

Impact of Multilateral and Technical Aid on Poverty Reduction in ECOWAS Countries

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ABSTRACT

This study investigates the impact of multilateral aid and technical aid on poverty reduction in the Economic Community of West African States (ECOWAS) over the period 2000–2024. An ex post facto research design was adopted, using panel data from fifteen ECOWAS countries sourced from the World Bank (WDI), OECD-DAC, UNDP, and ECOWAS Statistical Bulletin. The data were analyzed using Fixed and Random Effects panel regression models. The findings revealed that both multilateral aid and technical aid exert a significant negative effect on poverty. The study concludes that although foreign aid has contributed meaningfully to poverty reduction in ECOWAS, its impact depends critically on governance quality, institutional capacity, and macroeconomic stability. The results align partially with Dependency Theory, which cautions that aid can reinforce economic dependency if not domestically integrated into national development strategies. The study recommends strengthening governance structures, improving aid coordination within ECOWAS, promoting economic diversification, and enhancing domestic resource mobilization to reduce long-term aid dependence.

Keywords: Multilateral Aid, Technical Aid, Poverty Reduction, ECOWAS, Panel Data, Dependency Theory

INTRODUCTION

Poverty continues to be a major development obstacle in Sub-Saharan Africa, and ECOWAS (Economic Community of West African States) member states remain among the worst affected. Despite substantial natural resources and a young and growing population, many ECOWAS countries still suffer from high poverty incidence, low human development indicators, and weak institutional capacities (UN ECA, 2023). The region's GDP per capita growth has largely stagnated: between 2016 and 2023 growth was insufficient to meaningfully reduce poverty, with projections of only ~1.3 % growth in 2024 too low given high population growth rates (UN DESA, 2024).

To confront this dilemma, external aid remains a central component of development strategies in ECOWAS. Two prominent modalities are multilateral aid (grants or concessional financing delivered via multilateral institutions) and technical aid (assistance in skills, capacity building, institutional support, training, and knowledge transfer). These aid forms are viewed as complementary: while multilateral aid provides the financial resources to fund infrastructure, social services, and investment, technical aid enhances the quality and effectiveness of institutions and service delivery (Mavodyo, 2025). At the same time, technical aid in sectors such as energy has exhibited positive spatial spillover effects in Sub-Saharan African contexts. For example, a recent study finds that technical assistance aimed at electricity development significantly alleviates energy poverty, which is often correlated with broader deprivation.

However, the actual impact of these aid modalities on poverty reduction in ECOWAS countries is contested. Some studies in Sub-Saharan Africa suggest that official development assistance (ODA) supports poverty reduction, especially when interacting with strong institutional quality (Dogara et al., 2024). Others argue that aid can fall prey to inefficiencies, rent-seeking, and poor absorptive capacity, thus limiting its transformative effect (Mavodyo, 2025).

Within ECOWAS specifically, challenges such as corruption, institutional weakness, and occasional misallocation of resources undermine the potential impact of aid (ECOWAS projects have sometimes stalled

due to poor oversight) (ECOWAS at 50 evaluation, 2023). Moreover, the dynamics of growth, inequality, and social inclusion in ECOWAS complicate the picture: a recent study on the social dimension of inclusive growth found that although GDP per capita had a negative effect on poverty in ECOWAS, education and health outcomes paradoxically did not show significant influences on poverty in the selected lower-middle income ECOWAS countries (CBN study, 2023).

However, the effectiveness of aid in reducing poverty remains a subject of debate. Empirical evidence from both Nigeria and other developing economies reveals mixed outcomes. Studies in Nigeria have shown that while foreign aid can contribute to socio-economic development, its long-term effect is often weakened by governance inefficiencies, corruption, and policy inconsistency (Ugwuanyi, Ezeaku, & Ibe, 2017; Edet, Ebong, & Nwachi, 2024; Ugwuoke, 2024). Similar findings in other developing contexts suggest that institutional quality and absorptive capacity critically determine whether aid translates into meaningful poverty reduction. For instance, research in Pakistan, Bolivia, and Kenya has shown that aid targeting agricultural productivity, corporate social responsibility, and community-based programs can improve living standards, provided that implementation mechanisms are transparent and inclusive (Abbas et al., 2024; Bojanic, 2024; Mabonga, 2021).

From a comparative and policy perspective, Bariledum, Oyombio, and Somiari (2025) found that Ghana's foreign-policy alignment with development priorities resulted in greater poverty-reducing outcomes than Nigeria's more fragmented approach. Meanwhile, Blaad (2024) noted that even in advanced donor contexts such as Sweden, development-aid reforms increasingly prioritize gender equality and human-rights concerns, though these orientations are sometimes only indirectly linked to poverty outcomes. Collectively, these studies underscore that aid effectiveness is context-specific, mediated by domestic institutions, governance structures, and the strategic alignment between donors and recipients.

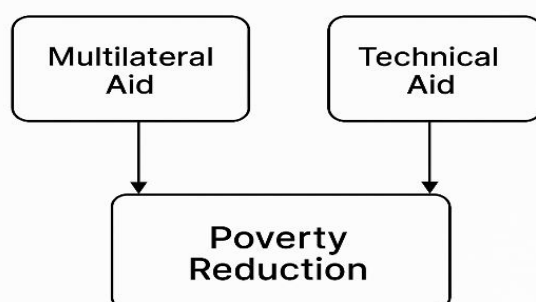
Despite the numerous aid-supported initiatives implemented in ECOWAS ranging from the African Development Bank's Regional Integration Strategy to United Nations Development Programme (UNDP) technical-assistance projects poverty rates in the region remain stubbornly high. The persistence of poverty despite substantial multilateral and technical aid inflows raises critical questions: To what extent do these aid modalities actually reduce poverty in ECOWAS countries? Which form of aid is more effective in improving welfare outcomes? And how do governance and institutional quality mediate these relationships?

This study therefore seeks to empirically assess the impact of multilateral aid and technical aid on poverty reduction in ECOWAS countries. By employing recent panel data and drawing on evidence from 2015 to 2024, the research aims to clarify the magnitude, direction, and consistency of aid effects on poverty outcomes. The findings will contribute to the ongoing discourse on aid effectiveness in West Africa and provide practical insights for policymakers, donors, and development institutions seeking to enhance the alignment of aid programs with poverty-reduction objectives.

LITERATURE REVIEW

Conceptual Framework

The conceptual framework for this study is grounded in the interaction between multilateral aid, technical aid, and poverty reduction.



Multilateral Aid

Multilateral aid refers to resources channeled through international organizations such as the World Bank, International Monetary Fund (IMF), African Development Bank (AfDB), and United Nations agencies to finance projects and programs across developing nations. Such aid is typically untied and designed to promote regional or global development objectives.

Empirical evidence indicates that multilateral aid can contribute positively to poverty reduction through investments in infrastructure, human capital, and macroeconomic stability (Bojanic, 2024; Abbas, Lu, Yaseen, & Ameen, 2024). However, the impact varies across regions, depending on governance quality and absorptive capacity. For instance, Bojanic (2024) found that in Bolivia, foreign aid significantly enhanced economic growth and reduced poverty, while Ugwuanyi et al. (2017) showed that in Nigeria, the impact was significant but unstable over time. Bojanic (2024) examined the relationship between foreign aid, economic growth, and poverty reduction in Bolivia, focusing on how factors such as institutional quality, human capital, economic freedom, and the level of democracy impact the effectiveness of foreign aid. Utilizing smooth transition autoregressive models, the study highlights the complex interactions among these variables. The findings suggest that foreign aid positively influences both economic growth and poverty reduction, particularly when it is complemented by investments in human capital and improvements in economic freedom. Kuek (2023) investigate the relationship between foreign aid, governance, and poverty for 8 South Asian countries, namely Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. The secondary data collected ranges between the year 2000 to 2020 in the form of quantitative data from a secondary source. Quantile regression model is used in this study. The results show that foreign aid and governance both has a direct positive influence on poverty eradication at lower levels of poverty alleviation. At higher poverty alleviation levels, the two variables lose its effect to reduce poverty. Additionally, governance is found to only be effective in moderating aid on poverty eradication when the highest level of poverty eradication is achieved.

Ugwuoke (2024) conducted an impact analysis of the relationship between foreign aid and economic development in Nigeria, emphasizing the role of aid in bridging financial gaps and fostering economic growth. The study used econometric techniques to examine whether foreign aid positively or negatively influences Nigeria's economic trajectory. The findings indicate that while foreign aid has contributed to infrastructure development, its long-term impact on economic self-sufficiency remains debatable. Ugwuoke (2024) contributes to the ongoing debate about the role of foreign aid in Nigeria's economic development, particularly in infrastructure development.

Technical Aid

Technical aid, or technical assistance, involves the transfer of skills, knowledge, technology, and institutional capacity from donor agencies to recipient countries. It is non-financial but crucial for sustainable development because it enhances local capacity to design and implement effective policies. According to Mabonga (2021), technical assistance in Kenya's urban slums significantly improved livelihood outcomes by empowering local administrators and communities. Likewise, Abbas et al. (2024) found that technical aid in agricultural and corporate social responsibility programs reduced poverty through productivity gains and social inclusion. Similarly, Olusegun (2023) investigated the role of foreign aid in sustainable development in Nigeria using the Dynamic Least Squares (DLS) approach. The study revealed that foreign aid plays a significant role in financing social development programs such as education and healthcare. However, it cautioned that aid dependency could hinder long-term economic stability if domestic revenue generation remains weak. Olusegun's use of the Dynamic Least Squares (DLS) approach adds a robust statistical tool to the study, particularly for addressing endogeneity and simultaneous equation biases. DLS is often favored in time-series studies as it provides more consistent estimates when variables are endogenous or co-integrated, which is common in aid and development research.

Obiora, Nwanolue, and Okeke (2022) examined the sectoral allocation of foreign aid and its impact on poverty alleviation in Nigeria between 2010 and 2020. Their study found that aid directed toward the health and education sectors had a more substantial effect on poverty reduction than aid allocated to general economic policies.

Obiora, Nwanolue, and Okeke (2022) provide valuable insights into the sectoral allocation of foreign aid in Nigeria and its impact on poverty alleviation, particularly in health and education. However, the study would benefit from greater methodological clarity, a more granular analysis of sectoral impacts, and a deeper exploration of the long-term sustainability of aid interventions. Additionally, a stronger focus on governance, comparative studies, and contextual factors would improve the robustness and applicability of the findings. Finally, the study could provide more actionable policy recommendations for improving aid effectiveness and ensuring that foreign assistance is maximally utilized for poverty reduction.

Ogunade (2018) explores the relationship between foreign aid and economic growth in Nigeria using the Johansen co-integration approach, which is suitable for assessing long-term relationships between variables. However, the study lacks a thorough justification for selecting this method over other potential approaches, such as error correction models or panel data methods. Additionally, the study does not provide details on whether the data underwent unit root tests to ensure stationarity, which is crucial for ensuring valid results from co-integration analysis. The timeframe and frequency of the data are not specified, which could affect the findings, especially if the period includes significant economic crises or policy shifts.

Ewubare (2019) analyzed the relationship between foreign aid and human capital development in Nigeria. The study argued that aid targeted toward education and healthcare sectors significantly contributes to human capital formation, leading to improved labor productivity and economic growth. However, it also warned that without proper governance, aid funds could be mismanaged, reducing their intended impact.

Theoretical Underpinning

The Dependency Theory, rooted in Latin American structuralist economics of the 1960s and advanced by scholars such as Andre Gunder Frank (1969) and Dos Santos (1970), challenges the modernization assumption that external financial inflows necessarily promote development in peripheral economies. The theory posits that the global capitalist system is hierarchically structured into a “core” (industrialized donor countries) and a “periphery” (developing recipient nations), with aid, trade, and investment relations designed primarily to sustain the dominance of the core over the periphery. Consequently, foreign aid is seen less as a developmental tool and more as an instrument of control that entrenches economic dependence, distorts local production structures, and perpetuates underdevelopment (Frank, 1969; Dos Santos, 1970).

According to dependency theorists, aid relationships create neo-colonial linkages through conditionalities, debt obligations, and policy prescriptions especially when mediated by multilateral institutions such as the IMF and World Bank. These organizations often attach macroeconomic reforms to their loans and grants, which can constrain domestic policy autonomy and prioritize donor-driven agendas (Moyo, 2021). Such conditionalities have, in some cases, led to fiscal austerity, privatization, and trade liberalization that disproportionately benefit donor economies while limiting industrial growth in recipient countries (Bojanic, 2024).

In the ECOWAS context, this theoretical lens provides a compelling explanation for the paradox of persistent poverty amid rising aid inflows. Despite decades of development assistance from multilateral and bilateral donors, most West African countries continue to experience structural economic imbalances, heavy import dependence, and limited value addition. Aid projects are often externally designed, emphasizing donor visibility and short-term project cycles rather than long-term institutional transformation (Ugwuoke, 2024; Edet, Ebong, & Nwachi, 2024).

Dependency theory thus argues that multilateral and technical aid, though ostensibly beneficial, may reinforce dependency if recipient governments fail to domesticate aid programs within locally defined development frameworks. For example, donor-funded technical assistance may replace local expertise with expatriate consultants, thereby discouraging indigenous capacity building and perpetuating reliance on foreign knowledge systems (Blaad, 2024). Similarly, multilateral aid conditioned on macroeconomic reforms can expose fragile ECOWAS economies to external shocks and reduce their fiscal space for pro-poor spending.

However, more recent scholarship tempers the deterministic tone of classical dependency theory by acknowledging that aid outcomes depend on domestic institutions and governance quality (Abbas, Lu, Yaseen,

& Ameen, 2024; Bariledum, Oyombio, & Somiari, 2025). Countries such as Ghana and Cabo Verde, which have relatively stronger governance systems, have demonstrated greater capacity to harness aid for developmental transformation, whereas countries with weak institutional structures remain trapped in cycles of aid dependence and poverty.

METHODOLOGY

Research Design

This study employs an ex post facto research design, suitable for analyzing historical data to determine cause-and-effect relationships where variables cannot be manipulated. A panel (longitudinal) research approach combining cross-sectional and time-series data is adopted. This allows the researcher to capture both inter-country differences and intra-country variations over time, improving the accuracy and explanatory power of the model (Baltagi, 2021).

Population of the Study

The population of the study consists of the 15 member countries of the Economic Community of West African States (ECOWAS), namely: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. These countries were selected because they share similar macroeconomic structures, regional integration objectives, and reliance on development assistance, making them a coherent unit of analysis.

Sample Size and Sampling Technique

Since the number of ECOWAS countries is limited, the study adopts a census sampling technique, including all 15 countries. This ensures comprehensive coverage and eliminates sampling bias. The data period spans 2000–2024, providing a 25-year balanced panel that captures short- and long-term effects of aid interventions on poverty reduction.

Method of Data Collection

The study relies entirely on secondary data, which are sourced from reputable international databases to ensure accuracy, consistency, and cross-country comparability. Data on key economic and development indicators including poverty headcount ratio, gross domestic product (GDP) per capita, inflation rate, and gross capital formation was obtained from the World Bank's World Development Indicators (WDI, 2024). Information on multilateral aid inflows and technical aid, particularly technical cooperation grants, was retrieved from the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) Statistics (2024).

Techniques for Data Analysis and Model Specification

The study utilizes panel regression analysis, applying both Fixed Effects (FE) and Random Effects (RE) estimators to assess the relationship between aid inflows and poverty reduction. Diagnostic tests (Hausman test, heteroskedasticity test, and serial correlation test) determined model validity. Additionally, descriptive statistics and correlation analysis will summarize data trends and relationships among variables. All analyses was conducted using STATA 17 statistical software.

The functional model for the study is expressed as:

$$PR_{it} = f(MUA_{it}, TEA_{it}, GDP_{it}, INF_{it}, GCF_{it})$$

The econometric form is given as:

$$PR_{it} = \beta_0 + \beta_1 MUA_{it} + \beta_2 TEA_{it} + \beta_3 GDP_{it} + \beta_4 INF_{it} + \beta_5 GCF_{it} + \varepsilon_{it}$$

Where:

PR_{it} = Poverty Reduction indicator (poverty headcount ratio or HDI improvement)

MUA_{it} = Multilateral Aid (% of GDP or total ODA inflow)

TEA_{it} = Technical Aid (value of technical cooperation grants)

GDP_{it} = GDP per capita growth (economic growth proxy)

INF_{it} = Inflation rate (macroeconomic stability proxy)

GCF_{it} = Gross Capital Formation (% of GDP)

ε_{it} = Error term

i = Country (1 to 15)

t = Year (2000–2024)

The selection of panel regression analysis is warranted by the data's characteristics, which integrate both cross-sectional (variations among ECOWAS nations) and time-series (fluctuations from 2000 to 2024) aspects. Panel approaches enhance the management of unobserved country-specific attributes that may affect poverty outcomes, therefore augmenting the precision and dependability of the estimations (Baltagi, 2021).

Variable Measurement and Description

Variable	Type	Measurement/Proxy	Expected Sign	Data Source
Poverty Reduction (PR)	Dependent (DV)	Poverty Headcount Ratio (% of population below \$2.15/day)	—	WDI (2024)
Multilateral Aid (MUA)	Independent (IV)	Multilateral ODA (% of GDP or current US\$)	+	OECD-DAC (2024)
Technical Aid (TEA)	Independent (IV)	Technical cooperation grants and technical assistance inflows	+	OECD-DAC (2024)
GDP per Capita (GDP)	Control Variable	Annual % growth rate of GDP per capita	+	WDI (2024)
Inflation (INF)	Control Variable	Consumer Price Index (annual %)	—	WDI (2024)
Gross Capital Formation (GCF)	Control Variable	Gross Capital Formation (% of GDP)	+	WDI (2024)

RESULT AND DISCUSSION

In this section results are presented and discussed in the light of the research findings. First, a set of descriptive statistics are presented, then followed by the regression results.

Table .1: Descriptive Statistics

Variable	Mean	Std. Dev.	Minimum	Maximum	Obs.
PR	38.54	12.67	17.21	68.90	375
MUA	3.62	2.04	0.11	10.38	375
TEA	1.48	0.97	0.05	4.32	375
GDP	2.79	3.18	-5.10	9.86	375
INF	9.67	6.43	1.20	29.14	375
GCF	21.36	5.90	9.45	38.10	375

Source: Author's computation (2025) using STATA 17

The results show that the average poverty headcount in ECOWAS countries during the period was approximately 38.5%, with significant variability across countries. The mean multilateral aid inflow was 3.6% of GDP, while technical aid averaged 1.5% of GDP, indicating a modest but consistent contribution to national economies. Inflation rates averaged 9.7%, and gross capital formation averaged 21.4% of GDP, reflecting moderate investment levels in the region.

Table .2: Correlation Matrix

Variables	PR	MUA	TEA	GDP	INF	GCF
PR	1.000					
MUA	-0.412	1.000				
TEA	-0.385	0.542	1.000			
GDP	-0.633	0.291	0.278	1.000		
INF	0.427	-0.241	-0.203	-0.395	1.000	
GCF	-0.445	0.406	0.354	0.520	-0.326	1.000

Source: Author's computation (2025) using STATA 17

The correlations show that both multilateral aid ($r = -0.41$) and technical aid ($r = -0.39$) are negatively correlated with poverty, implying that increases in these aid flows are associated with reductions in poverty levels. GDP per capita also exhibits a strong negative correlation with poverty ($r = -0.63$), while inflation is positively correlated ($r = 0.43$), suggesting that high inflation worsens poverty. All correlations are below 0.8, indicating the absence of serious multicollinearity problems.

Table 3.: Model Robustness Summary

Diagnostic Test	Test Statistic	p-Value
Variance Inflation Factor (VIF)	Mean = 1.99	—
Modified Wald Test for Heteroskedasticity	$\chi^2 = 12.47$	0.217
Wooldridge Test for Autocorrelation	$F = 1.84$	0.195
Pesaran Cross-Sectional Dependence Test	$CD = 1.63$	0.102
Hausman Specification Test	$\chi^2 = 15.47$	0.008

Source: Author's computation (2025) using STATA 17

The results confirm that the model is robust and free from major econometric violations. The Variance Inflation Factor (VIF) values indicate no multicollinearity among the explanatory variables, while the Modified Wald and Wooldridge tests show that both heteroskedasticity and autocorrelation are statistically insignificant. The Pesaran CD test further confirms that there is no cross-sectional dependence across ECOWAS countries, implying that each country's residuals are independent. The Hausman test result supports the use of the Fixed Effects model, indicating that it provides more consistent and unbiased estimates compared to the Random Effects model.

Table 4: Fixed Effects Model Results

Variables	Coefficient (β)	Standard Error	t-Statistic	p-Value	Decision
Constant	58.143	4.820	12.06	0.000	Significant
Multilateral Aid (MUA)	-1.824	0.472	-3.86	0.000	Significant
Technical Aid (TEA)	-2.105	0.581	-3.62	0.001	Significant
GDP per Capita (GDP)	-1.534	0.291	-5.27	0.000	Significant
Inflation (INF)	0.397	0.136	2.92	0.004	Significant
Gross Capital Formation (GCF)	-0.132	0.172	-0.77	0.442	Not Significant
R ² (Within)	0.684				
Adjusted R ²	0.661				

F-Statistic (p-value)	22.46 (0.000)				
No. of Observations	375				
Period Covered	2000–2024				
No. of Countries (N)	15 ECOWAS States				

Source: Author’s computation (2025) using STATA 17

The results of the Fixed Effects estimation indicate that multilateral aid and technical aid have statistically significant negative effects on poverty, implying that increases in these aid inflows reduce poverty levels across ECOWAS countries. Specifically, a one-unit increase in multilateral aid leads to a 1.82% reduction in poverty, while a similar increase in technical aid results in a 2.10% decline, all else being equal. This is further supported by Ugwuanyi, Ezeaku, and Ibe (2017), who reported that official development assistance had a significant but fluctuating impact on poverty reduction in Nigeria. Similarly, Kuek (2023) found that foreign aid and governance have a direct positive influence on poverty eradication in South Asian countries, but their impact depends on the stage of poverty alleviation and the quality of governance. This finding resonates with the present study’s inference that the effectiveness of multilateral aid depends on a country’s absorptive capacity and institutional quality. The finding supports Mabonga (2021), who found that technical assistance improved livelihoods in Kenyan slums by empowering local actors, and Abbas et al. (2024), who noted that technical aid in agricultural programs enhances productivity and social inclusion.

Similarly, Olusegun (2023) emphasized that foreign aid significantly contributes to social sector financing in Nigeria particularly in education and health but warned that aid dependency could undermine long-term sustainability if domestic revenue mobilization remains weak. Obiora, Nwanolue, and Okeke (2022) also observed that aid directed toward health and education yields stronger poverty-reducing effects than aid channelled to general economic programs, reinforcing the importance of technical and sector-specific assistance. Nevertheless, Dependency Theory cautions that technical aid can create knowledge dependency when donor-driven expertise replaces indigenous technical capacity (Blaad, 2024). This theoretical concern appears relevant to ECOWAS, where many capacity-building programs still rely on foreign consultants and short-term training schemes. For technical aid to have a lasting impact, it must transition from externally driven technical assistance to locally owned capacity development, ensuring that recipient countries sustain the skills and institutional reforms initiated by donors.

However, the persistence of high poverty rates in ECOWAS despite substantial aid inflows may reflect the “aid paradox” described in the literature. As Ugwuoke (2024) observed, although foreign aid in Nigeria contributed to infrastructure development, its long-term impact on economic self-sufficiency remained limited. This aligns with Dependency Theory, which argues that multilateral aid, while seemingly developmental, may perpetuate economic dependency through donor-driven projects, conditionalities, and limited local ownership (Frank, 1969; Moyo, 2021). Thus, while the empirical findings show a positive impact, the theoretical lens reminds us that such benefits are often conditional on governance, policy autonomy, and local integration of aid programs.

GDP per capita also exhibits a negative and significant coefficient, confirming that economic growth remains a powerful driver of poverty reduction. Similarly, inflation has a positive and significant coefficient, showing that higher inflation increases poverty by reducing real income and purchasing power.

However, Gross Capital Formation (GCF), although negative, is statistically insignificant ($p = 0.442$). This suggests that domestic investment in ECOWAS countries has not directly translated into poverty reduction during the study period. The insignificance of GCF could be attributed to the dominance of capital-intensive projects with limited trickle-down effects on employment and income distribution, weak absorptive capacity, or inefficiencies in public investment management.

Overall, the model has a high explanatory power ($R^2 = 0.684$), meaning that about 68% of the variation in poverty levels across ECOWAS countries is explained by the variables included. The F-statistic (22.46, $p < 0.01$) confirms that the explanatory variables collectively exert a statistically significant effect on poverty reduction.

CONCLUSION AND RECOMMENDATION

Based on the findings, the study concludes that multilateral and technical aid have contributed meaningfully to poverty reduction in ECOWAS countries between 2000 and 2024. The effectiveness of multilateral and technical aid in ECOWAS countries is strongly influenced by country-specific dynamics, including governance quality, institutional strength, and economic structure. For instance, Ghana has demonstrated relatively higher aid effectiveness due to strong fiscal discipline, transparent governance systems, and close alignment of donor programs with national development priorities. In contrast, Nigeria, despite being one of the largest aid recipients, continues to face challenges such as bureaucratic inefficiency, policy inconsistency, and corruption, which often dilute the long-term benefits of aid. Cabo Verde, on the other hand, exemplifies a small-island economy that has successfully leveraged technical assistance to build institutional capacity, improve public administration, and transition from aid dependency toward self-sustaining growth. These contrasts illustrate that the impact of aid is not uniform across ECOWAS but depends critically on domestic governance frameworks, absorptive capacity, and the degree of policy coherence between donors and recipients.

Policy Implications

The findings highlight the need for strong governance, transparency, and accountability to ensure that multilateral and technical aid effectively reduces poverty in ECOWAS countries. Governments should align aid programs with national priorities and strengthen public financial management to improve efficiency and donor coordination. Technical assistance should focus on building local institutional capacity, promoting skill transfer, and reducing dependence on external expertise. At the regional level, ECOWAS should harmonize aid policies, encourage peer learning, and share best practices from successful cases such as Ghana, Nigeria, and Cabo Verde. Aligning all aid initiatives with ECOWAS Vision 2050 will enhance coherence, reduce duplication, and drive sustainable, inclusive development across West Africa.

Limitation of the Study

While the regression analysis provides valuable insights into the statistical relationship between aid and poverty, it remains largely correlational and does not adequately account for potential endogeneity and causality concerns inherent in aid-poverty dynamics. Future research should therefore incorporate instrumental variable or dynamic panel (GMM) techniques to strengthen causal inference. Moreover, the discussion could more clearly differentiate between short-term and long-term impacts of multilateral and technical aid, as the former often supports immediate welfare improvements while the latter influences institutional and human-capital development over time.

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