



### OUR VIEWS

# Spend aid money wisely

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**T**he UN Millennium Project is right: Rich countries should double their foreign-aid budgets. But there is no point sending that aid to governments that can't, or won't, put it to good use.

This week's report from 265 development experts, led by economist Jeffrey Sachs, is both saddening and inspiring. It shows a world that is still far from achieving its development goals, especially in Africa. But the report says that if donor countries make the next 10 years a "decade of bold ambition," they could cut extreme poverty in half by 2015.

Humanity knows how to pull itself out of poverty, how to increase crop yields, how to access clean drinking water, how to educate children, how to improve economies through smart trade and investment policy. All that is missing, in many impoverished parts of the world, is the money and the will to get it done. As the report says, "Aid works, and promotes economic growth as well as advances in specific sectors, when it is directed to real investments on the ground in countries with reasonable governance."

Put this sentence another way and its import becomes clearer: Aid does

not work when it is not directed to real investments on the ground, or in countries without reasonable governance.

Poor countries are often poor because of their governments, not in spite of them.

Poor governance is not always the result of corruption or ill will, but in many of the world's worst-off countries, it is. Developed countries should not give money to governments that are repressive, undemocratic and corrupt — such as the Chinese regime, currently a major recipient of Canadian aid.

Of course, Canada should help the people of China — and Zimbabwe, and other countries with governments that work against their people's interests. But it should do so by circumventing such governments if it can, and by steadfastly encouraging the governments to mend their ways.

Effective, reputable charities make sure at least 80 per cent — often

much more — of their donated money gets to the people who need it. The international aid system, according to the Sachs report, is much less efficient: In poor countries, only about 24 per cent of bilateral aid, and 54 per cent of multilateral aid, is available for programs that work toward Millennium Development goals.

Those goals, adopted at a UN summit in 2000, include ensuring that every boy and girl has access to a primary education, and reducing the under-five mortality rate by two-thirds.

These goals are achievable by 2015, and that is the key message of the Sachs report. But the report rightly encourages donor countries to send their aid to those poor countries that can and will use it well.

The imperfections of the aid system demand a change in the way countries such as Canada help the world. But those imperfections need not discourage rich countries from increasing their efforts.

As the response to the tsunami shows, getting appropriate help to the people who need it is not only possible — it can work wonders.