

Committee:	Economic and Financial
Topic:	The question of international aid programs in LEDCs
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Summary

The world as we know it is rapidly developing and changing. Economic growth has become more prevalent than ever, however with these higher levels of growth brings greater inequality both within nations and between member states. This is where the clear distinction between the less economically developed countries (LEDCs) and more economically developed countries (MEDCs) comes in. Due to the potentially volatile nature of the economic climate as well as other factors such as conflict and civil unrest, it can be quite difficult, especially for LEDCs to ascertain a desirable and sustainable level of growth or quality of life for its citizens. This is arguably why there are still 47 countries classified by the United Nations as LEDCs. As a result, there have been several efforts by International aid organisations and indeed MEDCs to provide LEDCs with aid in ways such as implementing discretionary economic policies to boost their economy, resolving conflict, providing resources such as water and food and much more. However, as expected, the delivery and execution of this aid is not as efficient or as properly executed as it should be due a variety of factors including corruption in the process of delivering aid to the LEDCs, the refusal of aid by LEDCs and the more than questionable methods through which the aid is administered by organisations or other member nations. It is also important to consider the difficulty some international aid programs have in securing funding; it is up to you as delegates to find plausible solutions to issues at hand.

Definition of Key Terms

LEDCs or LDCs - Less Economically Developed Countries or developing countries are nations which usually have lower levels of GDP and quality of life.

MEDCs or MDCs - More Economically Developed Countries or developed countries are member states that usually have relatively high levels of gross domestic product (GDP) and quality of life.

Discretionary economic policies - Policies which are decided and orchestrated by the government in order to better the economy of a member state.

Aid dependency - The proportion of government spending by a member state that comes from foreign sources or donors.

Economic Growth - The positive change in the GDP of a country.

Background Information

There have been a multitude of attempts by Non-Governmental Organisations (NGOs) such as Oxfam or Water Aid, UN-bodies such as UNICEF and whole member nations, particularly those with a higher GDP, to provide aid to the LEDCs who require it the most.

A large proportion of these schemes have been successful, for example in the year 2000 when there was a particularly large endemic of the AIDS virus as well as Tuberculosis in Africa. As a result of the outbreak, there was a significantly high death rate due to the fact that there was little to no access to adequate healthcare provisions. However, since then there have been several forms of aid provided to African nations to solve the issue. Groups such as The Joint United Nations Programme on HIV/AIDS have raised a lot of awareness of the dangers of AIDS and HIV and methods of prevention which has significantly quelled the problem. Furthermore, the group of African nations named AIDS Watch Africa, formed at the African Union Summit in 2001, have also collectively put emphasis upon governments to accelerate their efforts to find viable solutions to prevent the HIV and AIDS situation from escalating further. In this sense, we can understand how there is most certainly a strong feeling of interdependence between nations especially in achieving collective goals.

Unfortunately, this aid isn't always necessarily ethically administered or allocated. For example, NGOs or charities such as Oxfam often carry out work overseas to provide direct action to the target LEDCs. Often these workers act in the best interests of the nation and carry out the beneficial work which the organisation intends them to do, however, in 2018 the charity Oxfam faced several allegations and were scrutinised heavily in the media for the actions of their workers abroad. In light of the 2010 Haitian Earthquake, Oxfam sent groups of workers to aid with the clean-up operations and provide general support for the victims of the natural disaster. When the natural disaster occurred, a lot of local businesses were destroyed and as a result, a lot of people turned to prostitution as their source of income. It is alleged that the local people were then taken advantage of and exploited for their services

by the visiting Oxfam workers whilst they were there. In this instance, we can see how international aid programs can perhaps negatively influence an LEDC, especially one which is in a situation in which they require urgent aid.

When considering this question, the issue of aid dependency of LEDCs must also be raised. According to the Diplomat: "The international community, led by the United States, has appropriated more than \$100 billion in aid in the last decade to reconstruct Afghanistan and rebuild its unbalanced economy". This just shows how severe of a problem aid dependency can become for other nations as well as the target nation. A large dependency on foreign aid by nations, especially LEDCs can potentially be quite detrimental, causing unsustainable economic growth for nations, causing a sharp rise in inflation and a heavy reliance on foreign sources of income. However, it must be mentioned that aid dependency has significantly reduced to such an extent that since 2020 it has decreased in total by one-third in the world's least developed countries which most definitely indicates that perhaps there is a decreasing need for international aid programs entirely.

There is also, however, the issue of member states using foreign aid perhaps more for their own gain than for the benefit of the target nation. An example of where a nation could potentially be using foreign primarily for their own benefit could be China. China is one of the largest donors when it comes to foreign aid, however, a large proportion of the foreign aid given by China comes under a category of "Other Official Flows" and are primarily used for commercial gain rather than promoting development and welfare of target nations.

Furthermore, some of the main recipients of China's foreign aid also tend to be comprised mainly of members of the One Belt One Road Initiative which is a program developed by President Xi that aims to reinforce trading routes across continents. In this instance we can see how foreign aid can perhaps be used for more political gains rather than humanitarian, leading to a greater focus on the strengthening of international relations and diplomacy rather than a greater focus on ensuring aid is tailored to the needs of the target nation and is effectively implemented and delivered.

Foreign aid may even be used as a political weapon to gain leverage over other member nations. A prime example of where this could be seen is in the USA. The Trump administration has made the decision to reform how much aid they give to certain other member nations. They wish to do this by tying foreign aid directly to the way in which member nations vote in the UN. This poses a threat to nations who wish to oppose the USA's position on issues as if they do so, they may receive a reduction in the value or amount of aid they receive from them. This could be especially detrimental for LEDCs or

other member nations who rely heavily on aid from the US, such as Afghanistan or Israel, for purposes ranging from military assistance to providing economic stability.

There are also instances in which nations simply refuse to accept foreign aid on the grounds such as that their government do not believe that they are in need of it such as Venezuela. Venezuela has been recognised to have a failing economy and as a result, has been a large target for foreign aid offers from member nations and NGOs attempting to rescue the country from its downward spiral. However, for many years Venezuela, under President Maduro, has turned away large offerings of aid, with Maduro claiming that his country was not a nation of “beggars” and claiming that the nation was not undergoing a humanitarian crisis. It is only recently that the nation has agreed to accept offers of humanitarian aid by organisations such as The Red Cross, flying in planes containing medical supplies and power generators for hospitals that are intended to eventually help 650,000 Venezuelans.

Major Countries and Organizations Involved

Oxfam – According to oxfam.org.uk, Oxfam is a “confederation of 20 independent charitable organizations focusing on the alleviation of global poverty”. As mentioned before, whilst being a very significant organisation as a provider of international aid, Oxfam caught a lot of negative media attention for the apparent ill-behaviour of some of their foreign aid workers abroad which has lightly tainted their reputation as a charitable organisation.

United Nations Children’s Fund (UNICEF) – UNICEF is UN body specifically developed to focus on working for the benefit of all children globally. Being one of the worlds most renowned international aid organisations, UNICEF have carried out much great progress in the field such as the establishment of “days of tranquillity” and the opening of “corridors of peace” to provide vaccines and other aid.

The United States of America – As the member nation which donates the most in foreign aid, the USA has given a total of 31.08 billion US Dollars. This is a particularly significant to consider when looking at how much foreign aid nations are able to provide and whether it is just that some nations give more than others.

Egypt –Egypt is the member nation which receives the greatest level of foreign aid at roughly 5.5 billion US Dollars (2017). This is an especially important example to consider when thinking about whether or not there should be a limit on the amount of foreign aid a nation can receive or if there should be a balanced ratio of aid received to aid provided.

The Food and Agriculture Organization – Is one of the worlds leading organisations in alleviating global hunger internationally. With offices in 130 countries, employing over 3200 staff members, it aims defeat hunger and improve local economies by helping member countries modernize and improve agriculture, forestry and fisheries practices.

The United Nations Development Programme – Has been instrumental in promoting international development through foreign aid. For example, in 2018 they were able to discover new ways of working between humanitarian and development actors, bridging life-saving response with recovery and development for the citizens of nations including Syria, Yemen, and the Lake Chad region.

The United Nations High Commissioner for Refugees – Is an international organisation dedicated to providing aid to refugees. They currently operate in 134 countries and have managed to help well over 50 million refugees to successfully restart their lives.

Timeline of Events:

Date	Description
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1863	The international committee of the Red Cross was founded to ensure humanitarian protection and assistance for victims of war or other situations of violence.
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1942	Oxfam was founded with the aim of alleviating global poverty.
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1945	CARE was founded with the purpose of delivering emergency relief and long-term international development projects.
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	IMF was founded with the idea of nurturing improved international and global monetary cooperation.
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1946	UNICEF was founded with the intent of providing emergency food and healthcare to children and mothers in countries that had been devastated by World War II.
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1961	World Food Program was established and is now the world's largest humanitarian organization addressing hunger and promoting food security.
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United States Agency for International

Development was founded and is responsible for administering civilian foreign aid and development assistance.

OECD was also founded to stimulate economic progress and world trade.

- 1979** Action Against Hunger was founded with the main goal of ending world hunger.
- 1981** Water Aid was founded and is primarily focused on water, sanitation and hygiene.
- 1994** World Bank was established to provide interest-free loans and grants to the governments of poorer countries for the purpose of pursuing capital projects.
- 2008** The global financial crisis occurred - the most serious financial crisis since the Great Depression.

The World Bank reports that “foreign workers sent \$328 billion from richer to poorer countries in 2008”.

- 2019** Launch of the “Ukraine: 2019 Humanitarian Response Plan” to address issues such as the direct impact of hostilities, the disruption of services, the lack of livelihoods and erosion of coping mechanisms and the curtail in freedom of movement and restricted access.

Relevant UN Treaties and Events:

[1991 General Assembly Resolution](#) - Laying the foundations of humanitarian aid and how vital it is to the target nations in recovering their economies. (A/RES/46/182)

[1999 ECOSOC Resolution](#) - Looks at the erosion of the respect for international humanitarian aid since the Geneva convention and implores all parties to conflicts to respect international humanitarian and human rights laws. (OP4)

2008 ECOSOC Decision - Asks that member states, relevant UN bodies and other NGOs address the specific needs of women, girls, men and boys including through the improved collection of socioeconomic demographic data. (OP13)

Previous Attempts to solve the Issue:

Many organisations such as the World Bank have opted for a zero-tolerance policy for corruption within their international aid projects, developing policies and frequent checks

within their organisations to prevent such issues from arising or worsening, hindering effective delivery of aid to the nations and LEDCs the most.

Furthermore, there have been many attempts by the UN Agencies, UNSC, UNGA and various other NGOs to offer aid to nations who have suffering economies, or they see to be in desperate need of humanitarian aid. However, despite these attempts, their efforts are refused by certain nations such as Venezuela as mentioned previously. However, it must also be mentioned that the UNGA has been successful in a large proportion of its humanitarian aid endeavours such as in Yemen. The vital port city of Hodeidah in Yemen is currently under the threat of attack and as a result, 22 million Yemenis now require humanitarian assistance and in addition to this, a renewed cholera epidemic is feared. To combat this threat, the UN's current funding appeal for the nation has raised over 5.2 billion US dollars from member nations including the USA, Saudi Arabia, the UAE, and Kuwait in support of the nation.

Possible Solutions:

Nations must attempt to fully establish a universal definition of what "aid" itself is.

It must be considered as to what extent loans from nations can be considered as aid.

Member states must contemplate whether or not countries should only be able to receive loans if they are able to repay them.

It is important to also consider the role and duty that donor countries have to maintain in terms of the continuous aid they give.

Governments may need to come to the understanding that the least wealthy areas and nations are in the greatest need of aid and therefore should perhaps be prioritised.

It is imperative that we consider the fulfilment of the role of LEDC governments in their own nations in duties such as tax collection or tackling poverty themselves aside from receiving international aid.

There must be an acknowledgement of the fact that perhaps donor countries should not just support governmental but also public financial management.

The role and effect that tax havens have in the allocation of aid and funds to nations must also be seriously taken into consideration.

The necessity for transparency of data and figures in the process of delivering international aid must also be emphasised to governments.

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