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The non-aligned movement

The quality of aid matters as much as the quantity

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MAIMONIDES, a 12th-century rabbi and philosopher, argued that it is better to give anonymously, like the sages who secretly placed coins under the doors of the poor, than to flaunt your generosity. Better still, he said, to pool your charity—by contributing to a *tzedakah* box, for example—so that neither the poor nor their benefactor know the other's identity.

The club of 22 governments who dominate foreign aid would not rate very highly by the Torah's reckoning. This week they met in Paris to measure progress on two big commitments made in 2005. In July of that year, those world leaders who gathered for the G8 summit in Gleneagles in Scotland promised to increase aid to \$130 billion, and double aid to Africa, by 2010.

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But giving freely only gets you past the lowest rank of benefactors in Maimonides' scheme. An earlier pledge, made in Paris four months before, would have impressed him more. Donors promised to be more self-effacing in their charity, to "harmonise" their efforts with other benefactors, and "align" them with the priorities of governments they were trying to help.

Sadly, progress on both pledges is weak. According to the latest aid figures, released this week by the Organisation for Economic Co-operation and Development (OECD), donors gave \$104 billion to poor countries last year, 5% less than in 2005. Donors also remain intrusive, cumbersome and rivalrous in their giving. Far from slipping money quietly under doors, they are forever inviting themselves in to nose around. The OECD reckons that, between them, 31 poor-country governments received 10,837 donor "missions" in 2005, almost one a day. Even those that explicitly asked for "quiet periods" to get on with their real work were not spared.

The OECD's money-count is, it says, distorted by debt relief. In 2005, donors forgave vast amounts of red ink; last year, they wrote off a little less (\$3 billion of Iraq's outstanding debts; \$11 billion of Nigeria's). Nonetheless, the OECD reckons that if donors are to keep faith with their promises in Gleneagles, their giving will have to rise by 11% a year between 2008 and 2010, faster than any other item of public spending. But in a survey last year, it saw little sign that rich-world budget-makers were girding themselves for such an effort. One test, it notes, is the money they promise this year to the World Bank, which must refill its aid pot for the three-year period from 2008 to 2011. This pot is the closest thing the aid world has to the collection tins that Maimonides favoured: 40 of the bank's richer shareholders pool their donations in support of 82 of the world's poorest countries.

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But the shareholders will have to choose between their fidelity to Gleneagles and their disillusionment with Paul Wolfowitz, the World Bank's president. He has unnerved them with his swashbuckling fight against corruption, and exasperated them with his ruminative style of management.

Such uncertainties should worry a prudent African finance minister. Can he count on seeing some of the extra \$25 billion the continent is promised by 2010? Of the G8 leaders who signed that pledge, half have already departed, two are on their way out, and the remaining pair will be gone before 2010. Even if donors meet the target, the aid may arrive in a sudden and unmanageable rush a year or two before the deadline.

Only about 65% of aid actually arrives on schedule, according to the OECD. Finance ministers must cope with shortfalls and windfalls. Zambia was due to receive \$930m in 2005, but ended up with just \$696m. Vietnam which was expecting about \$400m, got roughly \$2 billion.



Because the aid they receive is such a capricious, volatile commodity, governments dare not make full use of it. They could hire legions of extra teachers, clinicians and civil servants, but only if they are prepared to fire them when the aid spigot is closed. They could put AIDS-sufferers on anti-retroviral therapies, but only if they are willing to discontinue treatment once the money stops. Not surprisingly, some governments choose to hoard aid rather than spend it. In 2001-03, Ghana received an extra \$1.3 billion of aid; \$1.2 billion collected in the vaults of its central bank.

Aid is also poorly co-ordinated. A trio of researchers compared donors with a gaggle of crop-growers, spraying water hither and thither, leaving some plants parched, others deluged. After the Indian Ocean tsunami, according to a report in *El Pais*, an Acehnese girl developed measles symptoms thanks to three identical jabs from different aid agencies.

The Paris declaration hopes to bring a modicum of order to these directionless crop-growers. It commits donors to back a government's own strategy to fight poverty, rather than impose their own tastes and tactics. Unfortunately, argues David Booth, of Britain's Overseas Development Institute, many such strategies are little more than political "theatre".

Where donors and governments do see eye to eye, there may be little need for aid agencies at all. The British government, for example, could simply write a cheque to its Tanzanian counterpart. Some donors do just this, bankrolling governments they trust, and letting them manage the money themselves. About £1.2 billion (\$2.4 billion) of British aid will top up government budgets in this way next fiscal year.

Other donors are less enthusiastic. They may want to trumpet their good deeds, or have real or imagined doubts about the recipient's book-keeping and budgeting. Even countries with "moderately strong" exchequers were not always trusted to audit their aid money, the OECD notes. "The very countries that helped us reform our systems, then don't use our systems," complains Paul Lupunga, a senior Zambian official

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their voters.

This article appeared in the International section of the print edition under the headline "The non-aligned movement"

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