
Global Official Development Assistance and Impact on Economic Development

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Abstract

The past two decades have experienced serious commitment of global community towards the development goals albeit economic uncertainty post global financial crisis. The initiatives of MDGs and SDGs attest the global concern and in this regard the official development assistance has been considered as an instrument to transform the least developed countries into the stable development. The effectiveness of aid on growth and development has remained a debatable in economic literature with some economists favoring the pro-aid group whereas others support the counter-aid groups. With this growing debate, the present study takes a motivation to look in depth the resource allocation of ODAs across regions, countries and sectors in the past couple of decades. It also tries to find the association between foreign aid and economic development of leading recipient countries.

1. Introduction

The past two decades have experienced serious commitment of global community towards the development goals. The promising MDGs took place to realize the goals related to poverty, hunger, gender equality, education, health, etc. With partial achievements in few development indicators, global community reiterated to establish a comprehensive framework for global action to achieve sustainable development by 2030. It aims to end poverty, hunger and inequality, achieve food security, improved nutrition and more sustainable agriculture. There are now 17 Sustainable Development Goals (SDGs), 169 targets and more than 200 indicators. In this global cause, the most obvious challenge is ensuring the political will to identify and commit adequate financial resources.¹ The United Nations have committed for financing the sustainable development by efficient utilization of resources. Herein the role of official development assistance is well boasted. ODA focuses on the poorest of the poor countries and examines the development of intrinsic resources by catalyzing private financing for development. The Development Association Committee formed in 1960 has actively pursued development agendas through ODA. According to inter-temporal global scenario, there has been an increase in the overall expenditure of ODA by donor countries from US\$ 42 billion in 1980s to US\$ 162 billion in 2011-15 (around four-folds). Out of the total ODA, OECD's DAC has contributed more than four fifths (82 percent) of the global ODA flows. Official development assistance totaled 131.6 billion US dollars in 2015, which was 6.9 per cent higher in real terms than in 2014 and represents the highest level ever reached.² However, ODA has fallen short of the target level of 0.7 percent of gross domestic product (GDP)³. In this scenario present study tries to address the following questions:

-) What is the trend pattern of ODA in terms of top donor and recipient countries?
-) Who among the donor country largely contributes the ODA of top recipient country?
-) Whether ODA has affected the economic development in the recipient countries?

¹ World Bank 2015; Yamey et al. 2014; Schmidt-Traub & Sachs, 2015

² The Sustainable Development Goals Report 2016

³ 2016 Development Cooperation Forum Policy Briefs March 2016, No. 13

2. Review of Literature

The foreign aid has played a vital role in surging savings and development, surging infrastructure, facilitating capital goods, imports and improved productivity by enhancing investments in healthcare and education. Other impacts include enhancing infrastructure base and new ideas or technologies conducive for productive sectors, supplementing subsistence consumption during humanitarian crises and stabilizing the economy under any economic disturbance (Radelet, 2006). Levy (1988) had identified the contributory role of aid in economic growth. Sachs (2005) argued that aid has supported poverty reduction and growth in some countries, preventing worse performance in others. The impact of ODA on economic growth has been conditional with respect to the good policy and reforms, good institutional environments and political and economic stability (Bourguignon and Leipziger, 2006). The role of ODAs in terms alleviating poverty through equal distribution is attested by Guillaumont and Wagner, 2014; Ridwell, 2014). Morrissey (2001) has explained the role of foreign aid in terms of technology transfer and thereby improving productivity. Olofin (2013) empirically estimated the impact of foreign aid on economic growth for 8 West African countries and found results in favor of pro-aid groups.

However, the counter views also exist, highlighting the ineffectiveness of aid on growth (Burnside and Dollar, 2000; Harms & Lutz, 2004). Higher foreign aid's implications were identified towards increased inflation and a real appreciation of the exchange rate, thereby rendering the export market uncompetitive for the host country and creating "Dutch disease" effects (Adam, 2005; Rajan and Subramanian, 2005). Few had pronounced neutral role of aid in economic output (Dowling and Hiemenz, 1982; Singh, 1985; Boone, 1994).

The debate on the nature of assistance has persisted, with Japan being instrumental in supporting the economic development of Asian countries through economic infrastructure rather than social infrastructure.⁴ Japan's has supported the infrastructure base of China in its initial phase of reforms and facilitated Indonesia's power, communication and transport sector substantially.⁵ In contrast UK has pursued the social infrastructure to ameliorate the poverty and other health problems. UK is the only country among G-20 group to realize the target of spending 0.7% of Gross National Income as ODA.⁶ Existing literature evidences both the positive and negative impact of aid on growth. The ineffectiveness of aid has been largely associated to the poor distribution of aid. With this growing debate, the present study takes a motivation to look in depth the resource allocation of ODAs across countries and sectors in the past couple of decades. It also tries to find the association between foreign aid and economic development of leading recipient countries.

3. Policy Outcomes: An Overview

The ODAs of 1970s were mainly motivated by supplementing the developing nations to overcome the oil shocks. In the beginning of 1980s the debt crisis of developing countries forced for another look towards ODA. In mid 1980s the DAC High Level Meeting adopted guiding principles on "Aid for Improved Development Policies and Programmes and Implications for Aid Co-ordination". The DAC High Level Meeting adopted a policy statement on "Development Co-operation in the 1990s" and emphasized on promoting sustainable economic growth, facilitating more equitable sharing of their benefits. In mid 1990s, DAC has revisited the ODA concept amid changing international scene of emergence of new aid recipients in Eastern Europe and the former Soviet Union. In 1994, the DAC High Level meeting adopted Principles for Private Sector Development. In 1995 The DAC High Level meeting adopted the statement "Development Partnerships in the New Global Context", which was subsequently endorsed by the OECD Ministerial, wherein developing countries were considered the major stakeholders for making the aid programmes more effective. An emphasis was laid on to protect human rights and rule of law through integrated strategies. In

⁴ In 1999, the share of economic infrastructure in Japan's bilateral ODA was 32 percent, compared with 13 percent for the United States and 12 percent for the United Kingdom.

⁵ History of Official Development Assistance, Ministry of Foreign Affairs of Japan

⁶ OECD Development Co-operation Peer Reviews: United Kingdom 2014

late 1990s, the talk of millennium development goals in terms of economic well-being, social development, and environment sustainability were considered as the most priority areas for ODA. Meanwhile, the implementation, rather than policy, has remained the major priority for making ODAs further effective and developing countries were held responsible for supplying periodic assessment of achieved targets and gaps related to the ODA purposes. Efforts were also made to engage local leadership on a country-by country basis and to provide a consultancy related to effectively use the ODA resources to ensure to redirect private flows to poor countries, to catalyze domestic resource mobilization in developing countries and to promote South-South co-operation. In 2000 the MDGs were adopted by the developed countries. In the beginning of 21st century the major focus was towards the effectiveness of aid programs and to align the aids in light of least developing countries priorities. By 2004 the DAC group considered the need of security issues. The Paris Declaration of March 2005 resulted into stronger commitment from participants to increase efforts in harmonization, and also laid down a practical, action-orientated roadmap to improve the quality of aid through focusing on measurable indicators.

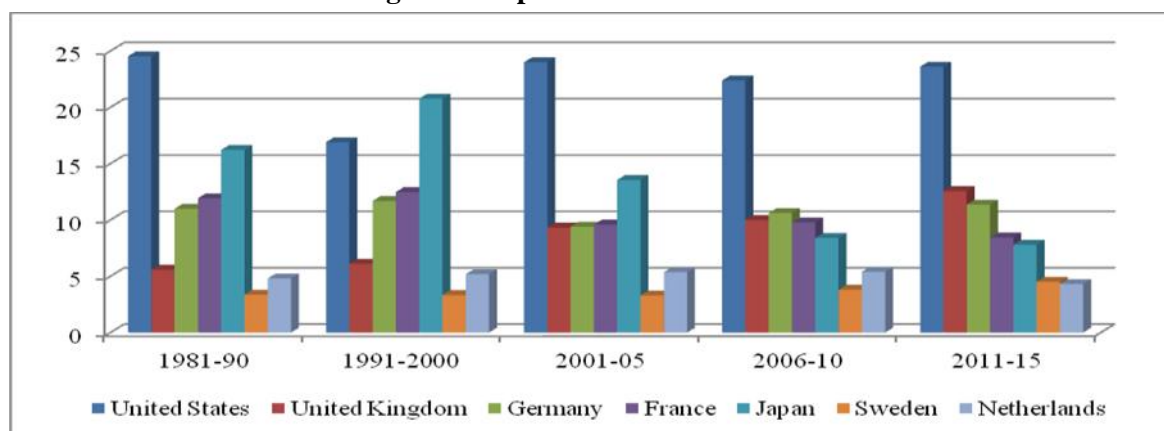
Even with these sequential co-ordinate efforts, the aid effectiveness has remained the debatable question among DAC group countries. In April 2006 the DAC High Level Meeting acknowledged the POVNET's work on pro-poor growth.⁷ At the 2014 High Level Meeting (HLM), DAC prepared a new list of 104 countries as most eligible for ODA comprising mostly low or lower-middle income countries. The Addis Ababa Agenda for Action in July 2015 reinforced “the importance of focusing the most concessional resources on those with the greatest needs and least ability to mobilize other resources”. Amid these policy developments, it is worth mentioning that how ODA pattern has evolved over past decades.

4. Trend Pattern of ODA

4.1. Top ODA Donors

The present study extends the analysis for ODA facilitated by DAC donor countries as this group contributes about half of the global ODA. Among the DAC countries it is pointed out that the USA contributed around one fourth of global ODA during 1980s followed by other countries Japan (16%), France (12%) and Germany (11%) (Figure 1). During 1990s Japan has provided the one fifth of the DAC's ODA followed by other countries. Since the beginning of 21st century USA has been the dominating country, however share of Japan has fell down by half during 2011-15 compared to its level of 1980s. Germany has experienced the stagnant share however UK has increased its share by two times over the past three decades. Other top donor countries include Canada, Norway, Australia, Italy and Switzerland.

Figure 1: Top ODA Donor Countries



Source: OECD Stats

⁷ The work emphasized on sharing good practice in areas that contribute to pro-poor economic growth such as infrastructure, private sector development and agriculture.

4.2. Top ODA Recipients

It is equally important to understand that how the top donor countries have utilized their assistance across regions over the period of time. Analysis of regional ODA reveals that larger chunk of DAC's ODA is transmitted towards African and Asian groups, occupying more than 65 percent of total DAC's ODA. Within Africa, South of Sahara has been the center place for the assistance; however, the shares have declined to both the regions in the recent past. The interesting observation is that the share of DAC ODA to South Asian and Central Asian region has increased consistently instead of falling shares or stagnant in most of the regions.

Table 1: Top Donor Countries' ODA to Various Regions (Recipients)

Donor	Years	Europe	Africa			America			Asia			
			Total	North of Sahara	South of Sahara	Total	North & Central America	South America	Total	Far East Asia	South & Central Asia	Middle East
DAC	1981-90	2.07	37.18	9.12	27.4	15.21	7.61	7.15	29.49	12.46	10.34	6.45
	1991-2K	3.64	31.55	7.87	22.47	11.53	4.84	5.57	35.40	20.59	8.76	5.65
	2001-05	5.10	34.78	3.33	30.53	7.88	3.68	3.53	30.48	4.78	10.72	14.44
	2006-10	3.53	31.15	1.36	28.42	8.25	3.92	3.44	31.30	5.04	12.96	12.31
	2011-14	2.76	30.22	2.17	26.41	10.56	3.53	6.26	25.98	4.94	14.86	5.05
USA	1981-90	-0.17	34.54	18.46	15.04	20.06	15.45	3.31	28.53	1.10	6.67	20.33
	1991-2K	2.80	37.27	19.97	13.25	17.28	8.68	3.35	25.21	4.34	5.63	14.47
	2001-05	4.83	28.24	5.89	22.36	10.82	3.39	6.17	34.42	3.04	10.92	20.05
	2006-10	2.14	27.25	0.09	27.16	8.03	5.06	2.60	38.80	0.64	17.64	20.35
	2011-14	1.70	33.02	0.95	32.07	9.55	5.02	4.08	27.82	2.22	15.85	9.62
Germany	1981-90	6.17	38.69	7.85	30.33	22.69	4.04	18.52	24.65	9.43	9.90	5.00
	1991-2K	6.52	35.66	6.69	28.27	10.90	5.51	4.80	35.53	20.68	8.37	5.91
	2001-05	4.76	10.57	5.01	2.31	7.93	11.86	-7.79	44.51	6.84	14.70	21.17
	2006-10	10.96	12.89	-5.35	15.52	4.40	2.49	-1.71	43.52	10.42	20.30	7.98
	2011-14	5.40	27.99	3.93	18.52	12.59	2.56	5.37	34.56	6.71	17.14	6.08
Japan	1981-90	2.27	12.93	2.99	9.94	15.09	8.15	6.92	64.02	44.46	18.18	1.32
	1991-2K	1.54	11.75	2.95	8.78	7.41	0.07	7.32	66.94	46.42	16.66	3.70
	2001-05	2.14	13.24	-0.97	14.17	4.07	-0.60	4.63	49.52	-8.68	26.26	31.26
	2006-10	1.35	26.24	-0.06	25.37	4.02	-0.01	3.90	45.13	-1.12	14.01	31.57
	2011-14	0.88	23.05	0.61	19.89	19.1	2.88	16.05	27.99	-9.66	36.88	-1.47
Netherlands	1981-90	0.30	35.88	2.23	32.75	19.8	11.28	8.23	32.17	12.19	17.57	2.23
	1991-2K	5.78	30.19	1.02	27.58	14.81	9.16	5.21	16.97	3.18	9.37	3.91
	2001-05	5.82	37.32	0.74	35.22	8.76	2.89	5.60	21.86	8.47	7.31	5.68
	2006-10	1.87	29.78	0.31	28.47	4.83	1.33	3.41	12.21	3.91	5.98	2.15
	2011-14	0.80	21.07	0.24	20.21	2.55	0.92	1.54	7.79	0.27	4.72	2.53
UK	1981-90	0.9	29.88	1.60	28.20	6.66	4.66	1.98	23.8	4.44	18.33	1.01
	1991-2K	3.77	37.45	0.71	36.32	8.48	4.86	3.50	25.74	6.12	17.44	1.91
	2001-05	3.87	41.42	0.76	39.22	3.66	1.43	1.85	27.81	3.18	17.54	6.44
	2006-10	1.13	43.52	0.31	41.13	-1.29	-0.42	-0.96	30.04	4.54	20.42	4.28
	2011-14	0.45	38.74	0.64	35.8	2.04	1.34	0.70	26.50	1.29	19.49	5.21
France	1981-90	1.93	59.68	10.74	48.92	8.86	2.57	6.18	8.36	3.74	2.91	1.59
	1991-2K	1.61	60.74	13.68	46.16	1.27	1.37	-0.17	9.78	5.74	1.60	2.31
	2001-05	4.91	66.3	12.93	51.29	1.83	2.00	-0.21	13.5	5.73	1.54	5.97
	2006-10	5.03	52.01	10.20	39.8	6.13	2.68	3.31	20.8	9.68	3.22	7.42
	2011-14	4.43	43.95	13.10	29.51	16.83	6.29	10.54	16.32	6.4	6.82	3.08

Source: OECD.Stat

USA is channelizing one third of ODA to African region followed by one fourth for each of the region-Asia and unspecified countries. The primary reason for higher ODA is linked to the higher development needs of African countries since their independence in 1960s and also the USA's concern to have strategic alliance

with the African countries to counter the influence of Soviet Union. However with the collapse of Soviet Union, the most foreign aid to Africa began to decrease. But the assistance tripled in the 2000s, to Africa primarily for health sectors.⁸ Germany has reduced the ODA to African countries during 2001-10, however in the same period about half of the Germany's ODA is extended to Asia and south and central Asia particularly. Germany, pertaining its ODA national poverty reduction strategies. Japan has a different story than other countries such as it has utilized more than three fifths of ODA region to way back in 1980s however the share has declined surprisingly to the 28 percent during 2011-15. Initially higher ODA was channelized to far-East Asia but fell drastically though the contribution for South Asia has increased gradually. Europe and America region have received the smaller pie of global ODA. Netherland has been observed for gradually shifting its ODA from African region to unspecified countries group (68% of its total ODA). The major destinations of UK's ODA are South Africa, Asia and unspecified countries. UK has considered the role of peace and security play in development and accordingly kept the aid to fragile and conflict-affected states.⁹ France an active ODA provider to African group has shown inclination towards Asian region (share has doubled in the past 3 decades) however a larger chunk is still going to Africa.

4.3. Contribution of Top Donors in Respective Regional ODA

It is worth mentioning the contribution of individual country in the total ODA receipt of respective region as well as the top recipient countries.

Out of the total ODA received by European region, USA, Germany and France have contributed by 18, 19 and 12 percent, respectively. USA is the substantial contributor of South and Central Asian ODA. Japan is the second largest contributor to the south and central Asian ODA after USA. Even UK has evidenced surge in ODA for south Asian region. France and Germany are the key contributors of North Sahara's ODA. The shares of USA and France has fallen over the past decade however UK has actively pursued the region. Most of the top donor countries have highest shares in their total ODA, however lagging behind in total ODA of Asia. The most significant contribution to this region comes from USA, Germany and Japan (about 50 percent) thus indicating their interest in the betterment of Asian nations. Netherland is adding least to the DAC ODA across regions.

4.4. ODA Top Donors: Preferred Destinations

From the compilation of OECD stat, it is observed that France is channelizing highest ODA to Brazil, Morocco and China.¹⁰ Surprisingly the shares to these countries have been miniscule during 1980s and France has experienced a shift in its ODA partners from China to Brazil. In the same fashion China, Turkey and Brazil are among the top recipients of Germany's ODA. These countries also hold the top stand from the UK's and Netherland's ODA. India is standing on the fourth position and seventh position in terms of ODA receipt from the Netherland and UK, respectively. China is again holding top position for getting the Japanese ODA. Other leading recipients are Thailand, Vietnam and Brazil. For USA the priority countries for its ODA are Mexico, Brazil and Chile. Germany's ODA, contrary to USA's and UK's is much concentrated. Most notable Mexico was receiving about one third of ODA from USA during 1980s and the same has come down to 10 percent during 2011-15.

Having discussed the trend pattern of ODA, it is pertinent to understand whether increased allocation of ODA has facilitated the economic development in ODA seeking countries. The next section presents the scenario of economic development of top ODA recipient countries from the leading donor countries.

⁸ The Borgen Project; US Foreign Aid to Africa: What We Give and Why

⁹ UK aid: tackling global challenges in the national interest; Department of International Development

¹⁰ With the space and word limitation, tabular presentation is not provided however the same is available with authors upon request.

Table 2: Share of Top Donor Countries' in Total ODA of DAC to the respective region (USA's ODA to Region/DCA's ODA to Region)

Group		USA					Germany					Japan				
Recipient		1981-90	1991-2000	2001-05	2006-10	2011-14	1981-90	1991-2000	2001-05	2006-10	2011-14	1981-90	1991-2000	2001-05	2006-10	2011-14
Developing Countries		24.26	17.55	28.56	26.42	27.88	12.68	10.64	9.19	7.14	9.24	16.05	25.57	11.32	10.55	9.53
Europe		-7.2	12.35	25.14	16.14	17.48	43.61	21.24	11.14	17.86	18.77	25.47	10.54	3.48	3.68	0.98
Africa		22.48	19.92	22.96	23.11	30.46	13.14	11.57	11.19	5.46	8.48	5.44	8.8	4.46	7.97	6.52
	North of Sahara	48.58	43.07	46.15	29.87	12.03	11.59	8.06	8.07	19.79	17.73	3.51	8.52	-13.63	7.71	1.52
	South of Sahara	13.57	10.1	20.74	25.43	33.84	14.03	12.88	11.77	5.15	6.31	5.85	9.39	5.09	8.51	6.67
America		30.73	28.54	43.66	26.06	25.82	19.08	11.25	3.25	7.11	13.4	16.3	14.92	-1.48	6.81	16.48
	North & Central America	45.89	29.3	26.12	35.64	37.87	7.15	11.97	8.64	4.89	6.8	17.38	-3.88	-2.95	-3.1	7.66
	South America	10.4	12.06	80.66	25.3	18.75	33.21	9.34	-6.47	2.77	12.5	16.35	34.79	-21.38	7.14	20.16
Asia		23.77	13.34	32.56	32.94	30.05	10.62	10.89	9.78	8.61	12.37	35.19	48.56	18.26	14.44	9.96
	Far East Asia	-1.6	5.48	-13.74	3.94	12.64	9.88	10.88	10.82	14.23	12.7	60.96	55.77	102.96	0.62	-15.86
	South & Central Asia	15.49	11.25	29.03	36.1	29.86	12.12	10.43	6.79	9.14	10.9	27.79	44.65	24.61	10.64	22.28
	Middle East	75.21	42.31	36.39	50.49	57.47	10.61	6.42	9.82	5.53	11.47	3.87	22.25	27.46	13.94	-7.55
Oceania		15.62	11.83	24.86	13.94	21.33	1.62	-0.11	0.47	0	0.44	4.51	10.72	8.65	14.81	21.26
Developing Countries unspecified		26.29	16.84	28.42	25.39	25.93	7.7	7.62	5.51	6.26	6.38	6.26	16.48	14.93	9.01	7.29
		Netherland					UK					France				
Developing Countries		4.17	4.64	6.09	5.98	3.95	5.52	4.46	8.69	9.11	9.76	13.52	11.71	10.2	7.81	7.59
Europe		-0.73	7.31	7.73	3.14	1.17	2.72	4.44	5.06	3.13	1.62	14.14	4.52	10.88	11.01	12.04
Africa		4.01	4.48	6.54	5.79	2.75	4.2	5.58	10.85	13.45	12.46	21.66	22.52	19.26	13.04	11.07
	North of Sahara	1.1	0.74	1.77	0.48	0.44	0.97	0.39	2.75	0.28	2.8	16.49	21.93	46.63	17.19	46.1
	South of Sahara	4.97	5.7	7.16	6.05	3.01	5.4	7.47	11.81	13.63	13.15	24.07	24.18	17.14	10.93	8.5
America		5.78	5.78	8.1	3.74	0.99	2.46	3.36	3.98	-1.99	1.93	7.95	1.17	3.06	5.97	13.29
	North & Central America	6.47	9.4	5.72	2.35	1.01	3.49	4.64	3.53	-2.7	3.77	4.86	3.63	6.62	5.38	13.42
	South America	5.92	3.87	14.85	6.54	1.11	1.56	3.61	5.06	-1.73	1.08	11.75	-3.24	-3.03	8.72	16.62
Asia,		4.63	2.33	5.1	2.33	1.2	4.35	3.42	8.41	8.58	9.94	3.82	3.44	4.77	5.24	4.78
	Far East Asia	4.44	1.34	-6.58	5.42	0.21	1.91	1.76	2.69	9.25	2.5	4.07	4.04	0.14	15.8	9.76
	South & Central Asia	7.17	4.88	4.07	2.84	1.25	9.63	8.62	14.76	13.96	12.71	3.8	2.31	1.46	1.89	3.4
	Middle East	1.52	5.16	4.01	1.25	2.09	0.87	2.1	3.52	3.54	9.85	3.38	6.51	4.89	4.63	5.69
Oceania		0.2	0.16	0.38	0	-	3.75	1	-0.03	0.38	0.34	42.03	48.4	9.9	9.36	4.83
Developing Countries unspecified		4.03	10.32	7.91	12.92	9.68	17.7	7.25	9.9	9.71	11.32	9.91	10.4	5.3	4.49	4.6

Source: OECD.Stat

5. Economic Development of Top ODA Receiving Countries

For assessing the impact of ODA on development, a large set of indicators is considered. These indicators are covered in table 6 given at the end. The development level of those countries are considered who are the top recipients of six leading donor countries viz. USA, UK, Japan, France, Germany and Netherlands. Top recipient group includes Brazil, China, Turkey, Mexico, Malaysia, Afghanistan, India, Thailand, Vietnam, Indonesia, Nigeria, South Africa, Korea, Chile and Colombia.

Table 3 indicates that there has been an overall increase (more than two-fold) in the GNI per capita of the top ODA recipient countries, thus indicating that the development assistance provided by the donor countries has been beneficial in increasing the per capita GNI of all the top ODA receiving countries (evident by comparing the 1990-99 and 2010-15 averages). The most significant increase has been shown by Chile and Turkey (around three-fold). In terms of agricultural value added, the figures indicate a massive increase in the overall value added. Similar upward surge is observed for industrial value added for the top donor receiving countries, indicating an overall increase in the value added in both the sectors down the years. In order to measure the distribution of income the figures for pie of GDP shared by lower 20% of the people is presented. Among the select countries India and Indonesia have relatively higher shares whereas it is observed lower for China (5%), Brazil (3%) and South Africa (3%). Except Mexico, there has been a decrease in the poverty headcount ratio percentage which is a positive indication of the development amid rising ODA to these states. Brazil, India and Indonesia have performed better in this indicator over the period of time. China, Chile and Republic of Korea have provided improved sanitation facilities to almost hundred percent of their respective populations. But countries like India, Afghanistan, Nigeria and Indonesia have experienced improvement but failed to achieve the targets at par. Afghanistan and Nigeria have to cross a long journey as more than 50 % of people still don't have access to improved sanitation facilities. Similar behavior is observed in case of access to water resources as half of the population of Afghanistan and Nigeria could not access the improved water resources. Statistics for these indicators are available with author upon request.

The constant increase in CO₂ emissions in all the enlisted countries shows that ODA's impact is not quite visible in this sector, however same puts forth ample scope for further channelization of more assistance. These two countries have also performed in education sector achievement as well. Instead of gross enrollment where most of countries have touched the level of 100 percent but completion rate reflects more educational facilities. Moreover, there has been an overall increase in the primary completion rates. The primary energy used before transformation into other end or the energy use has shown varied trends from 1990-99 to 2010-15. For Colombia, this figure has reduced over the years while for the other countries; there has been a slight increase in the energy use. This indicates that although development has been there, but in an unsustainable manner. On the ground of health performance, majority of select countries have had almost hundred percent of their population's birth attended by the skilled staff with the exceptions of Afghanistan, India and Nigeria. The infant mortality rate (under five years of age) has either been constant over the years or has reduced indicating the positive effect of ODA on these countries. With the exceptions of Afghanistan, India, Indonesia and Vietnam, the rest of the enlisted countries have managed to put down the percentage of their underweight children to around 10 percent. On a positive note, there has been a reduction in the percentage of underweight children from 1990-99 to 2010-15 which indicates the development in the health sector through the provision of ODA by the donor countries. With the exception of Nigeria, the life expectancy of all the other countries has risen. But with the increasing global warming and other environmental factors causing health degradation, even the slightest increase in the life expectancy indicates improved health facilities and thus justifies the development caused by the ODA by the donor countries. Freshwater is a renewable resource, yet the world's supply of groundwater is decreasing as indicated by the table. This explains the unsustainable growth that is taking place thus causing environmental degradation. This implies that the ODA provided by the donor countries does not correspond to sustainable growth and is therefore lacking to some extent.

Table 3: Development Indicators for Top ODA Recipients Countries

Country or Area	GNI Per capita, PPP (current \$)		Agriculture Value Added (\$ Billions)		Industry Value Added (\$ Billions)		Income share held by lowest 20 %		Poverty headcount ratio at national poverty lines (% of population)	
	1990-99	2010-15	1990-99	2010-15	1990-99	2010-15	1990-99	2010-15	1990-99	2010-15
Afghanistan	-	1910	0	4.6	0	4.2			-	36
Brazil	7449	14828	42.1	118.47	198.55	592.45	2	3	-	9
Chile	6661	20082	4.59	8.86	22.71	90.94	4	5	29	18
China	1756	11678	131.01	820.27	310.97	3837.36	-	5		
Colombia	5672	11917	11.09	22.28	23.67	123.56	3	3	-	32
India	1457	5092	97.47	279.53	93.9	470.03	-	8	45	22
Indonesia	3785	9408	28.24	117.64	66.91	370.39	-	7	21	12
Korea, Rep.	12519	32608	26.01	30.43	166.83	484.66				
Malaysia	9288	23012	9.43	29.18	31.39	121.35	5	-	-	1
Mexico	7826	16190	21.27	41.72	137.17	413.17	4	5	-	52
Nigeria	1834	5288	9.6	100.85	12.49	118.34	4	-	-	-
South Africa	6892	12322	5.61	9.06	47.66	109.73	3	3	-	54
Thailand	5971	14170	12.83	35.8	48.92	121.85	6	7	-	13
Turkey	5774	18223	27.85	67.16	60.04	207	6	6	-	3
Vietnam	1407	4945	5.19	29.07	5.56	52.72	8	6	-	17
	Improved sanitation facilities*		Improved water sources (% of population with access)		CO2 emissions (metric tons per capita)		Primary completion rate both sexes (%)		Energy use (kg of oil equivalent per capita)	
Afghanistan	27	43	23	52	0	1	30	-		
Brazil	81	87	91	98	2	2	-	-	993	1348
Chile	93	100	93	99	3	5	88	97	1318	1972
China	71	85	73	94	3	7	100	-	823	1968
Colombia	83	85	89	91	2	2	82	112	714	674
India	51	62	75	93	1	2	70	95	381	577
Indonesia	63	72	73	86	1	2	93	101	630	850
Korea, Rep.	100	100	91	98	8	12	105	103	3026	5096
Malaysia	91	96	92	98	5	8	92	103	1689	2750
Mexico	81	87	85	95	4	4	91	98	1426	1521
Nigeria	37	33	45	66	0	1	-	76	696	763
South Africa	65	69	84	92	9	9			2581	2755
Thailand	89	90	89	97	2	4	89	94	981	1802
Turkey	96	98	89	100	3	4	95	100	1051	1489
Vietnam	70	91	69	95	0	2	99	103	306	661
	Birth attended by skilled health staff (% of total)		Mortality rate under 5 (per 1000)		Prevalence of underweight (% of children under 5)		Life expectancy at birth (Years)		Renewable internal fresh water resources per capita	
Afghanistan	-	37	-	36	45	-	53	60	3022	1539
Brazil	78	98	-	9	5	-	67	74	35076	27720
Chile	100	100	29	18	1	1	75	81	62937	50360
China	91	100			11	3	70	75	2351	2072
Colombia	83	98	-	32	6	3	69	74	57914	45318
India	38	-	45	22	45	-	60	67	1522	1130
Indonesia	44	83	21	12	26	19	65	69	10353	8037
Korea, Rep.	99	-			-	1	73	81	1447	1292
Malaysia	95	99	-	1	20	-	72	74	28398	19691
Mexico	85	95	-	52	10	3	73	76	4383	3306
Nigeria	37	43	-	-	33	25	46	52	2068	1279
South Africa	83	-	-	-	9	-	61	56	1158	842
Thailand	-	100	-	12	16	9	70	74	3797	3329
Turkey	78	97	-	2	8	2	67	75	3913	2980
Vietnam	77	93	-	15	37	12	72	75	5044	4004

Source: World Development Indicators Note: * % of urban population with access, Source: Compilation from UN Database

7. Conclusion

Among the DAC countries, USA contributed around one fourth of global ODA during 1980s followed by other countries Japan (16%), France (12%), and Germany (11%). Japan has dominated the global ODA during 1990s however, USA has dominated in the 21st century. Most of DAC's ODA is absorbed by African and Asian groups, USA is channelizing one third of ODA to African region and one fourth for Asia. Germany has reduced the ODA to African countries during 2001-10, however extending half of its ODA to south and

central Asia particularly. Japan has utilized more than three fifths of ODA to Asian region during 1980s however the share has declined surprisingly to the 28 percent during 2011-15. Netherland has been observed for gradually shifting its ODA from African region to unspecified countries group (68% of its total ODA). Out of the total ODA received by European region, USA, Germany and France have contributed 18, 19 and 12 percent, respectively. USA is the substantial contributor of South and Central Asian ODA. Japan is the second largest contributor to the south and central Asian ODA after USA. Even UK has evidenced surge in ODA for south Asian region. France and Germany are the key contributors of North Sahara's ODA.

It can be further concluded that France is channelizing highest ODA to Brazil, Morocco and China. In the same fashion China, Turkey and Brazil are among the top recipients of Germany's ODA along with UK's and Netherland's ODA. India is standing on the fourth position and seventh position in terms of ODA of Netherland and UK, respectively. China is again holding top position for getting the Japanese ODA. For USA the priority countries for its ODA are Mexico, Brazil and Chile.

There has been an overall increase (more than two-fold) in the GNI per capita of the top ODA recipient countries. The most significant increase has been shown by Chile and Turkey (around three-fold). There has been a massive increase in the overall value of agricultural value added. Except Mexico, there has been a decrease in the poverty headcount ratio percentage which is a positive indication of the development. Brazil, India and Indonesia have performed better in this indicator over the period of time. China, Chile and Republic of Korea have provided improved sanitation facilities to almost hundred percent of their respective populations while India, Afghanistan, Nigeria and Indonesia still struggling to achieve targets at par. The infant mortality rate (under five years of age) has either been stagnant or has reduced indicating the positive effect of ODA on these countries. On a positive note, there has been a reduction in the percentage of underweight children which indicating overall development in the health sector. Conclusively, it can be argued that although health and education sectors have noticed improvement in indicators; there's still scope for making aid more effective.

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