Forty Years of ODA and Conditionality in Africa

John Weeks
Professor Emeritus
School of Oriental & African Studies
London
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1. Introduction

In the developed countries there is a popular perception that the countries of the sub-Saharan region have received large amounts of concessional development assistance (ODA).[1] Because the economic growth rates of these countries have been extremely low, the perception of high aid flows has fostered the conclusion that the internal problems of the countries are the dominant cause of stagnation and decline. As a result, accompanying the misperception that donors and lenders have been generous in their assistance to the sub-Saharan region has been the conclusion that this generosity has been misplaced, because the assistance has been ineffective in raising growth and reducing poverty due to failings of recipient governments. In the late 1990s, this emphasis on domestic causes of poor economic performance was summarised as 'failures of governance', which for many was a euphemism for public sector corruption.

This chapter demonstrates that when appropriately measured, development assistance declined sharply from the early 1990s to the mid-2000s, even when debt relief is included. If one includes payments on debts to lenders, net ODA falls to near zero per capita in some years. After considering ODA flows, the discussion turns to the effectiveness of development assistance. It is argued that the major cause of ineffectiveness of aid has been the practices of donors and lenders, and especially the policy conditions linked to the loans and grants. It is shown that these conditionalities relating to inflation and fiscal deficits were excessive and inappropriate. The chapter

[1] The Development Assistance Committee (DAC) of the Organisation of Economic Cooperation and Development (OECD) defines Official Development Assistance as flows to developing countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies, each transaction of which meets the following criteria:

> 1) it is administered with the promotion of the economic development and welfare of developing countries as its main objective, and
> 2) it is concessional in character and contains a grant element of at least twenty-five percent (calculated at a rate of discount of ten percent).

concludes by proposing changes in donor and lender practice that would foster pro-poor growth.

2. ODA to the Sub-Saharan Region, 1960-2004

Regional Characteristics and the Distribution of ODA

The vast majority of the over forty sub-Saharan countries fall into the World Bank's 'low-income' group, and a majority qualify for the United Nation category of 'least developed'.[2] While the stated aim of development agencies both multilateral and bilateral has been to provide support to the poorest countries, the evidence is that donor and lender practice does not consistently follow this guideline. The statistics for 1960-2001 indicate that development assistance per capita was not related to per capita income.[3]

The low income and structural characteristics of the countries of the region make them vulnerable to high levels of poverty. The most important of these structural characteristics are:

1) a long term stagnation in per capita income;

2) dependence on a few primary commodity exports, with volatile international prices;

3) agricultural sectors whose output is extremely weather-sensitive;

4) inefficient domestic commodity markets, in part due to poor and deteriorating infrastructure;

5) underdeveloped financial sectors;

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[2] A country is classified as a Least Developed Country if it meets three criteria based on:

a) low-income (gross national income per capita of less than US $750 in 2005;

b) human resource weakness, measured by on indicators of nutrition, health, education and adult literacy; and

c) economic vulnerability, based on instability of agricultural production, instability of exports of goods and services, economic importance of non-traditional activities, merchandise export concentration, and handicap of economic smallness, and the percentage of population displaced by natural disasters.

[3] The data show a weak positive correlation between ODA per capita and income per capital. For all sub-Saharan countries over 1960-2001, an increase of per capita income of ten percent was associated with an increase in ODA per capita of three percent. If one excludes the middle income countries (e.g., Namibia), a country with a ten percent higher income per capita tended to receive four percent more ODA per capita. Perhaps you can refer to work on aid allocation patterns A. Alesina and D. Dollar (2000) 'Who Gives Foreign Aid to Whom and Why?' *Journal of Economic Growth* 5, pp.33-62

6) heavy dependence on concessional development assistance that is strongly conditional, especially from the World Bank;

7) large debt burdens until the mid-2000s; and

8) for the East and Southern African countries, a high incidence of HIV/AIDS.

Taken together, these characteristics produce in the sub-Saharan countries a high level of growth instability. This instability results primarily from the dependence of the economies on commodity exports, combined with the inability of underdeveloped and ineffective internal markets to make supply adjustments to generate export diversification. Figure 1 shows that the growth performance of the countries in the region can be divided into three time periods. During 1960-1974, per capita gross national product grew at a relatively robust rate of 2.5 percent per annum, such that per capita income in at the end of the period was double what it had been in 1960. This growth was followed by twenty years of decline, -1.1 percent per annum. As a result, the average per capita income for the region in 1994 was below its value for 1965. Slow growth, less than one percent per annum for the next ten years, brought a recovery of per capita income in 2004 to its level of 1985. Limited evidence by country indicates that the distribution of income grew more unequal over that period (Cornia & Court 2004, Dagdeviren, van der Hoeven & Weeks 2002), implying that poverty rates were higher in 2004 than twenty years before.

External factors were a major cause of the stagnation and decline of the countries of the region. Figure 2 presents the ratio of export to import prices for four developing regions, the sub-Sahara, South Asia, East Asia and the Pacific, and Latin America and the Caribbean. For the twenty-two years, 1980-2002, all four regions experienced a decline in export prices relatively to import prices. The greatest decline was for the sub-Saharan region, almost two percent per annum, compared to one percent for Latin America and the Caribbean, and less than one percent for the two Asian regions. For the twenty years 1980-2000, the rate of decline for the sub-Saharan region was well over two percent per year. Of the forty-one sub-Saharan countries for which there are the relevant statistics, thirty had a negative trend in the ratio of export to import prices. Of the eleven with positive trends, five were petroleum exporters. Eight-five percent of the countries that did not export petroleum showed a decline in the terms of trade.

The foreign exchange loss implied by such a decline in export prices and rise in import prices places development assistance in perspective. In the best case for the

sub-Saharan countries export and import prices would have remained at their level of 1980 in subsequent years. Assuming that export and import volume were at their actual values, the foreign exchange loss would have been imports and exports calculated at 1980 prices, minus the actual values each year. From 1980 through 2001, total ODA to the sub-Saharan region was almost US$ 300 billion. The loss in foreign exchange from the rise in import prices over the same years was US$ 178 billion, and the loss due to the fall in export prices was US$ 487 billion. Therefore, over the twenty years, the effect of the changes in international prices exceeded ODA by US$ 370 billion.[4]

Table 1 shows development assistance by sub-Saharan country for 2001-2004, measured in constant US dollars of 2003. It was pointed out above that during more that four decades, 1960-2004, the statistical evidence indicates that ODA levels were positively related to per capita income. However, for 2001-2004, with the glaring exception of Namibia, the countries receiving the most aid per capita tended to be among the poorest: Mauritania, Mozambique, Sierra Leone, Eritrea and Zambia. The distribution of ODA is discussed in detail in the following section. However, for most countries ODA per capita was low compared to what would be necessary to substantially impact on growth and poverty reduction. The cross-country average was thirty-nine US dollars, and only thirty dollars when countries are weighted by population. When extreme values are excluded, which are associated with small island countries, the average drops below thirty dollars per head. After 2001 ODA rose substantially, and this must be placed in longer term context, which is done in the next section.

Trends in ODA, 1960-2004

An analysis of level and trend in development assistance should begin with a consideration of its relative importance in the growth process. During 2001-2004 development assistance as officially measured by the OECD was equal to five to six percent of regional gross national income. If one assumes that all of this was used for investment (which was far from true), and a typical income to investment ratio of four, this level of assistance implies a growth contribution of 1.5 percentage points at the most. Since a large portion, perhaps over half, of loans and grants supported the

[4] The calculation is based on data from the World Bank's *World Development Indicators 2003*, up-dated from UNCTAD (http://stats.unctad.org/Handbook).

current costs of so-called reform programmes, the sustainable increase in growth resulting from development assistance was probably less than one percentage point for the region as a whole.

This modest level of assistance in the 2000s followed a long period characterised by fluctuation and decline. Figure 3 shows total and per capita development assistance to the region, 1960-2004, measured in 1995 prices.[5] After a twenty year upward trend, 1960-1980, development assistance declined during 1981-1984, then, recovered and reached a new high in 1990. From 1990 to 2000 ODA dropped by over fifty percent per capita in constant prices, from US$ 40 to 19.

The increase of ODA during 2001-2004 reflects in part debt reduction under the Heavily Indebted Poor Countries Initiative.[6] While debt relief is desirable in itself, it is not a perfect substitute for direct financial assistance. Grants and concessional loans result in a direct increase in government revenue. Debt reduction reduces one specific item of expenditure, debt service. There are several reasons why the reduction of debt service might not result in an increase in other expenditures, such as poverty programmes. First, HIPC debt reduction required governments to pay the service on all remaining debt after HIPC relief. In many cases, these debts were not being serviced before HIPC reduction, resulting in very little change actual debt service (Mozambique is an example). Second, in some countries, notably Zambia, HIPC debt relief was associated with strict limits on the deficit of the public sector, which prevented the government from increasing other expenditures by the amount that debt service declined. Third, while there was an official commitment not to reduce development assistance when debt relief was granted,[7] in practice such

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[5] In Table 1 ODA was measured in prices and exchange rates of 2003. For the long time series statistics using this base year were not available.

[6] A detailed discussion of debt relief to Africa is found in Addison, Hansen and Tarp (2004), and a critical view in Nissanke and Robe (2003).

[7] On its HIPC web site in 2005, the WB presented several 'frequently asked questions' (FAQ). In reply to the question, 'does debt relief replace development assistance', the following answer appeared:

> No. HIPC debt relief can be fully beneficial to a country only if it is provided *in addition to previous rates of development assistance*. A comparison of current debt service payments and concessional assistance illustrates how important continued aid programmes are to these countries. The ratio of gross inflows (from long-term debt and grants) to debt service paid averaged about two-to-one for the HIPCs as a group during the 1990s, and ranged upwards four-to-one in half of these countries. Annual net transfers to the HIPCs on medium- and long-term resource flows (including grants) averaged about 10 percent of GNP over the 1990-96 period. Debt

reductions have occurred (Zambia is an example, Weeks *et. al.* 2006, Chapter 5). At a more basic level, the benefits of HIPC debt relief were called into question by an evaluation of the World Bank in which it was concluded that for almost all of the countries it reviewed the HIPC reduction had not created a sustainable debt position.[8] It would appear that in practice debt relief substituted for grants and concessional loans, without achieving debt sustainability.

When assessing flow of development assistance, one must consider these debts that the concessional loans created. Figure 4 shows development assistance per capita and debt service per capita in US dollars of 1995 over almost thirty years, 1976-2004. For the first ten years the debt service of the sub-Saharan region included a substantial portion to commercial creditors. However, after the mid-1980s, commercial debt was much less important, and with the exception of a few countries almost all debt service was to bilateral and multilateral development agencies, the IMF and the World Bank being the most important.

From a high in 1992 of about twenty US dollars per capita, ODA net of debt service fell continuously to almost zero in 1997, despite apparently large increases in aid flows. During 1990-2004, debt service was two-thirds of development assistance, and during the six years, 1996-2001, it was eighty-five percent of the region's aid flows. Because the major concessional lenders were also the major creditors, the vast majority of this 'aid' from the IMF and the World Bank passed through the 'recipient' countries to return to the lenders as debt service. In practice, most of the loans these institutions made in the region did not finance development; the new loans financed the repayment of the earlier loans to the Bretton Woods institutions themselves.[9]

Perhaps as serious as the decline in the general level of ODA since the early 1990s has been the increase in the variation in aid. Figure 5 shows the change in the variation of ODA per capita in current prices for forty-two countries, comparing two periods, 1980-1989 and 1990-2001. For each period the coefficient of variation was

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reduction must be *additional* to development assistance. (Emphasis added, www.worldbank.org/hipc)

[8] 'In eleven of thirteen post-completion-point countries for which data are available, the key indicator of external debt sustainability has deteriorated since completion point. In eight of these countries, the ratios once again exceed HIPC thresholds' (World Bank 2006, xi). Completion-point refers to the date when a country qualified for full debt relief.

[9] The use of loans to finance previous loans in Zambia was severely criticised in two World Bank evaluations (World Bank 1996 & 2002).

calculated,[10] and the value for the earlier period subtracted from the value for the later period. During 1980-1989, the average across countries for the coefficient of variation was .30, and rose to .43 during 1990-2001. Of the forty-two countries, ODA instability as measured in the chart rose in almost twice as many countries as it fell, twenty-six compared to fourteen.

Figure 6 demonstrates ODA instability by its comparison to export instability.[11] The negative effects for the sub-Saharan region of changes in the terms of trade are well-known (see Fosu 2001, Geda 2003 and Combes & Gillaumont 2002)), and were discussed in the previous section. During 1990-2001 the average variation in ODA across countries, as measured by the coefficient of variation, was considerably higher than for exports. For the thirty -two countries, ODA instability exceeded that of exports for twenty-six.[12]

Instability in ODA flows has quite serious policy consequences for recipient governments, because for most low income countries in the sub-Saharan region aid is a major portion of public expenditure. Figure 7 shows the percentage of central government expenditure financed by ODA for the twenty-two countries for which there were data for all or some of the years 1990-2001. In only seven of the twenty-two was the share less than twenty percent, and all seven were middle-income countries (Botswana, Gabon, Mauritius, Namibia, Seychelles, South Africa and Swaziland). For the low-income countries the average is almost fifty percent. Thus, it is safe to conclude that if there were statistics for all the low income countries of the region, the share of ODA in public expenditure would be above twenty percent for almost all of them and the average considerably higher.[13] Further, it is common that the capital budgets of these governments are almost entirely financed by development assistance.

Because of the large contribution of ODA to public budgets, the instability of aid flows creates a serious problem of fiscal management, as a hypothetical example shows. Assume that public expenditure is twenty-five percent of GDP, that the budget deficit is zero, that one third of the budget is financed by ODA (about eight

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[10] The coefficient of variation is the standard deviation of a range of numbers divided by the mean (average).

[11] A per capita measure as in Table 5 would not change the chart, since both time series would be divided by the same numbers.

[12] There are ten fewer countries because of the absence of export statistics in some years.

[13] The exceptions would be countries without a functioning central government (for example, Somalia), or ones out of favour with donors and lenders (e.g., Zimbabwe after 2000).

percent of GDP), and that the annual variation in aid is the regional average. In this example the government would anticipate a drop in ODA of over three percentage points in one year in three, which would generate a budget deficit equal to the drop in aid.[14] If the variation in ODA is normally distributed, over several years this deficit would be cancelled by surpluses. Even were this the case, expenditure in deficit years would require financing the deficit, which might have undesired effects on interest rates and price stability. However, deficits and surpluses would not be symmetrical because of Bretton Woods policy conditionalities. In the 1990s and 2000s almost all governments in the sub-Saharan region were constrained in the deficits they could generate, and the typical limit was three percent or less (see Bradford 2005). In the example used here, there would be a high probability of donor and lender behaviour creating such a deficit from a position of a balanced budget.

That is, as a result of the unreliable delivery of ODA combined with limits to the fiscal deficit, governments would find it necessary to reduce expenditures. Because of the need to fund the current costs of social services, expenditure reductions tend to concentrate on capital projects. The result of this is to interrupt or even terminate projects in progress, resulting in a waste of financial resources. The problem is made worse if the deficit limit is enforced by the draconian requirement of 'cash budgeting', as in Zambia in the late 1990s and 2000s.[15]

Fluctuations in ODA make macroeconomic management more difficult even if a government does not face a deficit problem. In addition to other conditionalities, the Bretton Woods institutions have required African governments to have full convertibility of their currencies, which implies that the capital account of the balance of payments is unregulated by currency controls. As a result, ODA flows can enter directly into the commercial banking system, increasing the monetary base of private banks. The mechanism by which governments would seek to manage the money supply is the selling and buying-back of government bonds (called 'sanitising' foreign exchange flows). However, in all but a few sub-Saharan countries financial markets are too underdeveloped to apply this mechanism.

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[14] The probably of a fall in ODA of up to one standard deviation is about one-third.

[15] Strictly enforced, 'cash budgeting' requires that a government can only spend if it has the equivalent money in its treasury; that is, it cannot authorise expenditure in anticipation of future revenue flows either from internal or external sources. While the application of cash budgeting is rarely this strict, even its 'flexible' implementation places a severe constrain on fiscal policy.

In summary, development assistance to the sub-Saharan region is well below what is necessary to make a substantial impact on growth and poverty reduction, what the region receives is heavily-laden with inappropriate policy conditionalties, and the instability in the delivery of assistance has increased. Therefore, it should come as no surprise that empirical evidence is mixed on whether development assistance contributes positively to growth in the sub-Saharan region.[16] Development assistance fosters growth would foster growth if donor and lender behaviour were reformed.

3. Effectiveness of ODA

To generate a more effective system of development assistance for the sub-Saharan region, three basic changes are necessary: 1) a higher level of development assistance; 2) reducing the fluctuations in development assistance; and 3) ending the practice of policy conditionality. The three changes are complementary, such that more development assistance without a change in the way it is delivered and the conditions it carries would suffer the same ineffectiveness as in the past.

With regard to levels of assistance, in the 2000s governments of developed countries pledged to provide increased development assistance.[17] However, most agencies, bilateral and multilateral found arguments against doing this in practice. The most ubiquitous argument, which has replaced the earlier 'absorptive capacity' argument,[18] is that the effectiveness of development assistance (and public

[16] In a study supported by the World Bank, Burnside and Dollar (2000) concluded development assistance contributed to growth in countries whose governments followed World Bank type policies. Using the same data, Hansen and Tarp (2001) found the opposite result, a positive relationship that was not conditional on policy. See also Gomanee, Girman and Morrissey (2002). Here you can also cite Reddy and Minoiu (2006) a very recent empirical work basically showing that some types of aid have indeed been very effective and that in the long-run aid enhances growth. You can find it in http://www.un.org/esa/desa/papers/2006/wp29_2006.pdf

[17] This pledge was made most famously at the Gleneagles meeting of the G-8 countries (see http://www.dfid.gov.uk/g8/milestones.asp).

[18] The 'absorptive capacity' argument is that sub-Saharan countries are limited by internal factors, particularly public sector administrative capacity, in how much development assistance they can effectively use. The argument is epitomised in the following passage in Finance and Development, the IMF house journal, 'Many developing countries, particularly in Africa, will need substantially more foreign aid to achieve the Millennium Development Goals (MDGs) by 2015. But capacity constraints can make it difficult for them to absorb all the extra aid.' (http://www.imf.org/external/pubs/ft/fandd/2005/09/sharpe.htm)

expenditure in general) is undermined by 'rent-seeking' in the recipient countries,[19] that is, corruption.

Several considerations undermine the force of this argument against increasing development assistance. First, it provides donors and lenders with a convenient (if not self-serving) excuse for their possible failings when development assistance is judged unsuccessful. As noted above, in the 2000s the governments of the developed countries committed themselves to major increases in development assistance.[20] One presumes this commitment referred to the disbursement of that assistance, as well as its budgeting. To make the commitment for developing countries in general, then to postpone its disbursement in specific cases suggests that 1) either the commitment had a strong rhetorical component, or 2) donors or lenders were unaware of country circumstances when the commitment was made.

Second, for at least a decade, bilateral and multilateral agencies have funded projects for improving 'governance', a broad category that includes reducing corruption. The continuation of these projects by the same agencies suggests that some success was achieved, since it would not be in an agency's interest to fund failure. Therefore, one can deduce that the amount of corruption must have declined in many countries of the sub-Saharan region.

Opposition to substantially increased development assistance has also cited the superficially sympathetic argument that while more aid is necessary and might be implemented effectively, a dramatic increase could have negative macroeconomic effects. The most important of these alleged effects is a possible impact on export competitiveness. The argument is that large financial inflows could strengthen the national currency and reduce the return to 'tradables' (exports and import substitutes). There is no empirical evidence to support the argument that aid flows lead to appreciation of the currency as a general phenomenon. More important, should such

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[19] The term 'rent-seeking' with reference to the public sector came into use in the 1980s as part of the ideological assault against the role of governments in market economies. Previously, rent-seeking had referred to the unproductive profits accruing to private business as the result of market power.

[20] Prior to the Gleneagles commitment, the governments of developed countries had committed themselves to the Millennium Development Goals. Goal eight calls for tariff and quota free access for developing country exports to developed country markets; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction (see http://www.un.org/millenniumgoals/#).

an appreciation occur, the problem would not be the aid flows, but a liberalised capital account that prevents effective exchange rate management.

Though this argument continued to be made, its credibility was undermined by a manual on 'scaling-up aid', which argued that simple mechanisms could be used to avoid undesirable macroeconomic effects (Gupa, Powell and Yang 2006). In support of this conclusion, McKinley has shown that the key to taking advantage of higher levels of assistance is their application to public investment, which stimulates growth in the short term while laying the basis for a higher sustainable growth rate in the long term (McKinley 2006 and Roy & Weeks 2004).

If, as McKinley argues, increased assistance is used for public investment, there is no practical limit to the amount by which assistance could be increased. The effective constraint on public investment would be imports of capital goods and materials, so that the net effect of the aid inflow on foreign exchange reserves would be close to zero. Therefore, an increase development assistance from the average of US$ 23 billion for 2001-2003, to US$ 50 billion would be feasible at the recipient end.

A reduction in the fluctuations in aid flows by country could be achieved through contractual commitments covering several years.[21] The development process is by its nature long term, and the prevailing practice in developed countries of annual budget allocations to each recipient country is inconsistent with that nature. This glaring contradiction was pointed out in the OECD Paris Declaration on Aid Effectiveness in 2005,

> We, Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Paris on 2 March 2005, resolve to take far-reaching and monitorable actions to reform the ways we deliver and manage aid…We commit ourselves to taking concrete and effective action to address the remaining challenges, including…[f]ailure to provide more predictable and multi-year commitments on aid flows to committed partner countries. (OECD 2005, 1)

Increased assistance on a more reliable schedule would not in itself represent a basic change in the prevailing approach to development assistance, which is not based

[21] The Department of International Development of the United Kingdom made such a commitment to the government of Rwanda in 1999 (DFID 1999).

on recipient responsibility for national policies ('ownership'), but is on donor and lender policy conditionalities ('donorship').[22] It would appear that the government of the United Kingdom in 2006 committed itself to changing the World Bank's heavy-handed approach to policy conditionality,[23] particularly on privatisation and trade liberalisation. Equally if not more important would be a fundamental change in the conditionalities imposed by the IMF on its loans, which constitute the most pernicious constraints on macroeconomic management.

A clear distinction must be made between policy conditionalities and conditionalities requiring financial accountability on the part of the recipient. The former undermines the capacity of governments to formulate policy, as well as being in consistent with the principle that the legitimacy of governments arises from domestic politics, not external agencies. Financial accountability, including transparency in expenditures of assistance, should not be controversial

In summary, the flows of aid to the sub-Saharan region were not 'generous' over the last two decades of the twentieth century, and their volatility and associated policy conditionalities seriously undermined their contribution to growth, development and poverty reduction. To achieve the Millennium Development Goals in the sub-Saharan region more aid is required, delivered on a reliable schedule, without constraining policy conditionalities.

[22] For a discussion of 'ownership' and 'donorship', see Weeks *et. al*. (2003, chapter 4). The need to change donor and lender policies is discussed in detail in UNCTAD 2000).

[23] In 2006, the UK Secretary of State for International Development, Hilary Benn, announced that the British government would withhold part of its contribution to prompt the World Bank to change its practice on policy conditionalities.

> …the UK [has] called on the World Bank to undertake a review of its policy and practice on conditionality…[The] evidence on [World Bank] practice to date is mixed…[In a recent survey] around a half of [recipient] countries thought the Bank introduced elements beyond their plans, and more than a third found policies were modified significantly as a result of Bank negotiations. The Bank has considerable experience and knowledge to bring...However, this expertise should be primarily used to inform a country's own development plan, and programs should be based on the country's own body of policies. (Benn 2006)

Table 1:
Net Disbursements of ODA to Sub-Saharan Africa by Country, 2001-2004
US$ millions, prices and exchange rates of 2003

Country	2001	2002	2003	2004	2001 - 2004 Aid per capita	Rank
Angola	357	480	497	1 036	44	
Benin	338	254	293	343	46	
Botswana	35	41	28	37	20	
Burkina Faso	487	556	507	553	43	
Burundi	176	201	225	320	32	
Cameroon	609	773	900	688	46	
Cape Verde	97	108	143	126	252	
Central African Rep	82	69	50	95	19	
Chad	234	268	247	292	30	
Comoros	34	38	24	22	49	
Congo, D. R.	327	1 368	5 421	1 645	41	
Congo, Rep.	90	68	70	105	22	
Côte d'Ivoire	229	1 266	252	138	28	
Djibouti	72	90	79	59	105	
Eq Guinea	17	25	21	26	46	
Eritrea	347	263	316	242	66	5
Ethiopia	1 335	1 490	1 553	1 682	22	
Gabon	10	86	- 11	34	22	
Gambia	64	69	63	58	45	
Ghana	779	746	954	1 234	45	
Guinea	334	284	240	256	35	
Guinea-Bissau	77	71	145	69	61	7
Kenya	561	445	514	586	16	
Lesotho	69	88	78	93	46	
Liberia	46	59	107	197	30	
Madagascar	450	427	539	1 119	38	
Malawi	489	430	518	432	43	
Mali	434	541	543	516	44	
Mauritania	332	410	239	163	100	1
Mauritius	26	29	- 15	34	15	
Mayotte	158	152	166	186	973	
Mozambique	1 152	2 607	1 039	1 117	79	2
Namibia	138	159	147	164	76	3
Niger	317	345	457	485	34	
Nigeria	220	351	318	525	3	
Rwanda	365	408	333	426	46	
S T & Prin	49	31	38	30	232	
Senegal	505	516	446	953	59	8
Seychelles	16	9	9	9	137	
Sierra Leone	422	402	303	326	68	4
Somalia	187	222	175	174	20	
South Africa	528	591	625	560	13	
St. Helena	18	16	18	23	1 869	
Sudan	229	392	617	821	15	
Swaziland	36	26	28	105	44	

Table 1 (continued)
Net Disbursements of ODA to Sub-Saharan Africa by Country

Country	2001	2002	2003	2004	2001- 2004 Aid per capita	Rank
Tanzania	1 521	1 445	1 704	1 583	44	
Togo	54	60	47	55	11	
Uganda	966	818	977	1 062	38	
Zambia	425	741	581	974	65	6
Zimbabwe	199	226	186	169	15	
Other	806	1 082	1 362	1 327		
Total /average	16852	21641	24117	23276		
Averages:						
(a) All					30	
(b) Excluding Extremes					28	

Notes:

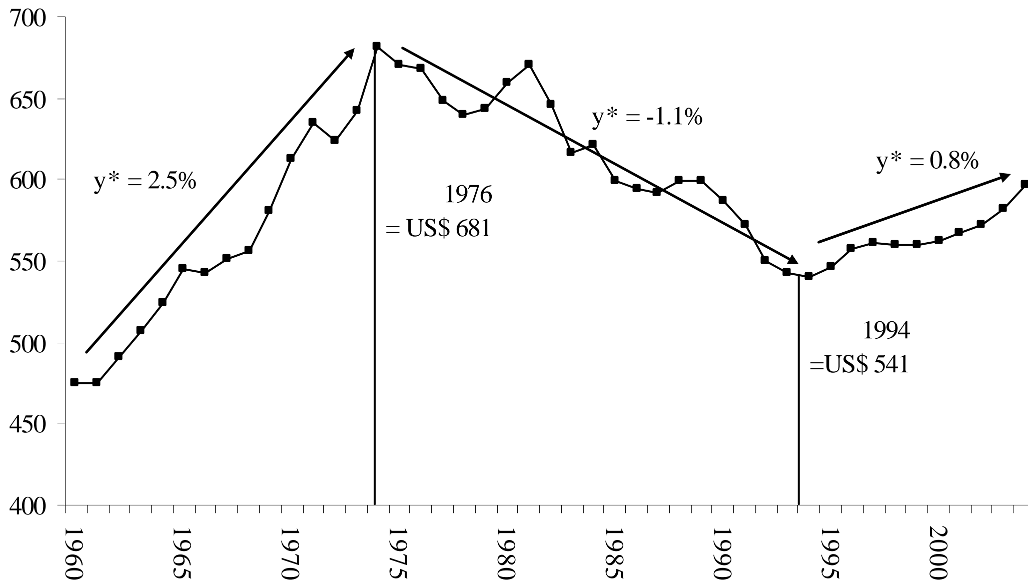
'Rank' is by ODA per capita, for those with an average or US$ 50.

Averages: 'All' is the average annual ODA flow divided by the average annual population. 'Excluding extremes' omits Cape Verde, Djibouti, Mayotte, Seychelles and St Helena.

Source:

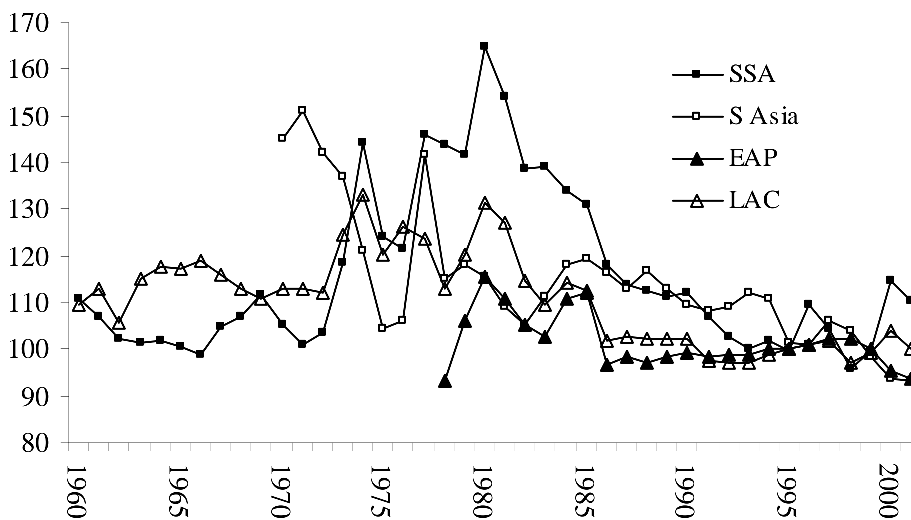
OECD http://www.oecd.org/department/0,2688,en_2649_34447_1_1_1_1_1,00.html)

Figure 1: Per Capita GDP, Sub-Saharan Countries, in 1995 US$, 1960-2004



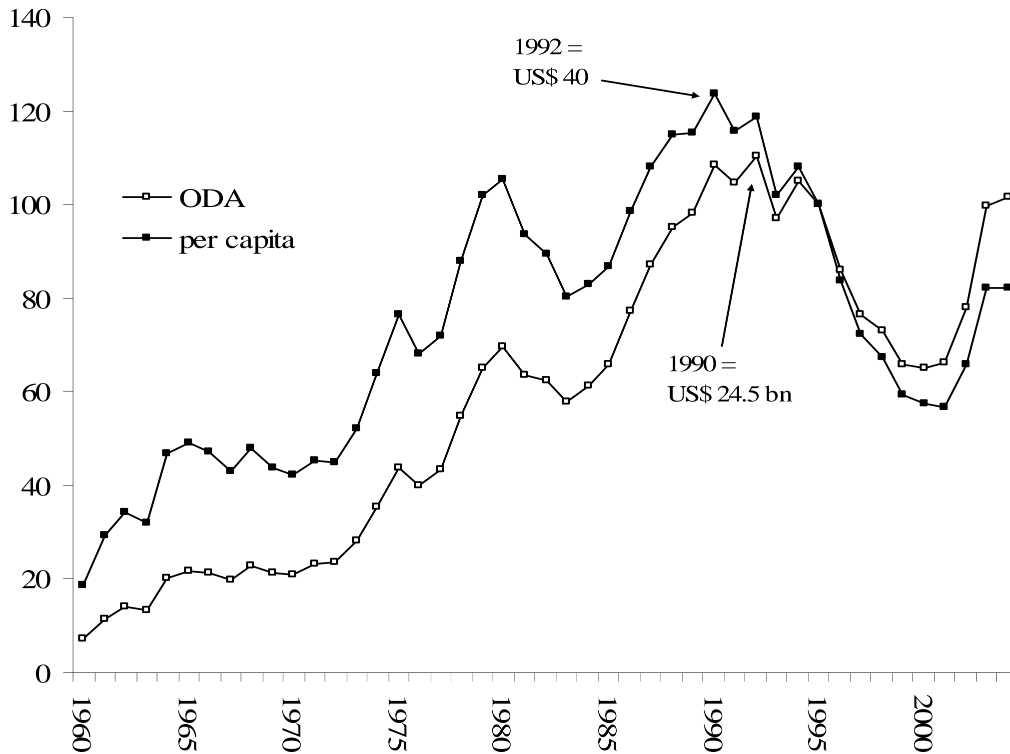
Note: y* is the annual rate of growth of per capita GDP.
Source*: World Development Indicators, 2004*.

Figure 2: Ratio of Export to Import Prices, Developing Regions, 1960-2002



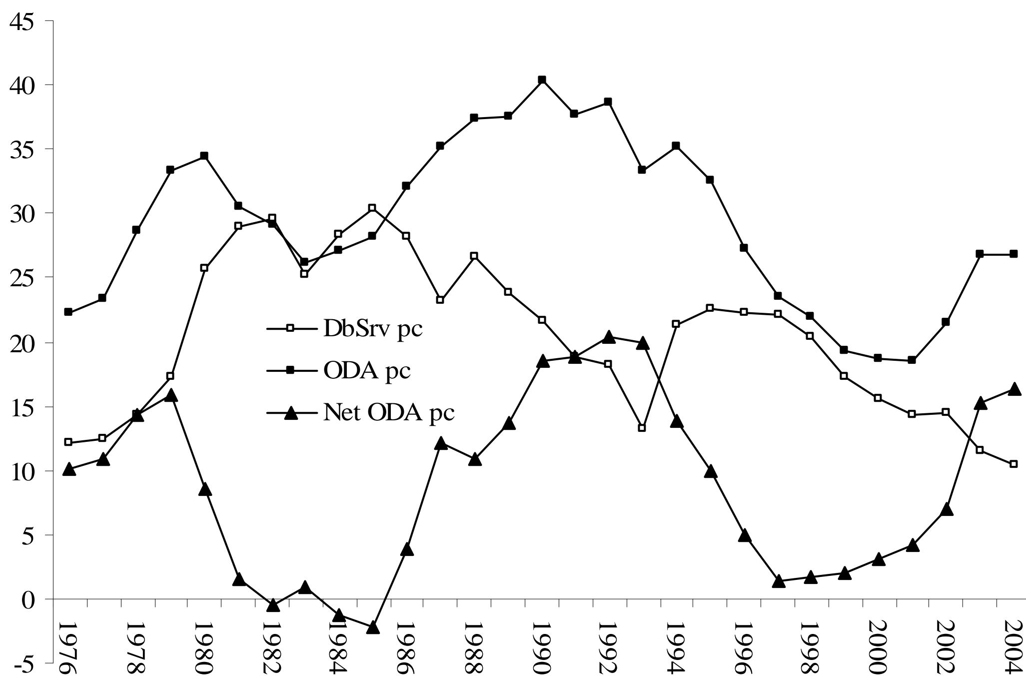
Notes:
Country groups, trends 1980-2002, percentage change per annum:
Sub-Saharan: -1.9 (1980-2000, -2.4)
South Asian: -0.8
East Asia & Pacific: -0.6
LA & Caribbean: -1.0
All statistically significant at .000 probability.
Source*: World Development Indicators, 2004*.

Figure 3: Indices of Constant Price ODA, Total and Per Capita, All Sub-Saharan Countries, 1995 = 100, 1960-2004



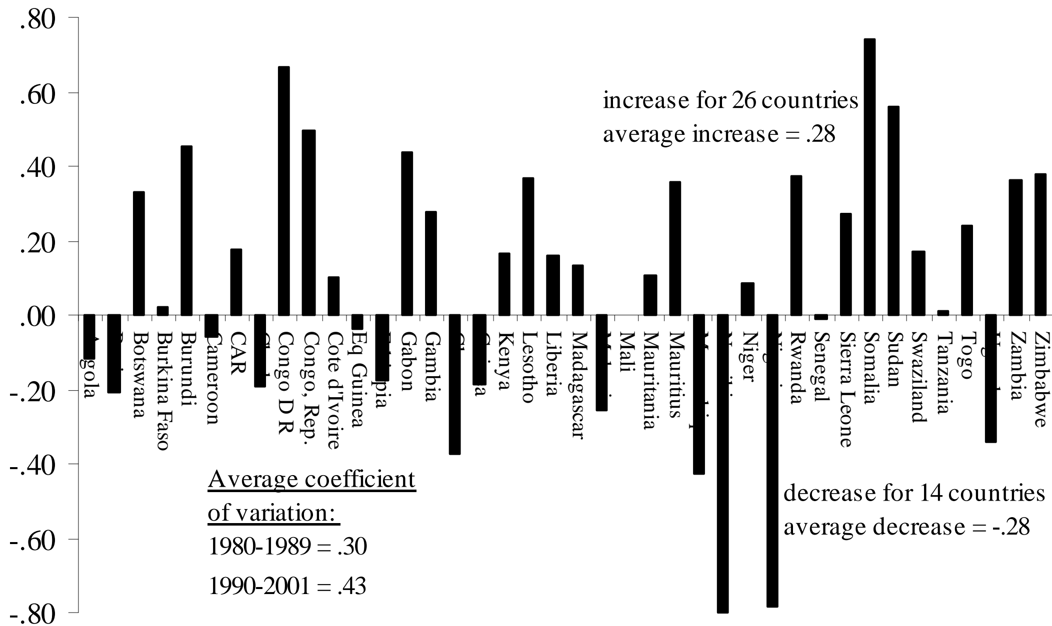
Source: *World Development Indicators, 2004*.

Figure 4: Debt Service and ODA Per Capita, All Sub-Saharan Countries, current US$, 1976-2004



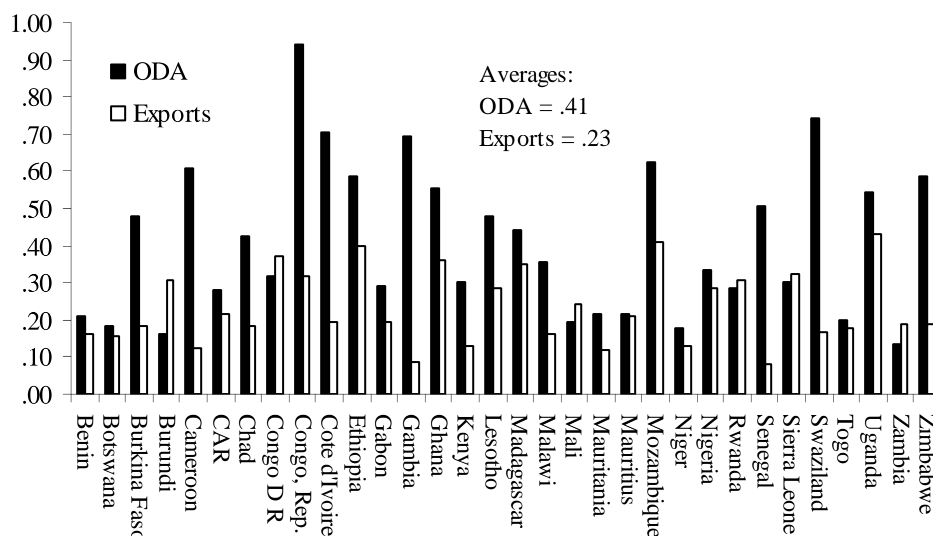
Source: *World Development Indicators, 2004*.

Figure 5: ODA Instability, 1990-2001 Compared to 1980-1989, 42 Countries
(absolute change in the coefficient of variation of current US$)



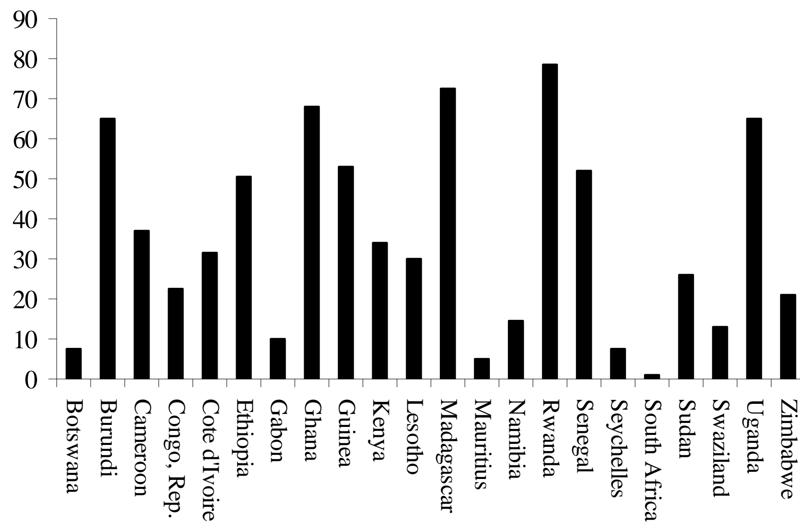
Notes: Countries with an increase – Botswana, Burkina Faso, Burundi, Central African Republic, Congo DR, Republic of Congo, Cote d'Ivoire, Gabon, Gambia, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Zambia and Zimbabwe.
Countries with a decrease: Angola, Benin, Cameroon, Chad, Equatorial Guinea, Ethiopia, Ghana, Guinea, Malawi, Mozambique, Namibia, Nigeria, Senegal, and Uganda.
Source: *World Development Indicators* 2003.

Figure 6: Export and ODA Instability, 1990-2001, 32 Countries
(coefficient of variation of ODA and Exports per capita, current US$)



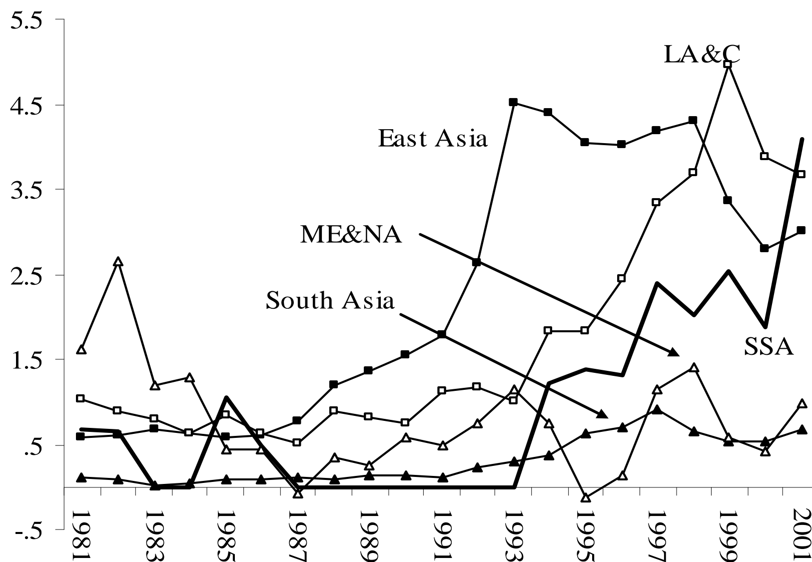
Source: *World Development Indicators* 2003.

Figure 7: ODA as Percentage of Central Government Expenditures, 1990-2001, Twenty-two Countries



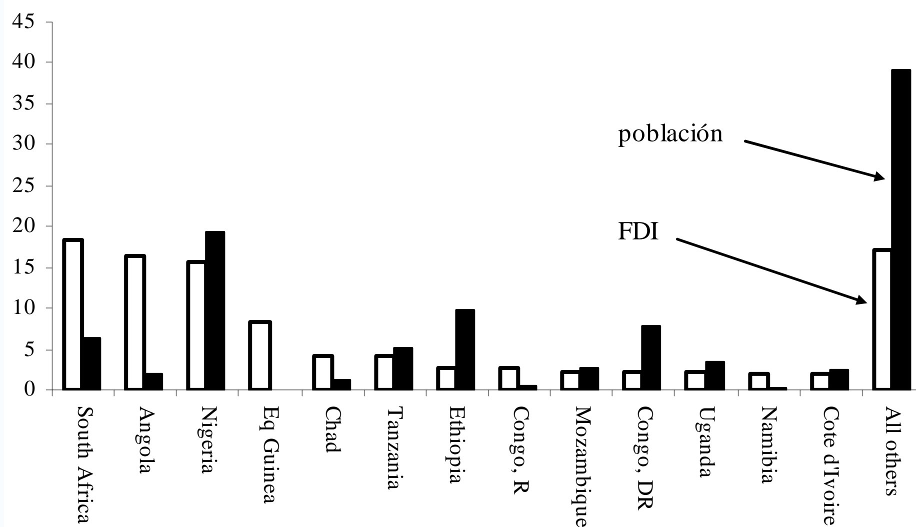
Source: *World Development Indicators* 2003.
Notes: The years covered are: Botswana (1990-96), Burundi (1991-99), Cameroon (1990-95, 1998-99), Congo Republic (1992-2001), Cote d'Ivoire (1990, 1997-2001), Ethiopia (1990-92, 1997-99), Gabon (1990-91), Ghana (1990-93), Guinea (1990-92, 1999-200), Kenya (1990-98), Lesotho (1990-98), Madagascar (1990-2000), Mauritius (1990-2001), Namibia (1990-2000), Rwanda (1990-93), Senegal (1996-2001), Seychelles (1990-2000), South Africa (1998-99), Sudan (1998-99), Swaziland (1990-91, 2000-01), Uganda (1998-2001), and Zimbabwe (1990-97).
Source: *World Development Indicators* 2003.

Figure 8: Foreign Direct Investment as Percent of GDP by Developing Region, 1981-2001



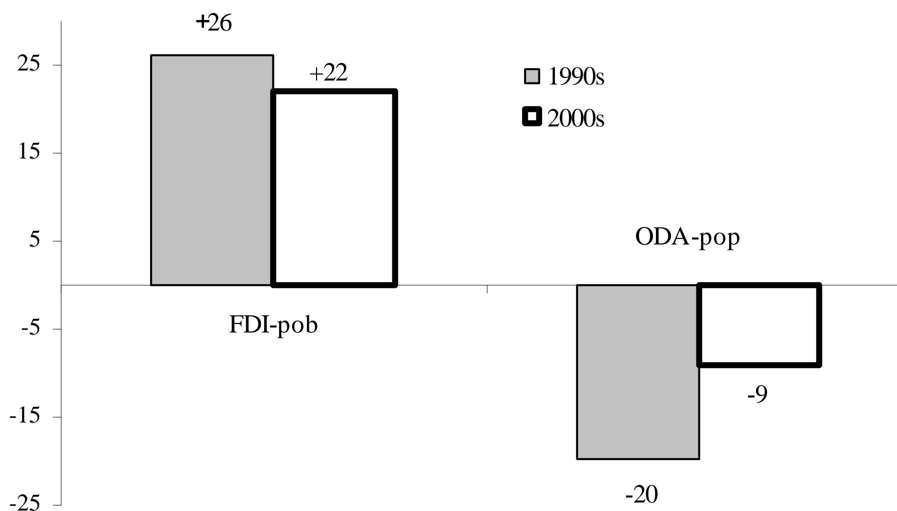
Source: *World Development Indicators* 2003.

Figure 9: Percentage Distribution across 13 Countries of Total Foreign Direct Investment and Population, 1990s and 2000s



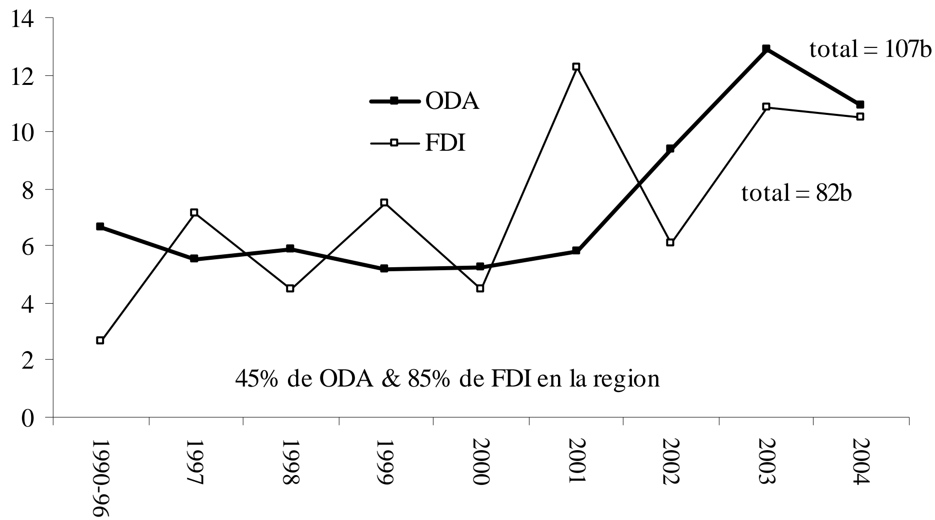
Source: UNCTAD (1999, 2003, 2005).
Note: Countries with at least US$ one billion during 2000-2004.

Figure 10: FDI and ODA Shares, minus Population Shares, 1990s and 2000s



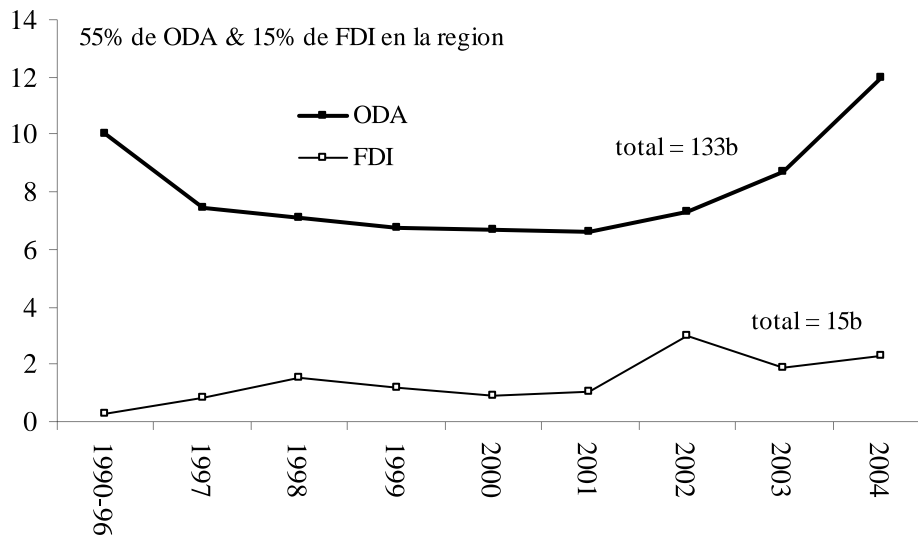
Source: UNCTAD (1999, 2003, 2005).

Figure 11a: FDI and ODA for High FDI Countries in Africa south of the Sahara, 1990s and 2000s (millions of current US$ dollars)



Note: High FDI countries are South Africa, Angola, Nigeria, Equatorial Guinea, Chad, Tanzania, Ethiopia, Republic of Congo, Mozambique, Congo DR, Uganda, Namibia, and Cote d'Ivoir.
Source: UNCTAD (1999, 2003, 2005).

Figure 11b: FDI and ODA for Low FDI Countries in Africa south of the Sahara, 1990s and 2000s (millions of current US$ dollars)



Note: Sub-Saharan countries not included in Figure 11a.
Source: UNCTAD (1999, 2003, 2005).

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