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# Britain backs revolutionary aid experiment

- Cash from mobile 'banks' replaces food parcels
- Scheme highlights divide on how to tackle poverty

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Fri 16 Feb 2007 09.33 GMT

Britain is backing an experiment to change the way aid is delivered in parts of Africa that highlights a growing divide over how western nations spend hundreds of millions of dollars pledged to the continent.

The Department for International Development (Dfid) is providing £750,000 to fund a scheme to provide cash payments instead of food to tens of thousands of hungry people in northern Malawi via a sophisticated system of bank cards and electronic identification.

The scheme, which mirrors similar experiments after the 2005 tsunami and the Pakistan earthquake, represents a further shift by Britain and some other countries

toward devolving responsibility for handling aid to those on the receiving end, whether governments or people.

That is in contrast to countries such as the United States, where most aid is assigned by the US Congress, often with political, economic and even social strings attached, particularly over questions of abortion and birth control.

Almost no US aid goes direct to African governments. Washington also insists on shipping surplus food grown by its own farmers instead of providing money to buy from local markets.

Britain shifted its approach after Labour came to power a decade ago, separating aid from foreign policy and the financial interests of British firms, and devolving many decisions about how assistance is delivered from London to increasingly powerful officials on the ground.

The international development secretary, Hilary Benn, said the more "rigid" US approach "does create difficulties" compared with Dfid's approach. "They don't have to come back and ask permission from me every five minutes, and I think that's a great strength."

The result, say Dfid officials in Africa, is that they are able to direct large amounts of money to areas of greatest need, including putting millions of pounds directly into government budgets.

Speaking on a visit to Malawi, Mr Benn added that routing aid through African governments makes them more accountable to those it is supposed to benefit.

"Otherwise you have a development model where the Brits turn up and say we'll look after the schools, and the French say we'll look after the hospitals, and the Germans say we'll do the roads," he said. "And if anyone wants to change anything they have to have a conversation with me or the German development minister. Well that's not going to change anything."

One consequence of Dfid's policy is that its representatives in some African countries have more influence over government policy than the British ambassador.

The cash experiments have been criticised by the UN's World Food Programme and other sceptics who say cash is more easily diverted than sacks of maize and more likely to lead to corruption.

Other aid agencies support the scheme. Oxfam ran a similar experiment in cash payments in Zambia, although without the technology used in Malawi, and said the money reached the right people at nearly half the cost of delivering food.

"The big question is how do these experiments get scaled up. It's one thing to provide to tens of thousands, another to a million people," said Chris Leather of Oxfam. "Are donors willing and able to provide the resources?"

