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**THE IMPACT OF POLITICAL AND ECONOMIC CHANGES IN THE EAST,  
ESPECIALLY IN FORMER USSR COUNTRIES, ON THE EXTERNAL  
FINANCING TRENDS OF AFRICAN COUNTRIES**

- \* This document is a summary of a paper prepared by a consultant. The opinions expressed are those of the author and do not necessarily reflect those of the United Nations Economic Commission for Africa.

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## I. INTRODUCTION

1. External financing made available to developing countries (LDCs) is often subjected to frequent fluctuations caused by economic trends in donor countries and in beneficiary countries. The external financing of African countries is not covered in this current situation. In fact, it is common to find that external funding of African countries over the last 25 years has registered notable structural changes owing to the changes which occurred in international economic relations during the 1970s (P. Guillaumont, 1978; N.R. Kouassi, 1991; OECD, 1985). Such changes especially affected trends in the major components of external finance. In fact, in the 1970s and at the beginning of the 1980s, there was a marked reduction of resources supplied under concessional terms, in favour of market terms such as private bank loans, investment portfolios and other public-sector assistance.

2. Political and economic changes in the East especially in the former USSR countries in the second half of the 1980s, have aroused much anxiety among African authorities, with regard to how much of their quota-share of external finance would be reserved for them. Have foreign financing sources dried up? Have donor countries, especially the countries of the Development Assistance Committee (DAC), drained most of their assistance towards the former communist countries of Europe? Or will they honour historical and political ties (T. Mende 1975; R.N. Kouassi, 1985) and increase aid to African countries while compensating the losses suffered by those largely dependent on financial assistance from the former socialist countries of Eastern Europe?

3. Research on the impact of events in the East on the external financing of African countries is important for two fundamental reasons. On one hand it permits definition of the new contours of the geographical distribution of international development finance between poor countries, and on the other hand, in the light of the new configuration for external finance it has the advantage of highlighting its inadequacy or its abundance in African countries and de facto, measurement of its impact on their economies.

4. The main objective of this study therefore is to analyze the consequences of the changes occurring in the international development finance of African countries, which correlate with the collapse of Eastern Europe. Analysis of this main objective allows consideration of the following secondary objectives:

(a) Has adoption of the virtues of the market economy by the former socialist countries reduced or increased the external finance available to the African countries which were closely linked to them? Or, has reduction of external assistance caused by changes in the former communist countries of Europe been compensated by resources from other donor countries?

(b) Have elements constituting Africa's external finance been affected by the homogenous nature of occurrences in Eastern Europe? If this is so, then what could explain such behaviour?

(c) Following these events in Eastern Europe, has international financial assistance been equal or unequal in its distribution among African countries? And who are the main beneficiaries?

5. The answer to these questions is centred around the three main parts of the study. The first part tries to trace the status of external finance to Africa before the integration of the Eastern countries into the market economy; the second part tries to analyze the changes which have occurred since that time, while the third part focuses on two case studies on Guinea and Mali respectively, to illustrate the conclusions drawn from the first two parts.

## II. THE EXTERNAL FINANCIAL SITUATION OF AFRICAN COUNTRIES BEFORE THE COLLAPSE OF SOCIALIST POLITICAL SYSTEMS.

6. In the economic literature, external finance is defined in two ways which differ as much in their meaning as in their result (P. Guillaumont, 1968; B. Mosse, 1962). The first, (additive), totals the various net contributions received; the second (residual), considers external assistance as being the net contributions of real resources that developing countries effectively have available. For ease of analysis, let us consider that external finance is understood as financial means placed at the disposal of poor countries, that is to say, in its form as an additive and supplement. How has such financing evolved over time? Have its constituent elements experienced a steady course? What were the general characteristics of its distribution among African countries?

### A. Trends in External Financial Components

7. Recent studies (R.N. Kouassi, 1991; OECD, 1985; J.M. Parly, 1978) have shown that changes occurring in international development finance centre mainly on the predominance of aid furnished on market terms in the total financial means made available to LDCs. This has been the reason for identifying new sources of external financing, as opposed to former external finance which had the advantage of being less costly but which, on the other hand, was inconveniently difficult to mobilize (P. Guillaumont, 1978). Nevertheless, according to these same studies, African countries have structures which differ in terms of level of per capita income and the nature of the predominant sector of economic activity. It has been clearly shown that the structural modifications rated in international development finance are manifested on one hand, by a concentration of official development assistance (ODA) to the least developed African countries and, on the other hand, by an increase in

assistance subject to market incentives in middle-income countries (although there was relative decline at the end of the first half of the 1980s).

8. Analyses of table 1 shows that from 1970 to 1975, ODA and non-concessional resources have had a fluctuating trend. The ODA represented 57 per cent of total assistance received by Africa in the first half of the 1970s. In the second phase of this period, it was only 48 per cent. The statistics for non-concessional resources were 43 per cent and 52 per cent, respectively. Nevertheless, at the beginning of the 1980s, ODA increased significantly in the total financial assistance supplied to Africa. In the 1983-1985 period, it represented 75 per cent of such funds, in comparison to 25 per cent for non-concessional aid.

**Table 1: Structure of total net resources received by Africa**

Categories	Average 1971- 1973 \$US millions (%)	Average 1975-1977 \$US millions (%)	Average 1979-1981 \$US millions( (%)	Average 1983-1985 \$US millions( (%)
Total resources	2285.25 (100)	6603.75 (100)	12360.25 (100)	9253.1 (100)
*ODA	1302.59 (57)	3169.8 (48)	6303.73 (51)	6945.6 (75)
*Non- concessional resources	982.66 (43)	3433.95 (52)	6056.52 (49)	2307.5 (25)

**Source:** Calculations done on the basis of OECD data: Geographic distribution of financial resources made available to developing countries - successive years

9. Analysis of table 1 reveals that the total resources of Africa had declined in the period between 1983-1985. This was due to non-concessional resources which experienced a notable drop in volume during this period. They fell from \$US 6056.52 million from 1979 to 1981 to an average of \$US 2307.5 million during the 1983-1986 period. However, during the three periods under consideration, the volume of ODA continued to increase,

successively rising from \$US 2285.25 in 1971-1973 to \$US 6303.73 million in 1979-1981 and to \$US 6945.6 million in 1983-1985.

10. The predominance of ODA in total resources at the beginning of the 1980s, especially around the end of the first half of this period, was observed both for low-income and middle-income countries, although for the latter, petroleum exporters were an exception from this observation. The reduction in non-concessional resources really seems to be due to the fact that funding sources distrust very indebted middle-income countries and due to the disinvestment trends in Africa in the 1980s, correlating to difficult economic circumstances.

11. With regard to total private aid, structural analysis of 18 African countries reveals that such support decreased in volume during the first half of the 1980s, falling from \$US 2407 million in the 1979-1981 period to \$US 723.53 million between 1983 and 1985 (see table 2 below). This volume trend reduction seems to be the result of transfers of funds through disinvestment and as reimbursement of loans previously contracted were deferred.

B. The Special Case of African Economies with Central-Planning Systems

12. Three African countries with central-planning systems are examined in this report.<sup>1/</sup> It is to be remembered that during the 1970s and during the first half of the 1980s, the structure of their external financing was identical to those of African countries with the same economic structures. In reality, the importance of ODA has been at the expense of non-concessional resources. This observation is valid not only for the three countries selected (with the exception of Benin during the 1979-1981 period), but also for all the accumulated statistics (see table 3 below). The 1979-1983 period saw exceptional growth of non-concessional resources to such countries. This seems to have been due to growth in export credits. For example, for Ethiopia during this period, of the \$US 17.8 million received as total private aid, export credits formed 97 per cent, that is \$US 17.26 million, compared to 2 per cent for direct investment (\$US 0.36 million) and 1 per cent for portfolio investments, that is \$US 0.18 million (see table 3 annexed).

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<sup>1/</sup> These are Ethiopia (1974-1991), Guinea (Sékou Touré's period) and Benin. In fact, this means no more than that these countries had data existing for 1970 and 1980.

**Table 2:** Structure of total net private finance of 18 African countries

Countries	No. of countries	Average 1979-1981 million \$US	DI (%)	PI (%)	EC (%)	Average 1983-1985 million \$US	DI (%)	PI (%)	CE (%)
Low-income	12	607.10	30.36 (5)	78.92 (13)	497.82 (82)	63.73	18.5 (29)	1.23 (2)	44 (69)
Middle-income	6	1 800.7	252.1 (14)	684.26 (38)	864.34 (48)	659.8		184.4 (28)	586.7 (89)
Petroleum importers	5	782.7	109.58 (14)	305.25 (39)	367.87 (39)	109.1		44.3 (41)	25.6 (23)
Petroleum exporters	1	1 018	152.7 (15)	366.48 (36)	498.82 (49)	550.7		140.1 (25)	561.1 (102)
TOTAL	18	2 407	288.94 (12)	746.41 (31)	1 372.45 (57)	723.530		185.530 (26)	630.7 (87)

Source: Extracted from R.N. Kouassi's study: 'note on the structural trends, the external finance of sub-Saharan Africa', Africa and Development, CODESRIA, 1991.

**N.B:**

DI = Direct investment

PI = Portfolio investment

EC = Export credit

\* = For the list of the 18 countries concerned, see table annexed.

Table 3: Structure of the external finance of 3 centralized economy African countries

Countries	Average 1971-1973 million \$US	ODA (%)	NCR (%)	Average 1979-1981 million \$US	ODA (%)	NCR (%)	Average 1983-1985 million \$US	ODA	NCR (%)	Average 1983-1985 million \$US	ODA (%)	NCR
Benin	23.5	25.3 (100)	0 0	56.6	55.47 (38)	1.13 (2)	197.3	84.84 (43)		145.2	867.7 (60)	58.
Ethiopia	59	53.69 (91)	5.31 (9)	124	119.04 (96)	4.96 (4)	287.4	209.8 (73)		517.7	470.9 (91)	46.
Guinea	33.3	5.33 (16)	27.97 (84)	20.5	16.19 (79)	4.31 (21)	95.7	74.65 (78)		107.8	103.3 (96)	4.
TOTAL	117.6 (5%) (10%)	84.32 (72) (6%) (10.5%)	33.28 (28) (3%)+ (8%)-	201.1 (3%)+ (6%)-	190.7 (95) (6%)+ (9%)-	10.4 (5) (0.3%)+ (0.8%)	580.4 (5%)+ (9%)-	369.29 (64) (6%)+ (9%)-		770.7 (8%)+ (14%)-	660.9 (86) (9%)+ (14%)-	109.

Source: Calculations based on OECD data Geographic distribution of financial resources made available to LDCs. Successive years.

N.B.: \*NCR: Non-concessional resources  
\* 0+% relating to all Africa countries  
\* 0-% relating to low-income (21 countries)

13. Moreover, it should be noted that the quota share of African economies with central-planning systems, economies in total resources made available to Africa has been relatively stable (4 per cent on average) during the 1970s. It greatly increased during the first half of the 1980s, achieving an average of 8 per cent during the 1983-1985 period (see table 3). Thus, on average, Africa has benefited from 6 per cent of PDA during the 1970s and from 9 per cent by the start of the 1980s. In terms of non-concessional resources, these statistics are 2 and 5 per cent, respectively. In comparison to low-income countries (the group to which they belong), countries with central-planning systems have received an average of 14 per cent of the total funds allocated to this group of countries in the first half of the 1980s, in comparison to 8 per cent on average in the 1970s. The ODA figures for concessional and non-concessional resources were 9 per cent in the 1970s and 14 per cent in the mid 1980s, compared to 6 and 20 per cent, respectively, for capital raised on market terms. In summary, it should be remembered that Africa's external finance experienced a constant growth in volume until the first half of the 1980s.

14. In the case of assistance coming from former socialist-bloc countries, it must be added that external finance was distributed on the basis of historical and political affinities<sup>2/</sup> which link the beneficiaries to the donors (R.N. Kouassi, 1985; Kirshen E.S., 1964; T. Mende, 1975; P. Masson, 1967) as table 4 below well illustrates. The nature of the factors determining aid levels has, therefore, created an unfavourable bias against African countries with central-planning systems.

15. Finally, it should be noted that the trend of increased ODA at the expense of non-concessional resources in the total financing received by Africa during the 1980s, would be an important asset for African countries because of the loan conditions - 25 per cent with a relatively longer reimbursement deadline. Nevertheless, reduction of non-concessional resources is to be regretted, especially for direct investment. This type of support, considered as external finance which does not generate indebtedness by its definition and objective, plays a fundamental role in the developing countries which benefit from the accompanying technology and know-how.

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<sup>2/</sup> From this point of view, aid from former USSR and Eastern European countries went exclusively to countries with central-planning systems. For example, see table 7 in the annex.

Table 4: Characteristics of aid objectives

Objective of donor countries	Donor countries	Recipient countries	Expectation of donor countries
Strategy	a) USA b) USSR c) Great Britain	a) Turkey South Vietnam b) Cuba, Mongolia c) Aden, Malta	Military bases for donors and military forces for the recipients
Political	a) USA b) USSR c) Great Britain	a) Turkey South Vietnam b) Cuba, Mongolia c) Aden, Malta	Vote of recipients in international institutions; language diffusion
Humanitarian	All	The poorest countries/regions	Reduction in the mortality rate of recipients.
Economic growth	All	All those which are reasonable stable	Per capita GNP growth rate of recipients; spread of education
Supplies security	All	Commodity producer	Donor-guaranteed imports
Full employment	USA	Almost all	Employment rates of donors
Interests of exporters	All non-communist countries	All	Growth rate of imports to the recipients from donors.
Interests of investors	a) Great Britain France, Belgium b) USA	Former relatively rich colonies	Level of profits achieved by the donors
"Tradition"	a) Great Britain France, Belgium b) USA	a) Relatively poor former colonies b) Latin America	Nothing
Reparation payments	a) Japan b) Italy	a) Philippines, South Korea b) Greece	Nothing
Satisfying partners and allies	a) OECD countries b) ECE countries	a) India, Pakistan b) Associated African States and Madagascar	a) Concessions obtained from USA b) Treaty of Rome

Source: Extracted from the study by KIRSCHEN op.cit p. 455.

16. Has the external financing of Africa remained within this structure after the collapse of the Soviet bloc? Has it recorded any special changes? Has Africa seen its share of international finance diminish, increase or remain the same? What is to become of the external financing of African countries largely dependent on the former USSR and its satellites? The second part will answer these questions.

### III. FOREIGN AID TO AFRICA AFTER THE EVENTS IN EASTERN EUROPE

17. The second part focuses essentially on ODA, because most other components comprising external finance, especially direct investment, portfolio investments and private bank loans, have poor geographic distribution and are sometimes unknown to a number of African countries. To better monitor ODA trends since the changes took place in the East, in order to draw the relevant conclusions, two methods have been used: the descriptive statistics method and the econometric testing method.

#### A. ODA Trends After the Collapse of the Soviet bloc: the Descriptive Statistics Approach

18. As emphasized earlier, non-concessional resources which dominated in the total assistance to Africa in the second half of the 1970s, have consistently declined in the 1980s. From 43 per cent of total assistance in 1971-73, this percentage reached 52 per cent in 1975-77, then, fell to 49 per cent in 1979-81 and to 25 per cent in 1983-85. This tendency towards reduction of market-regulated resources in total resources to Africa, has a good chance of continuing over time because of the difficult economic conditions which have characterized this continent since the beginning of the 1980s.

19. In the light of recent developments since the start of the 1990s, we were led to believe that ODA would remain the major source of external finance for long time. Thus, between 1970 and 1990, Africa benefited from an ODA level of \$US 132, 569.1 million (see table 5 below) of which \$US 61,641.2 were disbursed between 1970 and 1984. Nevertheless, this increase did not occur identically in all African countries. Low-income countries traditionally dependent on this form of aid, remained the major recipients, on the basis of country statistics. Middle-income countries which saw their share of ODA decrease because of their status of indebtedness on financial markets, (J.A. EDELMAN and H.B. CHENERY, 1977), had increasingly joined the ranks of ODA beneficiaries by the end of 1980. Between 1970 and 1990, low-income countries received \$US 108, 967.4 million as ODA, that is, 82 per cent of the Africa total, in comparison to \$US 23, 601.7 million, that is, 18 per cent of the total for middle-income

countries. In terms of percentage, the shares of each group of countries from 1970 to 1984 remained proportional to those of 1970 to 1990. Nonetheless, between 1985 and 1990, low-income countries saw their share improve by 1 percentage point, while the share of relatively prosperous countries diminished by 1 percentage point, falling from 18 per cent to 17 per cent, even though in terms of volume, there was net increase.

Table 5: Net ODA installments received by Africa between 1970 and 1990

Countries	1970- 1990 (\$US millions) (%)	1970- 1984 (\$US millions) (%)	1985-1990 (\$US millions) (%)
Low- income	108 967.4 (82)	50 423.6 (82)	58 543.8 (83)
Middle- income	23 601.7 (18)	11 217.6 (18)	12 384.1 (17)
TOTAL AFRICA	132 569.1 (100)	61 641.2 (100)	70 927.9 (100)

Source: Calculations based on OECD data: Geographic distribution of financial resources made available to LCDs, successive years, and the World Bank. World Development Report, successive years.

20. Furthermore, one may question the nature of the distribution of the ODA growth in volume among African countries. From this point of view, it is possible to investigate and find the share of the increase which goes to African countries which formerly had centrally-planned economies. Consequently, it is easy to carryout the study comparing African countries with central-planning systems and African countries with market economies. This allows observation of similarities and differences between the two groups of countries. In order to achieve this, 5 countries with socialist tendencies, 5 others with low-income and market economies and finally, 5 middle-income, market-economy countries, were chosen arbitrarily.<sup>3/</sup> The following observations emerged from the conclusions drawn:

(a) On the basis of annual statistics, 5 centrally-planned countries, not favoured in the aid distributed during the 1970s, saw their share of ODA increase at the beginning of the second half of the 1980s. What is revealed is that this quota share marked a notable tendency to increase around 1984 to 1985, and by the beginning of 1988 it exceeded the ODA granted to the 5 low-income, market-economy countries;

(b) In their accumulated statistics, the 15 countries under consideration received a total of \$US 59,370.3 million between 1970 and 1990, distributed as follows: \$US 26,382.1 million between 1970 and 1984 and \$US 32,988.2 million from 1985 to 1990 (see table 6 below). The distribution of this amount of ODA was

<sup>3/</sup> For the classification see annex 1.

achieved among the 15 countries in the following way: those with central-planning systems received \$US 17,363.8 million, that is 29 per cent, between 1970 and 1990; \$US 5,443.4 million, that is 21 per cent, between 1970 and 1984 and \$US 11,920.4 million, that is 36 per cent, from 1985 to 1990. Low-income, market-economy countries have respectively benefited from 42 per cent, 48 per cent and 37 per cent, respectively. These figures make it apparent that the 5 centrally-planned economies saw the volume of ODA increase considerably between 1985 and 1990, rising above \$US 21 million between 1970 and 1990, while at the same time, the 2 other groups of countries registered a reduction in their volume of ODA.

21. If these earlier mentioned statistics are compared with those for all of Africa, the observations above are further confirmed. In reality, the share of the 5 centrally-planned countries between 1970 and 1990 represented 13 per cent of the volume of ODA supplied to Africa during this period. Between 1970 and 1984, it was 9 per cent, although from 1985 to 1990, it rose to 17 per cent. The quota share of the 5 low-income, market-economy countries was 19 per cent, 20 per cent and 17 per cent respectively. Similarly, this was 12.9 per cent, 14 per cent and 12 per cent, respectively, for the 5 middle-income countries (see table 7 below).

**Table 6: Net ODA disbursements received by 15 African countries**

Countries	1970-1990 \$US millions (%)	1970-1984 \$US millions (%)	1985-1990 \$US millions (%)
	17 363.8 (29)	5 443.4 (21)	11 920.4 (36)
Low-income (5 countries)	24 867.3 (42)	12 592.9 (48)	12 274.4 (37)
Middle-income (5 countries)	17 139.2 (28.8)	8 345.8 (31)	8 793.4 (27)
TOTAL	59 370.3 (100)	26 382.1 (100)	32 988.2 (100)

**Source:** Calculations based on OECD data. Geographic distribution of financial resources made available to LDCs, successive years; and the World Bank, World Development Report, successive years.

**Table 7: Net ODA disbursements received by 15 African countries**

Countries	1970-1990 \$US millions (%)	1970-1984 \$US millions (%)	1985-1990 \$US millions (%)
Central-planning systems (5 countries)	17 363.8 (13)+ (16)-	5 443.4 (9)+ (11)-	11 920.4 (17)+ (20)-
Low-income (5 countries)	24 867.3 (19)+ (23)-	12 592.9 (20)+ (25)-	12 274.4 (17)+ (21)-
Middle-income (5 countries)	17 139.2 (12.9)+ (73)*	8 345.8 (14)+ (74)*	8 793.4 (12)+ (71)*
AFRICA TOTAL (36 countries sampled)	132 569.1	61 641.2 (46)	70 927.9 (54)

Source: Calculations based on OECD data. Geographic distribution of financial resources made available to LDCs, successive years; and the World Bank. World Development Report, successive years.

N.B.: + : Africa total  
- : Low-income-country total  
\* : Middle-income-country total

22. Moreover, to focus better on relative growth in the volume of ODA in the formerly centrally-planned African States, after the collapse of the communist bloc, 8 countries were selected (see table 8), which belong to the group of low-income countries.<sup>4/</sup> Between 1970 and 1990, these 8 countries globally received \$US 33,703.7 million of which \$US 16,096.3 million were for the centrally planned economies, that is 48 per cent and \$US 17,607.4, that is 52 per cent, for market-economy countries. Between 1970 and 1984, of a total of \$US 13,818.4 million, the former received \$US 5,052.4 million (37 per cent) and the latter \$US 8,766 million (63 per cent). Finally, from 1985 to 1990, of an ODA total of \$US 19,885.3 million granted to 8 countries, the centrally planned countries received \$US 11,043.9 million, that is 55 per cent, while the market economies received \$US 8,841.4 million, that is 44 per cent. The growth in volume of ODA in the formerly centrally planned countries, after the events in the East, is also evident when the data for all Africa are compared

<sup>4/</sup> In the preceding example, Angola figures among the five countries with communist governments, although it is classified by the World Bank as one of the middle-income countries.

to those of the group of low-income countries (see annex 2 and 5).

23. In the light of the preceding observations, it was globally evident that the volume of ODA markedly increased in Africa during the second half of the 1980s, following the collapse of the Soviet bloc. In all cases, this increase has been favourable to those African countries which were politically and economically linked to the former USSR. Nevertheless, it should be remembered that a comparative study within the group of centrally planned countries made it apparent that the growth in volume of ODA for this group of countries was not distributed proportionally among them. Table 6 above shows that of the five countries considered, Ethiopia and Mozambique were the largest beneficiaries over the periods under review.

24. In all, the comparative analysis based on the calculation of ratios makes it evident that although the disintegration of the former USSR positively affected the ODA flow destined for Africa in general, it overall served as a point of anchorage for the growth of external financing to centrally planned African countries, which were considered before this disintegration as poor relatives in the distribution of financial resources coming from donor countries, especially the Western countries regrouped as DAC. Thus, all the pessimistic hypotheses about the reallocation of international development finance against the interests of Africa in general, and these African countries in favoured partnership agreements with the former USSR have been proved wrong with regard to ODA distribution since the events in the East. This reality was confirmed by a survey carried out in Mali and Guinea (Conakry).

**Table 8: Net ODA disbursements received by 8 African countries**

Countries	1970-1990 (\$US millions) (%)	1990 (\$US millions) (%)	1985-1990 (\$US millions) (%)
Centrally planned low-income (4 countries)	16 096.3 (48)	5 052.4 (37)	11 043.9 (56)
Market economy low-income (4 countries)	17 607.4 (52)	8 766 (63)	8 841.4 (44)
TOTAL	33 703.7 (100)	13 818.4 (100)	19 885.3 (100)

Source: Calculations done on the basis of OECD Statistics: Geographic distribution of financial resources made available to LDCs, successive years and from the World Bank: World Development Report, successive years.

#### B. Econometric Approach to the ODA Trends for Africa

25. The aim of this chapter is to verify with econometric testing whether the changes occurring in the former Socialist countries in Eastern Europe have had an impact on the growth of ODA to African countries. Since the occurrences in the East started around 1984, the analysis divides the period under review into two phases: 1970-1974 and 1985-1990.

$$\log Y = a_0 + a_1 T \quad (1)$$

In accordance with the equation, definition of ODA trends (Y) is sought over time (T).

26. Equation (1) is estimated over the entire period (1970-1990) and for the first phase of 1970-1984 (the second phase having many data gaps). A CHOW test (see INTULIGATOR - Econometric Models, Techniques and Applications, pp. 193-195) is then used to see whether or not there has been any break in the ODA trends of African countries since 1984. Afterwards, equation 1 is changed by introducing dummy variables in order to see the future impact of occurrences in the East by each parameter of the model. It then becomes:

$$\log Y = a_0 + a_1 T + a_2 D + a_3 DT \quad (2)$$

when variable D is defined as follows:

0 if  $T \leq 1984$

D = 1 if not

### Results

27. The data relating to the endogenous variable (Y) were collected from several countries. We therefore have:

Sub total 1: represents low-income countries

Sub total 2: represents middle-income countries

Total Africa: represents all the countries studied.

Total 1 = The former centrally planned African countries  
(Benin, Ethiopia, Guinea, Mozambique, Angola)

Total 2 = Total 1 + the Congo

Total 3 = Low-income, market-economy countries (Burkina Faso,  
Mali (after 1986), Niger, Somalia, Zaire)

Total 4 = Middle-income, market-economy countries.

28. The parameters of equation 1 and 2 gave the results below for the low-income countries (Benin, Ethiopia, Guinea, Mozambique, Angola).

#### 1970-1990

$$\log Y = 6.8 + 0.13T$$

(73.192) (18.355)

SSR = 0.79 (SSR = sum of the square of residuals)

$$R^2 = 0.93$$

#### 1970 - 1984

$$\log Y = 6.6 + 0.16 T$$

(62.463) (13.818)

SSR = 0.49

$$R^2 = 0.93$$

29. These results revealed that the growth rate is significantly positive, on the order of 13 per cent over the whole period and 16 per cent for the first phase.

#### Presentation of the CHOW Test : Vectorial interpretation

That is:  $a^*$  = parameters for the whole period

$a_1$  = parameters for the first phase

$a_2$  = parameters for the second phase.

The hypotheses are as follows:

$$H_0 : a_1 = a_2 = a^*$$

$$H_1 : a_1 \neq a_2$$

The Fisher statistical test gives the following:

$$F_c = \frac{Q_0 - Q_1}{Q_1} \cdot \frac{T - 2k}{K} = F(k, T - 2k)$$

When  $Q_0$  is the SSR (total of all fractions) under  $H_0$  is valid  
when  $Q_1$  is the SSR  $H_1$  is valid.

30. Although a sub-sample does not allow estimation of the model over the period under consideration, the statistical test shows that:

$$F_c = \frac{Q_0 - Q_1}{Q_1} \cdot \frac{T_1 - k}{T_2} = F(T_2, T_1 - k)$$

with  $T_2 > k$

when  $k$  is the coefficient number

$T$  the total size of the sample

$T_1$  the size for period 1

in the general case

$$Q_1 = SSR_1 + SSR_2$$

$$Q_1 = SSR_1 \text{ in the special case when } T_2 > k$$

In applying the previous statistical test, we get the following result:

$$Q_0 = 0.79$$

$$Q_1 = 0.49$$

$$k = 2$$

$$T_1 = 15; T_2 = 6$$

$$F_c = \frac{0.79 - 0.49}{0.49} \times \frac{13}{6} = 0.6 \times \frac{13}{6} = 13$$

$$F_a \text{ (with } \alpha = 5\%) = 2.92$$

$F_c < F_a$ , implies that hypothesis  $H_0$  was selected. According to the CHOW test, this means that the parameters did not vary in passing from the first to the second phase. In other words, this means that the events in the East did not affect ODA trends in low-income African countries.

31. In terms of estimating equation (2), we obtained the following results for all the countries for sub-total 1 from 1970 to 1990:

$$\log Y = 6.6 + 0.16T + 0.64D - 0.06DT$$

(70,807) (15,664) 50,833) (-1,347)

$$R^2 = 0.96; F = 162,400$$

32. If coefficient  $a_2$  is significant, this would mean that there is an impact 5/ on the constant term, that is to say, on the autonomous part. If coefficient  $a_3$  is significant, then the events impacted on the ODA growth rate.

33. Here, it is noted by the Student T, that coefficients  $a_2$  and  $a_3$  are not significant. That is to say, the collapse of the Eastern bloc has not had any impact, neither on the autonomous part nor on the ODA growth rate.

34. In addition, models (1) and (2) may be estimated at the level of groups of countries which we have formed (see table 11 and 12) and at the level of some countries taken individually, especially those countries supposed to be economically and politically tied to the former USSR. The CHOW test showed that in the two cases, the trends in ODA assistance did not brake up after the collapse of the Eastern bloc. In fact it showed attendance to increase similarly, in both cases, this occurrence had no impact on the ODA growth rate and on the autonomous part.

35. In summary, the outcome of the econometric approach of the study on ODA trends strengthened the preceding analysis. This then constitutes additional proof supporting the idea that the disintegration of the former USSR has not affected the volume of aid to African countries including those which until recently adhered to the virtues of the socialist economy.

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5/ \* If  $a_2 > 0$  and significant, then it produces a positive impact on the autonomous part.

\* If  $a_3 > 0$  and significant, this translates as an increase in the ODA growth rate.

\* In the oposite case, the inverse is produced in the two cases.

#### IV. FIELD STUDY: CASE STUDIES OF MALI AND GUINEA

36. The choice of Mali and Guinea is essentially due to the privileged relations that the former USSR maintained with these two countries. Nonetheless, it should be emphasized that the socialist experience has not been the same in Mali as in Guinea. In the former country, it only lasted 8 years (1960-1968), while in the latter, the experience lasted for more than quarter of a century (1958-1984). The longevity and the consistency of financial assistance from Moscow and from former Eastern European socialist countries have depended on the length of the socialist experience in these two countries.

37. Adoption of socialist ideology to attract financial resources from the USSR could also cause financial resources from DAC countries to dry up because of strategic and political objectives for international assistance. Similarly, the failure of the Eastern bloc was to an extent both able to reduce the volume of aid received by Mali and Guinea (as a result of the drying up of sources in the former USSR and its satellites), and increase it because of the economic and political changes in these countries (as a result of funds from Western sources for maintaining reform).

##### A. The events in the East and the External-Aid Trends for Mali

38. With regard to Mali, the importance of Soviet aid between 1960 and 1968 is generally acknowledged on one hand and, on the other hand, that basic Soviet-Malian relations were centralized around the 'clearing system'. Thus, from 1960 to 1968, the documents mention that Mali mobilized 77.8 billion current francs for development financing, of which 63.4 billion was foreign resources and 14.4 billion were local resources. The share of the former USSR in the 63.4 billion of external resources was 18.7 billion current francs (that is 29.5 per cent). According to the sources of the National Directorate of Planning, the share of the former USSR in external assistance was the most important, followed by that of the European Development Fund (EDF) with 12.9 billion francs, that is 20.3 per cent. Nevertheless, since 1968, external finance coming from Moscow was not only irregular, but also completely dried up by the beginning of 1988. The table below on external commitments benefitting Mali also bears evidence. This table reveals on one hand that the commitments of the Communist bloc to Mali were relatively weak, even insignificant in terms of the volume of external commitments (around 1 per cent of all commitments between 1974 and 1992), and on the other hand, that since 1988, the former USSR has suspended its financial assistance to Mali.

**Table 9: The share of the former USSR and China in the total commitments to Mali (CFAF billions)**

Year	Total commitments (a) in (CFAF billions)	USSR	Percentage	China	Percentage
1974	112	0.951	0.8	-	-
1975	127	15.3	12	-	-
1976	129	5.3	4	-	-
1977	176	-	-	-	-
1978	191	-	-	-	-
1979	180	17.5	10	-	-
1980	212	11.7	5.5	-	-
1981	291	15.5	5	-	-
1982	440	1.5	0.3	-	-
1983	458	-	-	-	-
1984	706	-	-	1.8	0.3
1985	737	-	-	-	-
1986	762	5.4	0.7	2.7	0.35
1987	830	35.6	4	0.3	0.04
1988	880	-	-	-	-
1989	1 002	-	-	2.7	0.3
1990	997	-	-	0.540	0.05
1991	1 075	-	-	0.3	0.03
1992	1 071.5	-	-	1.7	0.15
<b>TOTAL</b>	<b>10 376.5</b>	<b>108 751</b>	<b>1%</b>	<b>10.04</b>	<b>0.1%</b>

**Source:** Caisse Autonome d'Amortissement (CAA), Republic of Mali, Bamako, 1993.

**N.B.:** The volume of commitments for a given year comprises the total number of loan agreements in force.

(a): This includes total commitments from combined sources.

39. According to data collected from the Caisse Autonome d'Amortissement of Mali (CAA), more than 80 per cent of commitments have been disbursed. Therefore, due to the weakness of Moscow's commitment to Mali, it may be concluded that the occurrences in the east have not affected the volume of this

country's external finance. Far from this, Mali has seen its share of aid increase during this period as the following table confirms:

**Table 10: Mali's external financial trends from 1981 to 1992 (CFAP billions)**

Year	Total external finance	Loans (%)		Grants (%)	
1981	55.7	20.7	37	35	63
1982	61.1	29.2	48	32.1	52
1983	80.7	37.2	46	43.5	56
1984	83.9	30.8	37	53.1	63
1985	141.9	51.4	36	90.4	64
1986	124.2	57.9	47	66.3	53
1987	101.6	38.8	38	62.8	62
1988	123.4	49	40	74.4	60
1989	132.1	64.3	49	67.8	51
1990	116.9	53.1	45	63.8	55
1991	113.9	37.9	33	76	67
1992	119.3	38.7	32	80.6	68

Source: BCEAO, Republic of Mali, 1993.

40. The table above reveals that Mali's external finance showed net increase between 1981 and 1992. It also emerges that this progression has been even greater since 1984. The authorities of the Central Bank of West African States (BCEAO) and of CAA attribute this trend in Malian aid to the membership of this country in the West African Monetary Union (UMOA) in 1984 and to the great drought which marked the period. After these two events, Mali was able to benefit from considerable emergency and humanitarian assistance, also subsidies for budgetary balancing as well as grants allocated within the context of its membership in UMOA. Mali's external finance has not suffered as a result of the collapse of the communist bloc.

#### B. The Collapse of the USSR and External Assistance to Guinea

41. In Guinea, the "clearing system" constitutes the most important link in the chain of on going relations between this country and the former USSR. From Guinea's accession to independence until the coming of the second Republic (3 April 1984), the financing of cooperation between these two countries

was carried out through the KINDIA Bauxite Office (OBK)<sup>6/</sup>. The clearing system proceeded as follows:

- Ninety per cent of the bauxite produced by this plant was sold to the USSR;
- Fifty-six per cent of export revenue was needed for servicing the Guinean debt (principal + interests) to the USSR;
- Forty-four per cent of this income was allocated to maintaining production and to financing imports of goods and services of Soviet origin.

42. This system continued for more than a quarter of a century. Bauxite being one of the principal sources of export wealth for Guinea it is tempting to say that the collapse of USSR considerably affected external assistance to this countries. According to data collected, the impact of this collapse was essentially seen in a contraction of financing from Moscow to Guinea, for the simple reason that assistance from USSR is closely tied to the ideology practised by the recipient country. In addition, the data shows that for Moscow at this time, it is increasingly a question of repayment of capital granted previously than one of increasing aid to Guinea.

43. Nonetheless, in the light of data gathered from ministerial and banking authorities, there is a tendency to acknowledge that the events in the East have resulted in reduction of aid from Moscow within the total external package received by Guinea. Concessional loans of Soviet origin increased in volume (see table 11 below) but their share in the volume of total external support has reduced since 1989. This tendency towards reduction seems to have been largely compensated by financial resources coming from DAC countries. This has been possible due to a vast economic and financial reform process in which Guinea has been engaged since 1986. In this regard, between 1986 and 1989, the country benefited from diversified and growing external assistance. The tendency towards increased assistance from Western sources is evident in table 12 below.

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<sup>6/</sup> Within the context of economic liberalization and recovery, OBK made its move to become SBK (KINDIA Bauxite Company) which is more autonomous with regard to public authorities. This, de facto, caused the clearing house to collapse with regard to Moscow.

**Table 11: Trends in concessional loans from the former USSR to the Republic of Guinea (FG billions)**

Year	Concessional loans received	
1986	5 014.4	(\$US 1 = 300 FG)
1987	5 757.1	(\$US 1 = 429 FG)
1988	8 635.7	(\$US 1 = 475 FG)
1989	8 274.5	(\$US 1 = 573 FG)
1990	19 064.2	(\$US 1 = 661 FG)
1991	19 695.7	(\$US 1 = 730 FG)
1992	2 606.3	(\$US 1 = 880 FG)

**Source:** Data drawn from documents from the Ministries of the Economy, Finance and Planning, Republic of Guinea, May 1993.

**Table 12: Distribution of Guinea's external finance by type (in percentage)**

Type of finance	1987	1988	1989	1990	1991	1992	1993	Total
Grants	30.5	29.5	34.3	35.7	37.4	34.3	28.9	33.5
Loans	66.9	69.4	65.7	64.3	60.8	63.8	70.2	64.3
Concessionals	(8.5)	(5.7)	(6.3)	(5.4)	(4.8)	(4.5)	(4.8)	-
: USSR	2.6	2.3	2.3	-	1.8	1.9	0.9	2.2
Total finance	100	100	100	100	100	100	100	100

**Source:** Republic of Guinea. Ministry of Planning and International Cooperation. Public investment programme 1991-1993, April 1991.

44. In 1991, Guinea received FG 222,868.3 million<sup>7/</sup> from outside sources for financing socio-economic projects. This aid was distributed as follows: FG 19,695.7 million from the USSR (that is 8.8 per cent); FG 624.7 million from China (that is, 0.20 per cent) and 202,247.9 million (that is 90 per cent) from Western bilateral and multilateral sources. In addition, in 1990, total aid received by Guinea was distributed as follows: bilateral aid (45 per cent) and multilateral aid (54 per cent) while others, including NGOs represented 1 per cent. To date,

<sup>7/</sup> FG = Franc Guinean. In 1991, \$US 1 = FG 730.

the principal donors to Guinea have been: France (20 per cent); World Bank (19 per cent); ECE (10.88 per cent); ADB (9.86 per cent); UNDP (11.62 per cent); Italy (6.7 per cent); Germany (5.6 per cent) and USSR (3 per cent).

45. With regard to the above data, it would appear that basic external aid to Guinea came from industrialized countries of the north, international and regional financial institutions and from the United Nations system. Consequently, it seems relatively complex to measure the impact of the failure of the USSR on the volume of external assistance to Guinea. Thus, in Guinea as well as in Mali, the volume of finance depends less on the collapse of the Eastern bloc and more on the non-disbursements of the major part of aid due to difficulties with implementation of structural adjustment reforms.

46. In all, it should be remembered that the events in the East have not caused the reduction tendency in external assistance to Guinea. Concessional loans from Moscow actual increased in volume. Nevertheless, its share in the total loans granted under concessional terms has increased its tendency towards reduction since 1989. It should also be recognized that the following elements have coincided: the coming of the second republic and the adoption of a programme of economic reform and liberalization which produced a favourable bias to the influx of external assistance to Guinea.

## V. CONCLUSION

47. Analysis shows that Africa's external finance has over time experienced a dynamic evolution. This is also well evidenced in the volume of such external finance more than through its constituent elements. Thus, official development assistance which, in the beginning, represented a large part of the external assistance to Africa, saw a reduction of non-concessional aid in the 1970s and at the beginning of the 1980s, and then became the principal component again (since the second half of the 1980s). This unstable behaviour of the constituent elements of external finance to African countries has two explanations, the economic situation of donor countries and the indebtedness of recipient countries.

48. Furthermore, it should be emphasized that the events in the East have not disturbed the trend in ODA assistance to African countries. Far from being so, it has shown net increase since the second half of the 1980s. This tendency towards increasing, although it is generally true in almost all the countries sampled, seems to be more positive in countries which depended on the former USSR. In such countries, reduced external assistance due to collapse of the Eastern bloc seems to have been compensated by financial inflows from Western countries.

49. Additionally, it should be recognized that most African countries have been 'in structural adjustment' since the 1980s. Furthermore, the trends in the volume of their external finance depends less on the disintegration of the USSR and more on the absorptive capacity of the respective economies.

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**ANNEX 1** Trends in the volume of ODA to 36 African countries (in \$US millions)

Country/Team	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
1 GERMANY	15	28	20	27	28	53	56	49	80	84	90	82	81	86	78	96	138	138	162	263	261
2 HUNGARY	22	28	25	57	57	89	84	110	158	198	212	217	217	184	189	197	284	281	288	272	315
3 SWEDEN	18	22	25	27	27	42	44	48	75	95	117	122	127	140	141	143	167	202	188	196	265
4 CZECHOSLOVAKIA	14	15	25	28	37	37	33	42	57	84	111	102	98	93	114	105	139	176	796	792	232
5 CUBA	284	21	31	45	79	85	82	83	119	80	35	70	65	95	115	182	165	198	264	241	315
6 FINLAND	43	27	22	27	23	125	144	114	145	174	217	241	230	339	364	715	636	634	970	752	888
7 GERMANY	59	52	50	41	37	128	84	91	114	189	192	145	141	110	216	204	371	373	474	552	465
8 GERMANY	10	10	5	11	38	15	12	22	89	54	90	82	90	68	123	119	175	213	262	346	292
9 GERMANY	54	86	72	88	118	131	180	188	248	351	396	450	485	401	411	438	455	572	808	967	1000
10 GERMANY	10	17	14	14	21	20	20	20	50	64	90	101	93	108	101	94	88	107	108	127	138
11 GERMANY	10	13	13	11	18	21	27	23	48	81	98	109	109	118	133	90	97	78	65	59	115
12 HUNGARY	48	47	55	52	85	84	81	81	94	128	200	184	242	179	153	188	316	321	304	321	382
13 HUNGARY	37	29	28	28	42	84	84	78	89	142	143	138	121	117	158	113	198	280	388	412	479
14 HUNGARY	21	20	28	71	118	145	89	113	188	193	252	230	210	215	321	380	372	386	427	454	474
15 HUNGARY	8	12	0	31	88	82	189	184	222	179	182	187	187	176	175	209	225	185	184	242	211
16 HUNGARY	22	28	43	71	127	144	128	88	157	174	170	201	258	211	259	300	422	651	893	772	946
17 HUNGARY	108	107	84	77	72	85	53	42	43	27	36	41	37	48	33	32	59	69	120	286	358
18 HUNGARY	22	25	50	58	47	81	79	88	125	146	155	154	151	149	165	181	211	245	252	332	234
19 HUNGARY	7	18	10	14	10	18	15	28	40	53	91	61	82	80	61	68	87	68	102	100	70
20 HUNGARY	22	28	43	71	127	144	128	88	157	174	170	201	258	211	259	300	422	651	893	772	946
21 HUNGARY	7	11	27	48	124	228	372	228	315	561	630	680	740	957	622	1126	945	898	937	427	426
22 HUNGARY	54	83	81	100	182	288	387	340	434	588	658	684	684	594	558	497	681	882	982	772	792
23 HUNGARY	17	19	22	28	28	42	43	44	103	110	91	63	77	112	110	114	174	126	189	183	210
24 HUNGARY	25	22	29	15	28	28	25	22	21	42	114	136	133	137	163	182	186	280	363	403	557
25 HUNGARY	89	108	122	129	185	205	124	289	317	416	428	394	348	315	312	325	448	627	576	634	823
26 HUNGARY	13	22	22	45	58	87	82	108	185	277	295	231	317	217	239	328	464	430	478	382	438
27 HUNGARY	707	910	878	1223	1889	2489	2415	2875	3555	4811	5675	5591	*****	5731	5824	7073	8353	9333	10782	10873	12130
28 HUNGARY																					
29 HUNGARY																					
30 HUNGARY	14	18	32	38	52	54	48	47	88	100	106	97	102	104	103	97	102	156	151	160	148
31 HUNGARY	59	48	83	81	82	125	124	178	178	270	266	201	212	129	187	160	224	213	284	458	483
32 HUNGARY	18	17	23	27	38	59	73	48	81	91	92	81	93	108	98	71	110	152	89	91	208
33 HUNGARY	83	31	48	63	78	104	108	111	131	182	210	124	137	155	128	152	186	254	439	403	688
34 HUNGARY	24	24	27	40	28	83	24	27	44	37	56	44	62	64	75	61	79	82	106	133	140
35 HUNGARY	8	8	10	14	25	28	17	24	44	32	33	58	48	41	36	28	56	65	59	58	89
36 HUNGARY	43	53	48	79	139	183	127	122	288	307	263	397	285	322	368	285	587	641	569	650	738
37 HUNGARY																					
38 HUNGARY																					
39 HUNGARY	215	223	216	319	401	558	541	585	773	1058	1243	1274	1215	1207	1388	1165	1680	1992	2129	2366	3052
40 HUNGARY	1812	1128	1288	1348	2291	2647	2898	3139	4828	5869	6819	6865	7168	6838	7212	8238	10033	11325	12911	13239	15182
41 HUNGARY																					

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## ANNEX 2.

## STRUCTURE OF TOTAL NET RESOURCES BY AFRICAN COUNTRIES ACCORDING TO INCOME PER CAPITA

COUNTRY	NUMBER OF COUNTRIES	1971-1973		1975-1977		1979-1981		1983-1985	
		AVERAGE GNP PER M.L.	NON-CONVENTIONAL RESOURCES	AVERAGE GNP PER M.L.	NON-CONVENTIONAL RESOURCES	AVERAGE GNP PER M.L.	NON-CONVENTIONAL RESOURCES	AVERAGE GNP PER M.L.	NON-CONVENTIONAL RESOURCES
(1) LOW INCOME	21	1215.85 (68%)	801.14 (66%)	5482.35 (61%)	2150.33 (68%)	5441.80 (60%)	4487.28 (50%)	5860.30 (60%)	4808.40 (50%)
(2) MIDDLE INCOME	14	1071.40 (44%)	514.27 (52%)	3111.40 (34%)	1087.88 (34%)	3818.35 (39%)	3078.74 (34%)	2485.50 (34%)	2140.20 (34%)
(3) HIGH INCOME	11	680.60 (33%)	370.26 (37%)	2806.10 (31%)	800.04 (31%)	4444.40 (46%)	1802.56 (20%)	1288.30 (13%)	1045.40 (11%)
AFRICA	3	572.80 (24%)	141.66 (14%)	611.30 (7%)	138.54 (5%)	1273.85 (13%)	106.40 (1%)	828.13 (9%)	109.80 (1%)
DEVELOPING	32	2285.35 (97%)	1307.6 (57%)	6603.75 (73%)	3199.80 (72%)	1260.25 (13%)	888.73 (10%)	8384.10 (70%)	8498.80 (70%)

Source: Extrapolated from the study by Rik KOLASSER, 'Note on the structural external financial trends of sub-Saharan Africa', AFRICA REPORT, 1991

ANNEX 3: STRUCTURE OF TOTAL PRIVATE FLOWS TO 18 AFRICAN COUNTRIES

Recipient Countries	Average 1979-81 US \$ Mill.	Including DID	Including PI	Including OC	Average 1983-85 US\$ Mill.	Including DID	Including PI	Including OC
BENIN	1126	1.13(1)	1.13(1)	110.34(88)	58.4	-0.10(-02)	12.9(21.1)	45.6(78.1)
CAMEROON	274.0	54.98(20)	87.97(32)	131.95(48)	72.9	5.5(7)	5.8(7)	67.9(86)
COTE D'IVOIRE	309.6	15.48(5)	185.79(80)	108.36(35)	18.5	33.1(179)	38.5(208)	-53.1(-287)
ETHIOPIA	17.8	0.36(2)	0.18(1)	17.28(97)	38.28	-0.87(-2)	-0.57(1)	38.73(103)
GAMBIA	11.1	1.33(12)	0.44(4)	9.33(84)	1.7	-0.1(-6)	0(0)	1.8(106)
GHANA	12.7	5.59(44)	3.84(31)	3.17(25)	20.4	1.8(8)	-1.4(-7)	20.2(98)
KENYA	125.2	27.54(22)	15.02(12)	82.64(66)	-17.7	-0.2(1)	-3.5(20)	-13.9(79)
MADAGASCAR	154.6	0(0)	30.92(20)	123.68(80)	-21.6	4(-18.5)	1.1(-5.1)	-26.7(123.6)
MALAWI	18.4	7.54(46)	1.8(11)	7.08(43)	-8.8	-0.8(9)	-1(11)	-7(80)
MAURITIUS	18.4	7.36(40)	5.34(29)	5.7(31)	-4.2	0.4(-10)	-0.4(10)	-4.2(100)
NIGER	88.2	2.6(3)	23.3(27)	60.3(70)	-26.4	-1.2(5)	-5.1(19)	-20.1(76)
NIGERIA	1018.0	152.7(15)	366.48(36)	498.82(48)	550.7	-150.5(-27)	140.1(25)	561.1(102)
CENTRAL AFRICAN REP.	8.9	2.31(26)	0.18(2)	6.41(72)	-0.96	0.07(-7.26)	-0.4(41.86)	0.63(65.6)
SENEGAL	54.6	3.82(7)	9.83(18)	40.95(75)	33.2	0.4(1)	3.9(12)	28.9(87)
SIERRA LEONE	0.1	0(0)	0.1(100)	0(0)	2.7	-0.1(-3)	0.5(18)	2.3(85)
SOMALIA	47.0	0(0)	15.98(34)	31.02(66)	19	18.2(85)	-4.3(-22)	7.1(37)
TANZANIA	127.9	3.84(3)	2.56(2)	121.5(95)	-11	-0.2(2)	-0.1(0.91)	-10.7(97)
UGANDA	11.8	2.95(25)	0.71(6)	8.14(69)	-8		-0.4(5)	-7.6(85)
TOTAL	2407.8	289.53(12)	751.64(31)	1366.630(57)	723.530	-92.8(-13)	185.630(26)	630.7(87)

Source: Calculations done on the basis of Financial Resources made Available to developing countries. Paris, successive years.

DID: Direct Investment

PI: Portfolio Investment

OC: Operations credit

\*The figures in brackets represent the percentages of the above elements in the net total private resources received.

\*The figures preceded by the sign (-) represent the exit of funds from beneficiary countries to the countries which the loans are owed. This is done in the form of disinvestment (DI and PI to a lesser degree) and reimbursement of capital loaned previously (especially for OC).

Annex 4: Net ODA disbursement received by 15 African countries (\$US millions) 1970-1979

COUNTRIES	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
COMMUNIST (5 COUNTRIES)	63.3	85.9	72.5	104.4	189	204.2	207.1	185.2	269.1	506
	(6%)	(7%)	(6%)	(6%)	(8%)	(7%)	(7%)	(6%)	(6%)	(9%)
CAPITALIST (5 COUNTRIES)	188.5	238.2	289	383.8	801.1	643.7	558.8	861.7	914.4	1174.8
	(18%)	(21%)	(22%)	(25%)	(27%)	(21%)	(19%)	(21%)	(21%)	(20%)
MIDDLE-INCOME CAPITALIST	192.7	193.6	218.1	278.8	398.2	472.9	450.7	482.9	647.9	875.2
	(19%)	(17%)	(18%)	(18%)	(15%)	(15%)	(15%)	(15%)	(15%)	(15%)
AFRICA TOTAL (a)	1012	1138.8	1228	1542.3	2290.5	3046.8	2855.9	3129.9	4327.8	5888.7

Annex 4 (continued): 1980-1990

COUNTRIES	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
communist (5 countries)	618.1	409	638.3	780	918.3	1321.4	1502	1771	2446	2261	2599
	(9%)	(9%)	(9%)	(11%)	(13%)	(16%)	(15%)	(16%)	(19%)	(17%)	(17%)
capitalist (5 countries)	1485.1	1418.1	1494.8	1215.5	1332.8	1558.4	1822	2207	2105	2063	2388
	(22%)	(21%)	(21%)	(17%)	(18%)	(19%)	(19%)	(19%)	(16%)	(16%)	(16%)
Middle-income capitalist	801.6	861.6	797.8	773.2	880.6	737.4	1158	1346	1549	1804	2199
	(13%)	(13%)	(11%)	(11%)	(12%)	(9%)	(11%)	(12%)	(12%)	(14%)	(14%)
Africa total (a)	6918.6	6864.5	7167.9	6837.9	7211.9	8237.9	10033	11325	12911	13239	15182

Source: Calculations done on the basis of OECD data: geographic distribution of financial resources made available to LDC, successive years, and from the World Bank: World Development N.B. The brackets (%) show the annual percentage in relation to the total amount received by Africa annually

(a) Refers to data relating to all 36 countries in the sample.

Annex 5: Net ODA disbursement received by 8 African countries

COUNTRIES	1970-1990 \$US MILLIONS	(%)	1970-1984 (US\$ MILLIONS)	(%)	1985-1990 (US\$ MILLIONS)	(%)
LOW-INCOME COMMUNIST (4 COUNTRIES)	16096.3	(12)+	5052.4	(8)+	11043.9	(16)+
		(15)-		(10)-		(19)-
LOW-INCOME CAPITALIST (4 COUNTRIES)	17607.4	(13)+	8766	(14)+	8841.4	(12)+
		(16)-		(17)-		(15)-
africa total (a)	132569.1		81641.2		70927.9	

Source: See Annex 4

N.B. The brackets ( ) represent the annual percentage in relation to the total amount received by African annually.

+ relates to the African total

- relates to low-income countries

(a) Refers to data relating to all 36 countries of the sample

Annex 6: Net ODA disbursements received by 5 African countries with Communist Systems

COUNTRIES	1970-1980 (US\$ MIL.      %)	1970-1984 (US\$ MIL.      %)	1985-1990 (US\$ MIL.      %)
BENIN	1906.3      (11)	848.4      (15)	1057.9      (9)
ETHIOPIA	6981.7      (40.2)	2386.7      (44)	4595      (39)
MOZAMBIQUE	5120.9      (29.5)	1136.9      (21)	3984      (33)
GUINEA	2087.9      (12)	680.9      (13)	1407      (12)
ANGOLA	1267.5      97(7.3)	391      (7)	876.5      (7)
TOTAL	17364.3      (100)	5443.9      (100)	11920.4      (100)

Source: See Annex 5

N.B. The brackets ( ) represent the annual percentage in relation to the total amount received by Africa annually.

Annex 7: Geographical distribution of aid Commitments by the former USSR and Eastern European countries. 1972 totals

Beneficiary countries	USSR	EEC	Total	%	% of total
Algeria	421	96	517	81	14.3
Cameroon	8		8	100	0.20
Central Afr. Rep.	2		2	100	0.05
Congo	9		9		0.25
Egypt	1198	641	1839	85	51
Equatorial Guinea	1		1	100	0.03
Ethiopia	102	17	119	86	3.3
Ghana	89	102	191	47	5.3
Guinea	165	25	190	87	5.3
Kenya	44		44	100	1.2
Mali	56	23	79	71	2.2
Mauritania	3		3	100	0.08
Morocco	88	35	123	72	3.4
Nigeria	7	42	49	14	1.4
Senegal	7		7	100	0.20
Sudan	64	123	187	34	5.2
Tanzania	20	6	26	77	0.70
Tunisia	34	71	105	32	2.9
Uganda	16		16	100	0.4
Africa	2434	1187	3621	67	100

Source: OECD Aid resources to developing

countries Paris 1973

N.B. On the basis of figures presented by the United

States Department of State. As quoted in

R.N. KOUASSI note op.cit

EE: Eastern European countries. The greatest

beneficiaries are those countries which had

political ties with Moscow in 1972. there were

mainly Algeria, Egypt and Guinea

Annex 8: Commitments to Mali by former USSR and China (CFA billions)

Years	Former USSR (%)	China (%)	Total
1961	22.8	88	4.1
1962	4.8	100	
1963	0.310	42.5	0.420
1964	0.360	6	3.5
1965	0.440	17	2.1
1966	0.48	19	2
1967	5.4	33	10.8
1968			
1969	0.240	100	
1970	0.975	27	2.7
1971			0.8
1972	4.9	89	0.6
1973	3.10	53	2.7
1974	0.950	100	
1975	15.3	100	
1976	5.3	100	
1979	17.5	100	
1980	11.7	100	
1981	15.5	100	
1982	1.5	100	
1984			1.8
1985			
1986	5.4	67	2.7
1987	35.6	69	0.3
1989			2.7
1990			0.540
1991			0.3
1992			1.7
TOTAL	152.555	79%	41.76
			21%
			194.315

N.B. The volume of commitments for a given year

is formed by the total amount of loan agreement in force.

Annex 9: The external financial trends of Mali 1981  
(C FAF billions)

Year	Total finance	Grant (%)	Loans (%)	Tech techn (%)
1982	61.3	32.0	29.2	48
1983	80.7	43.5	37.2	46
1984	98	53.1	30.8	32
1985	158.6	90.4	51.4	33
1986	138.4	66.3	57.9	42
1987	116.7	62.8	38.8	33
1988	138.9	74.4	49.0	35
1989	148.2	67.8	64.3	43
1990	133.5	63.8	53.1	40
1991	128.3	76	37.9	30
1992	133.7	80.6	38.7	29
Total	1380	745.8	509	38
				135
				10

Source: BCEAO, Republic of Mali, 1993

Annex 10: Sectoral distribution of external finance of Guinea by  
source of origin (1991)

Sectors	Total received	U	USSR	(%)	China	(%)	Others	(%)
Agriculture	47033.5		2422.2	5			44611.3	95
Livestock-fish	12994.9						12994.9	100
Forest water	10088.3		9.8	0.9			10088.5	98.1
Industry-LDC	2138.5			9.9	119.3	6	2018.2	94
Mines-geology Environ	16114.7		15885.6				228.1	1
Urban water	10559.0						10559.6	100
Energy	6838.3		0.0		491.8	7	6446.4	93
Public work	28417.3			0.6			28417.3	100
Urbanization	18802.0		108.9				18892.1	98.4
Transports	17018.4			27			10018.4	100
Telecommunication/Post	4662.6		1268.2				3394.4	73
Health and Social affairs	12147.6				13.5	0	12134.1	98.9
Eduresearch and scient	20436.5		0.0				20436.5	100
Other social sectors	821.8						821.8	100
Planning-statistics	11778.8						11778.8	100
Decentralisation	2837.5						2837.5	100
TOTAL	222868.3		18685.7	8	644.7		202547.9	90%

Source: Data drawn from documents of the Ministry of  
the Economy, finance and Planning of the Republic  
of Guinea, May 1993.