

Development assistance

Rozvojová pomoc

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Abstract: Development assistance achieved remarkable success in different periods. For example, Botswana and South Korea reached the great development in the 60s after very bad situation, Indonesia in the 70s, Bolivia and Ghana at the end of the 80s, Uganda and Vietnam in the 90s. In these countries development assistance played important role in economic transformation in formulation of the development of politics. The development assistance contributed educational programs and financially supported the development of public sector. The “Green Revolution” – by means of innovations in agriculture, investments and political changes – improved the live conditions of millions people thanks to the collaboration of many bilateral and multilateral donors. But there are some failures with the foreign aide. While the former dictator of Zaire Mobutu Sese Seko became one of the richest people in the world (and invested his property in abroad), the development assistance did not stop for many years, Zaire (now the Democratic Republic of Congo) is only one example of the situation, where the permanent flows of assistance ignore or support the corruption and in suitable politics of governments. Tanzania received two milliards dollars for building the roads destiny the twenty years. But the roads were destroyed sooner, than the works could be finished because of insufficient maintenance. The study of World Bank brings the conclusions of the new conception of the development assistance: financial assistance works only in suitable political world; the lowering of poverty is possible only with working institutions – political and economic; effective assistance complete the private investments; receiving country is obliged to have public sector in function; the function of public sector is developing on the activity of civil society; patience and good ideas, not only money, can help to reforms in very unfavorable conditions.

Key words: foreign development aid, developed market economies, less developed countries – recipients

Abstrakt: Zahraniční pomoc zaznamenala v různých dobách značné úspěchy. Příkladem zemí, které se dostaly do stadia mohutného rozvoje, jsou např. Botswana a Jižní Korea v 60. letech, Indonésie v 70. letech, Bolívie a Ghana na konci let 80., Uganda a Vietnam v 90. letech. Zahraniční pomoc v těchto zemích sehrála důležitou roli při transformaci a při formulování rozvojové politiky, přispěla formou řady školicích programů a finančně podpořila rozvoj veřejného sektoru. Zahraniční pomoc má však vliv na všechny sektory. Příkladem může být tzv. „zelená revoluce“, při které došlo například cestou inovací v zemědělství, investic a politických změn, ke zlepšení životních podmínek milionů lidí. Tato pomoc byla financována a realizována díky spolupráci mnoha bilaterálních i multilaterálních dárců. Zahraniční pomoc však také zaznamenala některé významné neúspěchy. Zatímco bývalý zairský diktátor Mobutu Sese Seko se stal jedním z nejbohatších lidí na světě (a svůj majetek pochopitelně investoval mimo vlastní zemi), nepřestala do této africké země zahraniční pomoc plynout po desítky let. Zair (nyní Demokratická republika Kongo) je však pouze jedním z příkladů, kdy stálé toky pomoci ignorují, nebo dokonce podporují nekompetenci, korupci a nevhodnou politiku vlád obdarovávaných zemí. Jedním z nejhorších příkladů může být Tanzanie, kam v průběhu dvaceti let přitekly prostředky v hodnotě kolem dvou miliard amerických dolarů, určených na výstavbu cest. Avšak tyto cesty se vzhledem k nedostatečné držbě ničily rychleji, než mohly být budovány. Studie Světové banky přináší závěry hodnocení zahraniční pomoci: finanční pomoc funguje jen ve vhodném politickém prostředí; základem pro snížení chudoby obyvatel RZ jsou funkční instituce, a to jak politické, tak ekonomické; efektivně poskytovaná pomoc doplňuje soukromé investice; význam projektů rozvojové pomoci spočívá v posílení schopnosti přijímající země efektivně zabezpečit fungování veřejného sektoru; kvalitní fungování veřejného sektoru závisí mimo jiné také na aktivitě občanské společnosti; pomoc může napomoci reformám i za velmi nepříznivé situace – vyžaduje to však trpělivost a dobré nápady, nikoliv jen peníze.

Klíčová slova: rozvojová pomoc, OECD, rozvojové země, koncepce rozvojové pomoci

Realisation of the active development aid belongs to the foreign policy of the developed countries tools, which are also by this form trying to influence the less developed countries development with the aim to support their economic and social development. By foreign aid, the developed countries answer the appeal of common responsibility for the global development. Development aid is usually aimed at the countries according to the donor countries or a group of integrated countries (e.g.) priorities.

FOREIGN AID DIVISION

According to its aim, foreign aid can be divided into development aid and humanitarian aid. Development aid is formed with a certain long-term goal into the sphere of social and economic infrastructure, environment and state administration forming. Humanitarian aid is supplied as a reaction to extraordinary occurrences which cannot be foreseen and is usually a short-term one. At that, the financial value of the world development aid. By far overreaches the value of the humanitarian aid.

Foreign development aid can be governmental, non-governmental or combined. Governmental aid utilises the state budget means (it is often called "official"), non-governmental aid includes a wide scale of donors, foundations and charity organisations, concentrating donations of legal as well as private persons. To a considerable extent the non-governmental organizations (NGO) are drawing financial means just from the government, which entrusts NGO the practical realisation of the foreign aid projects.

According to the financial coverage, the aid can be divided into the aid in the form of grants (non-repayable subsidies) and in the form of soft credits.

According to the aid supplier, foreign aid is further divided into bilateral, when the donor country directly supplies aid to another country, and multilateral, when the individual projects are supplied to the accepting countries governments through international organisations. During time, the share of so-called multilateral aid, through which the donors follow the specific territorial or content orientation of the activities realised through their projects is increasing.

Further, there are distinguished two forms of developing aid (according to Brown), in connection to the motive of the aid supplying: the strategic and non-strategic, each of which is again formed by two types. Under strategic aid, we include multilateral

aid and the "altruist" bilateral aid, following namely fulfilling the development needs of the accepting country. Strategic and historically-conditioned (post-colonial) aid follows namely extending of the influence and the commercial interests of the donor. In reality, these four types cannot be precisely distinguished since all important donors are, besides their bilateral programs, contributing by a certain share to the multilateral aid distributed through the U.N. and development banks.

Non-strategic aid is influenced above all by the analyses of its importance, while the strategic is influenced namely by the geo-political development.

According to the OECD methodology, development aid is divided into the Official Development Assistance (ODA) and Official Assistance (OA), while the main criterion for including into the ODA category is the non-commercial character of the aid, economic and social development and directing at developing countries. Development aid aimed at the transforming countries (including the Czech Republic), is qualified as OA¹. The last type of the aid are so-called Other Official Flows (OOF), which include governmental development financing not included into the two previous categories.

DEVELOPMENT ASSISTANCE DEFINITION

The official bilateral and multilateral development aid, called in short "foreign assistance", is one of the important elements of international co-operation which contributes to the economic development in economically less developed countries.

The economists usually define foreign assistance as any flow of capital or public finances in the form of loans or grants to other countries which fulfilled the following two criteria:

1. This capital is not, according to the view of the donor, of a commercial aim.
2. In case of loans, in regards capital supplied under advantageous (concessional) conditions; that means that the interest rate and the payment period should be advantaged compared to the current conditions.

Capital transfers into developing countries is realised also in covered forms, such as e.g. through the advantageous custom duties for the third countries export, what enables DCs to sell their products in the developed countries markets with a higher profit than would be realised under current conditions.

¹ The complete division of world according to the OECD methodology by 1. 1. 2003 according to DAC (2003) is in the Supplement.

The most commonly accepted definition of the Official Development Assistance (ODA) was at present defined by the Development Assistance Committee (DAC) by the OECD:

“The Official Development Assistance (ODA) is defined as the set of those transfers into developing countries and multilateral institutions which are supplied by the official places like governments of the states of local governments or their executive organs. Each transaction has to fulfil the following criteria:

- (a) it is supplied with the aim to support economic development and welfare in developing countries
- (b) it is concessional (i.e. not of commercial character) and includes a grant part which represents at least 25%.

The ODA includes also administration costs connected with its supplying.”

Some models of development assistance

In the development assistance evaluation, an important role was played by the methods and dominant theories on the relationship of developing countries to the developed countries and to international organisations. One of the most influential economic development theories is the *dependency theory*.

It is a structuralist approach explaining the economic dependency of developing countries on the developed countries by the political economy scheme. Using this theory, it is possible to follow the procedure of individual donor and accepting countries and to evaluate the movements in the development assistance sphere, strategy changes and the complex political environment. The basic question is on which factors, internal as well as external, it depends and whether introduction of individual successful modernisation and reform programs are positive or negative. It is also interesting to follow the presupposed decisive influence of the external, international factors, i.e. if their influence is positive or negative and whether, from the accepting country viewpoint, we can speak on modernisation or dependence.

The dependence theory originated based on the experience with modernisation in Latin America. It tried to explain why the individual countries were not able to apply successfully the American and West European model. First, it issued from the thesis that the dependence on international organisations and developed countries, to which these countries got, is not compatible with the modernisation goals and thus in many cases; revolution was regarded as the

only way. Later on, different specialists stressed the role of intermediaries and different social interest groups which identified themselves with the values of the international actors and, in co-operation with them pushed through their common interests to the detriment of other home groups. This version is dynamic and more elaborated than the former, in which different stages of dependence and development were supposed. Even if the dependence theory served for a long time as an argumentation base for the developing countries politicians and economists, it is not, in the consequence of the economic processes of the 80s and 90s, very important. The strongest argument against the dependence theory conclusions was the successes of the small East Asian economies and the communist block collapse.

Furthermore, the DCs development can be distinguished according to three historical models: *import substitution industrialization*, *export lead growth* and *entrepot*. According to this approach, every developing country enters the world market as the primary products exporter, i.e. of raw materials, food and simple home products. In the transition to the second stage, it regards industrialisation based on the home industrial production support, this the extensive stage of loans and production of certain types of consumers goods with a strong state support and protectionism against the external environment. This stage was all developing countries and in some cases (Mexico, Brazil) lasted practically till the present. In case of Korea and Taiwan, it was overcome by the export-oriented growth, which regarded namely the transition to the production of more sophisticated commodities with high value added and a Singapore and Hong Kong, it regarded entrepot, i.e. open market without any protective customs barriers towards foreign investors. In this type of economic modernisation, there was characteristic specialisation on supplying services in the sphere of trade and finances as well as production of sophisticated commodities with high value added.

There exists no linear transfer among the individual development stages. Question is, what the development of the Latin America and East Asia countries was different, what were the external and internal factors, both objective (economic crisis, size of the country, social structure) and subjective which influenced pushing through one or the other model. In this direction, it is interesting to follow the influence of individual development/economic ideologies and theories on decision making of the development countries elites, which directly or through international organisations influenced economic policy.

Another approach is the structuralistic model on the international assistance and influence mechanisms. It distinguishes three mutual relationships, in the frame of which the international external structures/actors and the internal structures/actors work together.

1. International *market*, resp. markets, which directly determine the possibilities and limits for DCs. In this direction, there are of extraordinary importance the flows and possibilities on international financial markets. For the DCs, it means the accessibility of loans depending on them.
2. The system of so-called *linkages* means to approach the developing economies analysis through following the behaviour of the different social group of the DCs and the goal countries of development assistance, which show the effort to identify themselves with the interests or even to take over the modes of behaviour, life style of philosophy of the international actors and, at the same time, to support also the political decisions and programs on the home political scene reflecting the international organisations intentions.
3. Direct influencing, so-called *leverage* and pushing through the influence and intentions of international organisations using the economic and political influence. It means above all using the position of power towards the developing economy and pushing through own demands in the frame of negotiations on loans and investments.

Issuing from the experiences of the post-communist countries transformation, the model of *linkage* offers several interesting possibilities for analysis. It regards above all the basic question of the reform direction and the internal motivation structures of the supporters and opponents. It is also the question of the mutual influencing of the international organisations and home actors, on which, to a considerable extent, depends also the pushing through of the individual political and economic alternatives.

The development assistance history

The beginning of the foreign economic assistance modern history can be dated back to the end of the WW 2. During the first half of the 20th century, the richer countries supplied for the development of the poorer ones the sum over 1 trillion USD and some of the so-called developing countries group have reached a relatively high living standard. These encouraging facts are the result of the influence of several fac-

tors; it is difficult to say, however, to which extent the development assistance has contributed to this positive development.

At its birth, there were three processes:

1. The first one was the will to international co-operation, expressed by founding of the United Nations Organisation in 1945. The introduction to the U.N. chart expresses the endeavour of all people connected in the U.N.O. “ ... to support social development and the higher level of living of people in the free world and to interest the international apparatus into the support of economic and in social growth for all people”. The first agency interested in foreign assistance was the UNRRA² (United Nations Relief and Rehabilitation Administration), founded in 1943. Its aim was to help removing all the damages originated as the European conflict consequence. In 1946, the newly originated International Bank for Reconstruction and Development (IBRD) supplied the first loan. Thus, the system of multilateral aid was born.
2. The second factor was the growing rivalry originated after 1946 as the cold war consequence which becomes a strong driving force of the bilateral foreign assistance programs. In 1948, the Marshall plan of the post-war renovation of Europe was started. During four years, there were supplied into Europe almost 13 billion USD, from which 90% in the grant form (non-repayed). The assistance had brought quick results and meant a quick return of the West European economies to the pre-war level. The assistance did not reach, however, behind the “iron screen” since the Marshall plan was refused by the East European states in the submission of the U.S.S.R. and was regarded as one of the tools strengthening the West against the intruding and spreading of communism.
3. Third important factor was the liberation movement in the former colonies. Besides the growing ideological rivalry, it becomes another motive for forming of the extensive bilateral assistance programs. The obligation to supply foreign aid to the new independent countries thus also becomes the means of prolonging the former economic relationships. However, from the beginning there were considerable differences among the donor countries, e.g. France was much more generous in its programs than the Great Britain what understandably reflected the character of political relationships with the former colonies after acquiring independence. In the case of France, the substantial part of foreign assistance is directed into its former colonies even at present.

² UNRRA was the predecessor of the UNHRC and UNICEF.

Therefore, the starting motives of the bilateral assistance were both strategically and historical. It was always necessary, however, to count also with the agreement on the recipient side. At the same time, supplying of development assistance of the grant base also demanded that the new independent country sacrificed for the assistance a part of its sovereignty. Although at the new independent countries conference in the Indonesian Bandung in 1955, the philosophy of non-inclusion was proclaimed, in many countries this idealism was soon prevailed by the pragmatic attitudes. The non-inclusion would then have presupposed either refusal of any foreign assistance, or its accepting from both ideologically animose blocks (as an example of a country receiving at the beginning the assistance of both groups of countries, we can mention India).

DEVELOPMENT ASSISTANCE CONDITIONS

Supplying of development aid is usually conditioned by several main criteria in the recipient country. Among these criteria, there belong:

- Respecting human rights
- Participation of citizens in decision making processes, management and political life
- Observing law
- Market-oriented and socially oriented approach to economic development
- Existing strategy of development projects implemented by the government of the country in question (own development bank)

During the 90s, the official development assistance becomes still more conditioned by the political and state administration reforms in the recipient countries. At first, these conditions were tied namely with the economic policy reforms, during time, however, there prevailed the orientation on political reforms.

Political conditions of development assistance are given prevalently by the bilateral relationships between the countries, eventually among the foreign assistance agency and the state. The donor country then sets the conditions which the potential recipient of its foreign aid has to fulfil to get it. In these relationships, also NGOs and private forms of the donor country are functioning, however, and their conditions might be different. It also often happens that the state itself utilises NGOs as an intermediary for the foreign assistance supplying into the areas where it would be otherwise impossible for political reasons.

Sectored trends of foreign development assistance

Foreign assistance projects are oriented practically into all spheres of human economic activities and all sectors of the economy. During time, the sectored priorities of the donors are changing, however.

There can be seen a certain dynamic development in the developed countries assistance. In the 60s, the DAC/OECD member countries activities were aimed at infrastructure building, industrial development etc. In the following years, the attention was gradually shifted to the basic human needs and the development of agriculture. Later on, at the end of the 80s, there emerged among the priorities environment protection, the role of women in development and also improved programs co-ordination. The 90s then have brought the stress on good governance, the participation of the DCs population in the economic and political life, observing human rights and the governance of law.

During the 90s, the sectored trends of foreign assistance reflected the results of big international conferences, e.g. the Summit of Earth (Rio de Janeiro, 1992), the Conference on Human Rights (Wien, 1993), the Social Summit (Copenhagen, 1995) and other. More that one third of new grants (and relatively little loans) was aimed into social infrastructure and services, i.e. education, health care and water supply, in 1994. On the contrary, less than 10% of grants (but a great part of loans) were concentrated into economic infrastructure and only 7.5% of the total ODA were directed at agriculture. Behind that, it is possible to see the withdrawal from the extensive agricultural “mega-projects” to smaller, better aimed projects, but also low grain price and the world market surpluses.

A big priority has then become the programs oriented at women. The reason is above all their persisting unequal position in most countries of the world. Even if the criteria of the activity inclusion into the “women-in-development (WID)” programs are very strict, their share is already about 80% of the new bilateral development aid.

And finally the last part of the development programs which developed at the most accelerated rate namely in the second half of the 90s, are the environmental programs aiming at sustainable development. Still higher increase than the so-called “green agenda”, i.e. the conservation and care for natural resources, is registered by the so-called “brown agenda”, i.e. pollution control. 90% of all environmental activities represent investment projects; three quarters of them surpass the value of 10 million USD.

Table 1. Comparison of the DA institutional models in some DAC countries DAC

Model	Characteristics of the model	Country using the model
M1	Integrated MFA	Denmark, Netherlands, Finland
M2	Directorate of department fro development co-operation in the frame of MFA	Belgium, Ireland, Italy, New Zealand, Switzerland
M3	Ministry with separate implementation agency	Germany, Luxembourg, Norway, Sweden
M4	Autonomous development agency or ministry	Australia, Canada, Great Britain, USA
M5	Several ministries with separate implementation agencies	Austria, Japan, Portugal, Spain

Source: Rusnák, Szép, Brzica (2002)

The most outstanding donors of development assistance

Developing countries are getting the financial and technological aid from many resources. During time, the number of actors included into it increased, there motives as well as approaches to the projects differentiated, so that the necessity of co-ordination got into the centre of interest.

It is understandable, that the means for assistance are supplied mainly by the developed countries governments. Most of the financial means for these goals comes from the OECD countries. The OECD countries are the bigger suppliers of the bilateral assistance in the world and also the biggest resource of finances for multilateral organisations. At present, most OECD countries are also members of the so-called Development Assistance Committee (DAC), which acts as a co-ordination body in the frame of

the OECD. On its floor, the member countries have relatively often the opportunity to consult the matters connected with the assistance. Together with them, also the European Committee is the member of the DAC.

Altogether, the DAC member countries realise more than 90% of the world Official Development Assistance (ODA). Financial means from the DAC countries are directed through the following resources:

1. financing of the selected U.N. bodies activities;
2. participation in international financial institutions (the WB Group, IME, regional development banks);
3. direct bilateral development assistance;
4. financing of the NGO activities;
5. credits supplied by commercial banks;
6. direct investments, both private and state.

The first four of them can then be included into development assistance. Most of the means comes,

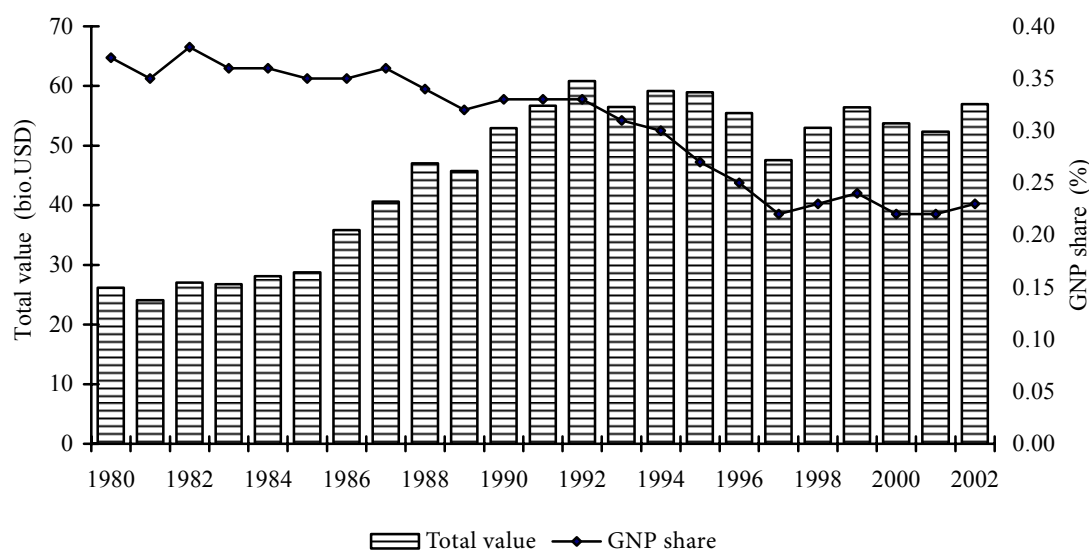


Figure 1. The total value of the DAC member countries ODA and its share in the GNP

Source: <http://www.devinit.org/ktrends.pdf>, <http://www.oecd.org/dabaoecd/43/24/1894385.xls>

however, into the DCs in another form than grants – these form only the lesser part of the total volume.

The DAC is the main body through which the OECD solves the matters regarding assistance to the DCs. The main mandate of the DAC was, from the beginning of its activities in 1961, the support of increasing the disponsible resources for developing countries and improved efficiency of the assistance supplied by member countries governments. The countries supplying development aid are meeting in the DAC to discuss and amend the models of their assistance in the light of the changing priorities and new development perspectives. The DAC is still more oriented at the interconnecting and consistency of the development assistance policy of the member countries governments on one side and their approaches to the macro-economic, financial, trade, structural and environmental policy on the other and at their impact on the developing countries.

The central activity of the DAC consists of publishing the Aid Reviews, which represent the critical evaluation of the assistance programs of the individual member countries by the Committee.

A small part of the financial help comes also from the countries outside the OECD. These countries can be divided into two groups. The first is formed by the former CMEA countries, which still supplied 10% of the world assistance in 1988, 90% of which came from the U.S.S.R. The importance of this group of donors is minimal at present, however. These countries are undergoing the transformation of economy process and very often are themselves the big recipients of foreign assistance. During the last years, however, some of these countries (including the CR) change from the aid recipients into donors.

The second group is then formed by some of the developing countries. The most outstanding from them are the rich oil countries, even if certain programs of assistance have been elaborated also by e.g.

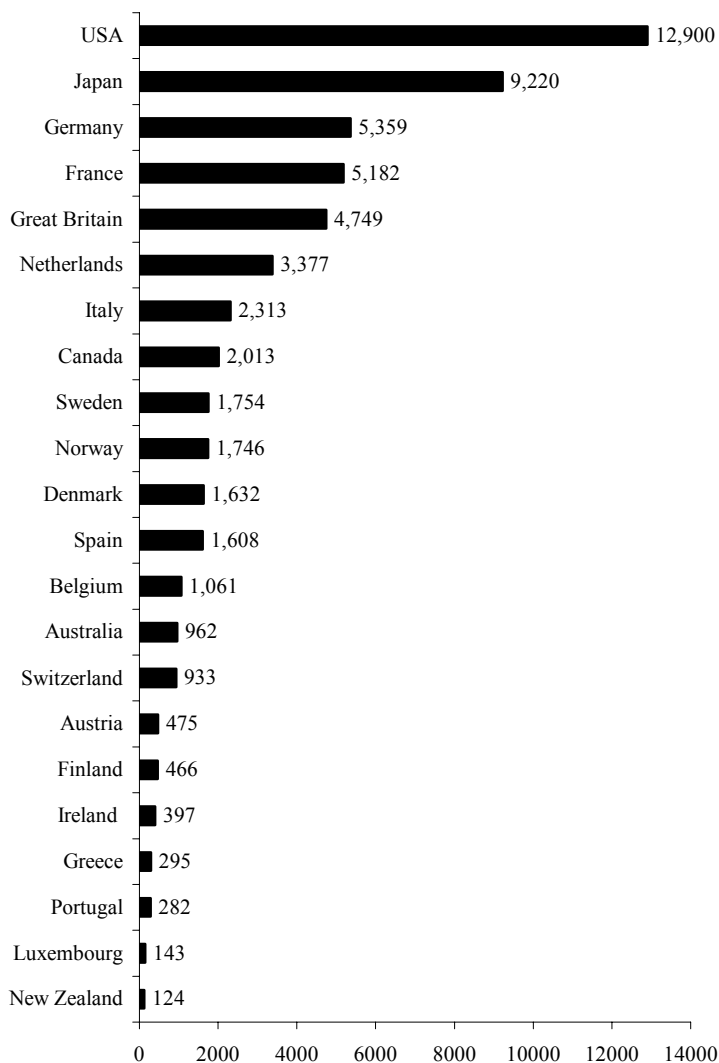


Figure 2. Absolute level of the ADC donor countries ODA in 2002 (million USD)

Source: World Bank

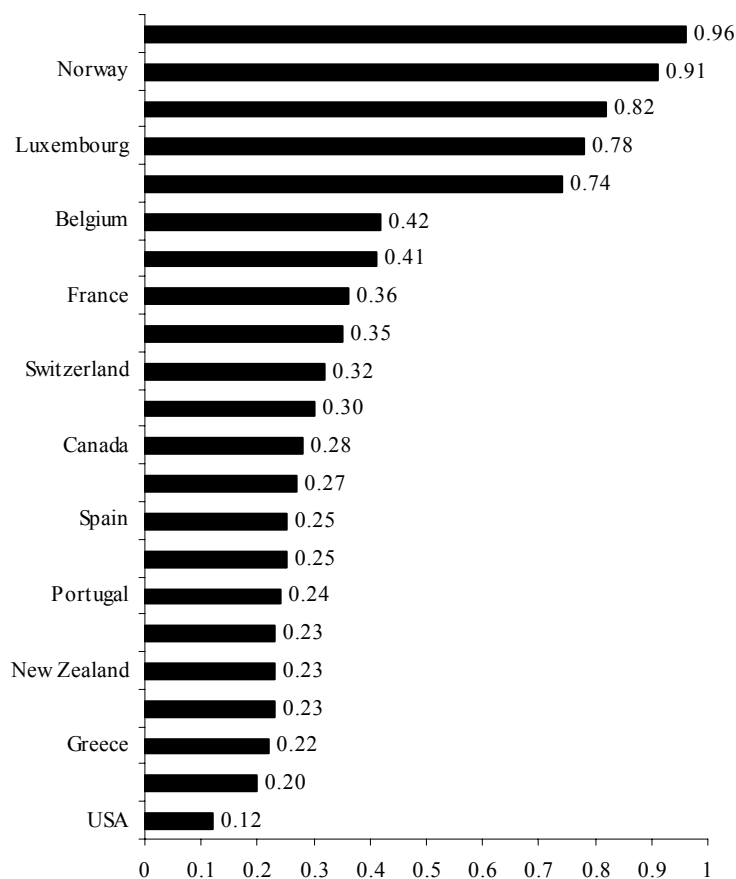


Figure 3. ODA as a per cent share in the individual donors GNP in 2002

Source: World Bank

India and China. Also in the case of these countries, their activities in the field of foreign assistance are rather the matter of past, even if the participation of the Arab resources in the support namely of the Muslim countries persists.

Development Assistance institutional models

In the frame of the OECD countries, there exists no unified administration system for development assistance. The comparison of the development assistance organisational structure in some of the DAC OECD countries is supplied by Table 1.

THE VOLUME OF DEVELOPMENT ASSISTANCE IN THE WORLD

Development assistance has registered its biggest development in the period of so-called bi-polar division of the world, when it was used by the competing groups of the North (East-West) as a direct political tool for support of the ideologically close countries if the South (the third world). According to the DAC estimates, the world volume of the assistance was

biggest in the period 1984–1988, when it reached approx. 66 billion USD yearly. This included 54 billion USD from the DAC OECD countries, 6 billion USD from the Arab states and 6 billion USD from the CMEA countries.

The decreasing trend has shown as late as in 1989–1993, when neither the increase of support from the DAC OECD countries up to 60 billion USD yearly could not make up for its total decrease down to approx. 64 billion USD. In the 90s the former CMEA countries change their position from net contributors of assistance to receivers and the total volume of assistance from the DAC countries dropped down to approx. 52 billion USD/year (1994–1998) (Figure 1).

The development of the individual DAC member countries in the frame of the official assistance in 2002 is visible from Figure 2 and 3. From them, it can be derived that there are considerable differences among the DAC members both in the absolute volumes of the supplied assistance and in its share in the relevant country GDP.

It is possible to state the differences among the ODA volume supplied by the USA on the level of 12.9 million USD (in 2002), resp. 9.22 million In the case of Japan, 5.36 for Germany and 5.18 million in the case

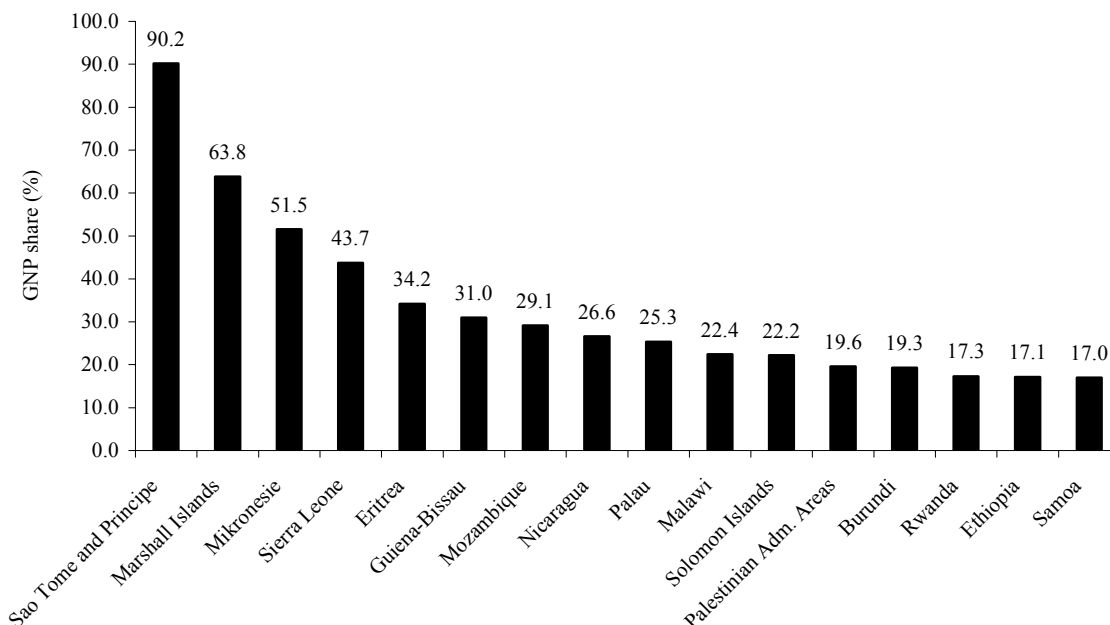


Figure 4. ODA as the per cent share in the individual recipients GNP in 2002

Source: http://www1.oecd.org/dac/htm/aid_recipients.htm#Notes

of France, and the small sums from the countries like Finland (0.466 million USD), Ireland (0.397 million USD), Luxembourg (0.143 million USD) and New Zealand (0.124 million USD). These big differences are caused by the different size of the individual economies, different level of their relationships to the DCs, home support of development assistance and other factors. However, the testifying ability of the total ODA value in absolute numbers is low. The share of the ODA in the individual countries GNP testifies more pregnantly on the development assistance intensity (Figure 3).

According to this indicators, the leading position is held for many years by the Scandinavian countries (in 2002 Denmark with the value of 0.96% GNP, Norway 0.91%). On the contrary, the countries with the highest absolute ODA values are reaching much lower relative values (Japan 0.23%, USA 0.12%)³.

Development assistance recipients

In classification of the countries receiving assistance, we issue from the assistance recipient list actualised yearly by the OECD. The first group is formed by all countries divided into groups according to the per capita GNP. There are included countries from the poorest ones up to the countries with the per capita GNP higher than 9.360 USD (according to the

DAC classification in 2001) per capita, e.g. Israel, Singapore etc. It may seem surprising that development assistance is supplied also to the countries with a relatively high income, what is often conditioned by political reasons (e.g. the relationship of the U.S. and Israel).

The second part of the list then contains the countries in the transformation period, i.e. the former socialist countries. It regards countries receiving the Official Assistance (OA, in difference from the ODA for developing countries). Also the Czech Republic still belongs into this group.

Internally, the recipient countries group can be divided according to different criteria. One of them might be the total value of the received assistance. According to this, the biggest recipients are China, Indonesia, Egypt, India, Israel; each of these countries received more than 1 billion USD of aid in 1997. Into most of the mentioned countries, a high amount of assistance is directed already for a longer period, even if the volume of this assistance changes between years. An exception are the states of the former Yugoslavia, where the high amount of assistance is supplied in consequence of the armed conflict and where this aid is kept at such a high level since 1992.

A higher testifying ability has the indicator of the share of ODA in the relevant country GNP. This share reaches by far the highest value in Mozambique, where the assistance level even surpassed the created

³ The official development assistance (total in USD, share in GDP) of the EU is supplied in the Annex.

GNP (e.g. in 1993, the ODA reached 111.5% of GNP in Mozambique, 81.1% in Tanzania). A higher than 30% of GNP created the ODA in most Sub-Saharan Africa countries, further, in the case of Ethiopia and Burkina Faso. In Asia, this ODA value was overreached only in the case of Laos, and in Latin America only in the case of Nicaragua.

At present, these values are lower. According to the OECD, the official development assistance reaches the level of 10% share in GNP in 38 countries of the world (in that, 21 in Sub-Saharan Africa, 6 in the v Pacific area, 3 in Latin America and in the former U.S.S.R⁴) (Figure 4⁵).

Evaluation of the foreign assistance efficiency

Foreign assistance has registered a considerable success in different periods. As an example of the countries which reached the state of enormous development, we can mention e.g. Botswana and South Korea in the 60s, Indonesia in the 70s, Bolivia and Ghana at the end of 80s, Uganda and Vietnam in the 90s. Foreign assistance has played an important role in these countries in the transformation and formulation of the development policy; it contributed by a series of learning programs and financially supported the public sector development. The ODA has an influence, however, at all sectors. An example can be the so-called "green revolution", which, through innovations, investments and political changes, improved life conditions of million people. This aid was financed and realised owing to the co-operation of many bilateral and multilateral donors.

However, foreign assistance has also recorded some outstanding failures. While the former dictator of Zaire Mobutu Sese Seko became one of the richest people in the world (and of course invested his property outside his own country), the foreign aid flowed into this country for decades. Zaire (at present the democratic republic of Congo) is but one of the examples, when the permanent aid flows ignore, or even support, incompetence, corruption and the unsuitable policy of the governments of the recipient countries. One of the worst examples can be Tanzania, which received during twenty years the financial means of about 2 billion USD intended at the road construction. However, these roads were, owing to the insufficient maintenance, destroyed even more quickly than they could be built.

⁴ Source: OECD – http://www1.oecd.org/dac/htm/aid_recipients.htm#Notes

⁵ More detailed survey is supplied in the appendix.

CONCLUSION

The World Bank studies supply the following conclusions of the foreign assistance revaluation:

- Financial aid functions only in the suitable political environment
- The base for decreasing the DCs inhabitants poverty are functioning institutions, and that both political and economic
- Efficiently supplied assistance supplements private investments
- The importance of the DA projects lays in strengthening of the recipient country ability to secure efficient functioning of the public sector
- Quality functioning of the public sector depends among other also on the civil society functioning
- The aid can assist reforms even in a very unfavourable situation – it needs, however, patience and good ideas, not only money.

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Annex I. Division of the world according to the DAC methodology
The DAC List of Aid Recipients – As at 1 January 2003

Part I: Developing Countries and Territories (Official Development Assistance)					Part II: Countries and Territories in Transition (Official Aid)		
1	2	3	4	5	6	7	
Afghanistan	Armenia	Albania	Palestinian	Botswana	Malta	Belarus	Aruba
Angola	Azerbaijan	Algeria	Administered	Brazil	Slovenia	Bulgaria	Bahamas
Bangladesh	Cameroon	Belize	Areas	Chile		Czech	Bermuda
Benin	China	Bolivia	Papua New	Cook Islands		Republic	Brunei
Bhutan	Congo, Rep.	Bosnia and	Guinea	Croatia		Estonia	Cayman
Burkina Faso	Côte d'Ivoire	Herzegovina	Paraguay	Gabon		Hungary	Islands
Burundi	East Timor	Colombia	Peru	Grenada		Latvia	Chinese Taipei
Cambodia	Ghana	Costa Rica	Philippines	Lebanon		Lithuania	Cyprus
Cape Verde	Honduras	Cuba	South Africa	Malaysia		Poland	Falkland Islands
Central African	India	Dominica	Sri Lanka	Mauritius		Romania	French
Republic	Indonesia	Dominican	St Vincent	Mayotte		Russia	Polynesia
Chad	Kenya	Republic	& Grenadines	Mexico		Slovak	Gibraltar
Comoros	Korea,	Ecuador	Suriname	Nauru		Republic	Hong Kong,
Congo, Dem.	Democratic	Egypt	Swaziland	Palau Islands		Ukraine	China
Rep.	Republic	El Salvador	Syria	Panama			Israel
Djibouti	Kyrgyz Rep.	Fiji	Thailand	St Helena			Korea, Rep.
Equatorial	Moldova	Georgia	Tokelau	St Lucia			Kuwait
Guinea	Mongolia	Guatemala	Tonga	Trinidad and			Libya
Eritrea	Nicaragua	Guyana	Tunisia	Tobago			Macao
Ethiopia	Nigeria	Iran	Uzbekistan	Turkey			Netherlands
Gambia	Pakistan	Iraq	Wallis and	Uruguay			Antilles
Guinea	Tajikistan	Jamaica	Futuna	Venezuela			New Caledonia
Guinea-Bissau	Turkmenistan	Jordan	Yugoslavia,	-----			Qatar
Haiti	Viet Nam	Kazakhstan	Federal	Threshold for			Singapore
Kiribati	Zimbabwe	Macedonia	Republic	World Bank			United Arab
Laos		(former		Loan			Emirates
Lesotho		Yugoslav		Eligibility			Virgin Islands
Liberia		Republic)		(\$5280 in 1998)			(UK)
Madagascar		Marshall		-----			
Malawi		Islands		Anguilla			
Maldives		Micronesia,		Antigua and			
Mali		Federated		Barbuda			
Mauritania		States		Argentina			
Mozambique		Morocco		Bahrain			
Myanmar		Namibia		Barbados			
Nepal		Niue		Montserrat			
Niger				Oman			
Rwanda				Saudi Arabia			
Samoa				Seychelles			
Sao Tome				St Kitts and Nevis			
and Principe				Turks and Caicos			
Senegal				Islands			
Sierra Leone							
Solomon Islands							
Somalia							
Sudan							
Tanzania							
Togo							
Tuvalu							
Uganda							
Vanuatu							
Yemen							
Zambia							

1 = Least developed countries; 2 = Other low income countries (per capita GNP < \$760 in 1998); 3 = Lower middle income countries and territories (per capita GNP \$761–\$3 030 in 1998); 4 = Upper middle income countries and territories (per capita GNP \$3 031–\$9 360 in 1998); 5 = High income countries and territories (per capita GNP > \$9 360 in 1998); 6 = Central and Eastern European countries and new independent states of the former Soviet Union; 7 = More advanced developing countries and territories
Source: DAC (2003)

Annex II. The share of the ODA in the GNP of recipients (higher than 10%) in 2001

1	Saint Thomas and Prince Island	90.2	21	Vanuatu	15.2
2	Marshall Islands	63.8	22	Laos	14.6
3	Federative States of Micronesia	51.5	23	Tonga	14.4
4	Sierra Leone	43.7	24	Uganda	13.7
5	Eritrea	34.2	25	Tanzania	13.6
6	Guinea-Bissau	31.0	26	Cape Verde	13.1
7	Mozambique	29.1	27	Niger	13.0
8	Nicaragua	26.6	28	Bosnia and Hercegowia	12.8
9	Palau	25.3	29	Ghana	12.8
10	Malawi	22.4	30	Kyrgyzstan	12.8
11	Solomon Islands	22.2	31	Gambia	12.6
12	Palestine administration Area	19.6	32	Comoro	12.5
13	Burundi	19.3	33	Benin	12.2
14	Rwanda	17.3	34	Cambodia	12.1
15	Ethiopia	17.1	35	Chad	11.2
16	Samoa	17.0	36	Honduras	10.9
17	Burkina Faso	16.8	37	Bhutan	10.8
18	Guyana	16.0	38	Zambia	10.6
19	Tádzjikistán	15.7	39	Armenia	10.3
20	Mali	15.4			

Source: http://www1.oecd.org/dac/htm/aid_recipients.htm#Notes

Annex III. Geographical distribution of the biggest ODA recipients in 2002, according to the share of ODA in GNP (over 10%)

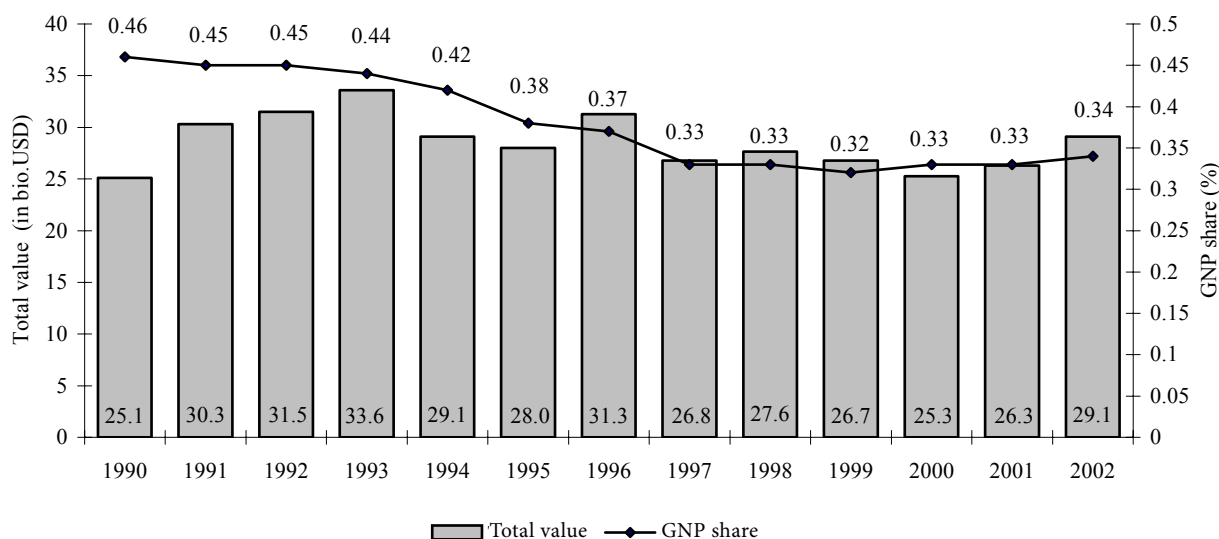
Area	Number of countries	Area	Number of countries
Sub-Saharan Africa	21	Near East	1
Latin America	3	Former USSR	3
Pacific	7	Europe	1
East Asia	2		
South Asia	1	Total	39

Source: http://www1.oecd.org/dac/htm/aid_recipients.htm#Notes

Annex V. Official development assistance of the DAC countries (1980–2002)

Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989			
Bill.USD	26.195	24.064	27.037	26.767	28.130	28.756	35.836	40.606	47.063	45.735			
% GNP	0.37	0.35	0.38	0.36	0.36	0.35	0.35	0.36	0.34	0.32			
Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Bill.USD	52.961	56.678	60.850	56.485	59.152	58.926	55.438	47.580	52.978	56.428	53.737	52.337	56.991
% GNP	0.33	0.33	0.33	0.31	0.30	0.27	0.25	0.22	0.23	0.24	0.22	0.22	0.23

Source: <http://www.devinit.org/ktrends.pdf>, <http://www.oecd.org/dabaoecd/43/24/1894385.xls>



Anex IV. Official development assistance of the EU (1990–2002)

Source: OECD – http://www1.oecd.org/dac/htm/aid_recipients.htm#Notes

Annex VI. Territorial and sectored priorities of foreign development assistance of the CR

Area	Priority country	Sectors
South East Europe	Serbia and Monte Negro Bosnia and Hercegowia Macedonia	good governance, migration prevention, infrastructure energetics, transport, environment, compatriots, regional co-operation
Former USSR	Uzbekistan Ukraine Kazakhstan	environment, transport, migration prevention, nuclear security, compatriots
Near East	Lebanon Palestine Yemen	environment (hydrology, biodiversity), infrastructure (energetics, transport)
South East and East Asia	Vietnam Mongolia Afghanistan	infrastructure (energetics, transport), environment (hydrology, geology), good governance, agriculture
Sub-Saharan Africa	Namibia Angola Mali Burkina Faso Ethiopia	agriculture (rural development), education, health care (HIV/AIDS), environment (hydrology, geology)
Latin America	Nicaragua Salvador Bolivia	Natural catastrophes prevention, geology, aforestation, education

Source: <http://www.czechembassy.org/wwwo/mzv/default.asp?id=8569&ido=7630&idj=1&amb=1>

Annex VII. ODA recipients in 2002

(alphabetical list according to the Czech alphabet, first column total ODA value in million USD, second column the share of ODA in GNP in %)

Part I.

A			G		
Afghanistan	402		Gabon	9	0,2
Albania	269	6.3	Gambia	51	12.6
Algeria	182	0.4	Ghana	652	12.8
Angola	268	3.4	Grenada	12	3.1
Anguilla	4		Georgia	290	9.2
Antigua and Barbuda	9	1.4	Guatemala	225	1.1
Argentina	151	0.1	Guinea	272	9.8
Armenia	212	10.3	Guinea-Bissau	59	31.0
Azerbaijan	226	4.2	Guyana	102	16.0
B			H		
Bahamas	8		Haiti	166	4.4
Bahrain	18		Honduras	678	10.9
Bangladesh	1 024	2.1	Chile	58	0.1
Barbados			Croatia	113	0.6
Burma	127		I		
Belize	21	3.0	India	1 705	0.4
Byelorussia	39	0.3	Indonesia	1 501	1.1
Benin	273	12.2	Iraq	122	
Bhutan	59	10.8	Iran	115	0.1
Bolivia	729	9.4	Israel	172	
Bosnia and Hercegowina	639	12.8	J		
Botswana	29	0.5	Jamaica	54	0.7
Brazil	349	0.1	Yemen	426	5.0
Brunei			South Africa	428	0.4
Bulgaria	346	2.8	Jordan	432	4.9
Burkina Faso	389	16.8	K		
Burundi	131	19.3	Cambodia	409	12.1
C			Cameroon	398	4.9
Cook Islands	5		Cape Verde	77	13.1
Chad	179	11.2	Qatar	1	
Czech Republic	314	0.6	Kazakhstan	148	0.7
China	1 460	0.1	Kenya	453	4.4
D			Kiribati	12	17.5
Dominica	20	8.7	Columbia	380	0.5
Dominican republic	105	0.5	Comoros	28	12.5
Djibouti	55	9.4	Congo. Democratic Rep.	251	
E			Congo. Rep.	75	3.6
Egypt	1 255	1.3	Korea. North.	119	
Ecuador	171	1.0	Korea. South		
Eritrea	280	34.2	Costa Rica	2	
Estonia	69	1.3	Cuba	51	
Ethiopia	1 080	17.1	Kuwait	4	
F			Cyprus	50	
Fiji	26	1.5	Kyrgyzstan	188	12.8
Philippines	577	0.8			

Part II.

L			R		
Laos	243	14.6	Equator Guinea	13	2.9
Lesotho	54	5.4	Rumania	648	1.6
Lebanon	241	1.4	Russia	1 110	0.4
Liberia	37		Rwanda	291	17.3
Libya	10		S		
Lithuania	130	1.1	Salvador	235	1.7
Latvia	106	1.4	Samoa	43	17.0
M			Saudi Arabia	27	
Madagascar	354	7.9	Senegal	419	9.2
Hungary	418	0.8	Seychelles	14	
Macedonia	248	7.3	Sierra Leone	334	43.7
Malaysia	27		Singapore	1	
Malawi	402	22.4	Slovakia	164	0.8
Maldives	25	4.2	Slovenia	126	0.7
Mali	350	15.4	Somalia	149	
Malta	2		Arab Emirates	3	
Marshall Islands	74	63.8	Serbia and Monte Negro	1 306	
Mauritius	22		Sri Lanka	330	2.1
Mauritania	262	26.9	Central Africa Republic	76	7.8
Mexico	75		Sudan	172	1.6
Micronesia	138	51.5	Surinam	23	3.4
Moldova	119	7.8	Saint Lucia	16	2.5
Mongolia	212	20.6	Saint Christopher and Nevis	11	3.6
Morocco	517	1.6	Saint Thomas and Prince Island	38	90.2
Mozambique	935	29.1	Saint Vincent and Grenadines	9	2.7
N			Swazi	29	2.3
Namibia	109	3.4	Syria	153	0.9
Nauru	7		Solomon Islands	59	22.4
Nepal	388	6.7	T		
Niger	249	13.0	Tajikistan	159	15.7
Nigeria	185	0.5	Taiwan	10	
Nicaragua	928		Tanzania	1 233	13.6
O			Thailand	281	0.2
Oman	2		Timor	195	
P			Togo	47	3.8
Pakistan	1 938	3.4	Tonga	20	14.4
Palau	34	25.3	Trinidad and Tobago		
Palestine Admin. Area	865	19.6	Tunisia	378	2.0
Panama	28	0.3	Turkey	167	0.1
Papua New Guinea	203	7.2	Turkmenistan	72	1.4
Paraguay	61	0.9	Tuvalu	10	
Peru	451	0.9	U		
Ivory Coast	187	1.9	Uganda	783	13.7
Poland	966	0.6	Ukraine	519	1.4
			Uruguay	16	0.1
			Uzbekistan	153	1.4

Part III.

V			Z		
Vanuatu	32	15.2	Zambia	374	10.6
Venezuela	45		Zimbabwe	159	1.8
Vietnam	1 435	4.4			

Source: http://www1.oecd.org/dac/htm/aid_recipients.htm#Notes

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