

Aid

WHAT ARE THE DIFFERENT KINDS OF AID?

Official development aid

Most aid is given to poorer countries for development projects or support in times of crisis. The majority of aid comes from governments, public institutions or international agencies. This is known as Official Development Aid, or ODA.

About 75 per cent of ODA is aid given by one country's government to another. This is called bilateral aid, and the country giving the aid is referred to as the donor country. The rest is multilateral aid, which donor countries contribute through an international institution. This might be a UN agency, such as the United Nations Development Programme (UNDP), the UN Food and Agriculture Organisation (FAO) or the World Health Organisation (WHO). The other major aid agencies are the World Bank and the International Monetary Fund (IMF), which lend money under certain conditions (see Fact Sheet on Debt).

Voluntary aid

A small proportion of aid (less than one tenth of the total) comes from non-governmental organisations (NGOs). These are charitable and voluntary organisations, which rely on gifts from members of the public and from businesses. In some cases, they may co-fund projects with governments or the European Community.

Voluntary organisations usually support small-scale projects in partnership with local organisations in the developing country. CAFOD is an example of an NGO that gives voluntary aid, funded by the Catholic community. The major NGOs are Oxfam, Christian Aid, Save the Children, ActionAid and CAFOD. Together they form the British Overseas Aid Group (BOAG).

The role of NGOs is becoming increasingly important as government aid decreases.

Short-term aid

Official aid may be short term, intended to help people who are suffering from a crisis or disaster such as an earthquake, a flood, a famine or war. It usually involves providing money, food, blankets or whatever is most urgently needed. Voluntary aid is less likely to be short term. Although voluntary agencies may supply emergency aid, it is usually linked to efforts by the local community and would involve making sure they had the means for their long-term development. For example, aid for refugees after a war will usually include help to rebuild their homes, and to buy seeds and farm implements or whatever they need to become self-sufficient.



Kal, Thin Black Lines Rides Again

In order to respond quickly and efficiently to disasters, the major voluntary organisations, including CAFOD, have formed the Disasters Emergency Committee (DEC) to co-ordinate appeals to the British public.

Long-term aid

Long-term aid aims to deal with the root causes of poverty. Official Development Aid is usually given as grants or loans to governments to help them with their overall budgets or for specific development projects. Voluntary development aid is usually given to local partner organisations to respond to local needs.

Long-term projects might involve help with education, food production, technical know-how or community development. More recently it has been used to help pay off money owed to international banks (see Fact Sheet on Debt). A good example of long-term aid is support for health programmes, such as eradicating malaria or other diseases. Illness often causes poor families to sell their animals or fall into debt in order to pay for treatment. By improving their overall health, people are less likely to become destitute.

Who gives official aid?

At a UN conference in 1970, the industrialised countries agreed to give 0.7 per cent of their income (GNI) in aid to the poorer countries. Only five countries have reached this target (Norway, Denmark, Sweden, the Netherlands and, more recently, Luxembourg).

Denmark gives the highest proportion of its GNI in aid with 1 per cent. The United States gives the lowest with 0.1 per cent. The UK gives less than 0.3 per cent, although in 2002 it pledged to reach 0.4 per cent by the year 2006 (adding over £1 billion to the aid budget)

Is aid enough?

Although aid is needed to help those who are suffering now, CAFOD and other voluntary agencies believe that it is important to attack the root causes of poverty.

Their work therefore includes public education, to make people aware of the issues, and campaigning, to try to change the policies of governments, international institutions or multinational companies.

As well as campaigns to improve the working conditions for people in developing countries, CAFOD, along with other NGOs, has campaigned to change the Structural Adjustment Policies of the World Bank and to reduce third world debt. It is currently campaigning to change unfair rules of the World Trade Organisation, that put poor countries at a disadvantage. See CAFOD campaigns at www.cafod.org.uk

Activity

Research/Debate/Role-play

Find out about different points of view on aid. You will find a summary at 'Additional Information and Updates' to Fact Sheets, entitled **WHAT ARE THE DIFFERENT VIEWS ON AID?** www.cafod.org.uk

In your class, set up a debate in which groups of students argue for different kinds of aid, or for more or less aid, from the industrialised countries.



Questions for discussion

How do you think people in this country should respond to the following situations in poorer countries?

- A community has been uprooted by severe fighting and had to leave their homes and possessions to live in a neighbouring poor country
- A fishing community has been put out of business by a huge fleet of foreign ships. They know no other way of surviving

"We try to save lives in the short-term so that people have the chance of a long-term future. Our role is to keep people alive and enable them to get back on their feet, knowing and demanding that the root cause of the crisis must be addressed in a different way"

The Disasters Emergency Committee (DEC)
Annual Review 2002.

- Would you call the work of the DEC long-term or short-term aid?

"Direct aid is an appropriate response to immediate, extraordinary needs caused by natural catastrophes, epidemics, and the like. But it does not suffice to repair the grave damage resulting from destitution or to provide a lasting solution to a country's needs. It is also necessary to reform international economic and financial institutions so that they will better promote equitable relationships with less advanced countries."

Catechism of the Catholic Church No 2440

- Give an example of how CAFOD is challenging international economic and financial institutions
See www.cafod.org.uk

"We would like to give thanks to people in the UK for all the assistance that they have given to us. CAFOD returns hope to us, and helps us to work for ourselves."

The Toda family, from the self-build housing programme, Stravec, Albania.

- What does this quote tell you about the work of CAFOD?

Activity

1. Write to the Department for International Development (DFID) to find out how much aid was given last year and how it was spent. Alternatively, look up the DFID website at www.dfid.gov.uk
2. Find out how much money CAFOD raised last year and how its money is spent. See www.cafod.org.uk
3. Use the SEARCH facility on the CAFOD website to find examples of aid projects. Choose one to write about in detail.



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