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► Development aid needs to yield better results

Topic: G - Other Trade Topics - Trade and Poverty
Author: Ali, Syed Mohammad; Daily Times (Pakistan)
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Syed Mohammad Ali, development consultant and international fellow of the Open Society Institutes network, discusses the pros and cons of development aid. He quotes ActionAid which states that 29 percent of aid from Britain via the Department for International Development (DfID) is wasted on DfID officials instead of going to the poverty-stricken people for whom it is meant.

Ali points out that the "mixed" impact of aid might be due in part to the lack of accountability of the donors. Recipient nations are held to be accountable by the donors, although

- The quality and quantity of aid is not examined. For example:
- Technical assistance is overpriced
- Planning is uncoordinated and slow

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- Implementation, monitoring and reporting are inadequate
- Administrative costs are excessive
- Disbursements are late and patchy.

Conditions are imposed on recipients who must liberalise their economies or practise fiscal austerity whether this impacts badly on local people or not.

Aid is small in comparison with the amount of money flowing from poor to rich countries in the form of debt repayment and international trade demands, such as purchases from firms in donor countries.

Recipient countries can also be criticised. Mobuto Sesi Seko of the Congo, for example, pocketed US4 billion dollars of public funds. Others have done the same, so it is only right that donors demand that recipient governments show accountability, transparency and justice in distributing aid.

However, according to ActionAid, there are some prerequisites that must be in place if aid is to be truly effective:

1. Joint responsibility should be shared by donor and recipient so that there is a mutual commitment to stated goals;
2. Donors must allow developing countries to come up with their own strategies to promote development;
3. The needs and priorities of the developing people should come before geopolitical or economic considerations. For example:

1. Aid has often buttressed repressive but strategically important regimes.
2. Aid is often tied to buying the donor's goods and services.

Some success has been achieved. Due to aid assistance, school enrolments have doubled since 1970, infant mortality has been reduced by 50 percent, and in Southern Africa an immunisation campaign against measles has been dramatically successful. However, ways must be found to make aid much more effective in order to achieve the desired results.

Source: Ali, Syed Mohammad; Daily Times (Pakistan)