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Technical coordination: José Antonio Alonso

ALONSO RODRIGUEZ, José Antonio

Spanish Aid: Sectoral and Geographic Specialisation

Abstract: This article begins by acknowledging that one of the tasks that needs to be performed in connection with Spanish co-operation is a clearer and more selective definition of its sectoral and geographic priorities. Such a definition should be based on a prior analysis of the sectoral and geographic specialisation of aid. This analysis constitutes the grounds for the alternatives offered which, in all instances, take account of both former Spanish experience and existing international doctrine on the subject.

Key words: international co-operation, development aid policy, development financing, geographic distribution, Spain.

JEL Classification: F34, F35, O19.

BURNSIDE, Craig and DOLLAR, David

Aid, the Incentive Regime and Poverty Reduction

Abstract: One of the fundamental aims of foreign aid is to stimulate growth in developing countries. Another aim is poverty reduction. Generally speaking, these two aims go hand-in-hand, but might aid alleviate poverty without affecting growth in any measurable way? This article analyses the impact of aid on infant mortality, an essential social indicator that can be used to indirectly verify whether the benefits of development reach the entire population. The conclusion is that in developing countries where economic management is weak, i.e., with fragile property rights, high levels of corruption, and macroeconomic instability, there is no relationship between aid and infant mortality rates. In distorted environments, development projects tend to fail. But when public management in the host country is relatively effective, aid and variations in infant mortality are observed to be positively related. In this case, additional aid equivalent to 1 per cent of the GDP has a considerable effect on infant mortality, reducing rates by 0.9 per cent. That is to say, aid stimulates growth and improves social indicators but only in appropriate policy environments.

Key words: international co-operation, economic growth, development aid, poverty, infant mortality, socioeconomic indicators.

JEL Classification: F35, I32, O10.

CHANG, Charles C.; FERNANDEZ-ARIAS, Eduardo and SERVEN, Luis

Measuring Aid Flows. A New Approach

Abstract: Considering aid as an exercise in the transfer of resources from donor to beneficiary arises the issue of whether conventionally-used measures of aid such as ODA,

that lump together grants and loans, accurately reflect true aid flows. This article analyses the methodological shortcomings of conventional aid measures, and proposes a new valuation approach that measures official aid flows as the sum of grants and the grant equivalents of official loans. This manner of measuring aid, while shown to be more appropriate, is likewise observed to diverge significantly from the conventional aggregates and to provide a very different view of major trends. Figures are also given to estimate this new variable —Effective Development Assistance— for a series of 133 countries over the period 1975-1995.

Key words: international co-operation, development financing, development aid, estimation methods.

JEL Classification: F34, F35, O19.

GRACIA ALDAZ, Jesús

Non-reimbursable Co-operation

Abstract: After positioning non-reimbursable co-operation in the context of co-operation for development and analysing the various instruments used to implement such policies, this article reviews the aid provided by Spain for these purposes, whose relative weight has increased in recent years. The discussion addresses the activity of the various agents and their responsibilities, along with non-reimbursable co-operation instruments, i.e., humanitarian aid, food aid, technical co-operation programmes, investment projects and the operations in connection with debt relief. Finally, it suggests certain perspectives for our non-reimbursable co-operation and points out that the enactment of the Act on International Co-operation for Development affords an excellent opportunity to make the modalities and instruments through which our aid is channelled more consistent and to ensure due co-ordination of the various management centres, under a single criterion for action.

Key words: international co-operation, development aid policy, bilateral aid, food aid, Spain.

JEL Classification: F34, F35, O19

LACASA ASO, José María

Spanish Companies and International Co-operation for Development

Abstract: The decline in recent years in transfers from the major donor countries to developing nations has been termed «aid fatigue». In this regard traditional formulas for development co-operation should be supplemented with other kinds of initiatives. Foremost

among these are measures to promote the private sector in developing economies, to strengthen the business fabric and enhance the production factor performance. This article addresses the co-operation formula applied by Spanish companies, known as Business Co-operation for Development, describing the various activities covered and the programmes implemented in recent years.

Key words: international co-operation, development aid policy, industrial development, management culture, technical training, Spain.

JEL Classification: F35, O14

LENSINK, Robert and WHITE, Howard

Assessing Aid: A Manifesto for Aid in the 21st Century?

Abstract: In the mid-nineties, so-called «aid fatigue» began to appear, a phenomenon characterised by declines in the amount of funds earmarked for development aid and the questioning of the actual effectiveness of such aid. A World Bank report published in 1998 discussed the main results of an extensive research programme on the effectiveness of aid and provided a series of recommendations and suggestions. This article reviews the major econometric fundamentals set out in that report and analyses a number of issues relating to aid management and effectiveness.

Key words: international co-operation, development aid policy, economic growth, developing countries, public management, social and economic development.

JEL Classification: F34, F35, O19

MARCUELLO SERVOS, Carmen

Analysis of the Performance of Spanish Non-governmental Organisations for Development

Abstract: Spanish non-governmental organisations for development are a well-established sector within the non profit sector of Spain's economy. The overall revenues of these NGOs, taken together, rose from a few tens of millions pesetas in the early eighties to 49 billion pesetas in 1997. The present paper discusses the situation in the early nineties, when NGOs first began to acquire social relevance and recognition and consolidate their position. The aim of the study is to analyse the performance of a sample of Spanish non-governmental organisations for development. The approach used in the survey is to consider NGOs as productive units and examine how the size of such organisations, their legal status and sector with which they are associated affect their performance. The efficiency study of these organisations reveals no substantial differences due to the nature

of ownership or legal status adopted, while the size variable is found to have an important impact on performance due to the effect of economies of scale on productive activity.

Key words: international co-operation, development aid, nonprofit organizations, non-governmental organizations, economic efficiency, Spain.

JEL Classification: F35, L31, O19

MARTIN ACEBES, Angel

Spain in Multilateral Financial Institutions

Abstract: After identifying the Multilateral Financial Institutions (MFI) most relevant to Spanish aid for development activity and their respective actions in this regard, this article focuses on Spain's participation in multilateral financial aid for development, which is channelled in either of two ways: on the one hand, through its contributions to such institutions and on the other as aid provided by the European Union. Spanish presence in MFI, while growing, is still slight in comparison to the economic and financial weight that Spain has acquired; the paper concludes with a series of recommendations for enhancing our influence in these areas.

Key words: international co-operation, development aid, development multilateral banks, Spain, World Bank, IDB, EBRD, DAC, OECD.

JEL Classification: F33, F34, F35, O19

MONTALBAN CARRASCO, Juan Francisco

New Agenda for Spanish Co-operation

Abstract: Spanish co-operation for development has undergone a process of reform in recent years in response to demands voiced by public opinion and counterparts as well as in specialised fora. Taking the recommendations of the OECD's Development Assistance Committee as a guide, a series of measures, studies and encounters was undertaken which culminated in the Act on International Co-operation for Development, published in July 1998. This article contains a detailed review of the steps followed in formulating the agenda for Spanish co-operation, along with the planning tools and management mechanisms envisaged, methodology and assessment plans to be followed, advisory and co-ordination bodies to be set up and difficulties to be overcome to reach established aims.

Key words: international co-operation, development aid policy, bilateral aid, non-governmental organizations, Spain, DAC, OECD.

JEL Classification: F34, F35, O19

MONTALVO SANTAMARIA, Alicia

Considerations on the Relationship between Foreign Debt and Development

Abstract: This article purports to study the various kinds of foreign debt, focusing in particular on official debt and highlighting the importance of loans as instruments of co-operation for development. It also analyses the real meaning of debt forgiveness and its effects on the future development of the countries involved, which could be seriously compromised if debt forgiveness were implemented indiscriminately. Finally, foreign debt management is reviewed in the context of co-operation for development; the aims pursued and possible strategies to deploy to reach them are likewise discussed, with a reminder that what is actually involved is the financial relations between States and that it is only when such relations jeopardise the development model pursued that debt restructuring or forgiveness should be considered necessary.

Key words: international co-operation, development aid policy, development financing, external debt, debt financing, export insurance, international credit, FAD credits, CESCE.

JEL Classification: F34, F35, O19

MOSLEY, Paul and HUDSON, John

Has Aid Effectiveness Increased?

Abstract: The purpose of this paper is to investigate whether the effectiveness of aid has increased over time, in the light of the contention by Boone (1994, 1996), Dollar and Burnside (1997) and the World Bank (1998), on the issue of the extent to which the impact of aid on investment and growth is insignificantly different from zero abstracting from policy variables. The results indicate that there was a significant linkage between aid and growth over the period 1981-1995, when effectiveness seems to have improved. This evidence is robust with respect to reasonable variations in sample size, estimation procedure and variables specification. Similar results are obtained for investment despite the fact that aid tends to increase consumption and weaken savings. Our interpretation of this apparent improvement is based on three factors: an increased allocation of aid to «human capital-increasing functions», a reduced scope for «fungibility» and the increased effectiveness of political dialogue in certain areas, namely with regard to exchange rates, public investment and real interest rates.

Key words: international co-operation, development aid policy, economic growth.

JEL Classification: F35, O19

RENGIFO ABBAD, Alvaro

Economic Dimension of International Co-operation for Development

Abstract: Although Spain's experience as a donor country is very short, the determination to contribute to the development of less developed nations is deeply rooted in our society. The adoption of Act 23/1998 on International Co-operation for Development is intended to encourage Spanish co-operation and harmonise and systematise all the action undertaken in this field. This article evaluates the importance of the economic dimension of Spanish aid for development and analyses the various instruments for economic and financial co-operation, with an emphasis on FADcredits.

Key words: international co-operation, development aid policy, development financing, external debt, international financial institutions, FAD credits, Spain.

JEL Classification: F35, O10, O19