



National University of Political Studies and Public Administration

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**Upgrading Africa - How good Samaritans failed to go through
with their promise to implement effective foreign aid**

SUMMARY

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SUMMARY

This thesis investigates the effectiveness of foreign aid in the Sub-Saharan African region, focusing on the top 10 Official Development Assistance (ODA) receipts by recipients in Africa. The study examines the role of donors and recipients in implementing aid and the factors that influence its implementation. The research aims to identify the best approach used in foreign aid, which can prevent aid from flowing into unknown loopholes, minimize poor governance, and create transparency and accountability. Africa has received unprecedented international aid for decades, with aid being classified into three types: military, humanitarian, and official development assistance (ODA). The study focuses on Ethiopia, Nigeria, Kenya, and Zimbabwe as the four recipient countries and their donors, including the United States, EU donor agencies, the World Bank, and the African Development Bank. China's growing links with African countries and investment ambitions are also studied.

The thesis analyzes donor and recipient programs through official reports, online discussions, reports, and interviews. It assesses the efficiency of aid in recipient nations, examines partner relationships and monitoring mechanisms, and looks at the performance evaluation methodology and reform measures utilized by the OECD and GPEDC. The purpose is to enhance international development processes by evaluating the relevance, development efficiency, assistance efficacy, and human impact of projects over time. The influence of foreign aid on economic growth and poverty reduction in Africa has been a subject of discussion and debate, with differing opinions on aid's effectiveness. Economists Jeffrey Sachs, William Easterly, and Dambisa Moyo have differing opinions on aid in Africa. Sachs believes aid is sometimes necessary for development, Easterly argues corruption and inadequate governance are the main reasons aid fails, and the World Bank acknowledges corruption in Sub-Saharan Africa more than in other regions. Foreign aid has been a significant aspect of global development cooperation, transferring assistance from developed countries to developing country governments. However, critics remain skeptical about its effectiveness and the extent to which it is misused or ends up in the hands of dishonest governments. The sustainability of foreign aid focuses on the long-term effectiveness of funding, with aid evaluations focusing on the delivery and use of project inputs. Analyzing the variables responsible for the form and impact of aid and providing practical recommendations on how aid may be made more effective would benefit the entire continent. The Organization for Economic

Cooperation and Development (OCED) report reveals the top 10 Official Development Assistance (ODA) receipts by recipients in Africa, with Ethiopia receiving the most ODA in 2019. China's involvement in Africa is unique among donors not members of the official OECD Development Assistance Committee (DAC), and almost all developing countries receive some form of Chinese aid, indicating China's aspiration to be more than a regional power.

Due to the absence of colonial relations, China has built relationships with African nations, making partnership discussions easier. However, opposition and anti-Chinese sentiment have grown due to China's participation in nations with poor governance, leading to claims of resource exploitation and neo-colonialism. China has responded by reiterating its pledge not to monopolize territory or access opportunities for economic progress and to modernize to ensure shared prosperity and achieve development. Sub-Saharan Africa's history, particularly in the 19th and 20th centuries, was defined by European colonialism, with white minority governments dominating and controlling most countries' economic and political affairs. Foreign aid began in 1947 with the implementation of the Marshall Plan, which started an economic and political initiative by the US to provide financial support in rebuilding Europe after WWII. However, foreign aid is necessary but insufficient to develop any country, and some parts of society see aid as a modern way of slavery. The call for Western nations to cease paying oppressors is growing more widespread, with organizations like the World Bank and the IMF asking for accountability and transparency standards and punishing corrupt governments. When making decisions about official development assistance, it is crucial to consider the recipient country's framework and the agendas of political leaders in the recipient country.

China's fortune is dispersed globally, and its presence in Africa has grown from minor relevance to the continent's largest trading partner. China is believed to be more prepared to share technology with its allies, increasing the number of African enterprises that process raw African materials. Gaining actionable insights from donors is crucial for creating a successful aid strategy. Analyzing donor and recipient partnerships and comparing successful projects is essential for achieving successful results. Analyzing past transactions in donor databases can help identify limitations and adopt alternative routes for aid initiatives. Equal donor-recipient relationships are essential for aid effectiveness, as both sides should be held accountable for aid use, allocation, and monitoring processes. Optimizing donor management processes and creating a positive supporter experience

can increase their long-term support. Foreign aid has successfully alleviated poverty and promoted development in countries like Zimbabwe, Kenya, Nigeria, and Ethiopia. However, its effectiveness is hampered by inadequate transparency, poor governance, political instability, and ineffective partnerships. To enhance aid's impact, recipient nations must solve these issues and establish strong institutions. Mutual accountability is necessary to ensure aid is effective and balanced.

Donors and partner countries should track progress, distribute funds based on specific targets, and use data to enhance performance and decision-making. Developing standards for demand-driven aid through regional cooperation and integration is essential for effective aid. Coordinating information flows and integrating donor aid data with budgetary classification are crucial issues at the country level. This thesis focuses on the effectiveness of aid in transparency, its impact on aid implementation, and its variation with Western donors and China. Transparency in aid can reduce corruption, respect human rights, democracy, and good governance in national development plans. African nations should support projects with the International Aid Transparency Initiative to increase foreign aid transparency. The partnership between donors and recipients significantly impacts aid implementation by enhancing resource efficiency and fostering innovation and commitment. Aid management is crucial for ensuring its purpose in development. The African Partnership Forum (APF) should be the primary venue for monitoring progress and fulfilling promises. Ensuring long-term outcomes is important as donors and recipients must better formulate aid effectiveness for reducing poverty and improving living conditions in African countries.

To overcome obstacles, Africa must realize its full potential and work together on additional win-win development initiatives. African nations must establish proper systems to handle donors and their policies and prepare African leadership for transparent and accountable governance. Internal political cooperation is crucial, and a framework should be developed to connect the central planning and finance ministries with the line and sector ministries. These bridges across ministries are critical, as is the necessity for horizontal communication to keep all parties involved informed. If there are any organizational issues, they should be addressed right away. It is also critical to have a continuous system of data collecting and analysis that extends beyond the national government to the next level of government