foreign aid can promote growth in developing countries was explored. This hypothesis was tested using panel data series for foreign aid, while accounting for regional differences in Asian, African, Latin American, and the Caribbean countries as well as the differences in income levels. While the findings of previous studies are generally mixed, the results of this study also indicate that foreign aid has mixed effects on economic growth in developing countries. Keywords: Foreign aid, economic growth, developing countries.

Foreign Aid an Developing countries were hit hard by the financial and economic crisis, although the impact was somewhat delayed. Every country had different challenges to master. The closer the developing countries are interconnected with the world economy, the crasser the effects. And the incipient recovery that is becoming noticeable is, for the time being, restricted to only a few countries and regions. The crisis was transmitted primarily by trade and financial flows forcing millions back into poverty. Attainment of the Millennium Development Goals is seriously jeopardised in many countries. Many develop...