General Assembly
(GA)

Research Report

Forum: General Assembly (GA)

Issue: Evaluating the impact and sustainability of foreign aid in Africa

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Introduction

For decades, African nations have been receiving foreign aid to support their social and economic development. However, the persistent issue of poverty and limited progress has raised questions about the effectiveness and sustainability of the aid. International assistance to African countries can be traced back to the colonial era, when European powers funded infrastructure projects in Africa to strengthen their colonial holdings. After World War II, aid gained momentum as a part of worldwide recovery efforts. Examples include the US Marshall Plan and Bretton Woods Institutions (the World Bank and International Monetary Fund), which came out as key figures. The success of these efforts encouraged more aid initiatives to support newly independent African states during the late 1950s and 1960s. Before this time, aid was primarily directed towards infrastructure and industrialization, but by the 1970s, it became clear that assistance was also needed to reduce poverty and improve social welfare. Nevertheless, Africa's consistent reliance on foreign aid nurtured dependency, poor government-public relations, and the inefficient handling of or misuse of resources.

The mistrust and corruption in the resource distribution have resulted in a decline of aid flows from nations like the United States, Germany, France, and the United Kingdom. For instance, funds from the United States have decreased from $20 billion in 2021 to $12.7 billion in 2024-2025. This poses a threat to critical health, development, and humanitarian programs across the continent. Furthermore, long-term African dependency on aid has led their governments to focus more on donor funds rather than gaining financial independence and mobilizing domestic resources. This could be dangerous as the continent is now prone to aid freezes, external shocks, and limitations on economic sovereignty. Lastly, donor countries have begun shifting their focus to domestic priorities rather than foreign aid.

The largest contributor to African foreign aid has been the United States, which focuses on development, health, and humanitarian assistance, but has decreased its resource allocations. China began providing support during the late 1990s and has reaffirmed its commitment to the cause, as it targets infrastructure, trade, and resource extraction partnerships. Similarly to China, Japan has been a long-term partner, also focusing on infrastructure and capacity building. European nations, such as the UK, France, and Germany, promote programs in health, education, and government, but funding has decreased over the years. Organizations that have ties to African countries include the United Nations (UN) agencies like UNICEF, WHO, and UNDP, which have provided humanitarian assistance. The Bretton Woods Institutions give financial resources, loans, grants, etc. Although the UN, World Bank, and IMF have faced financial strain. Finally, the African Development Bank Group (AfDG) is for economic development and poverty reduction. Populations mostly affected include refugees, displaced individuals, women, children, and communities undergoing conflict, health calamities, and climate disasters.

Definition of Key Terms

Foreign Aid

Financial, technical, or material assistance provided by one country or international organization to another, usually aimed at promoting economic development and welfare.

Sustainability

The capacity to maintain development outcomes and benefits over the long term without needing continuous external support.

Aid Dependency

A situation in which a nation is heavily reliant on foreign aid to finance its budget and development programs, potentially undermining local initiatives and self-sufficiency.

Development Assistance

Official and non-official resources provided to support economic development, poverty reduction, and social progress in developing countries.

Humanitarian Funding

Financial resources allocated for emergency relief efforts aimed at saving lives and alleviating suffering during and after natural disasters, crises, or conflicts.

Mobilizing Domestic Resources

The process of increasing a country's ability to generate and use its own financial and other resources for development, rather than being dependent on other countries.

Background Information:

Foreign aid to Africa stems from the colonial era. Multiple European powers, such as Britain and France, provided their colonies with aid to enhance infrastructure, the economy, and to maintain colonial control. However, the formation of these assists changed after World War II with the creation of the IMF and the World Bank in 1944, and the United Nations in 1945. The allocation of resources began to shift from sustaining colonial administration to economic growth, humanitarian support, and post-war reconstruction. Although resources would still be highly dependent on donors and influenced by power dynamics and external control.

During the 1960s, African colonies gained independence. Resources provided were more focused on socio-economic and institutional development. The United States and the Soviet Union used aid to foster political alliances and have economic hold on African nations during the Cold War. Aid encouraged loyalty and was used to oppose the sway of competing powers. This created a complicated political landscape since support could be increased or held back based on a nation's compliance.

From the 1970s to the 1990s, Africa experienced surges in aid. Nations like Uganda and Tanzania saw quadrupling aid flows. However, this era was heavily criticized because it increased debt, led to poor governance, and promoted corruption. It was a common concern that African governments were not distributing the aid fairly, and it disproportionately benefited wealthier classes rather than vulnerable populations. Another concern was that the influx of external resources nurtured dependence and weakened government accountability.

In the 21st century, there has been further reflection on the effectiveness and sustainability of foreign aid. Millennium Development Goals (MDGs) call for greater attention to aid quality, local ownership, and impact assessment. Donors emphasize sustainability, advocating for their initiatives that build domestic capacity and reduce long-term reliance. Africa has seen disruptions in aid flows due to recent priority shifts in provider countries. This has triggered a growing movement for African governments to mobilize domestic resources, improve efficiency, and concentrate on local abilities to put an end to the dependence cycle and secure prolonged development.

Causes of the Issue:

Corruption and mismanagement of resources are the primary causes of the unequal distribution of foreign aid in developing countries. In many cases, large sums of aid are diverted to political elites who use the funds for personal or political purposes rather than to support underprivileged populations. This misuse of aid widens the gap between rich and poor, undermines poverty reduction efforts, and prevents meaningful improvements in social welfare.

Weak institutional frameworks also contribute to the problem by limiting transparency and accountability in how aid is allocated and spent. When governance systems lack oversight, elites can manipulate the flow of resources for their own benefit, leading to greater income inequality. Additionally, foreign aid is often influenced by the donor nation's political or economic interests. Recipient countries may feel pressured to align with these agendas in order to secure continued funding, prioritizing the goals of their donors instead of addressing the real needs of their citizens.

Effects of the Issue:

Economic stagnation resulting from the misuse and mismanagement of aid has far-reaching effects on developing countries. Slow or stagnant economic growth undermines a nation's ability to build self-sufficient and sustainable economies, leading to persistent poverty, rising inequality, and limited access to essential services such as healthcare and education. As incomes decline and employment opportunities remain scarce, citizens become increasingly dependent on external assistance rather than domestic productivity. Government revenues also decrease, reducing the state's capacity to invest in critical sectors like education, healthcare, and infrastructure. Overreliance on aid weakens local economies and can exacerbate issues such as corruption, inefficiency, and poor institutional governance.

Furthermore, heavy dependence on aid creates vulnerability to external shocks. When donor countries face economic, political, or security challenges, aid flows can be disrupted, leaving recipient nations without the necessary resources to maintain stability or respond to crises. This dependency cycle traps many developing countries in a state of fragility, preventing them from achieving long-term economic resilience and independence.

Major Countries and Organizations Involved

The United States of America

The U.S has provided extensive aid focusing on healthcare, security, and development. In 2025, under the Trump Administration, significant cuts were made. The reason is that it is believed recipients should take more responsibility for their development. The change also coincided with a shift in alignment with American interests and reduced dependency on foreign aid. Examples of aid cuts can be seen in the shutdown of the U.S. Agency for International Development (USAID). However, this came at the expense of a significant portion of the population suffering due to a lack of healthcare.

China

China’s engagement in Africa is growing. It focuses on mutual benefit, fast delivery of projects, and expanding trade and investment. China avoids intervening in domestic politics and emphasizes economic cooperation. They often support large-scale infrastructure, transportation, energy, and industrialization projects. China’s aid has increased since the early 2000s.

The Work Bank

The World Bank has continued to support Africa and concentrates on improving governance, accountability, and sustainable development projects. It aims to help African nations reduce dependence on aid and boost economic growth by investing in infrastructure, healthcare, education, and job creation.

International Monetary Fund (IMF)

The IMF plays a role in arranging macroeconomic policies for African Nations. This includes fiscal (government) and financial reforms, which align with geopolitical interests. The IMF also tracks debt sustainability, as Chinese projects come with a lot of debt build-up.

Timeline of Events

Date	Description of Event
July 1, 1944	Formation of the IMF and World Bank: The formal creation of the World Bank and the IMF at the Bretton Woods conference marked the start of global aid institutions.
1960s	African Independence: Surge in African nations gaining independence from colonizers, with emphasis on rapid economic growth and infrastructure.
1980s	African Adjustment Programs: The IMF and World Bank led structural adjustment plans for Africa. These initiatives required African nations to follow a strict set of economic changes to receive aid.
1998-2000	HIPC Launch: Heavily Indebted Poor Countries Initiatives Launch and the MDGs shifted global aid towards debt relief, education, health care, and poverty reduction.
July 6, 2005	G8 Gleneagles Summit: World leaders from the Group 8 (Canada, France, Germany, Italy, Japan, Russia, the UK, and the US) met for an annual summit and discussed the development of Africa. It was agreed to double aid and forgive much of the African debt in an attempt to reinforce global focus on aid effectiveness.
2010s	China becomes a major donor: China emerged as a primary contributor, focusing on infrastructure and investment rather than traditional aid. This reduced or made Western nations reconsider long-term aid projects.
2020-2025	African Recession: Because of the COVID-19 pandemic, Africa experienced its first recession in 25 years. The global virus caused donors to cut aid drastically, while China increased its presence.

Relevant UN Treaties and Events

- **Paris Declaration on Aid Effectiveness:** On March 2, 2005, an international agreement was endorsed by developed nations, developing nations, and global organizations. The declaration sets guiding principles to improve quality, coordination, and the impact of aid. It also helped improve accountability, but did not reach its full potential due to political challenges and setbacks in implementation.

- **Monterrey Consensus of the International Conference on Financing for Development:** This consensus was adopted by the UN General Assembly, and the conference for it took place from March 18-22, 2002. It discusses a framework for global financing development and includes assurances from both developed and developing countries on aid, investment, and debt relief. However, progress was cut short in areas like domestic resource mobilization, foreign aid, and trade. (2002) **(A/RES/56/210)**
- **Addis Ababa Action Agenda of the Third International Conference on Financing for Development:** On July 15, 2015, this conference worked on updating and expanding the Monterrey Consensus. It provides a thorough framework for financing sustainable development and directly supports the implementation of the Sustainable Development Goals (SDGs). (2015) **(A/RES/69/313)**

Previous Attempts to Solve the Issue

Poverty Reduction Strategy Papers (PRSPs) (1990s)

The PRSPs initiative was led by the World Bank and the IMF, and proposed the idea of countries developing their own strategies for poverty reduction to be eligible aid recipients. This was an attempt to emphasize national ownership and define priorities. The outcome of this initiative was mixed. It helped bring awareness to poverty reduction and broaden development planning; however, there was a lack of enabling local actors and alignment with local context, therefore influence of donors persisted.

Shift Toward Private Sector Engagement and Local Solutions (2010s)

This change focused on reducing African dependency on aid by promoting trade, private investment, and local resource mobilization. Results also varied, with some success in boosting economic growth and independence, but some drawbacks in social services and healthcare as they would be underfunded when aid flow decreased.

Possible Solutions

Local-led Aid Councils

Create local-led aid oversight councils made up of trusted community leaders, local government representatives, NGOs, etc, who have the power to veto aid projects that do not pertain to local priorities or contexts. It would be carried out by African governments that work with the African Union (AU) and locals. Donors would be required to gain approval from said councils before beginning a project. This solution would be enforced by having national legislation make council approval legally binding for foreign development projects. This could work because it empowers local actors and gives them decision-making power. Additionally, it allows for upcoming aid projects to be useful and practical to the general population.

Aid Transparency and Monitoring Framework (ATMF)

The implementation of a mandatory transparency and monitoring system for all aid projects. This mechanism will track the donor information, the amount of aid provided, how it was spent, and the results achieved from the aid. A blockchain can be used to ensure that information is not tampered with, as once data is added, it cannot be changed, and transactions are tracked in real-time. Main actors carrying this out could include the African Union Ant-Corruption Board, audit offices, and Transparency International. This solution reduces mismanagement and corruption of resources and ensures aid is used as intended. It could be achieved by building an open-source online portal tracking transactions, usage, etc, and requires all aid-funded programs to go through audits and oversight panels.

Conditional Aid

Countries must have their own development plans before receiving aid from donors, and aid will only be given if it supports said plan and if the country agrees to track progress. Instead of providers deciding everything, African nations and regional groups will do so, and will propose ideas together to expand cooperation beyond borders. Recipients should also contribute their own resources (even if it is a small amount) to display commitment and avoid full dependence. This could be a viable solution by giving African countries more say in their future and showing accountability. To execute such a plan, countries would submit national development plans to the AU's 2063 Agenda, regional groups will help construct plans, donors will approve funding, and mismanagement or corruption could result in aid restrictions or pauses.

Useful Links

United Nations Development Program - 2024 African Sustainable Development Report: https://www.undp.org/sites/

United Nations Economic Commission for Africa - Aid Won't Close Africa's $1.3 Trillion SDG Gap: https://www.uneca.org/stories

Al Jazeera - Why are humanitarian crises in African countries so ignored?: https://www.aljazeera.com/news

Loyola University Chicago - The Impact of Foreign Aid on Africa: https://www.luc.edu/media/luc

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