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THE IMPACT OF FOREIGN AID ON SUSTAINABLE DEVELOPMENT IN NIGERIA: AN ENVIRONMENTALLY ADJUSTED HUMAN DEVELOPMENT INDEX APPROACH

Abstract:

The prime purpose of this research is to understand the relationship between foreign aid and sustainable development in Nigeria, using an environmentally adjusted human development index as a tool to measure sustainable development. Net Official Development Assistance & Official aid received (ODA) was used as a proxy for foreign aid (ODA) while the proxy for sustainable development was the Environmentally Adjusted Human Development Index (EaHDI). The study used secondary sources of data. The researcher employed the use of Spearman's Correlation and Simple Linear regression analysis. The research could not find any statistically significant evidence that foreign aid has contributed significantly to sustainable development in Nigeria, even when corruption is controlled. The researcher recommends the adoption of sustainability reporting by the Nigerian Government, and follow up on donations by foreign aid donors to ensure accountability and transparency in the use of funds.

Keywords:

Foreign Aid, Sustainable Development, Environmentally Adjusted Human Development Index, Nigeria, Official Development Assistance, Environmental Performance Index

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