

Forum: Economic and Social Council (ECOSOC)

Issue: Providing aid for resilient infrastructure in Less Economically Developed Countries (LEDCs)



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Personal Introduction

My name is Christianna Petropoulou, I am an IBDP year 1 student at Psychiko Athens College of Greece, and it is my foremost honor for me to serve as Deputy President for the Economic and Social Council. This guide will hopefully assist you to present solid arguments that will initiate a productive debate on the topic of “Providing aid for resilient infrastructure in Less Economically Developed Countries (LEDCs)”.

Allow me first, however, to congratulate all the participants in this conference. Through this experience, not only will you elaborate on the topic of “Providing aid for resilient infrastructure in Less Economically Developed Countries (LEDCs)” in depth, but you will also build social responsibility and engagement skills, necessary to become a citizen of the world. Your participation in this conference could further shape your character as a confident individual that can leave a positive footprint in society. Additionally, through your research and analysis, you will enhance your academic skills and improve your career prospects. Finally, you will be able to meet people of diverse backgrounds creating friendships and networking opportunities.

As you will go through this study guide, you will familiarize yourself with this topic, an issue of utmost importance in human history for the last decades. I strongly encourage you to perform additional research on the topic in order to be able to cover its complex and multifaceted nature. As active global citizens and future leaders, your duty is to know how to deal effectively with a global issue such as this and to approach any challenges imposed with prudence and responsibility.

Should you have any questions, please do not hesitate to contact me via email at christiannapet@gmail.com

Kind Regards,

Christianna Petropoulou

Topic Introduction

Balancing equal opportunities refers to one of the greatest challenges in our modern world because it calls upon humanity to engage towards progress and technological advancement which can be equally accessible by all and implemented by combining ethics, inclusivity, sustainability and environmental protection. Inequality in its various forms has become the number one topic of focus in international policy making. The phrase “Leave no one behind” is the motto that best describes the 2030 Agenda for Sustainable Development. As climate change accelerates, the lack of resilient infrastructure is one of the major concerns towards the achievement of this goal and crucial for the sustainability of the Less Economically Developed Countries (LEDCs.) Those countries face heightened risks of extreme weather events, sea level increases and natural disasters in general and have the least resources to handle such events, thus being more vulnerable to the climate crisis. Building infrastructures to make local communities and national economies more climate or disaster-resilient is the key to sustainable development and necessary for balancing infinite opportunities to allow equal access by all to healthcare, education, food, shelter and work during a period of crisis. As such, it should be a top priority on international level policy, irrespective of economic status. Another reason for concern is the disproportionate relationship between the contribution to global greenhouse gas -which is the least for LEDCs- and the intensity of the effects of climate-related disasters - which is the highest for LEDCs due to their geographical location.

Resilient infrastructure in LEDCs refers to systems and facilities designed to withstand, adapt to, and quickly recover from various challenges, including natural disasters, economic shocks, and climate change impacts. Some examples of Resilient Infrastructure in LEDCs, among others, are flood-resistant roads in areas prone to heavy rainfall, renewable energy systems like solar panels, which are less affected by grid disruptions, rainwater harvest systems to ensure water supply during droughts, and cyclone shelters to protect communities during storms.

There is no doubt that by investing in resilient infrastructure, LEDCs can enhance their capacity to handle future challenges, build long-term sustainability, and improve the quality of life for their populations. It is debatable however if aid from developed countries should be prioritized for building resilient infrastructure in LEDCs. Continuous aid can create dependency, discouraging LEDCs from developing their own capacity for innovation and investment in infrastructure. In addition, LEDCs often have more urgent issues to address through international aid such as imminent disasters rather than

long-term infrastructure projects. Finally, financial aid often discourages the intervention of the international private investment which often is available.

Definition of Key Terms

Resilient Infrastructure

Sustainable and resilient infrastructure is designed and built to withstand and recover from disasters and disruptions, such as extreme weather events or socioeconomic challenges. It is built to contribute to long-term sustainability goals while incorporating measures to enhance resilience to shocks and stresses.¹

Less Economically Developed Countries

Some countries have less developed economies than others. These are referred to as less economically developed countries (LEDCs) or developing countries. LEDCs can be identified by three main factors: The people have low incomes; the people have little access to good nutrition, health care, and education; and the country's economy is usually farm- or otherwise land-based and therefore unstable.²

Sustainable environment

Environmental sustainability is the responsibility to conserve natural resources and protect global ecosystems to support health and wellbeing, now and in the future.³

Foreign aid

The international transfer of capital, goods, or services from a country or international organization for the benefit of the recipient country or its population. Aid can be economic, military, or emergency humanitarian (e.g., aid given following natural disasters).⁴

Infrastructure finance

¹ *Sustainable and Resilient Infrastructure* | OECD, www.oecd.org/en/topics/sustainable-and-resilient-infrastructure.html. Accessed 6 Jan. 2025.

² *Encyclopædia Britannica*, Encyclopædia Britannica, inc., kids.britannica.com/students/article/less-economically-developed-countries/604088. Accessed 6 Jan. 2025.

³ "What Is Environmental Sustainability?" *Sphera*, 25 June 2024, sphera.com/resources/glossary/what-is-environmental-sustainability/.

⁴ *Encyclopædia Britannica*, Encyclopædia Britannica, inc., www.britannica.com/money/foreign-aid. Accessed 6 Jan. 2025.

Infrastructure finance frequently involves Public-Private Partnerships, or PPPs, where government entities call upon private lenders to help finance the construction of essential national infrastructure such as fiber-optic networks, water treatment plants, or high-speed rail lines.⁵

Low-Cost Technology

A design principle for development of solutions or product, that replaces costly components, part, modules or ingredients by cheaper replacements.

A low-cost solution requires in general a risk assessment, to clear about the consequence for: humans, society or communities and the environment.⁶

Green Infrastructure

Green infrastructure has been defined as “A strategically planned network of natural and semi-natural areas with other environmental features, designed and managed to deliver a wide range of ecosystem services, while also enhancing biodiversity.” Such services include, for example, water purification, improving air quality, providing space for recreation, as well as helping with climate mitigation and adaptation. This network of green (land) and blue (water) spaces improves the quality of the environment, the condition and connectivity of natural areas.⁷

Capacity Building

Capacity-building is defined as the process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in a fast-changing world.⁸

Climate Adaptation

Adaptation refers to adjustments in ecological, social or economic systems in response to actual or expected climatic stimuli and their effects. It refers to changes in processes, practices and structures

⁵ “Infrastructure Finance.” *Société Générale*, wholesale.banking.societegenerale.com/en/news-insights/glossary/infrastructure-finance/. Accessed 6 Jan. 2025.

⁶ “Low-Cost Technology.” *Wikiversity*, en.wikiversity.org/wiki/Low-Cost_Technology. Accessed 6 Jan. 2025.

⁷ “Green Infrastructure.” *Environment*, environment.ec.europa.eu/topics/nature-and-biodiversity/green-infrastructure_en. Accessed 6 Jan. 2025.

⁸ “Capacity-Building.” *United Nations*, United Nations, www.un.org/en/academic-impact/capacity-building. Accessed 6 Jan. 2025.

to moderate potential damages or to benefit from opportunities associated with climate change. In simple terms, countries and communities need to develop adaptation solutions and implement actions to respond to current and future climate change impacts.⁹

Official Development Assistance (ODA)

Official Development Assistance or Global Aid refers to the transfer of money and/or resources from predominantly richer countries to developing countries to help fight poverty and support economic development.¹⁰

Sustainable Development Goals (SDGs)

Defined in the 2030 Agenda for Sustainable Development and based on the motto “Leave no one behind” they are 17 goals that all UN member states have agreed to implement by 2030. Among others, some are: No poverty, zero hunger, Reduced Inequalities, Good health and well-being, Sustainable cities & communities, Quality education, Responsible consumption and reduction, Gender equality, Climate action, Clean water and sanitation, Life below water, Affordable and clean energy, Life on land, Decent work and economic growth, etc.¹¹

The Bretton Woods Project

A strong voice against the actions of IMF and the World Bank, the Bretton Woods Project is a civil society network, which is housed by ActionUK in London and funded by Non- Governmental Organizations (NGOs) and various philanthropic and private humanitarian institutions. Its mission is to act as a watchdog and maintain critical information and evidence against the IMF and the World Bank in order to better promote democratic governance, human rights and the environment.¹²

Background Information

The first form of aid provision to LEDCs to build infrastructure dates back to the colonialism of the late 19th c. AC, as the European mother countries (UK, France, Spain) had to invest in infrastructure

⁹ *Unfccc.Int*, unfccc.int/topics/adaptation-and-resilience/the-big-picture/introduction. Accessed 6 Jan. 2025.

¹⁰ “Official Development Assistance.” *ONE Data & Analysis*, 25 Sept. 2024, data.one.org/topics/official-development-assistance/.

¹¹ “Sustainable Development.” *United Nations*, United Nations, sdgs.un.org/. Accessed 21 Dec. 2024.

¹² “What Is the Bretton Woods Project?” *Bretton Woods Project*, 12 Sept. 2024, www.brettonwoodsproject.org/2018/01/about-us/.

in their colonies in order to enable local resources extraction. These efforts were aiming primarily to satisfy the interests of the colonial superpowers.

Gradually, the concept of providing aid to build infrastructure to LEDCs shifted depending on the prevailing circumstances and the priorities at different points of time. Below is a short timeline of how provision of aid to build infrastructure to LEDCs has evolved.

1940s-1960s - Post- World War II (WWII) reconstruction & development

The World Bank was established in 1944 to provide financial and technical assistance to developing countries. Initially, its focus was on large infrastructure projects to promote economic growth. Similarly, in 1948, the United States implemented the Marshall Plan to assist in the reconstruction of Europe following the devastation of World War II. This initiative allocated \$12 billion to aid rebuilding efforts and institutionalized the importance of aid in social welfare and economic development.

Between the 1960s and 1980s, development aid became more formalized. In 1960, the International Development Association (IDA) was created as part of the World Bank Group to provide concessional loans and grants to the world's poorest countries, with a significant focus on infrastructure development. In 1969, the OECD's Development Assistance Committee (DAC) adopted Official Development Assistance (ODA) as the standard for foreign aid, promoting economic development and welfare in developing nations, including support for infrastructure projects.

During the 1970s and 1980s, disaster relief gained prominence. The United Nations established the Disaster Relief Office (UNDRO) to assist in natural disaster responses, offering technical cooperation, early warning recognition, preparedness, and prevention strategies.

From the 1990s to the present, there has been a shift towards sustainable and resilient infrastructure. The 1990-2000 period was designated the International Decade for Natural Disaster Reduction (IDNDR), emphasizing the importance of disaster preparedness. Growing recognition of climate change impacts has underscored the need for resilient infrastructure capable of withstanding environmental stresses. In 1994, the first World Conference on Natural Disaster Reduction took place in Yokohama, Japan, where UN member states adopted the Yokohama Strategy for a Safer World, setting guidelines for disaster prevention, preparedness, and mitigation.

Between 1997 and 2000, the El Niño phenomenon prompted intensified cooperation between UN organizations and affected regions, particularly developing countries. Additionally, the United Nations and other international bodies have promoted Disaster Risk Reduction (DRR) strategies, highlighting the necessity of constructing infrastructure that can endure natural disasters to mitigate human and economic losses.

In 2002, the first International Conference on Financing for Development was held in Mexico, resolving to address development financing challenges and eradicate poverty through sustainable economic growth. The second World Conference on Natural Disaster Reduction took place in Kobe, Hyogo, Japan, in 2005, resulting in the adoption of the Hyogo Framework for Action (HFA). That same year, the Paris Declaration on Aid Effectiveness established a practical, action-oriented roadmap to improve aid quality and impact by 2010, introducing an international monitoring system for accountability between donors and recipients.

In 2011, the Global Partnership for Effective Development Cooperation (GPEDC) was formed as a voluntary alliance between governments, civil society, trade unions, and the private sector, committed to enhancing the effectiveness of development efforts. In 2015, the Sustainable Development Goals (SDGs) were defined in the 2030 Agenda for Sustainable Development. The 17 SDGs, adopted by all UN member states, aim to build resilient infrastructure and promote inclusive and sustainable industrialization, guiding international aid efforts toward sustainable and resilient infrastructure development.

Over the decades, the approach to providing aid for infrastructure in LEDCs has transitioned from colonial exploitation to a focus on sustainable and resilient development, aiming to promote economic growth, reduce poverty, and address the challenges posed by climate change.

On many occasions, foreign aid has had outstanding results. The best examples of countries going from crisis to rapid development were Botswana and the Republic of Korea in the 1960s, Indonesia in the 1970s, Bolivia and Ghana in the late 1980s and Uganda and Vietnam in the 1990s. Foreign aid was crucial for those countries who managed to transform their local economies, implement agricultural innovations, improve their public sectors and upgrade the living standards of their citizens. Foreign aid has also eradicated diseases and provided access to immunization and medication.

On the other hand, there have been plenty of cases that foreign aid has utterly failed. One example is the former Zaire -today the Democratic Republic of Congo- where large-scale cash flow from foreign donors had left no trace in the country while their dictator Mobuto Sese Seko was reportedly the richest man in Africa. Tanzania also received \$2 billion funding to build roads, but because there was no maintenance thereafter, all road networks deteriorated sooner than they were built.¹³

Importance of Resilient Infrastructure in LEDCs

Establishing resilient infrastructure in Less Economically Developed Countries (LEDCs) is crucial for fostering sustainable development and empowering communities. By strengthening infrastructure, these nations can become less vulnerable to natural disasters and climate change. Many LEDCs are disproportionately affected by these challenges due to inadequate infrastructure and limited access to education and knowledge, which hinders their ability to recognize early warnings and implement protective measures.

Moreover, resilient infrastructure promotes sustainable development and long-term economic growth by aligning with the United Nations' Sustainable Development Goals (SDGs), including climate action and economic progress. Investing in preventive measures also proves to be more cost-effective than post-disaster recovery, reducing long-term reliance on reactive aid.

From an ethical perspective, some argue that supporting resilient infrastructure in LEDCs serves as a form of moral responsibility for developed nations, given their historical contribution to climate change. Additionally, enhancing infrastructure in these regions helps maintain global stability by mitigating risks related to migration crises, social unrest, and conflicts. Strengthening infrastructure is not just a local necessity but a global imperative for a more secure and sustainable future.

Challenges of Resilient Infrastructure LEDCs

While providing aid for resilient infrastructure in Less Economically Developed Countries (LEDCs) has positive effects, there are several arguments against prioritizing aid for this purpose.

¹³ <https://documents1.worldbank.org/curated/en/612481468764422935/pdf/Assessing-aid-what-works-what-doesnt-and-why.pdf> (report by World Bank)

One major concern is the risk of dependency. Continuous aid may discourage LEDCs from developing self-sufficiency. Many countries that receive financial assistance struggle to become autonomous, and once aid is withdrawn, they often regress to their initial state. This cycle prevents sustainable progress and long-term independence.

Additionally, foreign aid can discourage local initiative and innovation. When financial support is readily available, there may be little motivation to drive progress and improvement. A notable example is Greece in the 1980s when European Union funds meant to modernize agriculture were instead used for personal expenditures. Rather than investing in agricultural facilities and land development, rural populations spent the aid on luxury items such as expensive cars and lavish homes.

Corruption among local authorities is another pressing issue. Weak governance in many LEDCs can lead to the misallocation of funds, preventing resources from being directed towards resilient infrastructure. A lack of accountability hinders the success of projects, as seen in the case of Zaire, where aid funds were misused, leaving essential developments unfulfilled.

Another argument against prioritizing aid for infrastructure is that it takes time to yield results. More immediate concerns, such as food security, healthcare, and education, require urgent attention. Infrastructure projects, while valuable in the long run, may not directly address the pressing needs of vulnerable populations.

Furthermore, private investment can serve as an alternative to aid. In many cases, private sector involvement, whether through management agreements with the public sector or privatization, can facilitate sustainable infrastructure development. This approach reduces reliance on foreign aid while stimulating job creation and economic growth.

Economic pressures in donor countries also affect the willingness to continue providing aid. Many argue that each LEDC should be responsible for managing its own affairs rather than depending on external support. As donor nations face financial constraints, their motivation to assist others diminishes.

Finally, large-scale infrastructure projects pose environmental risks. They often contribute to pollution, deforestation, and habitat destruction. Critics argue that while aid for resilient infrastructure may spur economic growth, it frequently comes at the expense of environmental sustainability. While

aid for resilient infrastructure has its merits, these challenges highlight the complexities and potential drawbacks of prioritizing such assistance.

Socioeconomic impacts of the issue

There is, however, a strong argument against this last criticism about the environment. According to the World Bank's Poverty, Prosperity and Planet Report of 2024¹⁴ the incremental increase in emissions when moving a population out of poverty is much lower, than when poverty is prolonged and remains at high levels.

In addition, as the climate crisis heightens, there is a growing economic loss due to climate-related damages in infrastructure. Thus, the need to build resilient infrastructure becomes a top priority in social policy. The graph below, published by the Organization of Economic Cooperation and Development (OECD,) shows that economic losses from climate-related disasters are estimated to have increased from an annual average of USD 198 billion in the 1970s to USD 1.6 trillion in the 2010s! Building resilient infrastructure increases preparedness against natural disasters and minimizes the cost of recovery.¹⁵

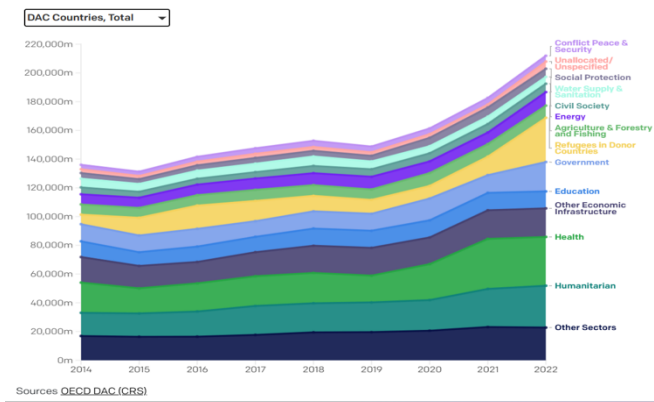


Figure 1: Graph depicting DAC Countries, Total.¹⁶

In the last sixty years, total aid has grown from US\$38 billion in 1960 to US\$223.7 billion in 2023. But the financing needed to solve these global problems are much greater: to achieve the Sustainable Development Goals (SDGs) in low-income and lower-middle income countries will likely cost between

¹⁴ "The Belt and Road Portal." 返回首页, eng.yidaiyilu.gov.cn/p/0T4ND13J.html. Accessed 21Dec. 2024.

¹⁵ *Sustainable and Resilient Infrastructure* | OECD, www.oecd.org/en/topics/sub-issues/sustainable-and-resilient-infrastructure.html. Accessed 21 Dec. 2024.

¹⁶ data.oecd.org/topics/official-development-assistance/

\$1.4 trillion to \$3 trillion per year. The graph above shows the amount of aid that goes to specific sectors.¹⁷

Current state of Resilient Infrastructure in LEDCs and foreign aid levels

Globally, 685 million individuals are without electricity, 2.2 billion lack drinking water, 3.5 billion lack safe sanitation, 1 billion live more than 2 kilometers from an all-season road, and a third of the global population, 2.6 billion people, remain digitally unconnected. Addressing these challenges requires about \$1.5 trillion every year through 2030 - 4.5% of the GDP of low- and middle- income countries.¹⁸

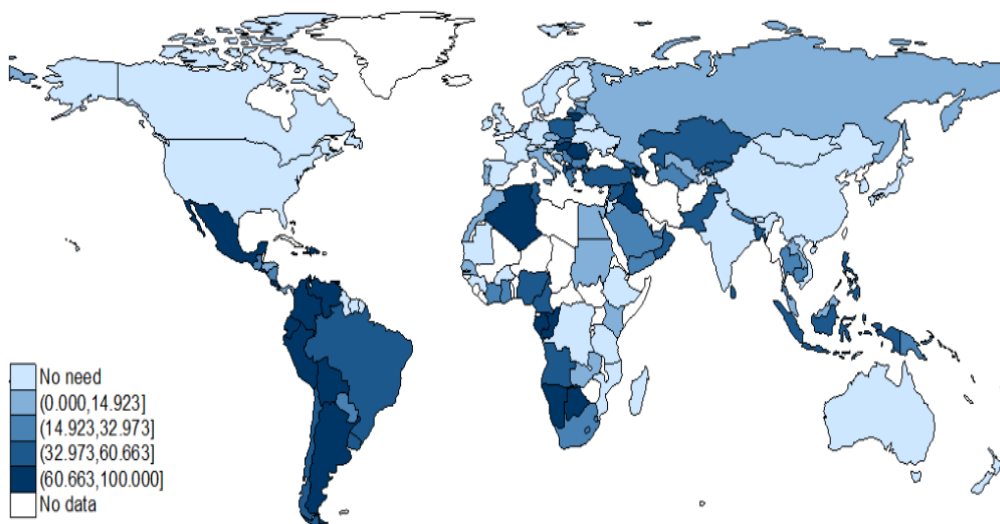


Figure 2: Aid in Infrastructure Needs Per Country Worldwide.¹⁹

According to OECD, the Least Developed Countries (LDCs) and the Small Island Developing States (SIDSs) have the highest vulnerability to extreme weather phenomena and natural disaster. Their high financing costs and lack of know-how hinder their ability to shield themselves with the necessary infrastructure.

¹⁷ *Assessing Aid : What Works, What Doesn't, and Why*, documents1.worldbank.org/curated/en/612481468764422935/pdf/Assessing-aid-what-works-what-doesnt-and-why.pdf. Accessed 21 Dec. 2024.

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¹⁹ www.theigc.org/blogs/aid-financed-infrastructure-promotes-foreign-direct-investments

The war between Russia and Ukraine, which enters its third year, is one more factor that constitutes foreign aid for resilient infrastructure more crucial than ever. Inflows from developed countries increased in 2023 to a new all-time high of USD 223.7 billion, up from USD 211 billion in 2022. Major donor countries, members of the OECD's Development Assistance Committee (DAC), have contributed 0,37% of their collective Gross National Income (GNI). There are, however, significant aid flows from members outside DAC, countries that voluntarily report their statistics in OECD.

Major Countries and Organizations Involved

Ukraine

The OECD and the Government of Ukraine are working together under a four-year OECD-Ukraine Country Program, which began in June 2023, to support Ukraine's reform, recovery, and reconstruction. Having the majority of its workforce relocated in other countries or absorbed in the war zone, Ukraine is completely dependent on foreign aid and has imminent needs to repair its destroyed infrastructure, reactivate its factories, enable business to resume activities and rebuild its agricultural industry. Foreign aid is focused on these priorities and has an upward trend as the war continues.

The OECD-Ukraine Country Program is structured around six main areas: Economic Recovery and Infrastructure Resilience, Environmental Sustainability and Energy, Taxation and Financial Management, Good Governance and Transparency, Competitiveness and Regulatory Efficiency, Human Capital, and finally, Social and Cultural Development.²⁰

Africa

The African continent is historically the biggest foreign aid recipient due to its geographical position and the high poverty level of most of its countries. According to the Infrastructure Consortium for Africa (ICA), in 2020, Africa received funding of about \$83bn.

The major recipient of foreign aid in the African continent appears to be the Western part (27%) mainly Nigeria, Togo, Ivory Coast, Ghana, followed by the Eastern part (18%) with countries such as Eritrea, Ethiopia, Somalia and Tanzania. Major donors to African infrastructure are countries such as the US, China, France, Germany, Japan, the European Commission, the United Kingdom, and Canada,

²⁰ Ukraine | OECD, www.oecd.org/en/countries/ukraine.html. Accessed 21 Dec. 2024.

as well as various African National Governments, and the private sector. The higher percentage of funding is aimed for transportation and road infrastructure, while a significant percentage is also allocated in energy, resulting for both sectors to comprise 71% of total inflows while technology and water absorbed about \$18,5 billion.

United States of America

The USA is a leading aid provider to LEDCs through the United States Agency for International Development (USAID) and the Millenium Challenge Corporation (MCC), focusing on infrastructure for energy, transportation and water.

Recognizing how inadequate infrastructure threatens human welfare in LEDCs, the agency provides more than just construction and development; it also aims to invest in long term capacity-building, sustainable sectoral reform, innovative technology and collaboration with the private sector. Through the application of the Green Infrastructure (GI) principles, USAID addresses issues such as rural flood mitigation, groundwater recharge, resilience to drought, food security and land stabilization after wildfires, by providing guidance and know-how on the implementation techniques and engineering design options required.

In the year 2023 USAID has supported a total of 64 countries against climate impact, a number which has grown five times since 2018.

The fiscal year 2025, the budget requested by the Department of State and USAID for foreign assistance is US\$ 42.8 billion, out of which \$10.3 billion are aimed for humanitarian assistance and crisis management, \$7.6 billion are dedicated to support people in the Middle East, \$2.2 billion aimed for economic growth and resilience through private sector engagement, \$500 million for digital expansion, \$1,2 billion for global food security challenges and \$3 billion dedicated to building resilient infrastructure against climate challenges.

There are plenty of cases where the effectiveness of USAID's support to those countries has been invaluable. One example is Bangladesh, a country which is often hit by cyclones, floods and storms. In 1991, a single cyclone caused the loss of 138,000 lives due to lack of warning. Fortunately, this was not the case in 2023, when the cyclone Mocha hit the Bangladesh-Burma borders and due to the USAID – supported warning signals, people were timely warned and safely moved to the USAID – built shelters. Although there were 145 victims, tens of thousands of people were saved due to the resilient infrastructure mechanisms set up by USAID. Another successful case is Pakistan. The country suffered

a severe flooding in 2022 resulting in one third of the country to be underwater, 1000 victims, 1,5 million houses destroyed and 1,5 million hectares of crops land damaged. Despite the total destruction, 79 schools that were built by USAID remained intact and 59 of them served as shelters for 17,000 people who had lost their homes, while children were able to go back to school as soon as the rains stopped. Although the cost of building these schools was higher than the average cost of schools in Pakistan, the investment paid in full since no humanitarian assistance was necessary to rebuild schools after the 2022 floods. Other successful stories include the cultivation of climate-resilient crops in Sub-Saharan countries- which led to an increase in production by 25% and 46.6 million people had food on the table, restoring watersheds in Honduras to battle water scarcity and helping 30,000 coffee farmers planting drought-resistant seeds.

In addition, USAID has been a major contributor to polio eradication in over 100 countries. PEPFAR, the US government's anti-HIV/AIDS initiative, has led to an estimated 20 percent lower mortality rate in countries that received its aid, and has saved millions of lives. USAID's Development Innovation Ventures, which funds innovative projects around the world, has funded a handful of highly cost-effective programs in global health and education. USAID has contributed to many other effective global health programs, including developing meningitis vaccines that prevented an estimated 1 million cases.

In August 2024, however, the successful work of USAID was overshadowed by the findings of the Inspector General who concluded that during the Biden administration, the USAID failed to make thorough reviews before making grants and failed to adequately track how US funds were used. USAID was also criticized about not having proper mechanisms in place to correct any oversights. This criticism is added to the growing skepticism in the US and the allegation that instead of humanitarian aid and development, funds are diverted to serve social engineering goals.

Moreover, MCC was founded in 2004 by the U.S. Congress and is committed to enable economic freedom and investment in poor countries through different forms of partnership with local governments and organizations. MCC provides time-limited grants for infrastructure, poverty reduction and institution strengthening. In two decades of operations, MCC has invested nearly \$14 billion to reduce poverty, establish equal opportunities and increase living standards while it is estimated that 400 million people have been benefited across 47 countries.

MCC has three types of grants: Compact, Threshold Program and Regional Compact. The first, **Compact**, are five-year agreements between MCC and a poor country to fund specific programs targeting poverty reduction and economic growth. The second, **Threshold Program**, is a program by which a candidate poor country becomes eligible for a compact grant. In essence, it advances policy

reforms and institution strengthening. Lastly, **Regional Compact**, is a grant by which concurrent regional compacts collaborate to promote cross-country trade and economic integration. For example, the Cote D'Ivoire Regional Compact, signed in September 2024, enables Cote D' Ivoire, the third biggest energy provider in West Africa, to become a major energy exporter to West African countries and connect 1.8 million households to electricity power.

MCC is practically introducing reform and helps poor countries establish a safe environment for investors. It also serves as a preparation for USAID's commitment of funds once the appropriate reforms have been implemented, as is the case of the Democratic Republic of Congo where President Felix Tshisekedi has adopted the MCC criteria as his country's reform agenda standards.

The Organization for Economic Co-operation and Development (OECD) ²¹

Established more than 60 years ago, the OECD is an international organization formed by 39 countries that together are working towards creating policies aiming to promote equality, well-being, economic growth and sustainable development. Working with policy makers, governments, citizens and corporations they seek to find feasible solutions to social, economic, political challenges. Topics of interest are climate adaptation and resilience, development, health, education, agriculture, etc.

Through its Horizontal Project and Economic Resilience, OECD uses a multidisciplinary approach to support governments to implement reforms that will tackle the climate crisis challenge. The key themes of this approach include understanding climate risks and building resilience, accelerating actions to keep the target for zero emissions of the Paris Agreement attainable, forming policies and strategies towards that goal and assessing the costs and benefits of environmental sustainability policies.

OECD pronounces 12 steps for governments to build climate and economic resilience as a general guideline but also provides specific instructions on how to effectively navigate through each one of them. In essence, according to OECDs strategy, governments are called to integrate climate risks in infrastructure building, draw financial flows towards resilient infrastructure, unlock the potential of green technology by combining nature-based solutions and ecosystem functions, strengthen international partnerships with developing countries to provide technical assistance and know-how, investment and financing, and to integrate climate-resilience systems in all levels of government.

²¹ *Better Policies for Better Lives* | OECD, www.oecd.org/en.html. Accessed 21 Dec. 2024.

The World Bank (WB)

Founded in 1944, the World Bank is dedicated to poverty eradication and inclusive, impactful development, such as the creation of resilience to shocks from climate-related phenomena, or pandemics and the development of growth through sustainability. The World Bank has funded over 15.000 development projects by traditional loans, grants or interest-free credits and among other services, it mobilizes private sector investment, provides policy advice and settles investment disputes. There are five institutions that form the World Bank Group (WBG) and work together as one towards the accomplishment of the World Bank's mission, namely, the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Center for Settlement of Investment Disputes (ICSID.)

The WBG's areas of focus are summarized in the following five topics: people (education, health and social protection), prosperity (economic policy, finance, institutions, poverty), planet (agriculture, environment, climate, water), infrastructure (energy, transport, urban development) and digital transformation. The numbers speak for themselves: In the fiscal year 2023-2024, 143,61 million people received essential health, nutrition and population services because of the WBG support. According to the WB's statistics published in July 2023, with more than 150 projects in 76 countries, 99.7 million people have received new or improved access to electricity worldwide. In the area of transportation, over the last decade, the WB has supported over 28 urban projects in 18 countries and 20 million people have benefited by 12 completed Bus Rapid Transit and metro projects. In the sector of digitalization, 92.76 million people gained access to broadband internet in the years 2023-2024 only, because of IDA actions.

There have been many occasions, however, that WB has been the target of severe criticism. It has been often said that the World Bank lacks mechanisms of transparency and accountability in their decision-making process and often neglects including all stake holders into their operations. Another criticism is the World Bank promotes the hegemony of the Western world against the LEDCs' own interests who are coerced into agreeing to the terms and conditions imposed in exchange for financial aid.

Blocs Expected

Alliances supporting Aid for Infrastructure

Alliances in favor of financial aid for infrastructure are formed between **developed nations** committed to global development, such as Germany, Sweden, Canada and Norway with strong aid programs motivated by moral responsibility, global stability incentives and economic partnerships and **LDECs**, such as countries of Asia, Africa and South America who seek funding for resilient infrastructure as these countries are more vulnerable to climate change and are eager to build infrastructure and develop climate-resilience. These alliances are further supported by **the UN, the World Bank and IMF** that are keen to promote infrastructure development as part of their SDGs and can provide policy reform guidelines and information on prioritizing needs and ways of allocating flow of funds.

Alliances Opposing or Critiquing Aid

Often depending on the administration and the local policy, developed nations, as has been the case a few times with the **USA**, may choose to allocate funding towards internal sectors rather than foreign countries. This in conjunction with the criticism received by civil society groups, such as the **Bretton woods project**, creates strong alliances against financial aid, further supported by **environmental groups**. In many occasions there has been strong opposition to foreign aid for **political reasons**, as has been the case of the USA and China who have been competing against each other over the years about who will gain better access in the African continent resources by heavily investing locally.

Timeline of Events

Date	Description of Event
1944	Establishment of the World Bank to provide financial assistance to LDECs
1948	Marshall Plan implemented by the US to assist the reconstruction of Europe after WWII
1960	Establishment of the World Bank's IDA to provide loans for infrastructure development
1969	OECD's Development Assistance Committee (DAC) adopted ODA

1970-1980	Establishment of UNDRO to offer assistance in LDECs in case of natural disaster or another crisis
1990 -2000	Decade for Natural Disaster Reduction (NDR)
1994	The First World Conference on NDR, Yokohama, Japan
1997	EL NINO phenomenon
2002	The First International Conference of Financing on Development, Mexico
2005	The Second World Conference on NDR, Kobe, Japan
2005	Paris Declaration on Aid Effectiveness
2010	Losses from climate-related extreme events reported at 1.6 trillion USD
2011	Global Partnership for Effective Development Cooperation (GPEDC) focusing on the effectiveness of foreign aid
2015	Sustainable Development Goals (SDGs) defined by all UN member states

Relevant UN Resolutions, Treaties & Events

- E/RES/2013/3: A conference structure of the Economic and Social Commission for Asia and the Pacific for the inclusive and sustainable development of Asia and the Pacific, 5 July 2013
- E/RES/2014/31: A global geodetic reference frame for sustainable development, 17 November 2014
- E/RES/2018/5: Strategies for eradicating poverty to achieve sustainable development for all, 09 May 2018
- E/RES/2021/30: Open-source technologies for sustainable development, 22 July 2021
- E/RES/2022/11: A conference structure of the Economic and Social Commission for Asia and the Pacific to advance sustainable development, 29 July 2022

Previous Attempts to Solve the Issue

Assessing the effectiveness of foreign aid for resilient infrastructure is not easy. It all comes down to the economic development phase of each recipient country, so certain needs such as food and shelter are obviously a priority, but even so, building shelters should be climate resistant, so in a sense all needs, basic or not, require resilient infrastructures in order to be met and to continue to be met in the long run.

There have been numerous reports after long research trying to measure the effectiveness of aid for infrastructure in general or, more specifically, resilient infrastructure. The World Bank and the OECD publish on an annual basis, statistics to further elaborate the merits of foreign aid to LCEDS. In all reports it is being argued that foreign aid should be provided when certain policies are in place.

Possible Solutions

A middle ground solution could be the answer to the debate “in favor of” or “against” foreign aid for infrastructure. Foreign aid is effective when the timing is right and when the proper policies are in place. More specifically, providing aid for infrastructure should be following certain requirements: Foreign aid should be tied with measures of transparency and anti-corruption practices. The project should be continuously monitored by an independent party who will be reporting to the donor country.

Accountability: Accountability is directly related in resource allocation and governments should be conducting evaluations to establish accountability. Not all countries, however, have accountability mechanisms in place. In this case, foreign aid should be followed by a well-established management and accountability plan that will enable adequate and reliable project evaluations during the aid implementation.

Engaging local communities: When local communities are involved, chances are that the project will run more smoothly as partnerships are perceived as benefiting to the local populations. Involving local or national partners builds trust between the government and the citizens and creates a support system that enables a long term capacity to resolve problems through the engagement of local experts, scientists and other local resources.

Improving the Private-Public Partnership (PPP) framework: A World Bank analysis in 2024 found that when LDECs made the right reforms in their PPP framework, infrastructure investments increased by \$488 million, indicating a strong correlation between regulatory reforms governing Public-Private Partnerships (PPP) and infrastructure investment. When regulations are clear, private investors are less skeptical to commit funds and governments are better positioned to deliver results. Partnerships

between the private and the public sectors are often effective, since the risks and costs are shared, and both have a stake in the project, so successful completion is a common goal.

Capacity Building: Capacity building strengthens the ability of the financial aid to be effectively provided. It entails ensuring that “know how” and technical skills are effectively transferred to the recipient country enabling them to maintain and further improve the infrastructure created independently of any foreign assistance.

Targeting a particular sector when providing aid: This is very important as priorities have to be set depending on the needs of any LDEC. For example, aiming essential infrastructure projects and setting specific goals, such as time horizon, geographical spread and specified sector of the economy, allows the donor country to better test effectiveness but also the recipient country to better utilize the funds and other aid provided one thing at a time. This way imminent needs are better met, but a strong base is built for longer-term infrastructure development.

Prioritizing green infrastructure: Focus on infrastructure projects that enhance environmental sustainability and improve living conditions of the local population, for example, the water purification or improvement of air quality. These projects affect basic needs of the population and are less unlikely to be pushed back in the agenda or bypassed in favor of another infrastructure project.

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