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Actors in Foreign Aid Interaction: Aid Coordination and Integration in Developing Countries for Aid Effectiveness in African Countries

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In this new century, development aid has produced both a transformation and chaos system around the world (Lancaster, 2008). Nowadays, much research has been done to check if development aid does better the lives in developing countries that receive aid. Moreover, researchers are studying how aid cooperation and aid integration can help improve the quality of aid coordination for aid effectiveness in developing nations. With a vastly large number of studies that aims to examine the problems of aid coordination, limited research has been done to ask what the purpose of aid is and whether aid in developing countries is seen as the country aim to promote diplomacy or for the country aims to gain political power (Sorensen, 2010). Overtime, aid cooperation between the rich and the poor are beginning to acquire a different meaning (Degnbol-Martinussen & Engberg-Pedersen, 2003). Regardless, thousands of aid agencies and NGOs argues that policy do in fact matter for aid effectiveness (Mavrotas & McGillivray, 2009). Without a strict regulation or policy that helps control the effectiveness of development aid, many developing countries would receive aid from public sector that is vastly uncoordinated, unmeasured and uncompetitive for their communities. Thus, scholars suggest that developing nations must continue to work with developed countries to improve the coordination for aid effectiveness through three promising initiatives – 1) Poverty Reduction Strategy Paper (PRSP), 2) Sector-Wide Assistance Programs(SWAs), and 3) Comprehensive Development Framework(CDF) (Moyo, 2010). Though researchers believe that developing countries frequently deal with relatively weak central administration government, both in technical-administrative terms and its ability to coordinate aid from bilateral and multilateral donors, countries in developing nations must continue to receive international aid from developed nations using strict policies and standards that support national priorities and programs as well as create meaningful strategies that strengthen cooperation and integration to achieve successful aid coordination for aid effectiveness throughout many of the most poorest African countries, such as Burundi, Congo, Liberia, Niger, Sierra Leone, and Zimbabwe.

So the question arises: what is development aid and who should receive it? Prior to answering this question, the context surrounding development aid must be examined in its entire context. The answer may seem obvious at first, since after a half century of aid-giving, aid is still widely much practiced today. However, the definition both in of what the purpose of aid is and who should receive it has been relatively a puzzling yet political phenomenal. Nowadays, Marxist scholars identify development aid as a tool for dominant states at the center of world

capitalism to control and exploit developing countries (Lancaster, 2007). Moreover, development aid is identified as a linear process of change towards Western modernity (Nordtveit, 2009). Additionally, liberal internationalists define foreign aid as an instrument to address problems of interdependence and globalization (Lancaster, 2007). In other words, scholars suggest that development aid is a multibillion dollar business of political power. George Liska, a Paul H. Nitze Distinguished Professor of International Relations and Political Sciences at the John Hopkins University School of Advanced International Studies, writes that “Development aid is and will remain for some time an instrument of political power” (Liska, 1998). Nevertheless, government officials suggest that development aid is all driven about politics. If foreign aid is viewed as politics, why is aid given? What purposes did governments pursue with their aid? And why did they choose those purposes and not others?

To understand these questions, developing countries must learn how developing aid is transmitted in aid-giving countries. In this digitized age, our society lives in a time of crisis for foreign aid of which the strongest country wins the battle. Nowadays, some developing nations are becoming richer and richer because they have more strict regulation or policy that that support national priorities and programs. Others, however, are once stable to receive foreign aid but are now facing global conflict (Anvore, 2007). The Development Assistance Committee (DAC), a unique international forum where donor governments and multilateral organizations come together to help partner with countries to reduce poverty and achieve the Millennium Development Goals, defines *development aid* as “A voluntary transfer of public resources, from a government to another independent government, to an NGO, or to an international organization with a goal to better the human condition in the country receiving the aid” (Lancaster, 2008). In other words, the word development aid is defined as a process to reduce poverty, to increase schools and to improve the human condition in developing societies. Moreover, the terminology is viewed as the public initiative to provide humanitarian relief to developing countries, deepen diplomatic goals, promote development and democracy abroad, address global issues, support economic and political transitions, expand export markets, prevent conflict, as well as strengthen weak states (Lancaster, 2008).

It is known today that \$3.6 trillion of aid has been given to poor countries by the wealthiest nations since 1960 (Fengler & Kharas, 2010). Consequently, researchers suggest that the need for more development aid has become far more greater than ever before. Moreover,

academics suggest that developing nations need to improve aid effectiveness by building better reform programs and alignment to support aid donors (Peretz, 2009). In other words, the process of development aid should be concentrated more with local stakeholders (Nordtveit, 2009). Nowadays, there is a strong emphasis to make aid more effective by reducing poverty as well as promoting economic growth (Peretz, 2009). Although there is a sharp rise of multilateral aid agencies seeking to promote development, many aid's critics today still complain that aid has been ineffective on development and must be dramatically improved (Lancaster, 2007). Additionally, development aid has also been criticized by the mass media for their low impact (Nordtveit, 2009).

Thus, many scholars believe that aid coordination is vastly more important than harmonizing procedures. If donors are to make aid coordinating more effective in developing nations, governments in developing countries need to understand that aid must be improved in a cooperative and integrative level (Mavrotas & McGillivray, 2009). In this time and age, our society lives in an era of crisis for international development cooperation. The problem lies on the fact that there is a different level of respect between the donors themselves and the actors in recipient countries. One can identify development aid as a complex and dialectical organism where the donors' vision of development coincides with national priorities (Nordtveit, 2009). Nevertheless, the demand for more effective aid coordination has been put forth with almost constant force (Degnbol-Martinussen & Engberg-Pedersen, 2003). Hence, developing nations not only seek to strengthen aid coordination but also encourage more government institutions to follow coordinated planning and implementation process for successful aid effectiveness.

So who should receive development aid? Though many developing countries have relatively weak yet somewhat corrupt governments, governments from developed countries must send development aid to government officials in less developed countries whether or not the system is seen corrupt or unorganized. Government officials should have the right to choose who should receive aid and to control where the aid ends up. Though some officials might use foreign aid for their own personal interest or political gain over public interests, this ordeal can be resolved. This can be altered by allowing government institutions' to move the focus and activities from the donor society into developing countries by setting up strict standards and policies that support national priorities and programs. In other words, a change from donor and aid coordination to the recipient institutions is strongly needed to allow societies to adjust aid

priorities and aid integration in relations working procedures (Degnbol-Martinussen & Engberg-Pedersen, 2003).

According to recent study, researchers suggest that there are three currently most promising initiatives that focus on aid coordination and integration: 1) Poverty Reduction Strategy Paper (PRSP), 2) Sector-Wide Assistance Programs (SWAPs), and 3) Comprehensive Development Framework (CDF) (Moyo, 2010). The PRSP, adopted by the World Bank in 1999, aims to help improve the effectiveness of development aid by engaging the public, civil society and the poor in a national conversation on development and poverty reduction (Lancaster, 2007). These strategy papers, controlled and prepared by the World Bank and International Monetary Fund, are used to “describe a country’s macroeconomic, structural, and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs” (World Bank, 2010). In addition, these documents are successfully used by aid agencies worldwide as guides to enhance development financing in poor countries to make aid more coordinated for aid interventions (Hunter & Padayachee, 2003).

Similar to the PRSP, the SWAPs is an initiative that delivers development aid through a budget that supports investment plans in health, education, or agriculture. The plans, adopted by the World Bank, are controlled by recipient governments and financed with domestic resources from a variety of aid donors (Lancaster, 2007). In addition, SWAPs inform developing countries that aid is too “donor driven” and that aid donors need to be coordinated better in order to deliver successful aid. A number of aid agencies, primarily in European nations, use this established documents to provide better foreign aid in developing nations (Valliancourt, 2009). It is important to note that while the SWAPs delivers development aid through a budget to inform countries the importance of aid coordination the PRSP engages the public in a national conversation on development based on the principles of the Comprehensive Development Framework (CDF).

Like both the PRSP and the SWAPs, the Comprehensive Development Framework (CDF) is developed because that World Bank paid too little attention to poverty reduction. According to the World Health Organization (WHO), the Comprehensive Development Framework (CDF) is defined as the “process to development pursued by the World Bank which includes financial, economic, and fiscal aspects as well as social and humanitarian factors to coordinate a coherent framework of macroeconomic, structural, and social reforms for poverty reduction” (WHO,

2010). The CDF was formed to allow countries to manage knowledge and resources and implement effective strategies for economic development and poverty reduction (Wolfensohn & Fischer, 2000). Moreover, the CDF provides long-term financing through its Poverty Reduction and Growth Facility (PRGF) in thirteen countries (WHO, 2010). Other initiatives, such as, the Structural Adjustment Program (SAPs), Hyden's National Development Fund, the Millennium Development Goals(MDGs), Education for All(EFA), and the New Partnership for Africa's Development (NEPAD) are also major programs that are created restore and control aid in developing countries.

By placing more stronger emphasis in the PRSP, the SWAps and the CDF, developing nations would be far much capable to increase developmental effectiveness of aid that support national priorities and programs of which maximize aid cooperation and integration to achieve successful aid coordination for aid effectiveness. Aid governments in developing countries need to conduct dialogues and interactions with donors about aid needs, problems and priorities. Additionally, donors must discuss to government officials a practical development issue that will help remove inequality between aid actors (Lancaster, 2007). Though the PRSP, the SWAps and the CDF are flawed in some aspects, the three new initiatives are still capable to provide practical solutions to help increase development assistance in poorer nations such as Burundi, Congo, Liberia, Niger, Sierra Leone, and Zimbabwe of which allows them to create meaningful policies that allow donors to grant such respect in their respected nations (Degnbol-Martinussen & Engberg-Pedersen, 2003).

In this new century, the PRSP, the SWAps and the CDF must be coordinated more effectively in order to improve aid coordination and remove development aid corruption. Much corruption in developing countries occur through large contracts and parties involving aid towards physical infrastructure; practice in bribing officials and local politicians; and other forms of fraud and embezzlement (Degnbol-Martinussen & Engberg-Pedersen, 2003). In order to avoid such conflict, donors must shift their attention from what can be done to build a non-corrupt administrative culture that encourage recipient countries to what needs to be done in order to deter corrupt behaviors (Hyden & Mease, 2003). By putting more emphasis towards the PRSP, the SWAps and the CDF, developing countries would be able to make more significant contributions of how development aid is received and who should receive it in order to fundamentally improve the quality of aid coordination.

In closing, developing countries must continue to seek for better aid cooperation and aid integration as means to achieve successful aid coordination for aid effectiveness. All people in this world should be given the right to live a healthy and prosperous life. Even if a country's government is seen as corrupt and unorganized, the practice of giving is always better than not giving. Looking back at these last ten years, I believe that development aid has helped promote economic growth and poverty reduction in most developing nations. Though the impact may be seen as minimal to subpar at best, the fundamental concept of providing foreign aid in developing countries is vastly more needed to improve the quality of education, public health, and socio-economic status throughout many of the poorest African countries in Burundi, Congo, Liberia, Niger, Sierra Leone, and Zimbabwe.

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