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# 2025

**Background Guide** 

## Special Political and Decolonisation Committee



April 4th - 6th, 2025 at Shanghai High School International Division

## **SPECPOL: Effective Foreign Aid**

## **Background Outline**

Foreign aid is the transfer of capital, resources or services from a country or multilateral organisation to another country, where the donor is typically more developed and the recipient less developed. If the transfer is undertaken by a single country then it is known as bilateral aid, while if an international organisation is responsible for the process then it is multilateral aid. The most common form of foreign aid is Official Development Assistance (ODA), a category used by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), which is a group that describes itself as being the 'venue and voice' of the world's top donor countries. ODA mostly takes the form of grants or loans and, if multilateral, is channelled through NGOs such as the International Monetary Fund (IMF), World Bank (WB) or the United Nations Children's Fund (UNICEF), among others.<sup>1</sup>

Foreign aid is playing an expanding role in global affairs, with US\$223.7 billion worth of aid transferred in 2023.<sup>2</sup> In general, aid is given for economic, military or humanitarian reasons, such that its benefits include relieving suffering, promoting global economic development, protecting the environment, and strengthening political institutions. Foreign aid can fulfil several purposes at once and benefit the donor country as well. For example, giving aid to a friendly country can strengthen the two countries' relationship and prevent the recipient country's government from being influenced by an unfriendly country.

<sup>&</sup>lt;sup>1</sup> Williams, V.. "foreign aid." Encyclopedia Britannica, April 28, 2024. <u>https://www.britannica.com/money/foreign-aid</u>

<sup>&</sup>lt;sup>2</sup> Data from ONE data & analysis, drawn from OECD DAC data <u>https://data.one.org/topics/official-development-assistance/#share-of-aid-to-selected-sectors</u>

Further, aid can increase the donor country's security position if the recipient allows the donor to construct military bases in their territory. Donor countries can boost their diplomatic standing through aid, or increase soft power by proliferating their culture in recipient countries. When assessing foreign aid, one must keep in mind its significance as a geopolitical tool.

## History of foreign aid

The concept of foreign aid is relatively recent. The first instances of foreign aid were military in character, with countries subsidising their allies during times of war. In the nineteenth and twentieth centuries, foreign aid took on an economic role when European powers gave their colonies money to improve infrastructure and increase their economic output. But it was only after World War II that a modern concept of foreign aid came into being. A historically significant example of bilateral foreign aid was the Marshall Plan (1948), in which the US contributed over \$13 billion to the rehabilitation of 17 European countries. Following the obligations of reparations payments, Japan was the second largest foreign aid donor (behind the U.S.), as of 1991.

Internationally, the Bretton Woods institutions of the IMF and the World Bank were established in 1944, and the UN shortly after in 1945. The founding of these organisations allowed for the possibility of co-ordinated multilateral aid and fostered sentiments of cooperation, support and responsibility which led member countries to acknowledge the need for regular and systematic transfers of aid. Hence, in 1970, the UN General Assembly adopted a resolution stating that "Each economically advanced country will progressively increase its official development assistance [...] and will exert its best efforts to reach a minimum net amount of 0.7% of its gross national product [...] by the middle of the Decade."<sup>3</sup> It should be noted that only a small number of the DAC countries reached this 0.7% GNI target.

Nevertheless, it is clear that foreign aid has evolved radically in nature and scope into the twenty-first century, with ever-increasing amounts of aid being transferred per year, and for much more altruistic or humanitarian reasons than before.

## **Criticisms of Foreign Aid**

While foreign aid can certainly be a tool for good, it faces several criticisms which should interest the committee. Most of these criticisms scrutinise the relationship between developed donor countries and less developed recipient countries, pointing out that ODA often harms the recipient country by increasing poverty and encumbering the country's development, thus sometimes benefiting the donor more than the recipient. For example, in 'Dead Aid', Dambisa Moyo contends that the practice of giving foreign aid to African countries has hurt those countries in the long run as it has led to aid dependence, increased corruption, incentive distortion and ineffective allocation of funds.<sup>4</sup> It is also argued that aid creates a debt burden on developing countries which constrains their autonomy to make fiscal policy choices. Moreover, foreign aid may be ineffective if it fails to address the root cause of a country's issues, or has unforeseen consequences which ultimately exacerbate the problem. For example, in a criticism of the United Kingdom's foreign aid practices, the Independent Commission for Aid Impact (ICAI) found that "there is little indication that DFID has sought to address the forms of corruption that most directly affect the poor".<sup>5</sup>

<sup>&</sup>lt;sup>3</sup> "International Development Strategy for the Second United Nations Development Decade", UN General Assembly Resolution 2626 (XXV), 24 October 1970, paragraph 43

<sup>&</sup>lt;sup>4</sup> Moyo, Dambisa. Dead Aid : Why aid is not working and how there is a better way for Africa. New York: Farrar, Straus and Giroux, 2009

<sup>&</sup>lt;sup>5</sup> ICAI report published 31 October 2014, lead commissioner Mark Foster

## Historical Examples of Ineffective Foreign Aid

## The Zambian textile industry

In the 1990s, Zambia received aid in the form of large amounts of second-hand clothing from developed countries such as the United Kingdom. While this aid provided a cheap source of clothing for Zambians, it decimated Zambia's textile trade as manufacturers could not compete. This led to rising unemployment and reduced the government's tax revenue; malnourishment rose; and the economic growth rate dropped. Zambia's Human Development Index (HDI) ranking dropped from 130 in 1990 to 163 in 2001.<sup>6</sup>

#### **DrumNet**

As part of the DrumNet programme in Kenya, farmers transitioned from growing 'local crops' intended for personal consumption to growing 'export' crops which can be sold in international markets. This is consistent with many aid projects which promote trade liberalisation and aim to make recipient countries' economies more open. This project was successful for a while, but soon the firms buying export crops had to stop due to European regulations, leaving farmers in Kenya with no option but to sell to middlemen for less, or be left with a harvest of unsellable crops. The programme's collapse shows how aid made the recipient country dependent on a foreign policy and business, and reveals the possible dangers of liberalising a developing economy.

<sup>6</sup> Mathiason, Nick, "Cast-Off UK clothes make Zambia poor", *The Guardian*, May 2004 <u>https://www.theguardian.com/world/2004/may/23/nickmathiason.theobserver</u>

## Afghanistan

Since the US pulled out of Afghanistan, the country has depended on foreign aid - between August 2021 and September 2023, \$6.9bn was pledged by international donors. In 2021, foreign aid comprised 80% of the government's budget and half of the country's GDP.7 However, the regime in power is failing to allocate these funds effectively. A scholar from the Wilson Centre said that "the potential for theft, for diversion, for funding terrorism is extraordinarily high". This aid is being given without assurance against corruption or that it will be directed to a good outcome, so Afghans are still suffering.

## Senegal

In the 1970s, the US Agency for International Development (AID) tried to increase livestock production in Senegal, specifically in the Bakel region. Tens of millions of dollars were invested in the project with little to no result. This is because the effort was severely mismanaged and failed to respond to changes in the Senegalese climate that came with a renewed drought in the region. A report found that "considerable pressure existed [from Washington] to programme and spend project funds, with a lesser concern for effective use of the monies," and "overstated project objectives were required to gain AID/Washington approval."<sup>8</sup> Money was simply spent for the sake of giving aid, without ensuring sufficient care or expertise necessary to achieve well-being in the recipient country.

 <sup>&</sup>lt;sup>7</sup> Primora2022c, Max. "How foreign aid has failed the people of Afghanistan", *THe Heritage Foundation*. August <u>https://www.heritage.org/middle-east/commentary/how-foreign-aid-has-failed-people-afghanistan</u>
 <sup>8</sup> Bovard,, James. "Cato Institute Policy Analysis No.65: the Continuing Failure of Foreign Aid", *Policy Analysis*, January 1986 <u>https://www.cato.org/sites/cato.org/files/pubs/pdf/pa065.pdf</u>

## The Virtues and Vices of Multilateral Organisations

International organisations are an essential source of foreign aid. In addition to providing the means to coordinate and deliver larger amounts of aid, they foster an atmosphere of cooperation and security which encourages individual countries to consistently give aid. They are increasingly necessary and highlight the importance of global economic stability (due to the interconnectedness of global systems and supply chains). Multinationals help member countries feel secure in the knowledge that, if they contribute now, they will be protected should they face financial difficulty in the future.

Yet some say that they are a necessary evil. Depending on the structure, methods and composition of these organisations, the effectiveness of the aid they provide may be undermined or limited. There may be an inherent bias in the institution, such that aid is given selectively or that the deals struck by the organisation favour one side over the other. No system of resource allocation can be perfect, but it is important to consider the specific benefits and drawbacks of the architecture of multilateral aid, in addition to the simpler cases of bilateral aid.

## **The International Monetary Fund**

The International Monetary Fund (IMF) was established at Bretton Woods in the aftermath of the Great Depression, with the aim of facilitating economic cooperation as countries were rebuilding their national economies. It has several roles, including its status as a 'lender of last resort' and its advisory function. Each IMF member nation has a 'quota contribution' that it must give to the fund annually, and these reserves finance the multilateral aid which the IMF provides.

#### Virtues

The IMF can offer developing countries zero-to-low-interest loans to improve infrastructure and economic development. For example, reconstruction loans from the IMF were instrumental in supporting Warsaw Pact countries in their transition to liberal markets following the end of the Cold War. Further, the IMF ensures global economic stability by acting as a lender of last resort for areas in crises. For example, it helped to contain the Asian financial crisis of 1997 by providing 0% interest loans in the region. The IMF is especially important in a globalised world, where a crisis in one country can quickly impact other economies (e.g. 2008 financial crash).

#### Vices

Loans handed out by the IMF may become harmful to the recipient country. This is because the loans come in the form of Structural Adjustment Programmes (SAPs), which mean that they are conditional on the recipient country adopting a certain type of liberal macroeconomic policy. Further, the IMF requires a 'letter of intent' from governments requesting a loan, which requires the government to outline the (liberal) policies it has implemented or will implement in order to meet macroeconomic structural benchmarks. In addition to limiting the country's policy-making autonomy, these conditions often lead to a long-term worsening of the country's condition. For example, Argentina was loaned \$40bn after a crisis in the 1990s and 2000s. The SAP included strict austerity measures, which led to a reduction in social services and an increase in poverty; Argentina ended up defaulting on its debt. Similarly, in Thailand in 1997, SAPs required contractionary policies such as high interest rates and low government spending, while introducing liberal and openmarket policies like reducing restrictions on foreign ownership and eliminating restrictions on capital flows. Poverty, unemployment, and inequality rose.

In both examples, it is argued that most of the loan's benefits accrued to foreign creditors like international banks, and that SAPs only set the groundwork for further Western intervention. As such, the IMF is vulnerable to criticism based on World Systems Theory: the argument that developed Western nations are engaging in neo-colonialist practices by trapping developing nations in dependencies on major economic powers (e.g. reliance on foreign investment).

## **The World Bank**

The World Bank (WB) is another international organisation established at the Bretton Woods Conference. While the IMF maintains an orderly international financial system, the World Bank is focussed on long-term development; indeed, its official name when founded was the International Bank for Reconstruction and Development (IBRD).

Nowadays, the WB is split into several sub-organisations which specialise in development in different forms. The IBRD lends to low- and middle-income countries, while the International Development Association (IDA) concentrates only on low-income countries, and other groups such as the Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC) deal with the private sector and facilitate investment by private companies in foreign countries.

#### Virtues

To promote development, the WB lends money on extremely favourable terms: to middleincome countries, it loans at interest rates much lower than commercial rates; and to the poorest countries, it loans at zero interest. The time period for repayment is also much longer than it would be at a commercial bank. WB loans often target sustainable growth, with many projects building water infrastructure, supporting renewable energy, and protecting natural resources. Further, the WB helps countries to build education, transport, and healthcare infrastructure. For example, the WB granted India two loans in 2023 and 2024, each worth £1.5 billion, to finance low-carbon energy development projects.<sup>9</sup>

#### Vices

Similarly to the IMF, the WB's Development Policy Financing (DPF) requires the completion of prior actions by the recipient country, including the maintenance of adequate macroeconomic policy and implementation of reform programmes before a loan is approved.<sup>10</sup> IMF assessments help to define macroeconomic policy, such that the WB pushes liberalisation in the manner of an SAP. Rapid liberalisation is not in the best interest of many developing countries. Further, employees at the WB feel efforts are often misdirected. For example, the WB required Mali to privatise its cotton and electricity

 <sup>&</sup>lt;sup>9</sup> World Bank Group, June 2024 <u>https://www.worldbank.org/en/news/press-release/2024/06/28/world-bank-approves-additional-1-5-billion-in-financing-to-support-india-s-low-carbon-transition
 <sup>10</sup> World Bank Group <u>https://ieg.worldbankgroup.org/topic/development-policy-financing-dpf</u>
</u>

industries,<sup>11</sup> leading to a dramatic price hike in energy and a price fall in cotton, and increasing poverty in the country.<sup>12</sup>

Moreover, the World Bank has been accused of being insensitive to local needs and disregarding indigenous communities. It was reported in 2015 that over 3.4 million people had been displaced by World Bank Projects<sup>13</sup>, as there are mass evictions or 'involuntary resettlements' to make way for these projects. This is often at the expense of indigenous peoples. For example, Kenya received a loan from the World Bank for conservation purposes, but the government used the money to evict thousands of indigenous people from their homes in the Embobut Forest and Cherangany Hills.<sup>14</sup> The World Bank acknowledged their complicity and urged the Kenyan government to enforce legal standards with respect to resettlement. However, looking forward, the committee must consider how to ensure that funds are being used appropriately and not harming local communities.

## **Historical Solutions**

The UN can be seen to address the issue of foreign aid in its Millennium Development Goals - specifically, Goal 8. Goal 8 urges member states to 'develop a global partnership for development' and sets out six targets for developed countries. These targets include measures such as the establishment of a non-discriminatory and open financial system, the

<sup>&</sup>lt;sup>11</sup> "When aid comes with strings attached, development unravels", The Guardian, February 2011. <u>https://www.theguardian.com/global-development/poverty-matters/2011/feb/24/mali-aid-cotton-privatisation</u>

<sup>&</sup>lt;sup>12</sup> "Pricing Farmers out of Cotton: The costs of World Bank reforms in Mali" <u>https://policy-practice.oxfam.org/resources/pricing-farmers-out-of-cotton-the-costs-of-world-bank-reforms-in-mali-114572/</u>

<sup>&</sup>lt;sup>13</sup> "New investigation reveals 3.4m displaced by World Bank", International Consortium of Investigative Journalists, April 2015 <u>https://www.icij.org/inside-icij/2015/04/new-investigation-reveals-34m-displaced-world-bank/</u>

<sup>&</sup>lt;sup>14</sup> World Bank Group Statement on Evictions in Kenya, press release February 2014 <u>https://www.worldbank.org/en/news/press-release/2014/02/14/world-bank-group-statement-evictions-kenya</u>

cancellation of some debt and the enhancement of debt relief, and cooperation with the private sector to provide affordable healthcare and communication technologies to developing countries.<sup>15</sup> These goals, along with the UN's Poverty Reduction Strategy Papers, constituted a turning point as they recognised that economic growth may not be a sufficient condition for poverty reduction, and that the structure of foreign aid may have to be reformed in order to focus on social programmes. Indeed, the share of ODA allocated to social infrastructure then increased from 21% during 1970-1979 to 34% during 2000-2008.<sup>16</sup>

Yet, the Paris Declaration on Aid Effectiveness (2005) is probably the most significant advancement in foreign aid reform in recent years. This was not a UN action, but produced by the OECD. This declaration laid out principles for improving the quality of aid, including ownership, alignment, harmonisation, results and mutual accountability. Further, the declaration moved beyond general principles and instituted a framework through which donors and recipients hold each other accountable: partner countries commit to diagnostic reviews, performance assessments and other country-led strategies.<sup>17</sup> The 2005 declaration was reaffirmed in 2008 with the Accra Agenda for Action, which called for further implementation of the principles and mechanisms set out in the Paris Declaration.

However, despite these efforts, there remain several problems with foreign aid, from accountability and transparency to lacklustre commitment to aid programmes. Indeed, as of

https://www.ohchr.org/sites/default/files/Documents/Issues/Development/RTDBook/PartIIIChapter17.pdf <sup>16</sup> Julca, A., Montes, M. F. and Vos, R.. "Towards a new aid architecture." Retooling Global Development and Governance, pp 49-72, January 2014. https://www.un.org/en/development/desa/policy/wess/wess\_current/2010wess\_chapter3.pdf

https://doi.org/10.1787/9789264098084-en

<sup>&</sup>lt;sup>15</sup> Bissio, Roberto. "The Paris Declaration on Aid Effectiveness"

<sup>&</sup>lt;sup>19</sup> OECD (2005), Paris Declaration on Aid Effectiveness, OECD Publishing, Paris,

<sup>&</sup>lt;sup>19</sup> "FDI Report 2021: Ghana Records 874 Million Dollars of Inbound Investments in First Half of the Year", Ghana Investment Promotion Centre, August 2021 <u>https://www.gipc.gov.gh/fdi-report-2021-ghana-records-874-million-dollars-of-inbound-investments-in-first-half-of-the-year/</u>

2023, only 5 countries exceeded the 0.7% ODA/GNI target set by the UN, while ODA constituted a mere 0.37% of total DAC country GNI. Two decades after the Paris

Declaration, the committee must consider how to improve engagement in aid infrastructure, as well as what improvements must be made to existing infrastructure.

## Proposed solutions

Currently, the effectiveness of aid is becoming increasingly difficult to assess due to aid fragmentation. This means that countries are receiving smaller amounts of aid from many more sources, such that there is less coordination between recipient and donor countries, and even less coordination among donor countries. The lack of centralisation means that global aid architecture is cracking.

However, as regionalisation increases, we are seeing increasing intraregional - if not global cooperation when it comes to aid. This can be seen in the establishment of institutions such as the Asian Development Bank or the Arab Bank for Economic Development, which coordinate intraregional flows of aid.

Some alternatives have been proposed as a replacement or supplement to traditional foreign aid (or Official Development Assistance). The committee must weigh these alternatives and decide whether they can be implemented nationally, regionally or internationally, or whether they are worth promoting at all.

#### 'Trade not Aid'

Foreign aid can lead to a culture of dependency in the recipient country and may create economic inefficiency because there is less incentive and opportunity for policy-makers to invest in public infrastructure (especially since much of the government budget is directed towards debt repayment). As such, it has been suggested that eliminating barriers to the global economy may be a more efficient way of generating growth and so alleviating poverty. Evidence of the success of this kind of approach can be found in East and South-East Asian countries, which brought millions of people above the poverty line by opening their economies and increasing trade. However, the benefits of this trade may not be equally distributed, leading to higher inequality within developing countries and also between developed and developing countries. Further, as discussed above, economic growth may not be a sufficient condition for poverty alleviation, and impoverished communities may continue to be neglected and underprovided.

## **Social Enterprises**

By encouraging social enterprises, one promotes local innovation, skills and creativity, which may lead to more sustainable economic growth as it increases the potential capacity of the country's workers and equips the population with the tools to be an engine of growth, rather than rely on external players. This type of growth will also be better at addressing local issues. However, focussing on small-scale development may result in having less scope to address major nationwide challenges, whether they be economic or some other type of crisis. For example, how do social enterprises and ODA compare when tackling a problem like an HIV epidemic?

## **Foreign Direct Investment**

Foreign Direct Investment (FDI) is when foreign companies enter a long-term commitment with a local company and therefore share resources such as financial capital, expertise or technology. This sort of investment should create jobs in the developing countries and also increase the skills of the workers in these companies, thereby leading to economic growth and alleviating poverty. The telecommunications sector in Ghana is an example of the success of FDI<sup>18</sup>. However, as developed countries become increasingly embedded in developing countries' economies, they are vulnerable to allegations of modern-day economic colonialism, whereby developed countries (or at least private companies in developed countries) may exploit a developing country's resources and collect the benefits, thus preventing the developing country from realising its potential. This is a matter of great importance for the committee.

## **Bloc** positions

## **African States**

Many African states rely on ODA as a primary source of national income - in 2001, aid constituted 12.5% of GDP in African countries, on average.<sup>19</sup> For these countries, it may be important that donor countries maintain or even increase the level of aid donation since a decrease - especially a dramatic or rapid decrease - could destabilise their national finances.

<sup>19</sup> "FDI Report 2021: Ghana Records 874 Million Dollars of Inbound Investments in First Half of the Year", Ghana Investment Promotion Centre, August 2021 <u>https://www.gipc.gov.gh/fdi-report-2021-ghana-records-874-million-dollars-of-inbound-investments-in-first-half-of-the-year/</u>elopment/desa/policy/wess/wess current/2010wess chapter3.pdf"

\hhttps://www.un.org/en/development/desa/policy/wess/wess\_current/2010wess\_chapter3.pdf

This is especially true for countries such as Kenya, Tanzania and Uganda who are among those receiving the most ODA in the continent.<sup>20</sup> Emergency aid targeted at mitigating the effects of natural disasters might also become increasingly important for African states as climate change exacerbates crises ranging from droughts to disease outbreaks. Further, the governments of recipient countries in Africa might be opposed to conditionalities attached to loans as these limit the government's policy-making autonomy and restrict their ability to make choices about their fiscal expenditure. They might also look to protect themselves against economic neo-colonialist practices and excessive intervention by developed states.

## **Asia-Pacific States**

Asia-Pacific states have diverse perspectives on foreign aid due to the region's varying levels of economic development. Countries like Cambodia, Bhutan, Nepal and Mongolia rely significantly on Official Development Assistance (ODA) to support their development goals,<sup>21</sup> particularly in areas such as infrastructure, education, and health. These countries might call for increased aid flows, especially as they face challenges like poverty, natural disasters, and political instability. Further, as South-South cooperation strengthens and intra-regional flows of aid increase, these countries may feel more comfortable calling for lessening the conditionalities attached to global aid. On the other hand, more economically advanced nations in the region, such as Japan, South Korea, and Australia, are major aid donors and might emphasise the importance of using aid to promote regional stability, economic growth, and good governance. These donor countries might advocate for aid that is tied to specific conditions, such as anti-corruption measures or human rights

na-records-874-million-dollars-of-inbound-investments-in-first-half-of-the-year/ ast African, June 2024. https://www.theeastafrican.co.ke/tea/business/kenya-tanzania-10-statesreceiving-half-of-aid-money-africa-4664910

<sup>&</sup>lt;sup>21</sup>Nakamura, Koji, "Foreign Aid FLows and Foreign Direct Investment in Cambodia", Cambodia, February 2006, <u>https://doi.org/10.5089/9781589064447.058.ch005</u>

improvements, and may push for more targeted, results-oriented aid programmes. Additionally, Pacific Island nations, which are highly vulnerable to climate change, are likely to prioritise aid aimed at climate adaptation and disaster resilience.

#### **European States**

European states, particularly those within the European Union, are some of the largest donors of foreign aid globally. Indeed, the five countries of Sweden, Norway, Luxembourg, Denmark and the Netherlands are the only countries to have reached or exceeded the 0.7% target. Since their aid is typically focussed on the promotion of human rights, democracy and sustainable development, European states might advocate for aid that is conditional on the recipient country's commitment to governance reforms, anti-corruption efforts, and the protection of human rights. There is also a strong emphasis among European States on multilateralism and utilising international organisations such as the United Nations and the World Bank to coordinate aid efforts. However, some European nations are increasingly concerned about aid effectiveness and the need to ensure that funds are used transparently and efficiently, leading to calls for more stringent monitoring and evaluation of aid programmes. Additionally, with the growing importance of addressing global challenges such as climate change, migration, and security threats, European states may push for aid that is aligned with these broader geopolitical goals.

#### Latin American, South American and Caribbean States

The Latin American, South American, and Caribbean region presents a complex landscape with varying levels of dependency on foreign aid. While countries such as Haiti and Nicaragua remain heavily reliant on ODA to meet their development needs, larger economies like Brazil, Argentina, and Mexico may be more focussed on South-South cooperation and regional partnerships. These countries may seek to reduce their dependence on traditional aid by fostering trade relations, attracting foreign investment, and leveraging their own resources for development. However, smaller Caribbean nations, which are particularly vulnerable to natural disasters and climate change, might push for aid aimed at disaster relief, climate resilience, and sustainable development. The region as a whole might advocate for aid that is flexible and responsive to their unique challenges, such as inequality, violence, and drug trafficking. Furthermore, having witnessed the damages caused by conditionalities in the region, there may be resistance to conditional aid that is seen as infringing on national sovereignty or prioritising donor interests over local needs.

## **North American States**

North American states, particularly the United States and Canada, are among the leading global donors of foreign aid. These countries often use aid strategically to advance foreign policy objectives, including the promotion of democracy, human rights, and the 'Washington Consensus' (which refers to the belief that global adoption of neoliberal policies could harmonise international markets and lead to economic growth for all). The United States frequently uses aid as a tool to support allies, counter- terrorism, and promote stability in conflict-prone regions, as could be seen in its reliance on this sort of political aid during its campaign against communism.<sup>22</sup> Both the U.S. and Canada may therefore advocate for aid programmes that are tied to specific outcomes, such as improvements in governance, economic reforms, and adherence to international norms. However, North American states have recently put more effort into ensuring that aid is

<sup>&</sup>lt;sup>22</sup> Meernik, James, et al. "Testing Models of U.S. Foreign Policy: Foreign Aid during and after the Cold War." *The Journal of Politics*, 1998, 60(1), pp. 63–85, <u>https://doi.org/10.2307/2648001</u>

aligned with recipient countries' priorities and delivered in a way that promotes selfsufficiency and long-term development. They have also placed a greater emphasis on aid aimed at addressing global challenges such as pandemics, climate change, and migration, recognising that these issues require a coordinated international response.

## **Middle Eastern States**

Oil-rich nations such as Saudi Arabia, the United Arab Emirates, and Kuwait are significant donors, often using aid as a tool to extend their influence, support allies, and promote regional stability. As a result, most (85%) of the aid given by these countries is bilateral rather than multilateral, with most of it going to recipient countries within the region;<sup>23</sup> intra-regional cooperation is evident here. These countries may advocate for aid that aligns with their foreign policy objectives, including support for reconstruction in conflict-affected areas, humanitarian assistance, and development projects that foster economic cooperation and build partnerships with recipient countries. Meanwhile, aid-dependent states like Yemen, Syria, and Lebanon are major recipients of foreign aid, particularly in the form of humanitarian assistance and emergency relief due to ongoing conflicts, displacement crises, and economic instability. For these countries, securing continued and increased aid is vital to addressing immediate needs and supporting long-term recovery. However, governments in the region may be wary of aid that is perceived as a vehicle for external interference, or as a means to impose political or economic reforms that do not align with their national interests, and therefore be opposed to conditionalities on aid.

<sup>&</sup>lt;sup>23</sup> Villanger, Espen." Arab Foreign Aid: Disbursement Patterns, Aid Policies and Motives", Bergen: Chr. Michelsen Institute (CMI Report R 2007: 2) <u>https://www.cmi.no/publications/2615-arab-foreign-aid-disbursement-patterns</u>

## Questions a resolution must answer

- How should member states regulate both bilateral and multilateral aid, and which mechanisms can be used to do so?
- How can member states carry out foreign aid or investment without slipping into modern-day colonialism?
- Should member states support the 0.7% target?
- How can member states respond to increasing demand for emergency aid, as climate change and conflict destabilise entire regions?
- How should the committee treat different types of aid, including economic, military, political and humanitarian aid?
- Which strategies should member states implement in order to encourage sustainable and country-led development?
- How can member states strike a balance between traditional aid and alternative solutions?

## Suggestions for Further Research

Websites and databases:

- The Fourth Committee 'press releases' section of the UN website is good for looking back on and keeping up to date with SPECPOL's actions - try to get a feel for what the committee has the power to do and what kinds of outcomes or mechanisms it pushes for
- The OECD DAC website has statistics and reports on global foreign aid trends and policies
- ReliefWeb is a website which provides up-to-date information on humanitarian crises around the globe, and discusses the aid given and needed

#### Journals:

- The Journal of International Development has many policy-oriented articles on foreign aid, several of which are region-specific
- Third World Quarterly has many open-access articles about aid, which may be particularly helpful in SPECPOL due to the journal's focus on decolonisation in the Global South

#### Podcasts:

• The World Bank has a podcast called 'The Development Podcast', with many episodes discussing effective foreign aid

• The Centre for Global Development (CGD) also has a podcast which discusses the future of global development, often touching on the challenges of foreign aid

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