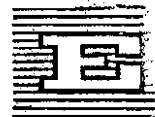


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INTERNATIONAL ECONOMIC ASSISTANCE TO AFRICA

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INTERNATIONAL ECONOMIC ASSISTANCE TO AFRICA

INTRODUCTION

1. This paper has been prepared in response to a request for information on this subject contained in paragraph 55 of the report of the first session of the Commission to the Economic and Social Council.^{1/} By this request, the Executive Secretary is asked "to obtain, from available data, including those in current United Nations reports, information regarding bilateral and multilateral assistance being given to territories in Africa". The first report in response to this request had been submitted to the second session of the Commission.^{2/} The definitions employed follow closely those in related studies at the global level, prepared for the twenty-fourth, twenty-sixth and thirtieth sessions of the Economic and Social Council.^{3/}

2. Section I of this paper summarizes part of the information on Africa presented in the last global report to the ECOSOC and reproduces, from that report, data on international economic assistance received by African countries and territories between 1 July 1957 and 30 June 1959. Section II contains recent information on multilateral contributions, while section III describes recent developments in bilateral assistance from four major sources, i.e. France, the Union of Soviet Socialist Republics, the United Kingdom and the United States of America. The paper submitted to the previous session of the Commission made an effort also to outline the broad developments of the flow of assistance during the whole post-war period, and gave details of the institutions through which bilateral and multilateral assistance was channelled. This information is not repeated in the present paper.

^{1/} Document E/3201.

^{2/} Document E/CN.14/23.

^{3/} Official Records of the Economic and Social Council, Twenty-fourth session Annexes, Agenda item 6, Document E/3407.
Official Records of the Economic and Social Council, Twenty-sixth session Annexes, Agenda item 4, Document E/3131.
Official Records of the Economic and Social Council, Thirtieth session Annexes, Agenda item 4, Document E/3395 and E/3395/Add.1.

3. Like the previous paper and like the corresponding documentation prepared at the global level for the Economic and Social Council, this paper is limited to the flow of public assistance in the form of grants in aid or long-term loans in cash or kind of an economic nature. Numerous difficulties arise in connection with all the various aspects of this definition. For instance, private and public funds are often closely interwoven; economic and general administrative or even military uses of loans cannot always be clearly statistically disentangled. The definition of what constitutes a long-term loan may differ; etc.^{1/}

4. No specific enquiry or new request for information concerning assistance to Africa has been addressed to Member countries so that the information contained in this paper does not claim to be exhaustive.

5. The designations of countries and territories and the arrangement of material in this document should not be considered as implying any endorsement or other judgement by the Secretariat of the United Nations regarding the legal status of any country or territory, or of its authorities, or in respect of the delimitation of its boundaries.

Section I: Assistance received by African countries and territories in 1957 - 1959.

6. The amount of international economic assistance received by individual African countries and territories between 1 July 1957 and 30 June 1959 (or nearest fiscal period) is shown in table 1. The data, which are based on information supplied by contributing countries and inter-governmental agencies, are reproduced from the last global report to the ECOSOC. This report also contains an analysis of trends in international economic assistance.^{2/} Certain findings of special interest to Africa are summarized below.

7. In recent years there has been a steady and remarkable growth of public assistance to the less developed countries. The report pointed out, however,

^{1/} For a more detailed discussion of problems of measurement and definition see Document E/3395 paragraph 7 and paragraphs 119-133.

^{2/} Document E/3395, Section II.

that until a year or two ago in the perspective of the period 1953/1954-1957/1959 public economic assistance to Africa had increased somewhat less than in the case of the other under-developed regions of Latin America and Asia.^{1/} As a result the share of Africa in the total had declined

Table 1: International Economic Assistance to African countries and territories
1 July 1957 - 30 June 1959

(Summary by contributing Country or agency and by recipient country or territory.)

/Millions of dollars/

Contributing Country or Agency	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments
	ALGERIA (pop. 10.3)			ANGOLA (pop. 4.5)			BELGIAN CONGO (pop. 13.6)		
Bilateral aid									
France	378.3 ^{2/}								
United States	0.5		0.1		0.1				
Multilateral aid									
IBRD								9.4	
UNICEF									
UNTA				0.1					

General Note: Contributions from Belgium, Italy, the Netherlands, Portugal, Yugoslavia, UNICEF, UNRWA and UNTA refer generally to the period 1 January 1958-31 December 1959. Contributions from Canada, Japan, New Zealand and the United Kingdom refer generally to the period 1 April 1957 - 31 March 1959. All other contributions refer to the period 1 July 1957 - 30 June 1959, except where otherwise noted.

^{1/} Document E/3395, Table II-1, page 77.

^{2/} Expenditure on development assistance, 1 January 1957 - 31 December 1958.

Table 1 (continued)

/Millions of dollars/

Contributing Country or Agency	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments
	BRITISH EAST AFRICA ^{1/} (pop. 22.0)			BRITISH S.AFRICAN TERR ^{2/} (pop. 1.3)			BRITISH W. AFRICA ^{3/} (pop. 37.2)		
Bilateral aid									
United Kingdom	37.5	11.4	0.3	7.5	1.7	0.1	26.1	0.6	0.2
United States	3.0	-	-	...	-	-	...	-	-
Multilateral aid									
IBRD	-	-	-	-	-	-	-	-	-
UNICEF	0.8	-	-	-	-	-	0.5	-	-
UNTA	0.9	-	-	0.1	-	-	0.5	-	-
CAMEROUN (pop. 3.2)									
ETHIOPIA (pop. 21.6)									
FORMER FR.EQUAT.AFRICA (pop. 5.0)									
Bilateral aid									
France ^{4/}	28.7	1.7	5.1	-	-	-	30.3	12.8	3.8
Sweden	-	-	-	0.6	-	-	-	-	-
United States	...	-	-	12.5	5.1	5.1	-	-	0.5
Yugoslavia	-	-	-	-	0.5	-	-	-	-
Multilateral aid									
IBRD	-	-	-	-	2.6	0.8	-	-	-
UNICEF	0.1	-	-	0.3	-	-	0.3	-	-
UNTA	0.1	-	-	1.2	-	-	...	-	-
FORMER FR. WEST AFRICA ^{5/} (pop. 17.7)									
GHANA (pop. 4.8)									
GUINEA (pop. 2.6)									
Bilateral									
France ^{4/}	80.1	15.7	12.3	-	-	-	4.2	0.6	-
United Kingdom	-	-	-	2.0	-	-	-	-	-
United States	-	-	-	1.8	-	-	-	-	-
Multilateral aid									
IBRD	-	-	0.6	-	-	-	-	-	-
UNICEF	0.9	-	-	0.3	-	-	0.1	-	-
UNTA	0.1	-	-	0.5	-	-	0.1	-	-

^{1/} Kenya, Uganda, Tanganyika, Zanzibar, Pemba and Somaliland Protectorate.^{2/} Basutoland, Bechuanaland and Swaziland.^{3/} Gambia, Nigeria, Sierra Leone and Cameroons [Br.]^{4/} Data shown refer to territorial expenditure of FIDES in the period 1 January 1957 - 31 December 1958.^{5/} Territories comprises in former French West Africa except Guinea.

Table 1 (continued)

/Millions of dollars/

Contributing Country of Agency	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments
	LIBERIA (pop. 1.3)			LIBYA (pop. 1.2)			MALAGASY REPUBLIC (pop. 5.2)		
Bilateral aid									
France ^{1/}	-	-	-	-	-	-	27.9	4.9	2.9
Italy	-	-	-	2.8	-	-	-	-	-
United Kingdom	-	-	-	21.5	-	0.3	-	-	-
United States	4.7	11.2	0.6	33.2	1.2	-	...	-	-
Multilateral aid									
IBRD	-	-	-	-	-	-	-	-	-
UNICEF	0.1	-	-	0.1	-	-	...	-	-
UNTA	0.7	-	-	1.7	-	-	...	-	-
	MOROCCO (pop. 10.3)			MOZAMBIQUE (pop. 6.2)			RHODESIA/NYASALAND (pop. 7.8)		
Bilateral aid									
France	...	2/	2/	...	...	...	...	...	...
Portugal	-	-	-	...	...	...	-	-	-
United Kingdom	-	-	-	-	-	-	4.2	5.6	0.4
United States	14.2	33.3	3.1	...	-	-	-	-	17.3
Multilateral aid									
IBRD	-	-	-	-	-	-	-	18.8	-
UNICEF	0.3	-	-	-	-	-	-	-	-
UNTA	0.6	-	-	-	-	-	0.1	-	-

1/ Data shown to territorial expenditure of FIDES in the period 1 January 1957-31 December 1958.

2/ Development expenditure in Morocco and Tunisia amounted to \$78.5 million in the period 1 January 1957-31 December 1958.

Table 1 (continued)

(Millions of dollars)

Contributing Country or Agency	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments	Grants	Loans	Repay- ments
	RUANDA-URUNDI (pop. 4.7)			SOMALILAND ^{1/} (pop. 1.3)			SUDAN (pop. 11.0)		
Bilateral									
Belgium	-	12.0 ^{5/}	-	-	-	-	-	-	-
Italy	-	-	-	13.9	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	0.6	-	-
United States	...	-	-	2.7	-	-	5.2	-	-
Yugoslavia	-	-	-	-	-	-	-	5.0	-
Multilateral aid									
IBRD	-	-	-	-	-	-	-	14.5	-
UNICEF	-	-	-	0.5	-	-	0.1	-	-
UNTA	...	-	-	0.3	-	-	1.1	-	-

	TUNISIA (pop. 3.9)			UAR, Egypt (pop. 24.8)			OTHER AND REGIONAL		
Bilateral aid									
France	... ^{1/}	... ^{1/}	... ^{1/}	-	-	-	15.3 ^{2/}	1.8 ^{2/}	1.4 ^{2/}
Italy	-	-	-	-	30.5	2.7	-	-	-
United Kingdom	-	-	-	-	-	-	73.0 ^{3/}	-	-
United States	44.6	2.5	-	18.5 ^{4/}	1.4 ^{4/}	2.2 ^{4/}	1.9	-	-
Multilateral aid									
IBRD	-	-	-	-	-	-	-	-	-
UNICEF	0.5	-	-	0.2	-	-	-	-	-
UNTA	0.7	-	-	1.8	-	-	2.0	-	-

^{1/} Development expenditure in Morocco and Tunisia in the period 1 January 1957 - 31 December 1958 amounted to \$78.5 million.

^{2/} Data refer to activity of territorial section of FIDES in the period 1 January 1957 - 31 December 1958.

^{3/} Grants to Cyprus, Gibraltar and Malta.

^{4/} Including transactions with the Syrian Region.

^{5/} Transfers of Belgian Treasury certificates in 1958.

from 30 per cent over the average period around 1954 to 23 per cent in the period around 1958. This decline was wholly due to loans since the share of grants to Africa in the total had actually increased. Africa during this period had not shared the general tendency for loans to under-developed areas to increase in importance relative to grants.^{1/} The document further showed that, in spite of its declining share, Africa continued to be the largest beneficiary of official international assistance in relation to population.^{2/}

8. Public economic assistance around 1958 represented 18 per cent of the total export earnings of the under-developed areas of Africa, as compared with 13 per cent for all under-developed countries.^{3/} Among individual African countries and territories included in the calculations economic assistance as a percentage of export earnings around 1958 varied from 226 per cent for Libya, 67 per cent for Algeria, 22 per cent for Former French Equatorial Africa, 21 per cent for Morocco and Tunisia, 20 per cent for Liberia, 16 per cent for Madagascar, 14 per cent for Former French West Africa, 12 per cent for Cameroun, 12 per cent for Ethiopia, 9 per cent for the Sudan, 4 per cent for the Belgian Congo, 2 per cent for the United Arab Republic (Egypt), 1 per cent for Ghana and 1 per cent for the Federation of Rhodesia and Nyasaland.^{4/} These figures illustrate the great variation in the importance of international public assistance as a source of foreign exchange receipts to the various African countries and territories.

9. In terms of the relationship between economic assistance and capital formation, international economic assistance around 1958 represented 5.1 per cent of gross fixed investment in the Belgian Congo, 3.3 per cent in the United Arab Republic (Egypt), 2.0 per cent in Ghana and 1.3 per cent

^{1/} Document E/3395, Table II-3, page 80. It was pointed out, however, that the territorial as well as financial coverage for Africa was not as complete as for some other regions. Moreover, since aid from France is a large constituent of assistance to African the devaluation of the franc in relation to the dollar in 1957 tended to understate the true magnitude of the increase (paragraph 139).

^{2/} Document E/3395, paragraph 139.

^{3/} Document E/3395, Table II-5, page 85

^{4/} Document E/3395, Table II-6, pages 86-87.

in the Federation of Rhodesia and Nyasaland. 1/

10. The report submitted to the Economic and Social Council also showed that as of 31 December 1958, the external public indebtedness of African under-developed countries - as of other under-developed countries - had sharply increased as compared with the situation three years earlier.

For instance, in the United Arab Republic the increase was from \$5 million to \$291 million, in the Belgian Congo from \$316 million to \$516 million, in Ethiopia from \$33 million to \$51 million, in the Federation of Rhodesia and Nyasaland from \$371 million to \$526 million. This meant that public debt services at the end of 1958 absorbed 4.6 per cent of all total current receipts for the Federation of Rhodesia and Nyasaland, 4.0 per cent for the Belgian Congo, 1.9 per cent for Ethiopia and 0.2 per cent for the United Arab Republic (Egypt). 2/

11. One African country (Libya) was shown to be the recipient of the largest amount of assistance per capita in 1957/58-1958/59 of the under-developed countries represented in the calculations. Of the other African countries represented in this calculation, Liberia received on a per capita basis more than the average for under-developed countries, while the Sudan, Ethiopia, Ghana and the United Arab Republic (Egyptian Region) all received less than the average for all under-developed countries. 3/

12. In the last year or so, however, the degree of international attention given to Africa has sharply increased in connection with the emergence to independence of a number of former territories, the impending emergence of others and the problems and difficulties which such a transition may bring. The problems of newly independent countries have also become a major concern of the United Nations. 4/ This increased concern is reflected in the data presented in this paper, most directly in the increasing volume of international economic assistance flowing to African countries and

1/Document E/3395, Table II-7, page 88.

2/Document E/3395, Table II-8, page 91.

3/Document E/3395, Table II-4, page 82-83

4/See "Opportunities for international Co-operation on Behalf of Newly Independent Countries", Document E/3387 and E/3387/Add.1.

territories in the period since 1958. Since these data contain only an initial reflection of the increased attention given to African requirements, it may be expected that the flow of international economic assistance will continue to increase in the more immediate future.

Section II. Some Recent Developments in Multi-lateral Assistance

The International Bank for Reconstruction and Development (IBRD)

13. In the paper submitted to the last session of the Commission, details were given of the loans made by the International Bank to the less developed areas of Africa up to 30 June 1958.^{1/} Attention was then drawn to the fact that in relation to the activity of the Bank in the less developed areas as a whole, the share of the African areas rose from 11 per cent in 1956/57 to 17 per cent in 1957/58 in terms of loans arranged during the year and from 6 per cent to 9 per cent in terms of disbursements. It can be reported that this trend has since continued. The corresponding shares of the less developed areas of Africa in terms of loans arranged, after falling slightly from 17 per cent in 1957/58 to 16 per cent in 1958/59, increased sharply to 47 per cent in 1959/60.

14. In absolute terms, now loans arranged for the less developed areas of Africa diminished from \$87 million in 1957/58 to \$74 million in 1958/59 but then increased sharply to \$239 million in 1959/60. It should be realized that the above figures relate to the less developed areas of Africa rather than the geographical entity of the continent. The fall for Africa in new loans arranged from 1957/58 to 1958/59 would be almost eliminated if loans to the Union of South Africa were included.

15. The share of Africa has also strikingly increased if loans made to the continent as a whole are compared with the total lending by the Bank. Up to 30 June 1959 the share of Africa in the cumulative total of loans arranged by the IBRD was only \$589 million out of a total of \$4,426 million, or only 13.3 per cent. But the share of Africa in the new loans made between

^{1/} Document E/CN.14/23.

1 July 1959 and 30 June 1960 was \$239.2 million out of \$659 million or as a high as 36.3 per cent.

16. The loans made to African countries by the IBRD during the fiscal year 1959/60 included the following:

Algeria and the Sahara	Pipeline loan	\$50 million	12 year loan
Belgian Congo	Agricultural loan	\$7 million	12 year loan
	Transport loan	\$28 million	12 year loan
	Transport loan	\$5 million	10 year loan
Kenya	Agricultural loan	\$5.6 million	10 year loan
Mauritania	Mining loan	\$66 million	15 year loan
Federation of Rhodesia and Nyasaland	Agricultural loan	\$5.6 million	10 year loan
Sudan	Agricultural loan	\$15.5 million	20 year loan
United Arab Republic	Canal loan	\$56.5 million	15 year loan

17. Agricultural loans to African countries by the International Bank during 1959/60 accounted for more than half the total of the year's agricultural loans. The loan of \$66 million for iron ore mining in Mauritania was the largest loan made by the International Bank during its latest financial year.

18. All but one of the loans made to Africa during the last financial year were made with participation by private financial institutions. These included half of the oil pipeline loan in Algeria and the Sahara where participation was principally by insurance companies, almost one-third of the two transport loans to the Belgian Congo and about 10 per cent of the Canal loan to the United Arab Republic where participation was by commercial banks. ^{1/}

The International Finance Corporation (IFC)

19. The International Finance Corporation has made available \$2,800,000 for the Kilombero Sugar Company in Tanganyika for a mill and plantation development.

^{1/} The Fifteenth Annual Report of the International Bank for Reconstruction and Development for the fiscal year 1959/60 contains detailed descriptions of these various loans made to African countries and territories (pages 19-23 and page 29).

Technical Assistance Programmes of the United Nations, Specialized Agencies and UNICEF

20. The following table shows the assistance received by African countries and territories for the period 1 January 1958 to 31 December 1959 through both the Expanded Programme of Technical Assistance and the Regular Programmes of Technical Assistance.

Table 2: Contributions by United Nations technical assistance and relief agencies to African countries and territories
1 January 1958 - 31 December 1959

/Millions of dollars/			
Recipient region and country	United Nations Technical Assistance ^{1/} (UNTA)	United Nations Children's Fund (UNICEF)	All United Nations Agencies
AFRICA			
Angola	0.1	-	0.1
British East Africa	0.9	0.8	1.6
British South Africa Terr.	0.1	-	0.1
British West Africa	0.5	0.5	0.9
Cameroun	0.1	0.1	0.1
Ethiopia	1.2	0.3	1.5
Former French Equat. Africa	-	0.3	0.3
Former French West Africa	0.1	0.9	1.0
Ghana	0.5	0.3	0.8
Guinea	0.1	0.1	0.1
Liberia	0.7	0.1	0.8
Libya	1.7	0.1	1.8
Morocco	0.6	0.3	0.9
Rhodesia and Nyasaland (Fed.)	0.1	-	0.1
Somaliland (It.)	0.3	0.5	0.7
Sudan	1.1	0.1	1.2
Tunisia	0.7	0.5	1.2
UAR, Egypt	1.8	0.2	2.0
Other and regional	2.0	-	2.0
Total	12.3	4.9	17.1

^{1/} The figures in this column cover mainly contributions through the United Nations Expanded Programme of Technical Assistance and the Regular Programmes of Technical Assistance of the United Nations, WHO, UNESCO and IAEA. The figures also include contributions through the Malaria Eradication Programme of WHO and the United Nations Special Fund.

21. The proportion of the total regular technical assistance funds of the United Nations devoted to African countries has steadily increased in the past. Thus, from 6 per cent in 1955, this proportion has reached 16.3 per cent in 1960.

22. Allocations to African countries and territories for 1960 and planned allocations for the years ahead are on a rising scale. The corresponding figures for the Expanded Programme (EPTA) are \$4.8 million for 1959, \$5.8 million for 1960 and \$11.1 million for 1961-62. As of 31 October 1960, the provisional target figure for programmes for newly independent countries is \$7.6 million for 1961-1962. For the regular programme of the United Nations allocations are \$.2 million for 1959, and \$.3 million for 1960 (estimated) excluding OPEX.

23. The Secretary-General has proposed an additional budgetary appropriation of \$5 million in 1961 for United Nations assistance to meet the special transitional needs of the newly independent countries, nearly all in Africa.

An earlier proposal for \$2.5 million was increased to include the appropriations for both 1961 and 1962 so that a total of \$5 million could be immediately available in 1961. The \$5 million would be used under the Regular Assistance programmes established by General Assembly resolutions 200 (III) concerning technical assistance for economic development, 723 (VIII) concerning technical assistance in public administration and 1256 (XIII) concerning Operational, Executive and Administrative Personnel.

24. Expenditures in Africa by UNICEF have continued to rise. This is indicated by the fact that as a proportion of the total expenditures of the Fund up to 31 December 1959 assistance to the less developed areas in Africa accounted for 5.9 per cent; for the year 1959 alone the corresponding figure was 13 per cent. Overall expenditure in Africa up to 31 December 1959 amounted to approximately \$14.3 million and expenditure in 1959 to \$2.6 million. The latter figure represented a slight increase from 1958 expenditure of \$2.4 million.

United Nations Special Fund

25. As of 31 May 1960 a total of \$6,615,200 for the following projects had been approved for African countries:

Country	Project	Contribution by The Special Fund \$	Executing Agency
Ethiopia	Awash river basin development	930,100	FAO
Ghana	Survey of the Volta river flood plain	345,000	FAO
Guinea	General Development Survey	425,000	United Nations
Togo	Land and water use Survey	700,000	FAO
Tunisia	Agricultural research in Central Tunisia	897,200	FAO
U.A.R.	Pilot project for drainage of irrigated land	338,000	FAO
U.A.R.	Soil Survey from aerial photographs	301,000	FAO
U.A.R.	Civil Aviation School	1,630,400	ICAO
Nigeria	Survey of a multi-purpose dam site on the Niger river	735,000	International, Bank
Uganda	Aerial geophysical Survey	313,500	United Nations

26. In addition the Fund has allocated \$2,492,700 for a desert locust survey for Africa, Asia and the Middle East. The Executing Agency is the FAO. In each case the project involves matching local contributions from the government concerned.

27. The purpose and method of Special Fund assistance for these 11 projects is as follows:

<u>Country</u>	<u>Project</u>	<u>Purpose</u>	<u>Method</u>
Ethiopia	Awash River Basin Development	To obtain data on water resources for the development of hydro-power and irrigated agriculture in the Awash River Valley.	The Special Fund, by providing experts and equipment, will assist in an aerial survey of the valley, a power site survey of the more suitable places on the river, a soil survey of potential irrigable areas, hydrometeorological study of the whole river and its tributaries, and a detailed water management study of the Koka Dam reservoir.
Ghana	Survey of the Volta River Flood Plain	To determine whether topographic conditions exist in the lower Volta flood plain for large-scale growing of crops under irrigation, and calculate costs of irrigation and drainage works in areas selected for development.	The Special Fund will assist the Government by providing experts and some equipment for the survey.
Guinea	General Development Survey	To evaluate the country's resources, with a view to preparing new programmes for development and training, reconstructing the administrative machinery and improving day-to-day administration.	The Special Fund will assist the Government by providing a number of administrative, financial and other experts.
Togo	Land and Water Use Survey	To ascertain soil and water use conditions of areas in northern and southern Togo, to facilitate their development.	The Special Fund is assisting with experts, equipment, fellowships, and, through contractual services, with aerial photographs, making possible the preparation of soils maps and the completion of hydrological surveys in the areas.

<u>Country</u>	<u>Project</u>	<u>Purpose</u>	<u>Method</u>
Tunisia	Agricultural Research in Central Tunisia	To carry out field studies and demonstrations concerning agricultural and water utilization problems in semi-arid regions of Central Tunisia.	The Special Fund will assist with the provision of foreign experts in agronomy, forestry, soils, livestock and extension, with fellowships for Tunisian personnel who will carry on with the experimental work after the end of the project, and with equipment for demonstrations and materials for experimental work.
United Arab Republic	Pilot Project for Drainage of Irrigated Land	To increase production from presently irrigated lands and to achieve increase of crops by perennial irrigation when water becomes available.	The Special Fund will assist in carrying out pilot studies and demonstrations in the Nile Valley under varying soil and water conditions in order to determine the depth, spacing and type of drains to connect remote farms to a central drainage system.
United Arab Republic	Soil Survey from Aerial Photographs	To select the most suitable land on the fringes of the desert available for reclamation, as well as to indicate which land already under irrigation may be more intensely utilized.	The preparation of a reconnaissance type soil survey and classification of an area of approximately 2 million acres situated on the desert fringes of the Nile Valley, already undertaken by the Egyptian Government will be accelerated through the use of the aerial photographs the Special Fund will assist in making.
United Arab Republic	Civil Aviation School	To train additional personnel in the technical skills needed in civil aviation.	The Special Fund will provide instructors, fellowships, and imported training equipment to expand facilities which will be open to trainees from surrounding countries as well as the United Arab Republic itself.

<u>Country</u>	<u>Project</u>	<u>Purposes</u>	<u>Method</u>
the Niger	Survey of a Multi-Purpose Dam Site on the Niger River	To investigate the hydro-electric, agricultural, transportation and fisheries potential of a portion of the Niger Valley.	The Special Fund will pay for independent contractors to assist in surveying a site for a possible hydro-electric dam and in studying the feasibility of creating a fishery in the lake, the possibilities for improving agriculture through irrigation, and the navigability of the river.
Uganda	Aerial Geophysical Survey	To indicate, through an aerial geophysical survey of selected promising areas, smaller areas in which an intensive ground investigation for the assessment of economically important minerals will be concentrated.	With Special Fund assistance, the promising areas will first be investigated by airborne geophysical methods. Anomalies thus revealed will be verified, and mineral occurrences encountered in the anomalous areas explored and assessed in details by conventional ground geological methods, complemented by geophysical and geochemical methods and test drilling.
Inter-Regional	Africa, Asia, Middle East-Desert Locust Survey.	To prevent costly damage inflicted on crops by the Desert Locust.	The project will be undertaken in cooperation with nineteen Governments (Ethiopia, France, Ghana, India, Iran, Iraq, Italy, Jordan, Kuwait, Lebanon, Morocco, Pakistan, Saudi Arabia, Sudan, Tunisia, Turkey, United Arab Republic, United Kingdom and Yemen) directly concerned with the problem. The Special Fund will assist in an ecological survey, field research, and training and demonstration of new control techniques in Desert Locust outbreak areas.

The Special Commonwealth African Assistance Plan

28. Following the meeting of the Commonwealth Economic Consultative Council in London on September 20 and 21, announcement was made that a Special Commonwealth African Assistance Plan (SCAAP) has been initiated. The communiqué stated that the Commonwealth countries are already providing aid bilaterally and also making substantial resources available through existing international organizations. The SCAAP has been set up to focus attention on this effort and to help meet the great need for assistance in raising the standards of life in the less developed Commonwealth countries in Africa. It is expected that most Commonwealth countries will provide aid mainly in the form of technical assistance. It will be given both bilaterally and by increased support of existing international organizations. Each year the Commonwealth Finance Ministers will review the progress made in carrying out the plan.

European Economic Development Fund

29. The Economic Development Fund of the European Economic Community is now operating in Africa.^{1/} Of a total of \$581 million earmarked for five years, the amount of 66.5 million was approved for projects to be implemented in the following African countries and territories [Table 3].

30. The operations of the Fund are significantly behind schedule: less than half of the grants originally planned for 1958 and 1959 had in fact been authorized by mid 1960. The difficulties experienced by associated countries in preparing suitable projects are reported as the main factor making for this delay. More recently it has been possible to speed up activities considerably and further simplifications of procedure are contemplated by the EEC Commission with a view to accelerating action.

31. The delay in total approvals has affected, to some extent, the geographical distribution of the grants. At the end of June 1960 more than 15%

^{1/} Further details concerning this Fund will be found in the Report on the Impact of Western European Integration on African Trade and Development also submitted to this session of the Commission (Document E/CN.14/).

of the projects for which payments were authorized were accounted for by the Congo and the Ruanda-Urundi as against some 5% earmarked for the years 1958 and 1959 in the Implementing Convention

32. The pattern of investments was considerably influenced by the decision taken in July 1959 to increase the share of funds authorized for economic projects from the initial one-third to 70-75%. Indeed 4/5ths of the authorizations granted during the period February-June 1960 relate to projects considered as economic^{1/}. Within this category, the infrastructure predominates heavily and directly productive investment is of comparatively little importance.

Table 3
The European Development Fund
Projects approved in African countries and territories as of 30 June 1960^{2/}
(thousand EPU accounting units)^{3/}

	Special Projects	Economic Projects
Congo (former Belgian)	2,054	7,330
Ruanda Urundi	830	1,056
Cameroons	331	4,457
Central Africa	531	179
Camorés	81	-
Congo (former French)	457	5,752
Ivory Coast	2,886	600
Somali Coast	741	-
Dahomey	990	-
Gabon	1,018	-
Upper Volta	1,625	665
Madagascar	1,257	10,248
Mauritania	1,793	154
Niger	2,781	4,509
Mali Federation	461	5,064
Tchad	3,226	2,977
Togo	201	459
Italian Somaliland	1,950	-
Total for African countries and territories	23,213	43,450

Source: The European Economic Community, direct communication.

1/ More than one-third of the total authorizations shown in the table were granted during this five year period.

2/ The data show total cost of projects excluding administrative expenses.

3/ Equivalent to United States dollars.

Section III. Some Recent Developments in Bilateral Assistance

FRANCE

33. The paper presented to the previous session of the Commission gave a description of the organization of direct economic assistance from France to the less developed areas of Africa, with separate details given of the flow to Algeria and the Sahara, to Morocco and Tunisia, and to the former territories South of the Sahara. The paper also explained the distinction between "current expenditure" on the one hand and "development expenditure" on the other hand. Some details were also given of the institutional arrangements for transferring assistance, as they existed towards the end of 1959. The data given generally covered the cumulative expenditure up to the end of September 1957 and individual data for 1957 and 1958.^{1/}

34. More recent details are contained in the document submitted to the Economic and Social Council at its thirtieth session.^{2/} Data were then given for the fiscal years ending on 31 December 1958 and 31 December 1959. These data are reproduced in Table 4.

35. The year 1959 was marked by the creation of new institutions and the adaptation of the mechanism of assistance rendered by France to new constitutional and economic developments. In particular, a Fund for Aid and Co-operation (FAC - fonds d'aide et de coopération) has been created; the Fund for Investment in Overseas Departments (FIDOM - Fonds d'investissement des départements d'outre-mer) has been reorganized and decentralized; the functions of the Central Fund for Economic Co-operation (Caisse centrale de coopération économique) have been enlarged.

36. Generally speaking, the Fund for Aid and Co-operation (FAC) undertakes the assistance rendered to the other countries of the community and to Cameroun and Togo, in the Economic, financial, social, agricultural and technical fields. The corresponding previous functions of the Investment Fund for the Economic and Social Development of Overseas Territories (FIDES - (Fonds d'investissement

^{1/} Document E/CN.14/23, paragraphs 14-36.

^{2/} The data on direct assistance by France are contained in the Addendum to Document E/3395.

Table 4. Economic assistance provided directly by the Government of France to the under-developed areas in the fiscal years ending in 1958 and 1959

Recipient countries	/Millions of dollars/					
	1958			1959		
	Grants*	Loans*	Repayments	Grants	Loans	Repayment
Algeria and the Sahara:						
Current expenditure	96.6	-	-	88.3	-	-
Development expenditure	109.3	136.0 ^{1/}	17.9	241.7	17.1	-
Morocco and Tunisia:						
Current expenditure	87.2 ^{2/}	0.5 ^{2/}	-	17.5 ^{2/}	-	-
Development expenditure	9.3	12.4	3.6	12.4 ^{2/}	-	-
Overseas Departments:						
Current expenditure (net)	7.0	-	-	22.7	-	-
Development expenditure	16.4	17.1	-	11.3	9.7	2.4
States of the Community and Overseas Territories**:						
Current expenditure	96.4	14.7 ^{3/}	-	125.4	-	-
Development expenditure	170.5	45.7 ^{4/}	19.8	132.2	42.9	22.2
Cambodia, Laos and the Republic of Viet-Nam:						
Current expenditure	1.4	...	-	1.6	-	-
Development expenditure	7.6	1.2	-	5.7	-	-
Other countries:						
Current expenditure	2.5 ^{5/}	-	-	1.7 ^{5/}	5.6 ^{6/}	-
Development expenditure	...	...	-	-	-	-
Undistributed:						
Current expenditure	-	-	-	1.9*	-*	-
Development expenditure	-	-	-	30.2*	2.0*	-
Under-developed areas:						
Current expenditure	213.9	15.2	-	259.2	5.6	-
Development expenditure	313.1	212.4	41.2	433.5	71.7	24.6

* Appropriations (crédits de paiement).

** Data for 1958 exclude assistance to French Somaliland.

1/ Including advances of \$3.6 million from the Caisse des Dépôts.

2/ Including assistance to resident French nationals valued at \$8.4 million in 1958 (\$0.5 million in the form of loans) and \$8.1 million in 1959.

3/ Advances to cover budget deficits.

4/ Including advances of \$0.5 million from the Caisse des Dépôts.

5/ Bilateral technical assistance expenditure.

6/ Disbursements under agreement of 24 November 1957 between France and Argentina.

pour le développement économique et social des territoires d'outre-mer) as well as the Fund for Scientific Research^{1/} have been taken over by FAC. As distinct from the former FIDES the new FAC is in charge not only of investment funds but of all types of assistance, including technical assistance and budgetary support. These two latter types of assistance accounted for \$102.9 million in 1959.

37. As far as Africa is concerned, the operations of FIDES are now more or less limited to French Somaliland which is an overseas department.

38. The operation of FIDOM and the new FIDES are under the control of the Ministry of State (Ministère d'Etat chargé du Sahara, des départements et territoires d'outre-mer) dealing with the Sahara and the overseas departments and territories.

39. The Caisse Centrale serves as the executing agent for the operations of FAC and FIDES and FIDOM and also of the Fund for Stabilization of Primary Product Prices and Textiles for Overseas Areas. Moreover, the Caisse Centrale executes in the overseas franc zone countries the disbursements of the European Economic Community Development Fund established by the European Economic Community.^{2/} The Caisse Centrale also has its own appropriations for development assistance to African areas associated with France, normally in the form of medium or long-term loans.

40. The operations by the newly constituted Fund for Aid and Co-operation (FAC) in 1959 have included general projects (mainly research and surveys), as well as investment. General projects included mining surveys to which \$4.9 million were appropriated for the countries of the Community and the Cameroun; oil exploration and production on which \$35 million were spent in 1959 in the same area, agricultural services on which \$3.7 million were spent and cartographic surveys.

41. In direct public investment and development operations, \$60.1 million were appropriated by FAC in 1959 to the countries of the Community and the Republics

^{1/} Document E/CN.14/23, paragraph 35.

^{2/} Document E/CN.14/23, paragraphs 76-79 and Document E/3395, Section I, paragraphs 6-9. See also paragraph above.

of the Cameroun and Togo. A further breakdown is available showing separately for parts of this area the appropriations by FAC in 1959 on general studies and surveys, agricultural development, infrastructure investment and social equipment. These figures were as follows:

Table 5. Appropriations by FAC, 1959
(millions of United States Dollars)

Country	General Studies and Surveys	Agricultural development	Infrastructure investment	Social equipment	Total
West Africa ^{1/}	1.4	5.4	25.9	2.8	35.5
Equatorial Africa ^{2/}	.4	2.0	3.7	2.1	8.2
Madagascar	.1	3.3	3.5	.4	7.3
Cameroun	.2	3.6	2.5	1.5	7.8
Togo	.1	.4	.5	.2	1.2 ^{3/}
Total	2.2	14.7	36.1	7.0	60.0 ^{3/}

42. The total loans of the Central Fund for Economic Co-operation (Caisse Centrale de Cooperation Economique) amounted to about \$35 million in 1959. This excludes all the resources which the Caisse Centrale handled on behalf of FAC and FIDES. Loans are made to public bodies and also semi-public and private enterprises. Loans to public enterprises may range up to 20 years and carry a low rate of interest. Loans to private enterprise are shorter-term and carry a more commercial rate of interest. The following table shows the distribution according to objective of the loans from the Caisse Centrale in African countries for 1959.

43. The operations of FIDOM (Fonds d'investissement des Départements d'outre-mer) in 1959 were about \$14 million but the operations of FIDOM do not now generally affect African territories.

^{1/} Former French West Africa, including Mauritania, Senegal, the Sudan, Mali, the Ivory Coast, the Upper Volta, Dahomey and the Niger.

^{2/} Gabon, the Congo (capital: Brazzaville), the Central African Republic and Chad.

^{3/} In addition \$.1 million was appropriate for radio services.

Table 6. Loans by the Caisse Centrale de Cooperation Economique
1959, Distribution by fields
(millions of dollars)

Agricultural and real estate credit	9.0
Low cost housing	1.9
Urban and rural town planning	2.4
Energy for domestic and other current uses	2.2
Public utilities	4.8
Private mining and industry large-scale	13.8
Diverse private industries	<u>1.3</u>
Total	<u><u>35.4</u></u>

44. In Algeria, funds from the metropolitan budget for investment purposes are dispensed through the Equipment Fund for the Development of Algeria (Fonds d'équipement de l'Algerie). This Fund also obtains resources by issuing long-term bonds, and extends grants and loans for public and private investment and also to local authorities. A separate Fund also exists to make loans for low-cost housing in Algeria.

45. The following calculations (see Table 7) show the total allocation of metropolitan public funds for investment in respect of French Tropical Africa and Madagascar for the years 1952-1960. The years up to and including 1958 are based on disbursements. The 1959 figure represents disbursements in the case of the Caisse Centrale de Coopération and appropriations (crédits de paiements) in the case of other agencies. The 1960 total represents allocation estimates. In view of the devaluation of the French franc within this period the figures are given in billions of French francs, not converted into dollars. It will be seen that the total amount of assistance provided for investment purposes has been remarkably steady over the years and is now moving in the neighbourhood of about 100 billion French francs (about \$200 million).

Table 7. French Tropical Africa and Madagascar: Allocation of Metropolitan Public Funds for Investment by Distributing Organization 1952-1960

(Billions of French francs)									
Agency or Institution	1952	1953	1954	1955	1956	1957	1958	1959	1960 (estimates)
Common fund for scientific research (Fonds commun de la recherche scientifique)	-	-	1.5	1.6	1.3	1.6	1.9	2.4	1.9
Oil Research Bureau (Bureau de recherches de petrole)	2.0	2.1	2.3	3.7 ^{1/}	6.6	13.9	4.8	17.0	20.0
General section of FIDES	9.8	9.6	10.8	12.3	12.2	15.7	16.8 ^{2/}	13.1	1.0
Territorial sections of FIDES and FAC ^{3/}	56.8	40.9	37.5	41.0	47.8	46.4	38.3	47.4 ^{4/}	14.7 ^{5/}
FAC									41.7
Operations of the Caisse Centrale on own account ^{6/}	14.0	13.0	8.4	9.8	9.6	18.3	24.2	24.4	10.0
Expenditure under part V and part VIA of the French State Budget	4.4	3.4	8.5	3.6	3.7	4.9	5.5	1.9 ^{7/}	1.9
Total	87.0	69.0	69.0	72.0	81.2	100.8	91.5	106.2	91.2

Source: Organization for European Economic Cooperation, Economic Development of Overseas Countries and Territories Associated with OEEC Member Countries, Paris, 1958; Rapport du Conseil de direction du fonds d'investissement pour le developpement economique et social, Paris 1957, 1958 and 1960

This table has been made available by courtesy of the Center for International Studies at the Massachusetts Institute of Technology, U.S.A.

- 1/ Of which 400 million francs from the Fonds de soutien des hydrocarbures.
- 2/ Including expenditures financed from Foreign Operation Administration funds and reimbursable advances totalling 4.1 billion French francs.
- 3/ Fonds d'Aide et de Cooperation, FAC., created in 1959 replaced FIDES in the states of the French community.
- 4/ Of which 4.3 billion French francs are loans.
- 5/ Not including 800 million French francs of loans for budgetary support; including FAC territorial credits.
- 6/ Not including loans granted to the territories to cover their participation in the territorial sections of FIDES, already included in the line above.
- 7/ Of which 0.7 billion French francs are loans.

UNION OF SOVIET SOCIALIST REPUBLIC

46. The report to the second session of the Commission had reported on aid agreements concluded by the Union of Soviet Socialist Republics with the United Arab Republic in January 1958 and November 1958, to assist with industrial development in Egypt, and with the first stage of the Aswan High Dam, respectively. The two agreements involved rouble loans equivalent at official rates of exchange to \$175 million and \$100 million. The report also mentioned a loan to Guinea^{1/} equivalent to \$35 million.

47. The report submitted to the last session of the Economic and Social Council mentioned further relevant details, such as a loan equivalent to \$100 million to Ethiopia for the construction of industrial and other enterprises, including an oil refinery in the port of Assab, and also the agreement with the United Arab Republic in January 1960 to assist in the construction of the second stage of the Aswan High Dam^{2/}

48. Section II of the report to the Economic and Social Council also contained a more general analysis of the aid programmes by centrally planned economies of which aid from the Union of Soviet Socialist Republics constituted 80 per cent.^{3/} Cumulative commitments of bilateral economic assistance by centrally planned economies to under-developed countries in May 1960 amounted to \$2.5 billion at official rates of exchange. Commitments to African countries amounted to \$0.8 billion or almost one-third of this total.

49. The commitment of \$800 million as of May 1960 to African countries related mainly to Ethiopia, Guinea, and the United Arab Republic (Egypt). About three-quarters was received by the United Arab Republic (Egypt).

50. The following is a recent list of credit agreements signed with African countries by the Union of Soviet Socialist Republics:

^{1/} E/CN.14/23 paragraphs 40-42

^{2/} E/3395, paragraphs 78 and 88

^{3/} E/3395, paragraphs 156-165. These figures only relate to assistance given by centrally planned economies to under-developed economies outside the centrally planned group itself.

<u>Date</u>	<u>Country receiving aid</u>	<u>Description of loan</u>	<u>Amount in millions of U.S. Dollars</u>
29 February 1958	UAR (Egypt)	Development of mining and industry interest rate = 2.5 per cent Period of payment - 12 years	175
October 1958	UAR (Egypt)	Building of the Aswan Dam	100
July 1959	Ethiopia	Industrial and agricultural development	100
February 1960	UAR (Egypt)	Aswan Dam - second stage	250
August 1959	Guinea	Development of industry, agricul- ture, and road building. Interest rate = 2.5 per cent Period of payment - 12 years	35

In addition to the agreements listed above, credit agreements amounting to the equivalent of \$84 million were concluded by Czechoslovakia and Eastern Germany with the United Arab Republic (Egypt), and by Mainland China with Guinea, as well as a credit agreement for an unspecified amount by Hungary with the United Arab Republic (Egypt).

UNITED KINGDOM

51. The paper presented to the second session of the Commission had described the three main elements of governmental bilateral development assistance from the United Kingdom, namely expenditure under the Colonial Development and Welfare Acts, investment through the Colonial Development Corporation and assistance in support of territorial budgets. The paper had also drawn attention to the new scheme of Commonwealth assistance loans to independent Commonwealth countries, and of Exchequer loans on a similar basis to dependent territories.^{1/}

52. The report on international economic assistance to the less developed countries submitted to the thirtieth session of the Economic and Social Council included data for United Kingdom bilateral governmental assistance for the period 1 April 1957 to 31 March 1959. This document mentioned the actual increase in disbursements on loans between 1957/58 and 1958/59, and the expected further increase in 1959/60 as a result of the new programme of Commonwealth assistance

^{1/} Document E/CN.14/23, paragraphs 43-55

loans and of Exchequer loans for dependent territories.^{1/}

53. Table 8 shows more detailed and recent data relating to Africa. It should be noted that the data in this table are in terms of £ sterling not dollars, and that they refer to actual expenditures, not to commitments.

54. It will be seen that the grand total of United Kingdom assistance to less developed areas in Africa declined from £22.7 million in 1957/58 to £20.3 million in 1958/59. This decline was entirely in grants and technical assistance; loans increased. It was mainly accounted for by the decline in emergency assistance to Kenya and by the reduction in assistance to Libya. A great increase in assistance is estimated for 1959/60; namely from £20.3 to £34.1 million. This increase is almost entirely concentrated in loans, the most important item, being loans to the Sudan, Kenya and Uganda. These three areas account for over two-thirds of the total increase.

55. The share of Africa in the grand total of United Kingdom governmental assistance was over one-third in 1957/58, fell to under one-quarter in 1958/59, but increased again to almost one-third in 1959/60.

56. United Kingdom bilateral assistance to its Colonial territories increased during the period 1957-60, in spite of the reduced territory covered by colonies. Grants to independent Commonwealth countries increased proportionately much more.

57. As an indication of the increase in assistance to countries in Africa after 1959/60, four loans approved in 1959/60 but not disbursed by the end of that year, and therefore not included in the above table, amounted to about £6 million. In addition, loans approved in the seven months up to 31st October 1960 total £22 million; this means that £28 million have so far been made available for Africa during 1960/61, apart from grants and technical assistance which are expected to amount to some £15-20 million during the current financial year.

^{1/} Document E/3395, paragraphs 90-96

TABLE 8

UNITED KINGDOM GOVERNMENT ASSISTANCE TO
LESS DEVELOPED COUNTRIES
(Subdivision by countries)

£million

Year ended 31st March Actual and estimated disbursements	1957-58		1958-59		1959-60 (Estimate)	
	Grants and Technical Assistance	Loans	Grants and Technical Assistance	Loans	Grants and Technical Assistance	Loans
Africa	19.1	3.6	16.3	4.0	18.3	15.8
North Africa... ..	4.6	--	3.3	--	3.5	4.0
Libya	4.4	--	3.3	--	3.3	--
Sudan	0.2	--	--	--	0.2	4.0
Other and unallocated	--	--	--	--	--	--
South Africa... ..	1.4	0.4	1.3	0.5	1.8	2.4
Basutoland	0.2	--	0.2	--	0.3	--
Bechuanaland Protec- torate	0.9	--	0.8	0.2	0.9	0.1
Swaziland	0.3	0.4	0.3	0.3	0.5	1.8
Other and unallocated	--	--	--	--	--	0.5
East Africa	7.0	2.6	6.4	1.9	6.4	7.5
East Africa High Com- mission	0.5	--	0.4	--	0.5	--
Kenya	1.5	0.8	1.3	0.5	0.9	3.1
Kenya (Emergency Assistance)	1.5	1.5	0.8	0.8	0.8	0.8
Mauritius	0.1	--	0.1	--	0.1	--
Seychelles	0.1	--	0.3	--	0.4	--
Somaliland	1.3	--	1.4	--	1.1	--
Tanganyika	1.0	0.3	1.4	0.4	1.4	0.6
Uganda	0.5	--	0.6	0.3	0.9	3.0
Zanzibar	0.1	--	0.1	--	0.1	--
Other and unallocated	0.4	--	0.2	--	0.2	--
West Africa	5.3	0.2	4.7	--	5.5	1.8
Gambia	0.1	--	0.1	--	0.3	--
Ghana	0.6	--	0.1	--	0.1	--
Nigeria	3.5	0.2	3.4	--	3.1	0.2
Southern Cameroons	0.2	--	0.6	--	0.4	--
St. Helena	0.1	--	0.1	--	0.2	--
Sierra Leone... ..	0.7	--	0.2	--	1.2	1.6
Other and unallocated	0.1	--	--	--	0.1	--
Central Africa	0.8	0.4	0.7	1.6	1.1	0.1
Federation of Rhodesia and Nyasaland	0.3	--	0.1	0.9	0.3	--
Northern Rhodesia ..	--	--	0.3	--	0.4	--
Nyasaland	0.5	0.4	0.3	0.7	0.4	0.1

TABLE 8 (Cont.)

million

Year ended 31st March	1957-58		1958-59		1959-60 (Estimated)	
Actual and estimated disbursements	Grants and Technical Assistance	Loans	Grants and Technical Assistance	Loans	Grants and Technical Assistance	Loans
Colonial Development and Welfare Funds not allocated to individual countries	1.7	--	1.7	--	2.0	1.9
Grant total of all countries	50.9	12.4	48.6	37.5	56.5	61.2

Source: Assistance from the United Kingdom for Overseas Development, Cmd.974,
Her Majesty's Stationery Office, London, March 1960.

Note: Owing to rounding, figures may not add up exactly to the totals shown.

58. The United Kingdom has taken part in discussions with the Ghana Government regarding the financing of the Volta river project.

Subject to certain conditions being met, she has offered the Ghana Government a loan of £5 million for this project. This is not included in the figures given in the preceding paragraph.

59. As from the 1st April, 1961, the United Kingdom will provide up to £16,000,000 p.a. to those dependent territories and to those territories becoming independent after the 30th September, 1960, which decide to accept a United Kingdom offer made in October 1960 to meet the extra cost to territorial governments of retaining and securing overseas officers pending the build up of adequate local public services. The costs to be met by the United Kingdom include inducement and education allowances, part of pension or gratuity, and half the cost of leave passages and compensation. If all the governments to whom the offer is made accept it, the aggregate saving on their existing budgets will be £7,250,000 in the first year, which will be taken over by the United Kingdom; these charges together with the increases expected in the elements listed above will cost the United Kingdom about twice that amount in the first year; of this the cost in respect of territories in Africa may be about £11 million. United Kingdom payments will be made direct to the participating Governments and not to the individual officers affected.

60. In 1960, at the request of the Commonwealth Prime Ministers, the Commonwealth Economic Consultative Council examined the question of cooperative Commonwealth action to assist Commonwealth countries, (including dependent territories) in Africa. In order to focus attention on the aid which Commonwealth countries already provide, both bilaterally and through multilateral organisations, and to help further in meeting the very great need, they decided to initiate a Special Commonwealth African Assistance Plan, and to review annually the progress made. The Council also decided that appropriate arrangements should be made, where they did not already exist, for the filling of executive and advisory posts of a technical and specialised nature in Commonwealth countries which had recently achieved independence. This will apply to African countries inter alia.

UNITED STATES

61. The information given in the report to the second session^{1/} can be supplemented by information contained in the global report submitted to the thirtieth session of the Economic and Social Council^{2/}. During the two years from 1 July 1957 to 30 June 1959 total Mutual Security Program funds obligated for bilateral economic assistance to African countries obligated amounted to \$234.2 million. This was distributed among the various countries as follows: Ethiopia 11.3; Ghana 1.2; Liberia 8.5; Libya 40.3; Morocco 75.9; Somaliland (It.) 3.7; Sudan 31.2; Tunisia 46.8; United Arab Republic (Egypt) 2.0; other and regional 13.3

62. Of the total of \$234.2 million, about two-thirds (\$166.8 million) represented special assistance; the rest represented partly approval of Development Loan Fund loans (\$40.8 million) and partly the value of Technical Cooperation (\$26.6 million). During this period, the chief recipients of approved Development Loan Fund loans were the Sudan, Tunisia, Libya and Liberia while those of Technical Cooperation by value during this period were Ethiopia, Libya, Liberia and Tunisia.

63. In terms of actual expenditure African countries received over the two years grants of \$97.7 million and loans of \$38.6 million to a total gross assistance in terms of money of \$136.3 million. Repayment of loans over the two years amounted to \$29.9 million, so that total net assistance in terms of money amounted to \$115.4 million. This represented about 5 per cent of total bilateral Assistance by the United States to all under-developed areas.^{3/}

64. The chief recipients of grants were Tunisia, Libya, the United Arab Republic (Egypt) and Ethiopia; the chief recipient of loans was Morocco. The more detailed distribution of expenditure during this period was as follows:

1/ Document E/CN.14/23, paragraphs 56 and 65

2/ Document E/3395, paragraphs 97-115

3/ The figures for Africa include the Syrian region of the United Arab Republic.

Table 9: Gross Expenditures and Repayments of Loans under the Mutual
Security Programme

(millions of dollars)

Region and Country	Grants	Loans		Repayments of Loans
		DLF	OTHER	
Algeria	0.1	-	-	-
British East Africa	2.8	-	-	-
British West Africa	0.1	-	-	-
Ethiopia	11.0	-	-	-
Former French Equ. Africa	...	-	0.1	0.5
Ghana	1.2	-	-	-
Liberia	4.7	0.1	-	-
Libya	23.3	-	1.2	-
Morocco	2.9	-	33.3	3.1
Rhodesia & Nyasaland (Fed.)	-	-	-	17.3
Somaliland (It.)	2.7	-	-	-
Sudan	5.2	-	-	-
Tunisia	31.2	-	2.5	-
UAR, Egypt	11.2	-	1.4	-
Other and Regional	1.3	-	-	-
Total	97.7	0.1	38.5	20.9

65. If aid in terms of commodities under U.S. Public Law 480 is included, total grants to African countries actually expended during the two year period amounted to \$142.8 million, and loans to \$54.8 million for a total gross assistance of \$197.6 million. Repayment of principal of loans amounted to \$28.9 million, so that total net assistance was \$168.7 million.^{1/}

66. During the two year period 1 July 1957 to 30 June 1959 disbursements by the Export-Import Bank of loans to African countries amounted to \$16.4 million, the chief recipients being Liberia and Ethiopia. Repayment of principal of previous Export-Import Bank loans from African countries came to \$4.3 million, so that net assistance from the Export-Import Bank to African countries amounted to \$12.1 million. New authorizations of Export-Import Bank loans to African countries over the two year period amounted to \$11.5 million, the chief authorizations being to Liberia and the United Arab Republic and a small amount to Ethiopia.

67. Commodity transfers under U.S. Public Law 480 were of considerable importance under the U.S. bilateral assistance programme to African countries. Total sales agreements in Africa under Title I of Public Law 480 which provides for sales for local currency amounted to \$48.3 million during the two years ending June 1959, all of this to the United Arab Republic. Transfers under Title II for famine and other urgent and extraordinary relief amounted to \$29.2 million in terms of authorization, and \$23.9 million in terms of actual expenditure. Over half of the Title II assistance went to Tunisia and most of the rest to Morocco; Ethiopia, Ghana, Guinea and Libya received smaller amounts. Aid to African countries under Title II Public Law 480 represented over one-fourth of all such expenditure on behalf of under-developed areas. Under Title III of Public Law 480 which provides for donations of agricultural commodities through private agencies and foundations, a total of \$14.5 million was transferred to African countries during the two years ending June 1959; half of this went to the United Arab Republic, half of the remainder to Morocco, significant amounts to Libya, and smaller amounts to Algeria, British East Africa, Ethiopia and Tunisia.

^{1/} The figures for Africa include the Syrian region of the United Arab Republic.

TABLE 10

TOTAL U.S. ECONOMIC ASSISTANCE
Obligations and Other Commitments

Fiscal Year 1960 - Preliminary
(Millions of Dollars)

AFRICA ETHIOPIA GHANA GUINEA LIBERIA LIBYA MOROCCO NIGERIA SOMALIA SUDAN TUNISIA

<u>Mutual Security Program - Total</u>	175.0	<u>4.6</u>	<u>0.9</u>	<u>2.1</u>	5.2	<u>17.6</u>	<u>74.5</u>	<u>1.8</u>	<u>2.7</u>	<u>13.0</u>	<u>40.7</u>
<u>International Cooperation Administration</u>	128.0	4.6	0.9	2.1	5.0	17.6	51.5	1.8	2.7	13.0	22.3
Technical Cooperation	23.9	4.5	0.9	2.1	2.8	2.6	0.7	1.8	1.0	3.0	2.3
Other	104.1	0.1	-	-	2.2	15.0	50.8	-	1.7	10.0	20.0
Development Loan Fund	47.0	-	-	-	0.2	-	23.0	-	-	-	18.4
Other MSP Economic	-	-	-	-	-	-	-	-	-	-	-
<u>Non-Mutual Security Program - Total</u>	101.6	<u>3.1</u>	<u>0.1</u>	-	5.6	15.3	6.5	-	<u>0.4</u>	-	<u>12.0</u>
<u>Public Law 480 - Total</u>	82.9	3.1	0.1	-	-	11.3	6.5	-	0.4	-	12.0
<u>Title I - Planned Country Use-Total</u>	42.7	-	-	-	-	-	-	-	-	-	-
104 c) Common Defense	-	-	-	-	-	-	-	-	-	-	-
104 d) Local Currency from Triangular Trade	-	-	-	-	-	-	-	-	-	-	-
104 e) Grants for Economic Development	-	-	-	-	-	-	-	-	-	-	-
104 g) Economic Development Loans to Gov'ts	42.7	-	-	-	-	-	-	-	-	-	-
(Total Sales Agreements)	(82.3)	-	-	-	-	-	-	-	-	-	-
Title II Emergency Relief	29.4	2.9	-	-	-	10.5	3.7	-	0.4	-	11.9
Title III (Voluntary Relief Agencies)	10.8	0.2	0.1	-	-	0.8	2.8	-	-	-	0.1
Export-Import Bank Long-Term Loans	14.7	-	-	-	5.6	-	-	-	-	-	-
Other U.S. Economic Programs	4.0	-	-	-	-	4.0	-	-	-	-	-
<u>Grand Total - Economic</u>	<u>276.6</u>	<u>7.7</u>	<u>1.0</u>	<u>2.1</u>	<u>10.8</u>	<u>32.9</u>	<u>81.0</u>	<u>1.8</u>	<u>3.1</u>	<u>13.0</u>	<u>52.7</u>

68. The data given for the fiscal years 1957/59 can now be supplemented by data relating to the fiscal year 1 July 1959 to 30th June 1960. The following table shows United States bilateral assistance to African countries during this more recent period.

69. During 1960, the United States also initiated a Special Programme for Tropical Africa with an initial appropriation of \$20 million within the Special Assistance category. A major proportion of this is to help to accelerate the training of Africans for essential administrative and technical jobs, and to support training activities in such areas as agricultural extension, commodity development and public health. The programme is also designed to support existing training institutions and promote an interchange of students between African countries and regional approaches to common development problems. Assistance in this programme will be in the form of grants, and it will operate on a project-by-project basis without fixed country targets. All Africa will be included in the programme except for Morocco, Algeria, Tunisia, Libya, (UAR) Egypt and the Union of South Africa. This special programme will be in addition to regular bilateral technical cooperation, and will mainly serve for the financing of construction, equipment and supplies as well as staffing contracts.

70. In addition to the special programme, the budget for 1960/61 also provides for \$24.3 million for Technical Assistance Programmes in Africa, an increase of about 20 per cent over the previous fiscal year.

71. Three-fourths of the bilateral Special Assistance to African countries projected for the fiscal year 1960/61 is for the three North African countries of Libya, Morocco and Tunisia. Assistance is also planned for Ethiopia, Somalia and the Sudan. The total amount of special assistance for the fiscal year 1960/61 is \$115 million, including programmes for Ethiopia, Libya, Morocco, Somalia, Sudan, Tunisia and the United Arab Republic.

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