

Official Development Assistance 2008

The Government continued to benefit from loans, grants and technical assistance from the International Development Partners (IDPs), and in particular Multilateral Financial Institutions (MFIs). The year recorded an increase both in the levels of new official development assistance (ODA) and disbursements. This was directly attributed to the Government's purposeful engagement with the MFIs to secure lower cost loans. Assistance was primarily provided through quick disbursing policy loans in support of Government's reform agenda in areas such as public financial management, education, taxation, security and justice. These funds were mostly directed at paying down more expensive commercial debts, thus providing the Government with more discretionary resources for critical development initiatives.

New ODA from IDPs totalled US\$631.0 million (\$46.0 billion), an increase of US\$473.6 million (\$34.5 billion). This notable increase in 2008 is attributed to the Government's intensified engagement with MFIs, as well as the relatively low level of approvals in 2007, due to delays by MFIs in the development of several projects until the new administration had assumed office. New ODA from bilateral sources also increased by 161.0 per cent compared with 2007, with the increase in loans and grants amounting to 240.0 per cent and 55.0 per cent respectively, compared with 2007. Of the new ODA, MFIs accounted for US\$517.8 million (\$37.8 billion); bilateral provided US\$58.8 million (\$4.3 billion); and Multilateral Technical Cooperation (MTC) contributed US\$54.3 million (\$4.0 billion).

The sectoral allocation of new loans and grants demonstrated an emphasis on the Social Infrastructure and Administration sectors through the modality of budget support, with development assistance of US\$213.7 million (\$15.6 billion) and US\$223.2 million (\$16.3 billion) respectively.

Despite improvements of US\$115.1 million (\$8.4 billion) compared with 2007, the combined total of the net flows from the three multilateral lending partners remained negative. The net position was negative US\$17.3 million (\$1.3 billion). Repayments amounted to US\$198.1 million (\$14.4 billion) and disbursements were US\$180.8 million (\$13.2 billion).