

*Aid to Developing Countries: The
Technology/Ecology Fit*

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AID TO DEVELOPING COUNTRIES:
THE TECHNOLOGY/ECOLOGY FIT

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FOREWORD

The U.S. Congress influences development assistance most directly through the U.S. Agency for International Development (AID) and five multilateral development banks (MDBs): the World Bank¹, the InterAmerican Development Bank, the Asian Development Bank, the African Development Bank, and the Caribbean Development Bank. Congress also influences development assistance through a number of Federal civilian and military agencies, bilateral programs (e.g., the Peace Corps and the Overseas Private Investment Corporation), and multilateral organizations (e.g., United Nations' agencies).

The Chairmen and Ranking Minority Members of the House Committee on Science and Technology and its Subcommittee on Natural Resources, Agriculture Research and Environment requested the congressional Office of Technology Assessment (OTA) to investigate how aid agencies might improve their capability to match technologies to local environmental conditions of recipient developing countries (Appendix A). The request grew out of an earlier study conducted under the auspices of the Environmental and Energy Study Institute (EESI) and ten Members of Congress. The EESI study identified the mismatch of technologies with developing country environments as a common contributing cause of development assistance project failures. One of the EESI report's ¹³

¹The International Bank for Reconstruction and Development, the International Development Agency, and the International Finance Corporation comprise the World Bank.

²The Committee was renamed the Committee on Science, Space, and Technology at the beginning of the 100th Congress.

explicit recommendations (see Appendix B) for congressional and aid agency action was to conduct a study addressing this aspect of development assistance failure.³

The House Science and Technology Committee staff, and staff of several other interested committees, suggested that this OTA paper might serve as a resource for oversight and reauthorization hearings of the Foreign Assistance Act, which provides the framework for U.S. development assistance. To enhance the report's utility, questions are included (set off in boxes) that committee Members and their staffs might use in hearings or informal conferences with development assistance personnel.

This paper focuses primarily on AID and to a lesser extent on the World Bank. AID and the World Bank have made the most observable efforts to integrate environmental and development concerns. Other multilateral and bilateral organizations tend to emulate their environmental policies and procedures to various degrees. Today, the World Bank is undergoing major reorganization in part to enhance its environmental capability. It is not clear at this time what the magnitude of these changes will be, although the President of the World Bank, Barber Conable, has stated his environmental goals for the Bank's reorganization (Appendix C). Once the reorganization is complete and the

³OTA and the World Resources Institute (WRI) initiated similar studies. This report presents only the results of OTA's study. Release of the WRI study is expected in mid-1987.

the success of this effort in achieving the stated environmental goals could be examined through the congressional hearing process.

This paper is based on information derived from: 1) a series of interviews with personnel of development assistance organizations, certain Executive and congressional agencies, nongovernmental organizations involved in development assistance, and development consultants; 2) an OTA workshop; and 3) study of selected aid organization reports (many of which are not intended for specific citation). By agreement with persons interviewed and workshop participants, observations are not attributed to particular individuals (Appendix G lists persons interviewed and workshop participants).

OTA greatly appreciates the contributions of the workshop participants, interviewees, and reviewers. As with all studies, the content of the Staff Paper is the sole responsibility of OTA.