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INTERNATIONAL ECONOMIC ASSISTANCE TO AFRICA, 1960

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#### EXPLANATORY NOTES

The following symbols have been used in the report:

Three dots (...) indicates that the figure is not available.  
A dash (-) indicates that the amount is nil or less than \$50 thousand.  
A stroke (/) indicates a fiscal year.  
Use of a hyphen (-) between dates representing years signifies the full period involved, including the beginning and end years.  
In the tables, decimal figures are preceded by a period (.).  
References to "dollars" indicate United States dollars.  
The term "billion" is used to mean a thousand million.

The following abbreviations have been used in the report:

EDF - Development Fund of the European Economic Community  
EPTA - Expanded Programme of Technical Assistance of the United Nations  
IBRD - International Bank for Reconstruction and Development  
IFC - International Finance Corporation  
OEEC - Organisation for European Economic Cooperation  
UNICEF - United Nations Children's Fund  
UNRWA - United Nations Relief and Works Agency for Palestine Refugees  
in the Near East  
UNSF - United Nations Special Fund  
UNTA - United Nations Technical Assistance (all programmes)

Details and percentages in tables do not necessarily add to totals, because of rounding.

Data for the Union of South Africa (since 31 May 1961, the Republic of South Africa) cover transactions of the Union and the territories of South-West Africa, Basutoland, Bechuanaland and Swaziland.

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country or territory or of its authorities, or concerning the delimitation of its frontiers.

### FOREWORD

This report has been prepared in response to a request by the Commission at its first session<sup>1/</sup> and to Commission resolution 2 B (I). At its first session the Commission requested the Executive Secretary "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 present report is the third document prepared in response to this request.<sup>2/</sup>

The report is based largely on information contained in the following documents relating to the flow of economic assistance to under-developed countries which have been prepared in response to requests by the General Assembly and the Economic and Social Council:

1. International Economic Assistance to Under-Developed Countries: Statistics of Official Contributions in 1960, document E/3556, 4 October 1961.

Previous reports in this series, prepared in response to resolution 662 A (XXIV) of the Economic and Social Council, are contained in documents E/3047, E/3131 and E/3395.

2. International Flow of Long-Term Capital and Official Donations, 1951-1959, document A/4906, 4 October 1961.

This report was prepared in pursuance of Resolution 780 (XXX) of the Economic and Social Council and Resolution 1522 (XV) of the General Assembly. In the former resolution the Secretary-General was requested to assemble data and related information which would facilitate the study of the international flow of public and private capital, particularly to the under-developed countries. For this reason, certain information relating to the flow of private capital to Africa is included in the

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<sup>1/</sup> Document E/3201, paragraph 55.

<sup>2/</sup> Previous reports are contained in documents E/CN.14/23 and E/CN.14/88.

present document. The report also contains certain additions to and revisions of the balance-of-payments estimates for African countries appearing in document A/4906.

Definitions and country coverage in the two above-mentioned reports differ in some respects. The former deals exclusively with official economic assistance and is based largely on replies to a questionnaire distributed by the Secretary-General to the contributing countries. Estimates contained in the latter report have been derived mainly from official statistics on the balance of payments. A description of the definitions and sources used may be found in these documents.

## Part 1

The Aggregate Flow of External Resources to AfricaPublic Capital

net

1. In 1960 the aggregate amount of/public economic assistance received by African countries is estimated to have been in the neighbourhood of \$1,400 million (see Table 1). This is the largest amount recorded in the past decade; it represents an increase of about 12 per cent above the preceding year and of 82 per cent above the average in 1954-56. Africa's share in the total of public assistance extended to under-developed countries was about 37 per cent in 1960, about the same as in the preceding year and substantially the same as in 1954-56. Table 1 does not include receipts from sources not shown owing to lack of comparable information. In particular it does not include information on assistance extended by the centrally planned economies, for which data on actual disbursements are lacking. As indicated below, commitments for such assistance have increased substantially since 1954-1956.
2. As in previous years, assistance provided to Africa through bilateral channels in 1960 comprised the overwhelming portion of the total amount - about 90 per cent. Since 1954-1956 the amount of assistance provided through multilateral channels has increased significantly, however, having risen by about five times. The share of multilateral assistance to under-developed countries received by Africa in 1960 was 40 per cent as compared with 18 per cent in 1954-1956. Africa's share in total bilateral assistance in 1960 was 36 per cent, about the same as in the earlier period.
3. The national origin of bilateral assistance to African countries differs substantially from the origin of such assistance extended to under-developed countries as a whole. In 1960 the largest share of the total, as shown in Table 1, - some 60 per cent - was accounted for by France. Other important sources in approximate order of size were the United States, the United Kingdom, Belgium, Italy and Portugal. Since 1954-1956 assistance by the United States has risen from \$47 million to \$231 million per year and by the United Kingdom from \$72 million to \$144 million. In contrast with the small share of the United States in total assistance to Africa, that country accounted for about

/...

55 per cent of bilateral assistance to all under-developed countries, followed by France, the United Kingdom, the Federal Republic of Germany, Belgium, Japan, Canada, Australia and the Netherlands in that order of importance. The share of the above-mentioned countries in the flow of funds to Africa through multi-lateral institutions (as well as through private long-term capital flows) differed from their share in the bilateral flow. In general, the inclusion of these flows would reduce somewhat the share of the United States in the total from all three sources and modify the relative share of the other countries listed.

Further information on the nature of bilateral assistance by particular donor countries is presented below.

4. The distribution of bilateral and multilateral/<sup>public</sup> economic assistance to African countries in 1960 by recipient country or territory and by contributing country or agency is shown in Table 2. Information on the country-by-country distribution of assistance from France is not available, but the table indicates the division of French assistance between countries in tropical Africa (\$313 million) and other African countries and territories (\$419 million).

5. On a per capita basis, African countries received about twice as much economic assistance as under-developed countries generally (see Table 3).

Among the African countries and territories listed, the countries and territories receiving a relatively large amount of assistance per capita included Libya (\$35.6) and Algeria (\$34.5). Countries in the intermediate range included the Congo (Leopoldville) (\$5.6), Liberia (\$6.7), Morocco and Tunisia (\$9.9), Nigeria (\$10.8), Somalia (\$9.4) and the states of the former French Community, Cameroun and Togo (\$9.4). At the lower end of the range were Ethiopia (\$0.8), Ghana (\$0.4), Rhodesia and Nyasaland (\$1.7), Ruanda-Urundi (\$3.4), Sudan (\$3.2) and the United Arab Republic (\$3.4).

6. Further information on the flow of long-term capital and official donations to African countries during the period 1951-1959 is shown in Table 4, which is based largely on balance of payments data. For purposes of comparison, an estimate of the flow of such funds to all under-developed countries is shown.<sup>1/</sup>

<sup>1/</sup> This is based on Table 8 of document A/4906, but includes an estimate of assistance furnished by France for current purposes.



It will be noted that from 1951-1955 to 1956-1959 official donations to Africa rose relatively more than donations to under-developed countries as a whole. On the other hand, the flow of official and banking capital in the form of loans to African countries showed little change between the two periods whereas it rose by about 50 per cent in under-developed countries as a whole, and by as much as 80 per cent if account were taken of payments made by the under-developed countries during the latter period in connexion with increases in membership quotas in the International Monetary Fund.

Private capital

7. For some African countries and territories the inflow of private long-term capital has been an important addition to the inflow of external public assistance during the past decade. An appraisal of the relative importance of this element in the total inflow of long-term financial resources is difficult, however, owing to lack of information as well as problems of definition. In many cases, furthermore, the inflow has varied greatly from year to year.

8. A rough indication of the order of magnitude of long-term private capital inflows to African countries during the period 1956-1959 is given in Table 4. The average annual inflow to Africa over the period as a whole appears to have been approximately \$500 million. This represents about one-fourth of the estimated inflow of private long-term capital to under-developed countries as a whole, as shown in Table 4, including an estimate for the French franc area.

9. It will be noted that the net flow to Africa as a whole reflected net outflows over the period for certain countries including the Union of South Africa, Congo (Leopoldville), Ghana, and the United Arab Republic (Egypt). In the case of the Congo, this result is due to the definition employed, according to which loans to the government of the recipient country which are floated in the private capital market abroad are classified as "official and banking" capital, following the usage of the International Monetary Fund. The combined total of private and official and banking capital for the Congo recorded an inflow of about \$50 million a year.

10. As shown in Table 4, the bulk of the inflow of private long-term capital during 1956-1959 was accounted for by the French franc area<sup>2/</sup>, British East Africa, British West Africa (including Nigeria), the Federation of Rhodesia and Nyasaland, and Libya. Had it not been for a large outflow from the Congo in 1959, this country also would have been included in the group. It is also reported that Portuguese private investments in that country's African territories averaged about \$40 million per annum during the period.<sup>3/</sup>

11. It will be noted from Table 4 that the relative importance of public and private capital inflows varied considerably among countries. In general, the inflow of private capital was considerably larger in British East Africa, British West Africa, and the Federation of Rhodesia and Nyasaland. The same would apply to the Congo (Leopoldville) if account were taken of official loans raised privately abroad. In the territories of the French franc area, on the other hand, despite the large estimated inflow of private capital, public funds were predominant. It should be noted, furthermore, that within the franc area, much of the inflow of private capital was directed to mineral development in Algeria, whereas in other parts of the overseas franc area public capital inflows were predominant in the total.

12. Owing to lack of information it is difficult to indicate trends in the aggregate inflow of private capital to Africa as a whole between 1951-1955 and 1956-1959. Sharp declines are indicated in the net flow to the Union of South Africa and the United Arab Republic (Egypt); in the latter case they reflect an accelerated outflow. A considerable rise in the inflow to Rhodesia and Nyasaland is indicated. Recent expenditure on petroleum development in Libya has led to an expanded inflow. Data on private/<sup>foreign</sup> investment in the French franc area during the earlier period are not available, but the investment in mineral

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2/ The estimates refer to direct investment only (including reinvested earnings) and are based on rough estimates of the total volume of investment in the area and the share which has been financed by French firms.

3/ OECD, The Flow of Financial Resources to Countries in Course of Economic Development, 1956-1959 (Paris, 1961), Table 2, p.12.

development which they largely reflect has been expanding during the later period. Annual estimates for British West Africa (including Nigeria) during the period 1956-1959 indicate a rising level of investment, accounted for in part by expenditure on petroleum development. On the other hand, the annual rate of inflow into British East Africa has declined during the period 1956-1959, and in 1960 a substantial net outflow was recorded. In general, the net flows during the period 1956-1959 reflect to an increasing degree capital flows in the form of direct investment - particularly in mineral development - and, in certain cases, the repatriation of portfolio investments. The floatation of governmental loans on private capital markets abroad which occurred in certain African countries of the sterling area and in the Congo during the period 1951-1955 has ceased or been sharply curtailed.

Contribution of foreign funds to economic resources

13. One indication of the quantitative importance of the inflow of foreign funds to African countries is their relation to foreign exchange receipts from merchandise exports. For the group of countries shown in Table 5, which includes the Union of South Africa, the net inflow of foreign funds during the period 1956-1960 represented about one-fifth of their combined foreign exchange receipts from exports and long-term financial inflows. This is above the average level for all under-developed countries of 14 per cent.<sup>4/</sup>

14. Among the areas where foreign funds represented a significantly larger share than the average was the French franc area. If the estimated inflow of private long-term capital to this area is included, the share of foreign funds in total exchange receipts is estimated at 47 per cent. Excluding private long-term capital the proportion is 36 per cent. Also high in the scale of countries dependent on foreign funds were Libya (70 per cent) and Somalia (39 per cent). Countries or territories which were fairly close to the average were Tunisia (20 per cent), British East Africa (19 per cent), Ethiopia (18 per cent), Liberia (16 per cent), Rhodesia and Nyasaland (15 per cent) and British West Africa (14 per cent). At the lower end of the scale were the Congo (8 per cent), Sudan (6 per cent), United Arab Republic (Egypt) (4 per cent) and Ghana (zero).

<sup>4/</sup> Document A/4906, page 40.

15. Between 1951-1955 and 1956-1959 the inflow of long-term funds to the under-developed countries as a whole increased by 60 per cent, the rise being more than three times as much as that of merchandise exports.<sup>5/</sup> The impression concerning the comparable relationship for African countries depends very much on whether or not the Union of South Africa is included in the totals, since, as shown in Table 4, the trend of capital inflows to this country was sharply opposed to that in the rest of the region as a whole and was very large in the earlier period. If South Africa is included, the rise in the inflows of foreign funds (for a group of countries which excludes British East and West Africa and the French franc area as regards private capital flows) appears to have been about 14 per cent as compared with an increase in export proceeds of about 23 per cent for this group of countries. If South Africa is excluded, the rise in the inflow of foreign funds is of the order of 40 per cent and substantially exceeded the rise in export proceeds for the group of about 20 per cent. In fact the rise in the inflow of foreign funds may have been in excess of 40 per cent, since it seems plausible to assume that private capital inflows into the French franc area and the total inflow of capital in British East and West Africa rose from 1951-1955 to 1956-1959. This group of countries, therefore, conformed to the pattern of under-developed countries generally.

16. Another indicator of the relative importance of foreign funds is a comparison with gross domestic product and with gross capital formation. As shown in Table 5, foreign funds accounted for a significant proportion of gross domestic product in a number of countries including Libya, British East Africa, Somaliland, Liberia, Tunisia and Rhodesia and Nyasaland and the French franc area. In all of these countries it may be assumed that foreign funds financed a large if not the major portion of gross capital formation, although data on the latter are generally lacking. For under-developed countries as a whole, the median ratio of foreign funds to gross domestic product averaged about 2 per cent in 1958,<sup>6/</sup> whereas for the African countries shown in Table 5, the median was 6.0 in 1956-1959.

17. Further light on the relative significance of external resources in the economy of certain African countries is shed by information on their share in the financing of public expenditure. A comprehensive estimate of this for terri-

<sup>5/</sup> Document A/4906, page 41.

<sup>6/</sup> Document A/4906, page 44.

tories in the franc area is shown in Table 6. This indicates that the contributions of France to meeting current expenditure in the overseas franc area increased substantially after 1956, the share of French assistance in the total being higher in former French Equatorial Africa (16 per cent in 1958) than in former French West Africa (12 per cent in 1958). In former French West Africa the share of public capital expenditure financed by France averaged 62 per cent for the years indicated; in former French Equatorial Africa the comparable figure was 80 per cent. It will be noted that French assistance for public capital expenditure in the areas shown in Table 6 rose by 122 per cent from 1950 to 1958.

18. In general, during the past decade African countries in the sterling area, which have received external funds mainly from the United Kingdom, have relied to a much smaller extent than territories in the franc area on such funds for meeting public expenditure for both current and capital outlays. As regards the relation between current revenue and current expenditure, the data in Table 7 indicate that with the exception of Kenya, which had extraordinary expenditures connected with the emergency beginning in 1952, current revenue has been adequate to cover current expenditure between 1950 and 1958. During the greater part of the nineteen-fifties, African countries and territories in the sterling area also generally relied to a smaller extent than the overseas franc area on external financing of public capital expenditure.<sup>7/</sup> A significant exception was Kenya, in which the financing of public development expenditure depended largely on funds raised by external loans. In Ghana, Nigeria and Uganda, the bulk of public capital expenditure during this period was financed by current revenues supplemented by the drawing down of past savings in the form of foreign exchange reserves accumulated prior to 1950 and also during the early part of the decade. Throughout the period Tanganyika relied more heavily on external grants and loans for the financing of its public capital expenditures than did Ghana, Nigeria and Uganda, and this reliance tended to increase as current budgetary surpluses disappeared. In the present development plans of these countries, with the exception of where it was already at a high level, Kenya, the proportion of public capital expenditure assumed to be financed from abroad is much higher than the share obtained previously from this source.

<sup>7/</sup> For details, see "Public Finance in African Countries", Economic Bulletin for Africa, Vol. 1, No. 2, pages 10-14.

TABLE 1  
Net public international economic assistance to the under-developed areas, summary  
of identified contributions by contributing country or agency a/  
(in millions of dollars)

	1953/54-1955/56 (annual average)	1958	1959	1960				
	All under- developed countries	All under- developed countries	All under- developed countries	All under- developed countries				
	Africa	Africa	Africa	Africa				
Bilateral aid	1,780	729	3,066	829	3,003	1,113	3,322	1,227
Australia b/	24	-	38	-	35	-	41	7
Belgium	4	4	4	4	30	30	86	86
Canada	19	-	57	-	62	-	48	*
France	605	587	711	690	799	776	755	732
Fed. Republic of Germany	-	-	90	8	63	37	92	1
Italy	5	5	9	...	31	...	16	22
Japan	*	-	177	...	4	...	81	13
Netherlands	12	-	23	-	24	-	32	-
New Zealand c/	3	-	4	-	5	-	6	-
Norway	*	-	1	-	1	-	1	-
Portugal	4	4	1	1	17	17	...	...
Spain	11	11	...	...	...	...	...	...
Sweden	*	*	1	*	1	...	1	*
United Kingdom d/	154	72	190	56	253	90	320	144
United States e/	953	47	1,761	70	1,685	157	1,423 £/	231
Yugoslavia	-	-	-	-	11	6	21	14
Multilateral aid	157	28	390	66	341	76	362	146
EDF	-	-	-	-	*	*	3	3
IBRD	93	23	299	58	242	67	249	130
IFC	-	-	5	-	8	-	14	-
UNICEF	11	2	18	2	20	3	18	3
UNRWA	30	-	32	-	34	*	35	-
UNSF	-	-	-	-	*	*	2	1
UNTA	22	3	37	6	36	7	40	9

(Source and footnotes to table 1)

Source: E/3047, E/3131, E/3255, E/CN.14/88, E/3395/Rev.1, E/3556, United Nations, Statistical Yearbooks, Organisation for European Economic Cooperation, The Flow of Financial Resources to Countries in Course of Economic Development, 1956-1959 (Paris, 1961), United States Department of Commerce, Foreign Grants and Credits (Washington).

\* Less than \$0.5 million

- a/ In general the periods covered are 1 July 1953 - 30 June 1956, and calendar years 1958-1960 except when indicated otherwise.
- b/ Fiscal years to 30 June of years indicated.
- c/ Fiscal years to 31 March of years indicated.
- d/ Fiscal years to 31 March of years indicated for the period 1953/54 - 1955/56. Aid to Africa during 1958 and 1959 refers to fiscal year 1958/59 and 1959/60 respectively.
- e/ Excludes "other assistance (net)". See E/3556 paräs. 157 and 160.
- f/ Excludes technical assistance expenditure.

TABLE 2

Net public economic assistance to African countries, 1 January 31 December, 1960, summary of identified contributions by contributing country or agency and by recipient country or territory.  
(millions of dollars)

Contributing country or agency	Algeria <sup>1/</sup> (pop.10.3)	British East Africa <sup>2/</sup> (pop. 21.4)	Congo (Leopoldville) <sup>6/</sup> (pop. 13.6)	Ethiopia (pop.21.6)
Bilateral contributions				
Belgium .....	-	-	71.0	-
Canada .....	-	-	-	-
Denmark .....	-	-	0.1	-
France .....	329.0	-	-	-
Italy .....	-	-	-	-
Sweden .....	-	-	-	0.3
United Kingdom .....	-	49.9	-	-
United States .....	1.0	0.7	...	6.8
Yugoslavia .....	-	-	-	7.5
Multilateral contributions				
EDF .....	-	-	0.3	-
IBRD .....	49.8	-0.8	7.7	2.6
UNICEF .....	*	0.4	0.5	0.1
UNSF .....	-	-	-	-
UNTA - Expanded Programme	*	0.3	*	0.5
UNTA - other programmes ..	-	0.1	0.1	0.2

/...



Contributing country or agency	Former French Territories <sup>3/</sup> (pop. 34.5)	Ghana (pop. 4.8)	Liberia (pop. 1.3)	Libya (pop. 1.2)
Bilateral contributions				
Belgium .....	-	-	-	-
Canada .....	-	0.2	-	-
Denmark .....	-	-	-	-
France .....	312.7 <sup>4/</sup>	-	-	-
Italy.....	-	-	-	-
Sweden .....	-	-	-	-
United Kingdom .....	-	0.3	-	9.0
United States .....	1.3	1.6	8.2	32.8
Yugoslavia .....	-	-	-	-
Multilateral contributions				
EDF .....	2.6	-	-	-
IBRD .....	9.3	-	-	-
UNICEF .....	0.2	0.1	0.1	*
UNSF .....	0.1	0.1	-	*
UNTA - Expanded Programme	0.3	0.3	0.2	0.6
UNTA - other programmes..	0.1	0.2	0.2	0.2

/...

Contributing country or agency	Morocco (pop.10.6)	Nigeria (pop.33.7)	Rhodesia and Nyasa- land (pop. 7.9)	Ruanda- Urundi (pop. 4.7)
Bilateral contributions				
Belgium .....	-	-	-	15.0
Canada .....	-	-	-	-
Denmark .....	-	-	-	-
France .....	5/	-	-	-
Italy .....	-	-	-	-
Sweden .....	-	-	-	-
United Kingdom .....	-	26.8	6.8	-
United States .....	60.8	2.5	-8.1	-
Yugoslavia .....	0.2	-	-	-
Multilateral contributions				
EDF .....	-	-	*	*
IBRD .....	-	7.1	1.5	1.5
UNICEF .....	0.3	0.2	-	-
UNSF .....	*	0.3	-	-
UNTA - Expanded Programme	0.3	0.2	*	*
UNTA - other programmes..	0.1	0.1	*	*

/...

Contributing country or agency	Sierra Leone (pop.2.3)	Somalia (pop. 2.0)	Sudan (pop.11.1)	Tunisia (pop. 3.9)
<b>Bilateral contributions</b>				
Belgium .....	-	-	-	-
Canada .....	-	-	-	-
Denmark .....	-	-	-	-
France .....	-	-	-	...
Italy .....	-	8.1	-	5/
Sweden .....	-	-	-	-
United Kingdom .....	6.5	7.8	7.5	-
United States .....	0.1	2.7	16.5	51.3
Yugoslavia .....	-	-	6.4	-
<b>Multilateral contributions</b>				
EDF .....	-	0.1	-	-
IBRD .....	-	-	6.5	-
UNICEF .....	*	0.1	0.1	0.3
UNSF .....	-	-	-	0.1
UNTA - Expanded Programme	*	0.2	0.5	0.3
UNTA - other programmes ...	*	0.1	0.2	0.2

/...

Contributing country or agency	United Arab Republic (pop. 29.1)	Other and Regional
Bilateral contributions		
Belgium .....	-	-
Canada .....	-	0.1
Denmark .....	-	-
France .....	-	...
Italy .....	14.1	-
Sweden .....	-	-
United Kingdom .....	-	29.2
United States .....	52.1	0.5
Yugoslavia .....	6.6	0.2
Multilateral contributions		
EDF .....	-	0.2
IBRD .....	30.9	-0.8
UNICEF .....	0.5	0.3
UNSF .....	*	-
UNTA - Expanded Programme	1.2	0.6
UNTA - other programmes ..	0.3	1.5

(footnotes continued on following page)

(footnotes to table 2)

The sign \* indicates multilateral contributions less than \$50,000.

1/ Including Saharan departments.

2/ Kenya, Uganda, Tanganyika, Zanzibar and Pemba.

3/ Cameroun, Central African Republic, Chad, Congo (Brazzaville), Gabon, Guinea, Ivory Coast, Madagascar, Mali, Niger, Senegal, Togo, Upper Volta.

4/ Includes loans.

5/ Grants to Morocco and Tunisia were valued at \$42 million.

6/ Disbursements in the calendar year 1960 from the United Nations Fund for the Congo and from the Ad hoc Account for the United Nations Operations in the Congo amounted to \$1.5 million and \$20.7 million respectively.

Source: United Nations document E/3556.

1.1	1.1	1.1
2.1	2.1	2.1
3.1	3.1	3.1
4.1	4.1	4.1
5.1	5.1	5.1
6.1	6.1	6.1
7.1	7.1	7.1
8.1	8.1	8.1
9.1	9.1	9.1
10.1	10.1	10.1
11.1	11.1	11.1
12.1	12.1	12.1
13.1	13.1	13.1
14.1	14.1	14.1
15.1	15.1	15.1
16.1	16.1	16.1
17.1	17.1	17.1
18.1	18.1	18.1
19.1	19.1	19.1
20.1	20.1	20.1

21.1	21.1	21.1
22.1	22.1	22.1

23.1 23.1 23.1

24.1 24.1 24.1

25.1 25.1 25.1

TABLE 3

Net Bilateral and Multilateral Public Assistance to African  
Countries, per capita, 1960

Country or territory	Total Assistance (millions of dollars)	Assistance per capita (dollars)
Algeria	379.8	34.5
British East Africa	50.6	2.2
Congo (Leopoldville)	79.7	5.6
Ethiopia	18.0	0.8
Former States of the French Community, Cameroun and Togo	327.3	9.4
Ghana	2.8	0.4
Liberia	8.7	6.7
Libya	42.6	35.6
Morocco and Tunisia <sup>a/</sup>	155.7	9.9
Nigeria	37.2	10.8
Rhodesia and Nyasaland	14.5	1.7
Ruanda-Urundi	16.5	3.4
Sierra Leone	6.6	2.9
Somalia	19.1	9.6
Sudan	37.7	3.2
United Arab Republic <sup>b/</sup>	105.7	3.4
Total of above	1,302.5	5.8
Total all under-developed countries	3,322.4	2.9

a/ French assistance to each country is not reported separately.

b/ Including Syria

Source: Table 2 and United Nations Monthly Bulletin of Statistics

TABLE 4

Country or territory	Total		Net Official Donations		Total		Net long-term capital		Private	
	1951-1955	1956-1959	1951-1955	1956-1959	1951-1955	1956-1959	Official and	Banking	1951-1955	1956-1959
British East Africa <sup>a/</sup>	...	94	...	24	...	70	...	26	...	44
British West Africa <sup>b/</sup>	...	81	...	13	...	54	...	5	...	63
Congo (Leopoldville)	38	41	-	3	38	39	...	63	4	-24
Ethiopia	3	14	2	10	1	4	-3	2	4	2
Ghana	-37	-5	-1	1	-36	-5	-41	3	5	-8
Liberia	10	11	-	-	10	11	2	4	8	-1
Libya	...	...	14	31	...	...	...	...	...	(38) <sup>c/</sup>
Morocco	...	...	...	...	...	...	...	...	...	8
Rhodesia and Nyasaland	69	98	4	...	83	38	37	30	46	60
Sudan	-3	2	-	2	65	98	36	30	29	-1
Tunisia	...	26	...	20	-4	-1	-3	...	...	1
Union of South Africa	129	2	...	...	129	2	36	6	93	-4
United Arab Republic (Egypt)	-15	13	3	10	-18	4	-15	43	-3	-39
Franc area (other than Morocco and Tunisia)	(510) <sup>d/</sup>	(639) <sup>d/</sup>	(299)	(519)	(211)	(120)	(211)	(120)	...	(350) <sup>e/</sup>
Total (excluding British East and West Africa, Libya, Morocco and Tunisia and private capital to franc area)	713	817	307	545	396	272	257	278	139	-7
All under-developed countries	2,400	3,776	878	1,328	1,524	2,447	628	906	894	1,542 <sup>f/</sup>

(Source and footnotes to table 4)

Source: Division of General Economic Research and Policies of the United Nations Secretariat, based on data from International Monetary Fund, Balance of Payments Yearbook (Washington, D.C.); Organization for European Economic Cooperation; The Flow of Financial Resources to Countries in Course of Economic Development, 1956-1959, (Paris, 1961) and United Nations, documents E/3047 and E/3131.

No sign indicates net inflow of funds; minus sign indicates net outflow.

- a/ Kenya, Uganda, Tanganyika and Zanzibar.
- b/ Including Nigeria.
- c/ Expenditure on exploration and development by petroleum companies.
- d/ Excluding private capital.
- e/ The terms "private" and "official and banking" in the balance-of-payments data compiled by the IMF refer to the sectors in the reporting country.
- f/ Excluding franc area.



TABLE 5

Africa: net inflow of long-term capital and official donations in relation to  
exports and gross domestic product, 1956-1960

(percent)

Country or territory	Ratio of inflow to total foreign exchange receipts <sup>a/</sup>	Ratio of inflow to gross domestic product
British East Africa	19	8.4
British West Africa	14	3.3
Congo (Leopoldville) <sup>b/</sup>	8	3.8
Ethiopia	18	1.4
French franc area <sup>b/</sup>		
excluding private capital	36	12.9
including private capital	47	20.0
Ghana	-	
Liberia <sup>b/</sup>	16	10.6
Libya <sup>b/</sup>	70	21.5
Moreocco	12	3.5
Rhodesia and Nyasaland	15	8.8
Somalia <sup>b/</sup>	39	10.8
Sudan	6	1.4
Tunisia	20	6.0
United Arab Republic (Egypt)	4	0.5
Average	22 <sup>c/</sup>	6.0 <sup>d/</sup>

Source: Inflow of foreign funds: Table 4.

Exports: Statistical Office of the United Nations

Gross domestic product: United Nations, Yearbook of National Accounts  
Statistics and estimates by Division of General  
Economic Research and Policies of the United  
Nations Secretariat.

a/ Total foreign exchange receipts equal sum of inflow of long term capital, official donations and merchandise exports.

b/ 1956-1959.

c/ Unweighted arithmetic mean, including private capital to the franc area.

d/ Median, including private capital to the franc area.

TABLE 6

France: Contribution of French Public  
Funds to Government Expenditure in former  
French Territories

	Billion francs CFA. <sup>a/</sup>			
	1950	1953	1956	1958
French West Africa and Togo				
Current:	20.1	37.1	53.9	68.2
Capital:	11.3	20.0	18.7	21.0
Total:	31.4	57.1	72.6	89.2
French Equatorial Africa and Cameroun				
Current:	11.2	19.1	21.1	26.2
Capital:	7.0	12.7	12.8	18.0
Total:	18.2	31.8	33.9	44.2
Madagascar				
Current:	6.8	12.2	17.2	22.0
Capital:	2.8	6.7	8.8	7.1
Total:	9.6	18.9	26.0	29.1
Percent of Expenditure financed by France.				
French West Africa and Togo				
Current:	3.5	3.3	4.6	12.2
Capital:	55.5	65.5	66.8	59.6
Total:	22.2	25.1	20.7	22.4
French Equatorial Africa and Cameroun				
Current:	5.0	6.5	10.3	16.1
Capital:	64.9	74.9	94.4	86.9
Total:	28.0	33.9	36.1	44.9
Madagascar				
Current:	6.5	3.3	5.4	9.8
Capital:	54.1	59.6	53.4	55.7
Total:	19.8	23.3	21.5	21.0

Source: United Nations Economic Commission for Africa,  
Economic Bulletin for Africa, Vol. 1, No. 2, page 14.

<sup>a/</sup> One U.S. dollar = 4.94 NF = 247 CFA francs.

TABLE 7

Selected African Countries: revenue as a percentage of current expenditure, 1950-1958

Country or Territory	1950	1953	1956	1958
Former French Equatorial Africa <sup>a</sup> and Cameroun	83.9	90.6	91.0	75.6
Former French West Africa and Togo	126.9	115.9	98.1	95.0
Ghana	150.0	169.7	119.2	a/ 117.2
Kenya	110.7	98.2	86.8	94.3
Nigeria	121.3	160.0	107.8	123.7
Tanganyika	137.1	102.9	100.0	100.5
Uganda	182.4	126.6	112.8	105.4

Source: Economic Commission for Africa, Economic Bulletin for Africa, Vol. 1, No.2, page 10.

a/ Estimate.

## Part II

### Developments in Bilateral Assistance

#### Belgium

19. Direct economic assistance from the Government of Belgium to under-developed countries was valued at \$86 million in 1960. Contributions consisted of reimbursable advances of \$15 million to the Trust Territory of Ruanda-Urundi and grants of \$71 million to the former Belgian Congo. Contributions to the Congo in 1960 had consisted of \$10 million for budget support.

20. The contribution of \$15 million to Ruanda-Urundi in 1960 continued an assistance programme designed to finance the development of the territory. Advances are made in the form of transfers of Belgian Treasury certificates and are interest-free. There is no specified schedule of repayment. From the beginning of the programme in 1952 up to 1957 the annual sum voted for this purpose was \$8 million. It was increased in 1958 and 1959 to \$12 million and in 1960 to \$15 million. In recent years part of the sum transferred has been used to meet deficits in the ordinary budget of the territory.

21. Provision for assistance to the former Belgian Congo was included in the 1960 budget in the form of contributions of \$50 million to establish a Fonds d'assistance au Congo and of \$20 million to create a Société de développement du Congo. The Fonds d'assistance had disbursed over half of the appropriated sum by 30 June 1960. After the accession of the Congo to independence, the expenditure of this appropriation was carried out directly by Belgium, and the total expenditure for the year 1960 amounted to \$59 million. The Société de développement du Congo was to provide loans for industrial development projects. The 1960 appropriation for this agency was later annulled.

#### Federal Republic of Germany

22. Although net disbursements of assistance to African countries by the Federal Republic of Germany in 1960 were in fact slightly negative, owing to repayments on loans previously extended, substantial commitments for assistance were made, totalling \$54.9 million, of which \$50.2 million were long-term loans. The commitments to African countries represent about one third of the commitments

made by the Federal Republic of Germany to all under-developed countries.

23. The year 1960 was considered a year of transition in the organization and finance of the Federal Government's aid programme. For the two years 1961 and 1962 a total allocation of \$1,250 million was envisaged for development aid including \$190 million for contributions to multilateral organizations and \$75 million for technical assistance. Funds will be derived primarily from the Federal Budget and will be administered by the Reconstruction and Loan Corporation. They will be used to finance development programmes generally as well as individual development projects.

#### France

24. International economic assistance provided directly by the Government of France to under-developed countries in 1960 was valued at \$755 million, almost all of which was directed to countries in Africa. This amount was slightly less than in the preceding year, but above that for 1958 and earlier years (see Table 1). Some \$313 million of this assistance was extended to countries in tropical Africa consisting of independent former States of the Community, Cameroun and Togo. Assistance received by this group of countries was about the same as in the two preceding years.<sup>8/</sup> In 1960 disbursements in loans and other public long-term investments were sharply reduced from the previous year's figure, while transfers in the form of grants showed a continued rise.

25. The economic assistance provided by France falls into two categories: (1) assistance classified as "current expenditure", including outlays on administrative and technical personnel, grants to cover current deficits in local budgets and advances to price stabilization funds for tropical products; and (2) contributions which are considered as a direct source of funds for capital formation and charged directly or indirectly to the capital budget and referred to below as capital assistance. In general, the latest year for which estimates of actual expenditure for capital assistance is available is 1959.<sup>9/</sup>

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8/ See E/3556/Add.1 and E/3395/Rev.1.

9/ A description of the institutional arrangements through which the Government of France provides assistance to under-developed countries is contained in document E/CN.14/88.

a. Algeria and the Sahara

26. Identified contributions of capital assistance to Algeria in 1959 were valued at \$300 million. This sum includes grants of \$168 million and credits of \$104 million to assist in financing the development plan. It also includes a credit of \$17 million for low-cost housing, a credit of \$8.1 million for the Caisse d'accession à la propriété rurale and a grant of \$2.8 million for post and telegraph services.

27. Appropriations for capital assistance to Algeria in 1960 amounted to \$222 million, \$203 million in the form of a direct grant to the Caisse d'équipement pour le développement de l'Algérie for the Algerian development plan and \$18 million in the form of loans for low-cost housing. The grant of \$203 million follows the promise given by the Metropolitan Government in 1958 to provide a minimum annual contribution of 1,000 million MF (\$203 million at the current exchange rate) during the four-year period 1959-1963.

28. Contributions to the Saharan departments in 1959 were valued at \$38 million and were made in the form of grants for the development of roads, railways, airfields and telecommunications. The corresponding appropriation for 1960 amounted to \$34 million. Part of these grants is allocated to the Organisation commune des régions sahariennes (OCRS), an agency established in 1957 to promote the economic and social development of the region. This agency is also supported by a 75 per cent share in the royalties received by the metropolitan Government from oil production in the region. The remaining 25 per cent is currently earmarked for Algerian development. The share of the Saharan departments in these royalties in 1960 was expected to amount to \$14 million.

b. Former States of the Community (including Madagascar), Cameroun and Togo

29. Direct economic assistance to this group of countries in the calendar year 1960 was valued at the equivalent of \$312.7 million. It was made up of the following elements:

million dollars

Assistance for economic and social development .....	104.8
Budgetary assistance .....	34.9
Technical assistance in personnel .....	59.8
Loans from the <u>Caisse centrale de coopération économique</u> .....	39.0
Advances to price stabilization funds .....	43.1
<u>Organisation commune des régions sahariennes</u> (Chad and Niger) .....	3.3
Petroleum search .....	11.0
Civil aviation - development and operation .....	16.8
Total	312.7

30. The figure of \$59.8 million for technical assistance shown above relates to expenditure on permanent personnel only. It does not include expenditure on personnel provided by semi-official agencies such as the Bureau de développement de la production agricole, Bureau de recherches géologiques et minières, Société de radiodiffusion outre-mer, and the Office des chemins de fer outre-mer, or expenditure on experts on temporary missions. These contributions are included in the global cost of development assistance operations financed by the Fonds d'aide et de coopération (FAC).

31. The advances of \$43 million to price stabilization funds in 1960 were made to local stabilization funds (caisses de stabilisation de prix) in the recipient countries for purpose of price-support operations relating to a number of tropical products, of which coffee accounted for over seventy per cent of the stabilization assistance in 1960. Expenditure on technical assistance personnel included the following categories: (1) general administration - 37 per cent, (2) teachers - 24 per cent, and (3) medical personnel - 15 per cent.

c. Morocco and Tunisia

32. Development assistance to Morocco and Tunisia amounted to \$15 million in 1959. Contributions, which were almost entirely in the form of grants, included a sum of \$8 million to the Moroccan Bureau d'études et de participation industrielles, an agency established in 1953 to finance industrial development.

33. A distinctive feature of the economic assistance extended by France to countries in Africa has been the high proportion of such assistance devoted to purposes classified as "current expenditure" in the recipient country or territory. The share of assistance for current expenditure in total net official contributions by France during the period 1956-1959 was about one-third. As shown in Table 8, such assistance accounted for more than half of the aid extended to countries in the Community during the period 1956-1959, and the share of such assistance in the total tended to rise during the period.

#### Italy

34. Direct contributions of economic assistance from the Government of Italy to African countries amounted to \$22 million in the calendar year 1960. Owing to repayments on loans to other underdeveloped areas the total assistance extended was less than that to Africa. Contributions in the form of grants included \$8.1 million to Somalia and \$0.8 million for the provision of scholarships. The balance consisted of long-term loans to the United Arab Republic: \$5.1 million representing the first two instalments of a loan of \$51.5 million extended in March 1961, and \$11.7 million representing the consolidation of UAR commercial debts. The loan of \$51.5 million represents the reinvestment on a long-term basis of outstanding trade debts and will be used to finance various economic development projects, including a land reclamation scheme in Lower Egypt.

35. The Government of Italy has undertaken to make an annual grant of \$2.0 million to Somalia. The sum will include \$1.5 million for the support of Italian administrative and technical personnel working in Somalia, \$0.2 million for scholarships for Somali students and \$0.3 million to finance expected budget deficits. By an agreement signed in November 1960, the Cassa per la circolazione monetaria della Somalia will transfer a sum of \$0.8 million together with equipment valued at \$0.3 million to the National Bank of Somalia.

36. The number of scholarships extended to students from under-developed countries has increased rapidly in recent years. Appropriations for this purpose are expected to rise from \$0.8 million in the fiscal year 1960/61 to \$1.3 million in 1961/62. A Department of International Technical and Scientific Cooperation was recently instituted in the Ministry of Foreign



Affairs for the administration of technical assistance to under-developed countries.

37. Reparations payments to all countries amounted to \$7.1 million in 1960. These payments were directed mainly to Ethiopia.

#### United Kingdom

38. As shown in Table 1, direct economic assistance by the United Kingdom to African countries has risen sharply and is now about twice the average of 1954-1956. British aid to under-developed countries generally rose by about 70 per cent from 1958 to 1960, and the share absorbed by African countries increased from 23 per cent in 1958 to 45 per cent in 1960. Virtually all of the direct assistance to countries and territories in Africa was extended to countries and territories having special links with the United Kingdom, either colonial territories or independent Commonwealth countries. In 1960, British East Africa (Kenya, Tanganyika and Uganda) accounted for about 35 per cent of the total, not including substantial expenditure on regional projects within the area, and Nigeria's share of the total was about 20 per cent. Total commitments entered into for assistance to African countries in 1960 amounted to \$165 million as compared with disbursements of \$144. Nigeria accounted for \$56 million and the East African High Commission for \$23 million.

39. Most of the recent increase in assistance by the United Kingdom to African countries has been in the form of long-term loans, following the introduction in September 1958 of a new programme of Commonwealth Assistance Loans and a related programme of Colonial Exchequer Loans for British dependent territories under the Colonial Development and Welfare Act of 1959.

Commonwealth Assistance Loans, hitherto normally repayable within 5 to 10 years, may in future be granted for periods up to 25 years. Commitments for Commonwealth Assistance Loans in 1960 included a credit of \$34 million to Nigeria after independence. African countries receiving Exchequer Loans approved in the year ending 31 March 1960 included Kenya (\$14 million), Sierra Leone (\$4.2 million), Uganda (\$17 million) and Tanganyika (\$4.2 million). Substantial expenditure in the form of grants continued to be made, pursuant to the Colonial Development and Welfare Act, 1959.

/...

40. The Colonial Development Corporation accounted for a relatively small amount of disbursed assistance to the colonial territories in the period under review. However, new commitments entered into for African projects during the period increased sharply, amounting to about \$30 million.

41. One important element in the United Kingdom's foreign aid programme is not reflected in Tables 1 and 2, namely expenditure under The Overseas Services Aid Scheme, designed to help the governments of newly independent and dependent territories to meet the cost of employing experienced overseas public servants. The local governments participating in the scheme will continue to pay basic salaries, while the United Kingdom Government will supplement these salaries to bring total compensation to the market rate. The cost of the scheme is expected to reach \$34 million annually, a large part of which is expected to be devoted to African countries.

#### United States

42. Assistance to African countries by the United States rose from an annual average of \$47 million in 1954-1956 to \$70 million in 1958 and \$231 million in 1960 (see Table 1). An indication of the changing pattern of distribution of this assistance by recipient country since 1946 is shown in Table 9, which refers to the fiscal year ending 30 June. Of \$734 million net economic assistance extended over the fifteen years' period 1945-1960, \$325 million was in the form of grants (excluding disposal of surplus foodstuffs), \$283 million in credits, and \$124 million of food surpluses supplied under Public Law 480.

43. United States commitments for assistance to African countries have also been rising steadily and amounted to \$461.9 during the calendar year 1960, distributed as follows:

/...

(millions of dollars)

Ethiopia .....	38.5
Ghana .....	1.6
Guinea .....	2.1
Liberia .....	46.9
Libya.....	25.2
Morocco .....	60.8
Nigeria .....	5.6
Somali Republic .....	3.3
Sudan .....	13.1
Tunisia .....	93.7
United Arab Republic .....	144.6
Other African countries and territories .....	6.2
Regional .....	20.3
Total .....	461.9

Of the commitments to countries other than the United Arab Republic, \$147 million was in the form of grants and \$171 million in the form of loans. The grants to this group of countries included \$23 million in the form of technical assistance and \$54 million of surplus foodstuffs provided under Public Law 480. The commitments represent about 17 per cent of United States commitments to under-developed countries in 1960.

44. Under legislation enacted in 1961, the United States Government is authorized to enter into loan agreements totalling \$7.2 billion over the next five years in order to permit the Government to enter into firm long-term commitments for assistance to under-developed countries.

#### Centrally planned economies<sup>10/</sup>

45. Available data on economic assistance by most of the centrally planned economies do not provide an indication of the annual disbursement of loans and

<sup>10/</sup> This section is based on information contained in document E/3556, paragraphs 88 to 125, and document A/4906, paragraphs 39 to 48, which have been supplemented by available information concerning commitments in 1961.

grants to other countries. Commonly the available information refers to commitments, which may or may not have been utilized. Long-term credit agreements generally stipulate only the value of goods to be delivered, but the actual rate of utilization of credits is governed by annual treaties. Moreover, data on credits extended exclude repayments received by the leading countries. While such deficiencies preclude exact comparison with capital flows from developed private enterprise economies that were discussed earlier, broad impressions of assistance provided by centrally planned economies can nevertheless be gauged from various official statements.

46. Economic assistance from the centrally planned economies to the under-developed countries began in 1954. Since then the cumulative amount of such assistance has increased rapidly. In the African region assistance to countries other than the United Arab Republic (Egypt) began in 1959. The available information shows that by the end of 1960 commitments to all under-developed countries amounting to at least \$3.2 billion had been made, of which about one fourth was to eight African countries. The United Arab Republic accounted for over two-thirds of the African total.

47. Only very scanty information is available on the utilization of this aid. The bulk of economic aid for which commitments have been made has been in the form of credits. Grants have amounted to less than 3 per cent of total aid to all under-developed countries.

48. By far the largest part of assistance to under-developed countries as a whole from the centrally planned economies has been provided by the Soviet Union. In recent years, however, the share of other centrally planned economies in the cumulative commitments has been increasing: it rose from 13 per cent in 1957 to over 17 per cent in 1960. The share of the Soviet Union in the assistance extended by centrally planned economies to African countries appears to have been somewhat above its share in such assistance to under-developed countries as a whole.

49. Bilateral contributions of economic assistance from the USSR to the under-developed countries are made principally in the form of direct participation in industrial and other projects through the provision of construction materials, machinery and equipment, and the supply of technical assistance.

To meet the expenses of the Soviet agencies involved, the USSR extends long-term credits, normally repayable within twelve years, bearing an annual interest charge of 2 to 2 1/2 per cent. Repayments can normally be made in local export commodities, beginning one year after the completion of deliveries of materials for each project or one year after the completion of the project itself.

50. The USSR also gives substantial assistance in the training of personnel. Courses for skilled workers have been instituted at many of the enterprises constructed with Soviet help, and polytechnic schools have been organized in a number of countries. In addition, facilities have been provided for study at higher educational establishments in the USSR, including the recently-founded "Friendship of Peoples" University in Moscow.

51. During 1960 and 1961 a further expansion took place in Soviet aid programmes to African countries. Agreements were signed for the first time with Guinea, Mali and Somalia and further agreements were signed with Ethiopia, Ghana and the United Arab Republic. A summary account of contributions by the USSR to individual African countries is given in the following paragraphs.

#### Ethiopia

52. The USSR has extended a credit equivalent to 100 million dollars for industrial and other projects. A 1,000-pupil technical school is to be erected in Bahr-Dar, as a gift to the Government of Ethiopia.

#### Ghana

53. By an agreement signed in August 1960, the USSR will supply assistance in the construction of a 200 thousand kw. hydro-electric station on the Black Volta, the erection of a 250 km. transmission line, the development of fisheries enterprises, the organization of cotton, maize and rice farms, and the building of a cotton factory. Surveys of mineral resources will also be carried out. These activities will be financed by a credit equivalent to 40 million dollars.

#### Guinea

54. The USSR is assisting in the organization of a 7 thousand ha. state farm for growing rice, the building of a polytechnic institute, the reconstruction

of Conakry airfield, planning and surveying with a view to rebuilding the Conakry-Mamu railway, prospecting for diamonds, gold and raw materials for cement production, and the construction of a sawmill, a fruit and vegetable cannery and a leather factory. A 100 kw. radio station is being built as a gift from the Soviet people.

55. Medical equipment, agricultural machinery and equipment, automobiles, mobile cinema projectors, and part of a library have been supplied in the form of grants.

56. A credit equivalent to 35 million dollars was extended to Guinea in 1959.

#### Mali

57. By an agreement signed in March 1961, the USSR will provide assistance in prospecting for oil, gold, diamonds, raw materials for the production of cement, and fuel shale, the construction of a cement works, improving navigation conditions on the Niger, building a stadium at Bamako, establishing a centre for the training of national personnel, and planning and surveying for a new railway line. These operations will be financed by a credit equivalent to 44 million dollars.

#### Somalia

58. In June 1961 the Soviet Union extended a long-term (twelve-year) loan to Somalia of 40 million rubles (about \$45 million) for developmental projects in the fields of agriculture and industry and a five-years' credit of 7 million rubles (about \$8.5 million) for the purchase of Soviet goods. Among the projects to be assisted by the long-term loan are agricultural projects for the cultivation of cereals, cotton, and oil seeds, a school for training of agricultural specialists, the construction of a dam and hydro-electric plant, harbour construction, food processing, and geological prospecting for tin and lead. The purpose of the five-years' credit is stated to be the supplying of goods so that the proceeds from the sale of these goods may be used by the Government of Somalia to meet expenditure in local currency connected with the projects which are to be assisted by the long-term loan.

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United Arab Republic

59. The USSR is participating in over 90 industrial and other projects, including the construction of the Aswan High Dam. A new agreement signed in 1960 provided for assistance in the second stage of the Dam, the related construction of a 2.1 million kw. hydro-electric station, and 2,800 km. of transmission lines, and the development of an irrigation system covering 840 million ha. By the end of 1960, over 70 Soviet specialists were employed on the construction of the Dam.

60. Other projects currently under way include the construction of 11 engineering works, four enterprises in the petroleum industry, six chemical or pharmaceutical works, four enterprises for processing agricultural produce, three textile factories, one shipbuilding yard, and one centre for the training of national personnel. Credits so far extended to the Egyptian region amount to the equivalent of 375 million dollars.

Yugoslavia

61. The Federal People's Republic of Yugoslavia has in the past three years provided bilateral economic assistance to under-developed countries on an increasing scale. Contributions are made primarily in the form of long-term loans for the purchase in Yugoslavia of ships and industrial machinery and equipment. These loans are normally repayable within eight years and bear interest at 3 per cent. At 31 December 1960, total commitments for loans under this programme amounted to \$135 million. Disbursements at that date were reported at \$26 million, virtually all of this sum in 1960.

62. Commitments incurred in the calendar year 1960 amounted to \$58 million and included loans to Guinea (\$5 million), Liberia (\$3 million), Morocco (\$5 million) and Tunisia (\$5 million). In 1961 Yugoslavia is reported to have granted a credit of \$20 million to the United Arab Republic for purchase of industrial equipment.

63. Technical assistance rendered bilaterally by Yugoslavia to under-developed countries has also increased in importance. During 1960, the services of 107 experts were provided, principally to Guinea (41), Ethiopia (21), Morocco (14), and the Sudan (12). The number of scholarships awarded totalled 321. The United Arab Republic (142) was the main beneficiary.

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TABLE 8

France: Public Grants and Loans by major  
recipient area, 1956-1959

(millions of dollars)

<u>Area</u>	1956	1957	1958	1959
Community States and Overseas Territories <u>a/</u>	244	303	358	241
Current purposes	61	109	221	135
Investment purposes	183	194	137	106
Algeria and the Sahara <u>a/</u>	104	181	187	292
Current purposes	43	70	98	71
Investment purposes	61	111	89	221
Morocco and Tunisia	50	56	116	39
Current purposes	45	50	116	25
Investment purposes	5	6	--	14
Other areas	90	79	95	93
Current purposes	54	45	73	71
Investment purposes	36	34	22	22
Loans for investment purposes (net)	(183)	234	75	134
Total	671	853	831 <u>c/</u>	799 <u>c/</u>

Source: Organization for European Economic Co-operation,  
The Flow of Financial Resources to Countries in the  
Course of Development (Paris, 1961).

a/ Excluding net tax receipts from overseas departments.

b/ Largely extended to Algeria, overseas territories, overseas  
departments, Morocco and Tunisia.

c/ Including \$61 in 1958 and \$30 in 1959 for investment purposes  
not allocated by area.



TABLE 9

United States: Public Assistance to African countries,  
1946-1960 a/  
(millions of dollars)

Area, type, and country	Total (15 years)	1956-1960							
		Total (5 years)	1960	1959	1958	1957	1956	1955	1954
Total .....	734	586	258	110	65	61	92	210	-64
Algeria.....	2	2	b/	b/	b/	1	b/	1	b/
British East Africa .....	7	4	b/	1	2	b/	b/	2	-
Ethiopia-Eritrea .....	38	31	8	6	8	6	3	5	1
Ghana .....	3	3	1	2	b/	b/	b/	b/	-
Guinea .....	2	2	1	b/	-	-	-	-	-
Liberia .....	53	30	9	9	6	3	3	7	16
Libya .....	116	101	31	22	12	22	13	15	-
Morocco .....	139	131	77	23	32	b/	-1	6	2
Rhodesia and Nyasaland .....	28	-12	-8	-10	-8	3	10	40	-
Somali Republic .....	5	5	2	2	1	b/	b/	-	-
Sudan .....	21	21	16	5	b/	-	b/	-	-
Tunisia .....	85	84	25	37	13	7	1	1	b/
Union of South Africa .....	-8	-20	-14	-16	-10	5	14	102	-91
United Arab Republic ..	232	198	107	26	6	13	46	27	7
Other and unspecified Africa .....	11	7	2	1	b/	1	4	5	b/

Source: National Advisory Council on International Monetary and Financial Problems, Semi-Annual Report to the President and Congress, January-June 1960, (Washington D.C.).

a/ Year ending 30 June. Including \$37 million of military supplies and services.

b/ Less than \$500,000, including negative amounts.

TABLE 10

Centrally planned economies: commitments of bilateral economic assistance to under-developed countries, 1954-1960 a/

(Millions of dollars at official rates of exchange)

Country	Before 1958	1958	1959	1960	Total
<u>By recipient:</u>					
<u>Africa</u>					
Ethiopia	-	-	125	2	127
Ghana	-	-	-	40	40
Guinea	-	-	41	5	46
Liberia	-	-	-	3	3
Morocco	-	-	-	5	5
Sudan	-	-	15	-	15
Tunisia	-	-	-	5	5
United Arab Republic (Egypt)	8	241	122	225	596
Total	8	241	303	285	837
All under-developed countries	822	460	953	963	3,198
<u>By donor:</u>					
China (mainland)	82	26	-	21	129
Czechoslovakia	21	68	76	50	215
Eastern Germany	7	-	22	-	29
Poland	-	-	6	30	36
Romania	-	11	-	-	11
Union of Soviet Socialist Republics	712	345	782	804	2,643
Yugoslavia	-	10	67	58	135
Total	822	460	953	963	3,198

Source.: Document A/4906, Table 16

a/ Information may not be complete.

## Part III

Developments in Multilateral AssistanceTechnical assistance programmes of the United Nations

64. Expenditure on United Nations technical assistance programmes (UNTA) in Africa has risen substantially during the past several years, and the share of Africa in such programmes rose from 15 percent in 1954-1956 to 22 percent in 1960. A further increase in UNTA assistance to African countries is planned for 1961-1962 as shown in Table 11. Projected expenditure under the Expanded Programme of Technical Assistance during the two-year period is at the annual average of \$11 million as compared with an expenditure of \$5 million in 1960. Africa is to receive 30 percent of total planned expenditure during the two-year period. A similar expansion is planned in the Regular Programme of technical assistance.

65. The number of experts assigned to African countries under these two programmes in 1960 was 677, and the target of the allocations for the period 1961-1962 is an average of about 1,000 per year. A corresponding increase has been approved in the number of fellowships awarded to African countries under these programmes. In 1960 878 such fellowships were provided for African countries.

66. The above activities do not include the programme of the United Nations Children's Fund (UNICEF), which supported programmes in Africa in 1960 costing \$3 million. Programmes approved in 1961 for African countries amounted to \$4.8 million. The earliest activities of UNICEF in Africa were predominantly in the field of disease control. In the past few years, as shown in Table 12, there has been increased emphasis on the provision of basic health services, and requests are increasing for help in nutrition, family welfare and education.

67. A special United Nations Fund for the Congo was established in 1960 in connexion with United Nations operations in the Congo (Leopoldville). This fund as originally envisioned was to reach a level of \$100,000,000 to be made available to the Central Government of the Congo through United Nations channels and under United Nations control. The broad purposes of the Fund were to restore the economic life of the Congo and to carry on its public services at such levels as were possible and reasonable. Up to the present, however, conditions in the country have been such that the Fund, within smaller resources than contemplated

/...

is necessarily utilized chiefly for urgent emergency operations. The resources available to the United Nations Fund for the Congo as of 30 March 1961 consisted of pledges from Member Governments totalling \$18.9 million of which \$16.9 million represented cash received. At that date approved commitments against the Fund came to \$15.4 million relating to approximately fifty projects administered through the United Nations or Specialized Agencies serving as agents of the United Nations in collaboration, according to circumstances, with Congolese authorities. The main fields of utilization of these funds have been in public health, combatting grave problems of unemployment and maintenance of certain public services; as opportunity affords, an increasing emphasis has been placed on arrangements, preferably within the Congo, for technical and vocational training.

68. On 23 August 1960 an agreement was signed between the United Nations and the Central Government of the Congo under which the United Nations placed at the disposal of the Republic of the Congo a sum of \$5 million designed to assist the Republic in meeting its most immediate needs for the import of merchandise. This special fund, which is in addition to the United Nations Fund for the Congo, was provided by the Government of the United States to the United Nations.

#### United Nations Special Fund

69. Since 31 May 1960 the United Nations Special Fund has approved 25 projects for African countries with a total projected expenditure by the Special Fund of \$19.7 million. Together with projects approved previously, this brings the total of Special Fund Projects for Africa at mid-1961 to 38 projects in 17 countries and territories with a total allocation by the Special Fund of \$28.5 million and a total estimated cost, including the recipient governments' counterpart contributions, of \$63.7 million, as shown in Table 13. This figure does not include \$3.9 million which has been allocated by the Special Fund for a desert locust survey for Africa, Asia and the Middle East, which includes funds provided by participating governments. Approval of additional projects for Africa at the next session of the Governing Council of the Special Fund is expected to increase the size of the total programme for African countries by perhaps one-half.

International Bank for Reconstruction and Development (IBRD) and affiliated agencies

70. The share of African countries in loans extended by IBRD rose from 11 percent in 1956/1957 to 17 percent in 1957/1958, 16 percent in 1958/1959 and 47 percent in 1959/60. During the year ending 30 June 1961, however, new lending to Africa by the IBRD accounted for only \$27.9 million of total loans of \$609.9 millions, as compared with \$239 million of a total of \$659 million in the preceding year. As of 30 June 1961, loans to African countries represented about 15 percent of the cumulative total of IBRD loans for developmental purposes (see Table 14). The distribution of these loans among African countries is shown in Table 15. The bulk of the disbursements on these loans during the period 1958-1961 was to the Federation of Rhodesia and Nyasaland, the Union of South Africa, Algeria, the former Belgian Congo and the United Arab Republic.
71. One of the two loans extended to African countries in 1960/1961 was to the Sudan in the amount of \$13 million for the Roseires Dam project on the Blue Nile. The IBRD loan constituted part of a total of \$50.9 million of external loans raised at the same time for the project. The IBRD loan represented the first joint operation of the IBRD and the newly established International Development Association (IDA) which is referred to below. The Federal Republic of Germany also participated in the financing of the project by providing a long-term loan equivalent to \$18.4 million.
72. The second IBRD loan to Africa in 1960/1961 was \$8.4 million to Uganda for hydroelectric development.
73. An important development in the arrangements for the provision of financial resources to under-developed countries through multilateral agencies was the coming into existence in September 1960 of the International Development Association (IDA). IDA is affiliated for administrative purposes with the IBRD, but the financial resources of the two institutions are entirely separate. Like the IBRD the IDA is to help finance development projects, but it is to provide capital on more liberal terms of repayment and is ready to finance a wide range of projects than the IBRD. In the first Annual Report of the IDA it was noted that in a growing number of developing countries the need for and ability to make effective use of outside capital is increasing faster than the ability to meet obligations arising from conventional loans. This problem it was pointed

out, is compounded by the circumstances of many newly independent countries which are not able to rely to the same extent as before on the financial support of the former metropolitan powers, including guarantees on loans floated abroad.

74. The initial capital of the IDA will be \$1,000 million provided all the members of the IBRD join the organization. As of 30 June 1961, 51 member governments of the IBRD had joined the IDA with capital subscriptions of \$906 million. In its first eight months of operation, ending 30 June 1961, the IDA extended development credits totalling \$101 million to four countries including a credit of \$13 million to the Sudan referred to above. These credits were extended for a period of 50 years without interest. Repayment is due in foreign exchange, and amortization is to begin after a ten-year period of grace. A service charge of  $3/4$  of 1 percent per annum, payable on the amount withdrawn and outstanding, will be made to meet administrative costs.

75. The International Finance Corporation (IFC) did not make any loans to Africa following its loan of \$2.8 million to the Kilombero Sugar Company in Tanganyika in 1959/1960. In September 1961 the Charter of the IFC was amended to permit investment in capital stock.

#### European Development Fund

76. Loan commitments to African countries entered into by the European Development Fund of the European Economic Community (EDF) increased to \$171 million at 30 June 1961 as compared with \$67 million a year earlier (see Table 16). Disbursements, however, continued to be small, the total for 1960 being \$3 million. At the end of 1960, subscription payments by member countries into the EDF totalled \$227 million. Under the treaty establishing the European Economic Community, the equivalent of \$581 million was to be made available for loans by the EDF over the period 1958-1962 for the support of economic and social development projects in the associated overseas territories with which member countries of the Community have special links.

TABLE 11

United Nations: Technical Assistance programme in Africa, 1960, 1961-1962

(Thousands of dollars)

Country or Territory	1960 Disbursements EPTA and Regular Programme	1961-1962 Approved EPTA Programme	1961 Approved Regular Programme
Algeria	3.0	6.6	19.2
Basutoland	24.7	81.6	-
Bechuanaland	.9	24.8	70.9
British East Africa	64.8	40.4	-
British Somaliland	-	-	-
Cameroun	103.8	645.8	159.3
Central African Republic	4.0	415.6	8.0
Chad	9.8	406.4	19.1
Comoro Islands	-	50.7	9.5
Congo (Brazzaville)	4.2	307.2	62.7
Congo (Leopoldville) <sup>a/</sup>	-	-	-
Dahomey	3.1	407.7	95.8
Ethiopia	676.0	988.6	187.9
French Territories in Africa	15.6	-	-
French Somaliland	-	50.4	-
Gabon	10.5	360.2	57.2
Gambia	.2	113.9	2.5
Ghana	525.3	749.3	345.9
Guinea	136.4	728.1	22.0
Ivory Coast	5.9	511.2	21.2
Kenya	90.2	177.5	48.3
Liberia	420.3	457.9	199.4
Libya	781.9	1,255.0	88.5
Madagascar	26.7	633.5	158.5
Mali	39.3	519.3	172.1
Mauritania	-	337.3	39.4

<sup>1/</sup> The 1960 figures represent technical assistance provided before United Nations Civilian Operations in the Congo were set up in July 1960. All subsequent assistance financed from the United Nations Fund for the Congo has been figures excluded from these statistics.

TABLE 11 (continued)

	1960 Disbursements EPTA and Regular Programme	1961-1962 Approved EPTA Programme	1961 Approved Regular Programme
Mauritius	47.3	116.8	56.4
Morocco	419.9	794.8	191.2
Niger	-	528.8	82.6
Nigeria	216.7	1,521.6	190.5
Portuguese Territories in Africa	46.0	31.2	87.9
Rhodesia and Nyasaland	115.2	166.1	62.2
Ruanda Urundi	41.9	679.0	15.5
Senegal	4.5	600.3	9.5
Seychelles	25.0	-	-
Sierra Leone	32.5	424.6	78.8
Somalia	298.7	1,122.9	440.4
South Africa	36.7	-	23.6
Southern Cameroons	7.7	184.4	25.6
Sudan	654.3	1,075.3	238.3
Swaziland	-	38.5	-
Tanganyika	114.0	903.5	2.7
Togo	109.2	649.4	124.4
Tunisia	445.4	817.5	98.5
Uganda	100.1	115.1	90.3
United Arab Republic (Egypt)	842.2	1,667.2	224.7
Upper Volta	1.6	586.4	45.3
Zanzibar	95.5	119.6	7.2
Regional	1,302.2	1,154.3	2,050.2
TOTAL	8,003	22,566.1	5,933.0

Source.: United Nations Technical Assistance Board.



TABLE 12

UNICEF assistance approved a/ for long-range child care programmes on the Continent of Africa b/ 1960 and 1961

	(a) 1960 US\$	(b) 1961 US\$	(c) Total allocations 1960/61 Two years US\$	Per cent of total	(d) Projects currently aided Number of Projects	Per cent of total
Health Services	919.3	1,842.7	2,762.0	37.5	38	27.0
Family and Child Welfare	283.7	476.8	760.5	10.3	16	11.3
Disease Control	1,025.5	1,307.0	2,332.5	31.7	63	44.7
Malaria	325.5	78.0	403.5		10	
Tuberculosis	79.0	264.5	343.5		8	
Leprosy	301.0	635.0	936.0		21	
Trachoma	42.0	111.0	153.0		5	
Yaws/Syphilis	227.0	218.5	445.5		18	
Bilharziasis	51.0	-	51.0		1	
Nutrition	268.5	1,133.5	1,402.0	19.0	23	16.3
Child Feeding	b/	b/	b/		7	
Nutrition Education and related activities	54.0	891.5	945.5		12	
Milk Conservation	214.5	242.0	456.5		4	
Education: Health and Nutrition	110.0	-	110.0	1.5	1	0.7
Total Long-Range Aid	2,607.0	4,760.0	7,367.0	100.0	141	100.0

Source: UNICEF

a/ Including freight except for freight on dried milk.

b/ Dried milk is provided free of cost, UNICEF paying ocean freight costs.

TABLE 13

United Nations Special Fund: Projects in Africa by recipient country,  
as of 30 November 1961

(dollars)

Country	Number of Projects	Total	Cost of Project, Special Fund Allocation	Government Counterpart Contribution
Cameroun	1	2,692,800	1,174,800	1,518,000
Ethiopia	2	1,979,800	1,362,800	617,000
Ghana	2	2,385,700	908,700	1,477,000
Guinea	1	425,000	425,000	-
Ivory Coast	1	3,150,400	1,034,800	2,115,600
Liberia	1	1,756,900	1,006,900	750,000
Libya	2	4,247,550	1,639,600	2,607,950
Morocco	3	6,406,500	2,078,500	4,328,000
Nigeria	5	9,886,000	4,906,100	4,979,900
Senegal	1	1,625,500	486,600	1,138,900
Somalia	1	1,218,800	928,800	290,000
Sudan	5	6,956,400	3,582,800	3,373,600
Togo	1	963,000	700,000	263,000
Tunisia	2	4,244,700	1,537,700	2,707,000
United Arab Republic	8	13,930,100	5,589,000	8,341,100
Federation of Rhodesia and Nyasaland	1	1,375,100	786,100	589,000
Uganda	<u>1</u>	<u>453,500</u>	<u>313,500</u>	<u>140,000</u>
Total	38	63,697,750	28,461,700	35,236,050

Source: United Nations Special Fund.

TABLE 14

Development Loans of the International Bank for Reconstruction and Development Classified by Purpose and Area, as of 30 June 1961 a/  
(millions of dollars)

Purpose	Total	Areas				
		Africa	Asia and Middle East	Australia	Europe	Western Hemisphere
Development Loans:						
Total	5,172.0	799.8	1,938.3	317.7	914.7	1,201.5
Electric Power	1,740.9	186.4	479.3	29.3	388.0	657.9
Transportation	1,823.3	418.2	816.5	132.3	68.4	387.9
Communications	23.9	1.5	-	-	0.2	22.2
Agriculture and Forestry	496.3	50.7	169.5	103.4	87.8	84.9
Industry	882.6	103.0	398.0	52.7	280.3	48.6
General Development	205.0	40.0	75.0	-	90.0	-

a/ Excluding \$496.8 million of loans classified as reconstruction loans.

Source: International Bank for Reconstruction and Development, Sixteenth Annual Report, 1960-1961. (Washington, D.C.).

TABLE 15

Lending Operations in Africa of the International Bank for  
Reconstruction and Development, 1958-1961  
(millions of dollars)

Recipient country or territory	Principal Amount outstanding	Disbursements (D) and Repayments (R)							
		1958		1959		1960		Jan 1-Sept 30 1961	
		D	R	D	R	D	R	D	R
Algeria	60.0	-	0.4	-	0.5	50.0	0.2	-	12.7
British East Africa	24.0	-	0.9	-	1.0	-	1.1	-	1.1
Congo (Leopoldville)	120.0	19.9	2.0	9.5	2.0	9.7	2.0	-	4.6
Ethiopia	23.5	2.4	0.5	4.5	0.4	3.1	0.5	2.1	0.8
Former French West Africa	7.1	-	0.6	-	0.5	-	0.8	-	0.4
Gabon	35.0	-	-	4.2	-	9.3	-	10.8	-
Kenya	5.6	-	-	-	-	0.3	-	1.4	-
Mauritania	66.0	-	-	-	-	-	-	6.8	-
Nigeria	28.0	8.4	-	8.4	-	7.1	-	3.8	-
Rhodesia and Nyassaland	146.6	32.7	1.9	30.0	7.2	17.7	1.9	5.9	1.4
Ruanda-Urundi	4.8	0.5	-	2.1	-	1.5	-	0.3	0.2
South Africa	196.8	25.0	11.3	32.9	11.6	3.7	15.3	-	13.0
Sudan	74.0	-	-	20.0	-	6.5	-	2.2	-
Uganda	8.4	-	-	-	-	-	-	3.5	-
United Arab Republic (Egypt)	56.5	-	-	-	-	30.9	-	7.7	-
<b>Total Africa</b>	<b>856.3</b>	<b>88.9</b>	<b>17.6</b>	<b>111.6</b>	<b>23.2</b>	<b>139.8</b>	<b>21.8</b>	<b>44.5</b>	<b>24.2</b>

Source: International Monetary Fund, International Financial Statistics.

TABLE 16

The European Development Fund, financing of projects approved  
in African countries and territories as of 30 June 1961  
(Thousands of dollars) a/

<u>Country or territory</u>	<u>Number of Projects</u>	<u>Total amount approved</u>
Algeria and Sahara	7	17,680
Cameroun	11	10,881
Central African Republic	11	4,398
Chad	7	9,945
Comores	5	2,069
Congo (Brazzaville)	5	6,009
Congo (Leopoldville)	8	9,384
Dahomey	9	5,646
French Somali Coast	1	742
Gabon	5	5,070
Ivory Coast	10	17,495
Madagascar	21	23,132
Mali (former Sudan)	14	7,529
Mauritania	4	4,352
Niger	2	7,290
Reunion	3	1,682
Ruanda-Urundi	9	2,583
Senegal	6	13,656
Somali Republic	1	2,150
Togo	11	8,056
Upper Volta	9	11,683
Total for African countries or territories	159	171,432
Total for all countries or territories	174	192,260

a/ Original data expressed in unites of account of the European Payments Union.

Source: Communauté Economique Européenne, Bulletin de la Communauté Economique Européenne, No. 7-8, (Bruxelles, July-August 1961).