africa hosts 102 development finance institutions, 20% of the global total (Africa Development Dynamics 2023, 2024). That is why it was not difficult to make interviews in Ethiopia as most of the leading multilateral organisations are present in Addis Ababa.

finance grew fivefold, from USD 4 billion to USD 22 billion (Africa Development Dynamics 2023, 2024), especially in Mozambique, South Africa, Angola in Southern Africa, Kenya and Uganda in East Africa, Egypt and Morocco in North Africa, and Nigeria, Ghana and Ivory Coast in West Africa. About three-quarters of the amounts targeted three sectors: banking and financial services (31%), industry, mining, and construction (27%), and energy (20%). Recently there has been an increasing focus on climate change related issues. In 2019-2021 Africa mobilized more than $4.5 billion from climate-blended finance vehicles mainly in Kenya, Rwanda, Nigeria, South Africa, Ghana, and Côte d'Ivoire with three-quarters spent on renewable energy projects (Africa Economic Outlook 2023). The most typical instruments are green, social, and sustainability-linked bonds[29] or carbon credits[30] or the African Green Bank Initiative adopted in October 2021[31].

3) Does aid work?

The history of aid is full of ups and downs[32]. The heady optimism of the post-independence period fuelled among others by the success of the Marshall plan was followed by "*the disillusion of the 1970s, the trauma of the 1980s, and the strife of the 1990s which gave way to the optimism of today*" (Addison et al. 2015, 7). Aid is still a controversial issue. There are some success stories at country[33] and microlevel (education, healthcare, infrastructure), while the impact of aid at the macrolevel is not conclusive[34], the aid-growth nexus is uncertain with no or negative or limited positive impact depending on the type of aid and local environment (Alemu and Lee, 2015; Easterley 2003, Gupta et al. 2006, Kalu 2018, Wangwe 2006). While Africa is the biggest aid beneficiary, it is still the

[29] The issuance of green bonds across nine African countries mobilised USD 4.5 billion over 2014-21. The green bond market is dominated by three countries, only (Benin, Egypt, and South Africa) (Africa Development Dynamics 2023, 2024).

[30] The Africa Carbon Markets Initiative aims to mobilise USD 6 billion by 2030 (Africa Development Dynamics 2023, 2024).

[31] The African Development Bank is committed to provide concrete, innovative solutions based on blended finance that will increase the share of global climate finance benefiting the African continent through providing enabling policy environment and conducive ecosystem (African Economic Outlook 2023).

[32] For the evolution of foreign aid in Africa see Kalu's book (Kalu 2018) and Moyo (2009).

[33] The most frequently referred example is Botswana (Izoboo 2020), where the role of diamond in contrast to aid is somehow ignored.

[34] About the micro-macro paradox see Moyo (2009, 52).

least developed continent with low level of socio-economic and human development[35], with high poverty and inequality (Addison et al. 2015). Impact of aid is not only far from expectations, but according to some opponents (Abeselom 2018, Gupta et al. 2006, Moyo 2009) it does have a detrimental impact on social and economic development ("*aid helped make the poor poorer, and growth slower*" and "*aid is an unmitigated political, economic, and humanitarian disaster*" (Moyo 2009, 17)). Furthermore, it elevates dependency and indebtedness, it is toxic ("sweet poison"), causes more harm than good despite the good intention of the donors (Easterley 2006).

It raises the question: does aid work? (referring to the title of Robert Cassen's famous book (Cassen 1994) or is it dead? (referring to Moyo's emblematic book (Moyo 2009)). The question is whether the problem is with the present aid system: it is unable to promote socio-economic development and/or the recipient countries' domestic situation precludes the impactful and efficient utilization of aid.

Having in mind the objectives, the modalities, the sectoral distribution, the types, the conditions of foreign aid, in contrast to Moyo (2009), we have the opinion that development aid *in principle* might *contribute* to economic growth and socio-economic development in the recipient countries if it is appropriately (?) utilized. Though we do agree with Kalu (2008) that financial aid is rather a palliative than a panacea for African problems. Aid theoreticians and practitioners (Solymári 2018) are rightly complaining about the low efficiency of aid and its controversial impact. It is true that proliferation of donors and development agencies does not promote transparency and efficiency. Furthermore, permanent aid inflow might have such consequences as dependency, indebtedness, reduced savings and investments, inflation, Dutch disease, diminishing international competitiveness, lack of absorptive capacity, skills shortages, etc. (Gupta et al. 2006, Moyo 2009). However, what really matters is the *political, economic, and social environment of the recipient* countries whose "task" would be to convert aid into development as "*aid works better in good policy environment*" (Wangwe 2006, 8). The importance of enabling the environment was emphasized by the representative of the EU delegation to Addis Ababa.

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[35] According to the UNDP in 2022 out of the 32 countries with low human development index 30 were African countries.

Under the conditions of political instability and permanent conflicts not only is the inflow of aid uncertain, but its impactful utilization, as well, especially in fragile, predatory states[36]. That is why we do agree with the Zimbabwean representative of the OCHA, saying: "*that what Africa needs is not aid but peace, lasting peace*". As aid is a permanently inflowing unearned income, it (Kalu 2018) can be easily misused[37], misdirected[38], abused for political purposes[39] and for personal gains of government officials and the ruling elites[40] as political and democratic institutions are weak, rule of law is not respected, property rights are unclear, regulatory quality is poor, good governance is not practiced. On top of that, cronyism and corruption are everyday phenomena[41], embedded in the socio-economic fabrics, in the governments' rent-seeking behaviour and in the people's mindset. Speaking with the donors' representatives in Addis Ababa, most of them mentioned corruption as an ordinary, inherent, indispensable, and tolerated/ignored element of foreign aid[42], though the representative of the European Investment Bank urged zero tolerance to minimize risk. It is interesting to note that autocratic and corrupt governments receive as much aid as less corrupt ones. According to the African Union's Agenda 2063 estimates corruption costs Africa USD 148 billion every year, which is more than twice as much as the yearly aid inflow.

Even in countries with better governance and less corruption, aid implementation is difficult because of the lack of absorptive capacity, poor administration, high bureaucracy, red tape, shortage of skilled manpower.

[36] According to the Fragile State Index in 2024 20 African countries were among the 30 worst performers.
[37] *'...when the World Bank thinks it is financing an electric power station, it is really financing a brothel'* – quoted by Moyo (2009, 48).
[38] "*Unconstrained aid flows always face the danger being egregiously consumed rather than invested*" (Moyo 2009, 54).
[39] This was mentioned by the ECHO representative in connection with humanitarian aid when in-kind aid is sold, and political actions (like terrorism) is financed in this way.
[40] Diverting aid to foreign private bank accounts and to finance the life of the elites (palaces, houses, private jets, cars). According to Kalu (2008) Mobutu was richer than his own country.
[41] According to the Corruption Perception Index in 2024, 13 African countries stood in the last 30 places.
[42] "Every franc we give to impoverish Africa comes back to France or is smuggled to Switzerland and even Japan" (Aprioku 2019, 5).

4) What future for Africa? Prospects and outlook

Looking through the position of Africa in the changing world order, its socio-economic development and the role of aid, it is safe to say that Africa should rely on external sources of finance in the future, too, however, aid will not be and should not be the dominant source anymore. The main reason is the increasing role of remittances and FDI, and the danger of aid dependence. However, aid is non-replaceable at the moment, all the more as ODA is scaling up and the number of donors and international development entities are going to proliferate.

As the power structure is not changing in favour of the African continent, the manoeuvring room is rather limited within the dependency system and the existing aid regime. Aid exit theoretically is an option; however, it is not feasible under the conditions of finance gap, increasing indebtedness and the vested interest of donor and recipient beneficiaries in maintaining the present aid system. If once aid exit strategy will be on the agenda, it should be a gradual process with long transitional period and a time limit[43] initiated by the African countries themselves. If it happens *it will be done not because international aid accomplished its mission, but because it does not*. However, aid exit refers to development aid only, as humanitarian and emergency aid should be continued.

For the time being - due to the inherent inertia of the system - there are no profound paradigm shifts at the horizon despite surmounting critical voices (Solymári and Czirják, 2024). Delinking from the donors is not a real alternative for the recipients. African countries should find solutions ("home grown" solutions like the NEPAD (Niyonkuru 2016), or "The Africa we want – Agenda 2063" project or the changing food aid system as it was presented by the representative of the World Food Programme) for improving their position in the recent aid regime, to escape aid trap and to increase aid efficiency. To decrease aid dependence gradually, African countries should broaden their aid portfolio, to profit on donors' competition, on the changing aid power dynamics and on emerging world multipolarity, diversify and intensify the inflow of external sources of finance with due regard to remittances, FDI and concessional loans, mobilize domestic

[43] One of the success factors of the Marshall Plan was its finite nature (the five-year span).

sources, avoid debt distress, curb corruption and illicit financial flows[44]. A genuine African solution would be the revitalization of self-help (*ujamaa*) with special regard to collective self-help within the framework of the extended BRICs in the form of South-South and tripartite co-operation. In addition, the intensified South-South co-operation would fill with content the recently launched African Continental Free Trade Agreement.

The above solutions are in line with the so-called *post-development aid theory* which envisages a recipient- and need-oriented, community-based development policy (Solymári 2019). Its main component is the *localisation* strategy which was widely echoed by the representatives of the ECHO, OCHA, World Food Programme, USAID as a fancy buzzword. It goes beyond the ownership concept and pure subcontracting, meaning the inclusion of local actors and organisations in the decision making and implementation process. It can be applied both to bilateral and multilateral aid ensuring that the donors support local governance and civil society, work with local communities, use local inputs and put more emphasis on result-orientation as it was stressed by the representative of EU delegation to Addis. In principle it might increase aid efficiency and meet local needs, however the implementation might be impeded by local constraints, like institutional deficiencies and the risk of corruption.

To decrease dependence, the concept of *partnership* should be revisited[45] (Wangwe 2006). Beyond rhetoric it should mean a relationship of equals based on shared interest and win-win deals, it should go beyond state-to-state relationship, must engage the private sector and civil society, implying a genuine dialogue between the donors and recipients[46]. Recipients should be selective, only those aids should be accepted which are in line with the governments' priorities, which is "right aid" instead of "more aid" (Akonor 2008). This point was emphasized by the representatives of the World Food Programme in Addis, saying that their interventions should be aligned with governments' policies. Foreign aid should be incorporated into the countries' development plans. Aid volatility

[44] Africa has lost more than $1 trillion in illicit flows over the last 50 years and is likely to continue to lose about $89 billion a year if corrective actions are not taken (African Economic Outlook 2023).
[45] The representative of the USAID reiterated the importance of partnership, though the meaning was not clarified.
[46] It was raised by the representative of the OCHA in the case of providing basic sercives and reducing disaster risk.

and unpredictability should be mitigated via changing the donors' behaviour in favour of long-term aid pledges and scaling up disbursement[47].

Political and economic conditions should also be reconsidered. While less conditionality and/or no conditionality means less dependence, free hands for the governments and hot money for the elites, however the misuse of aid is at risk and the meaningful impact of aid inflow is not guaranteed. It is a radical option to suspend aid in case of not respecting rule of law, as it is happening in the case of the EU funds toward a middle-income EU member country, Hungary. In Africa conditionality should be attached to political, economic and institutional reforms, however these reforms should not be enforced on the recipients as it has happened in the case of the Structural Adjustment Programmes of the 80s. Conditionality should serve the implementation of aid projects, the improvement of aid efficiency and mitigate the negative consequences of aid. Governments should be made interested in the outcome of aid (performance-based aid allocation), for instance, via requiring (financial and/or in-kind) contribution from the recipients. This risk sharing practice would improve aid efficiency. In all cases conditionality should be negotiated between the donors and the recipients.

While no fundamental aid regime changes are expected, *minor modifications* can be envisaged. To decrease dependence on a single donor, to bridge the finance gap and to decrease risks, innovative blended finance, which is the crowding in more private finance, the involvement of private sector will be intensified in the case of Africa, too. With due regard to managing surmounting outstanding debt and paying the yearly 74 billion debt service, different special debt swaps (like debt-to-SDG, debt for nature, debt for climate change etc.) will gain momentum. Debt relief is less welcome, as generally it is going to be counted as ODA, decreasing development-oriented aid. Though recently infrastructure building and environmental issues, like climate change mitigation and adaptation, are coming to the forefront, a balance should be found among the different target areas with due regard to human – economic, social, and political – security. To enhance aid efficiency and its positive transformational socio-economic impact[48], profound institutional

[47] In 2022 the disbursment rate was only 80% in the case of DAC ODA, meaning that only 80% of the commitment was actually allocated (Geographical Distribution of Financial Flows to Developing Countries 2024).

[48] The requirement of transformational impact was raised by the representative of the EU delegation to Addis.

changes should be conducted (Kalu 2018) towards better governance and less corruption[49].

Conclusion

Africa is the major recipient of foreign aid; however, it is not the region that benefits the most. Many African countries have become trapped in the aid syndrome leading to overspending, budget deficits, indebtedness and moral hazard, meaning less efforts to mobilize domestic resources and postpone political, economic and institutional reforms. Furthermore, the impact of aid is unclear, short-term microeconomic gains are mixed with long-term macroeconomic setbacks. Though aid exit is a theoretical option, its feasibility is challenged by the insurmountable finance gap and the vested donor and recipient interest in maintaining the recent system. Nonetheless sceptical and critical voices have intensified, and a silent revolution has already started: aid is scaling up due to the pressure of emerging donors, aid power dynamics is changing, new theories and modalities have developed, and target areas are changing though serving the same "old" objectives. As the present aid architecture is a significant constituent of the unequal North-South relationship, there is no paradigm shift at the horizon. Africa must try to make the most of the current situation which presupposes political stability and institutional reforms to increase aid efficiency and curb corruption.

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[49] About successful anti-corruption strategies see Gupta et al. 2006.

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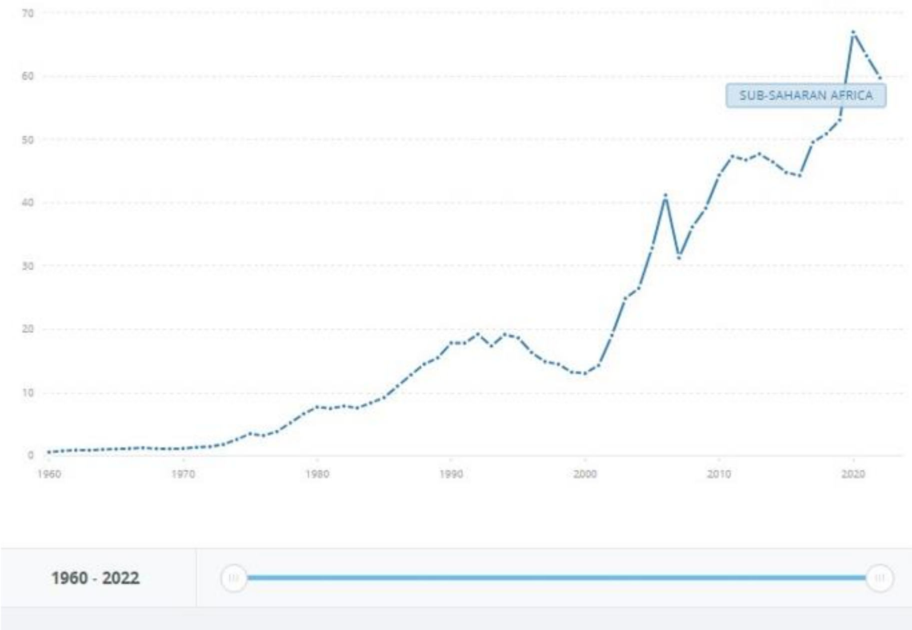
Appendix 1

Interview questions for donors:

1) How did the amount of ODA to Africa change after the turn of the century?
2) What are the main motivations and objectives to provide aid to Africa? Any change?
3) What are the underlying conditions with special regard to tied aid?
4) What are the basic recipient selection criteria in Africa with due regard to the indirect political and economic requirements (reward vs. punishment function)?
5) How did aid modalities change in the case of Africa with special regard to innovative financing?
6) How did the composition of aid change? Any shift from development assistance towards humanitarian and emergency aid due to reasons beyond the control of both donors and recipients? What are the priority areas of aid allocation?
7) What about aid efficiency? Is it measured, assessed?
8) How did the position of donors change in providing aid to Africa with special regard to the shift of donor community's composition from traditional DAC-donors to new, emerging donors (new EU members, BRICS-countries, rich Arab countries) with varying aid allocation objectives?
9) How could you evaluate the impact of aid on Africa's socio-economic development?

Appendix 2

Net ODA to Sub-Saharan Africa, 1960-2022 (current USD, billion)



Source: World Bank database