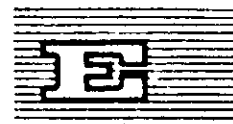


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EXPLANATORY NOTES

The following symbols have been used in the tables throughout the report:

Three dots (...) indicate that data are not available or are not separately reported.

A dash (-) indicates that the amount is nil or negligible.

A full stop (.) is used to indicate decimals.

A comma (,) is used to distinguish thousands and millions.

Use of a hyphen (-) between dates representing years - e.g., 1956-1959 - signifies the full period involved, including the beginning and end years.

References to "dollars" (\$) indicate United States dollars.

The term "billion" signifies a thousand million.

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

Certain abbreviations have been used: EDF for European Development Fund of the European Economic Community; IBRD for International Bank for Reconstruction and Development; IDA for International Development Association; IDB for Inter-American Development Bank; IFC for International Finance Corporation; UNICEF for United Nations Children's Fund; UNRWA for United Nations Relief and Works Agency for Palestine Refugees in the Near East. "Rhodesia and Nyasaland" stands for the Federation of Rhodesia and Nyasaland. Unless otherwise indicated the classification and description of capital flows conform to those employed in the Balance of Payments Manual (Third edition) of the International Monetary Fund.

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^{1/} and to Commission resolution 2B (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 fourth document prepared in response to this request.^{2/}

Definitions in this report differ in some respects from those in previous reports owing to revisions in data, and in the system of classification and presentation introduced by the International Monetary Fund in the Balance of Payments Yearbook.

^{1/} Document E/3201, paragraph 55.

^{2/} Previous reports are contained in documents E/CN.14/23, E/CN.14/88 and E/CN.14/152.

I. THE AGGREGATE FLOW OF EXTERNAL RESOURCES TO AFRICA

1. The net flow of official donations and long-term capital from the developed countries of western Europe, North America and Japan and from multilateral agencies to African countries attained a post-war peak in 1960-1961. The estimated flow amounted to \$1.9 billion in 1960 and \$2 billion in 1961 (see Table 1). This represents an increase of close to one-third over the estimated annual average for 1956-1959.^{1/} The share of Africa in the net flow from these sources to all under-developed countries remained, however, practically unchanged as compared with the earlier period, although the proportion of total official capital and donations flowing to the region appears to have increased to some extent. The flow of official funds to African countries totalled \$1.4 billion in 1960, and it rose by around \$200 million in 1961. The contribution of private capital to the total flow to Africa cannot be assessed with any degree of precision because of incomplete information on private capital transactions between western European countries and African members of their monetary areas. Rough estimates suggest a decline in the net flow of private capital from approximately \$500 million in 1960, when the level was roughly the same as in 1956-1959, to \$400 million in 1961. The rise since the second half of the nineteen fifties in the total flow of long-term funds to Africa was thus entirely the result of the increase in official assistance in the form of donations and loans from both bilateral and multilateral contributors.

^{1/} Data relating to the average annual net flow in 1956-1959 are based on country totals in Table 4 of United Nations Economic Commission for Africa, "International Economic Assistance to Africa, 1960" (document E/CN.14/152), which were adjusted to allow for revisions in the data for individual recipients and to include the estimated net flow of French private capital to franc area countries.

TABLE 1

Net International Flow of Long-term Capital and Official Donations^{a/} to all Under-developed Countries and to Africa, 1956-1959, 1960 and 1961

(Billions of dollars)

Item	1956-1959 annual average		1960		1961	
	Total	Official	Total	Official	Total	Official
<u>Net flow to all under-developed countries</u>						
Bilateral	-4.8	-3.2	-5.9	-4.2	-6.8	-5.1
Multilateral	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2
Total.....	-5.1	-3.5	-6.2	-4.5	-7.0	-5.4
<u>Net flow to Africa</u>						
Bilateral .....	...	...	-1.8	-1.2	-1.9	-1.5
Multilateral .....	...	...	-0.1	-0.1	-0.1	-0.1
Total	-1.5	-1.0	-1.9	-1.4	-2.0	-1.6
<u>Net flow to Africa as percentage of total net flow</u>						
	30	29	31	31	29	30

Source: Bureau 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.), from Special Questionnaire issued jointly by the United Nations Secretariat and the International Monetary Fund and from United Nations, Statistical Yearbook.

^{a/} Totals for all periods include estimates for the net flow of French private long-term capital to franc area countries. Data for flows to Africa in 1960 and 1961 as shown in Table 2 below have been adjusted to include capital transactions with South Africa and United Arab Republic. Minus sign indicates net outflow of funds from contributing countries or agencies.

Official capital and donations

2. In 1960-1961 as in the past bilateral contributions of official capital and donations accounted for the largest part of the flow of official funds to Africa.^{1/} France alone contributed one-half of the total in both years, while the share of the United States amounted to one-fifth. The contribution of the United Kingdom increased from 8 per cent of the total in 1960 to 14 per cent in 1961 (see Tables 2 and 3). The balance of bilateral flows - 13 per cent of the total in 1960 and 8 per cent in 1961 - was contributed by other Western European countries, notably by Belgium, Italy and Portugal. The contribution of multilateral agencies amounted to 9 per cent and 7 per cent of the total in 1960 and 1961, respectively.

3. The rise in the flow of official funds to Africa in recent years has been accompanied by shifts in the relative importance of various contributors. These shifts reflected the changing relationship between many of the newly-independent African countries and the former colonial powers in Western Europe. Thus, in the mid nineteen fifties, France and the United Kingdom had contributed almost nine-tenths of official funds flowing to Africa, while the share of the United States had been only 6 per cent, and that of multilateral agencies 4 per cent. By the closing years of the decade, the relative share of France and the United Kingdom had begun to decline, while that of the United States had almost doubled, and the contribution of multilateral agencies had risen from 4 to 7 per cent of total net official flows to the region. The trend towards greater diversification of sources of official assistance accelerated in 1960 and 1961, when a large number of African countries attained independent status. Thus, within a short span of three years, the contribution of France had declined from 70 per cent of the total flow of official funds in 1958-1959 to one-half in 1960 and 1961. To meet the needs of the region the United States gave greater emphasis in its foreign aid programmes to African countries

^{1/} Excluding flows to South Africa and to the United Arab Republic for which no comparable data are available.

TABLE 2
Net International Flow of Long-term Capital and Official Donations to Africa, ^{a/} by Contributor, 1960 and 1961
(Millions of dollars)

Country	1960					1961				
	Total	Official		Private capital	Total	Total	Official		Private capital	
		Total	Donations				Capital	Total		Donations	Capital
France ^{b/}	-1,047	-706	-652	-54	-341	-1,052	-776	-709	-67	-276
United States	-442	-267	-129	-138	-155	-484	-323	-170	-153	-161
United Kingdom	-183	-114	-46	-68	-74	-317	-216	-103	-113	-101
Belgium-Luxembourg	-76	-86	-	-10	10	30	-84	-84	-	114
Netherlands	-11	-	-	-	-11	-4	-	-	-	-4
Germany (Federal Republic) ..	-5	1	-	1	-7	-16	-9	-2	-7	-7
Japan	6	-	-	-	6	10	-	-	-	10
Norway	16	-	-	-	16	-2	-	-	-	-2
Total, above countries ..	-1,728	-1,172	-913	-259	-556	-1,835	-1,408	-1,068	-340	-427
Other countries ^{c/}	-104	-104	...	...	...	-55	-55	...	...	...
Total bilateral flow	-1,832	-1,276	...	...	-556	-1,890	-1,463	...	...	-427
Multilateral agencies	-120	-120	-23	-97	-	-104	-104	-59	-45	-
Total, above contributors	-1,952	-1,396	...	...	-556	-1,994	-1,567	...	...	-427
Transactions with South Africa not included above:										
bilateral	70	7	-6	13	63	4	-	-12	12	4
multilateral agencies ^{c/} ..	12	12	-	12	-	20	20	-	20	-
Total	82	19	-6	25	63	24	20	-12	32	4

(Source and footnotes on following page)

Table 2. (Continued)

Source: Bureau of General Economic Research and Policies of the United Nations Secretariat, based on special Questionnaire issued jointly by the United Nations Secretariat and the International Monetary Fund.

- a/ Excluding South Africa and the United Arab Republic; no sign indicates net inflow of funds; minus sign indicates net outflow from contributor.
- b/ Flows to Franc area and non franc area countries in Africa; donations include budget subsidies to recipient governments in franc area countries.
- c/ Official donations and loans of Canada, Denmark, Italy, Portugal, Sweden and Switzerland.
- d/ Transactions with International Bank for Reconstruction and Development only.

TABLE 3

Net International Flow of Official Capital and Donations to
Under-developed Countries, by Source a/ 1953/54 to 1961

(Percentage)

Item	1953/54-1955/56		1958-1959		1960		1961	
	Total	Africa	Total	Africa	Total	Africa	Total	Africa
Bilateral	92	96	89	93	94	91	96	93
United States	48	6	51	11	55	20	57	21
France	31	78	22	70	18	50	16	49
United Kingdom	8	10	6	7	7	8	8	14
Germany (Federal Republic) ..	-	-	2	-	4	-	5	1
Other countries <u>b/</u>	5	3	8	5	9	13	10	8
Multilateral agencies	8	4	11	7	6	9	4	7
Total	100	100	100	100	100	100	100	100

Source: See Table 1.

a/ Excluding aid from centrally planned economies; for 1960 and 1961 excluding transactions with South Africa and the United Arab Republic.

b/ Other contributing countries in Western Europe, Canada and Japan.

and at the same time multilateral agencies also devoted an increased share of their resources to the new African nations. In fact, in 1960 and 1961 the share of these agencies in total official assistance to African countries was higher than their average share in official flows to all under-developed countries as Table 3 indicates.

4. In 1961 as in the past years, African countries received a higher proportion of official funds in the form of donations than did other under-developed countries. Moreover, while the pattern of official assistance to under-developed countries in general has tended to shift in favour of loans, no such shift was evident in the case of Africa. In fact, the share of donations in the total flow of official funds to the region was higher in 1961 than it had been in 1956-1959 as the following figures indicate:

Donations as a percentage of the total flow
of official funds

	<u>All under-developed countries</u>	<u>African^{a/} countries</u>
1956-1959	64	69
1960	59	69
<u>1961</u>	<u>59</u>	<u>71</u>

Source: See Table 1.

a/ Including South Africa and the United Arab Republic.

5. The rise in the share of official donations in 1961 resulted from increased technical assistance outlays and other donations by France and the United Kingdom in associated countries and territories in Africa, from a sharp rise in United Nations technical assistance and relief expenditures in the region, and from a growing volume of United States grant-aid. The rise in French and United Kingdom donations was partly connected with assistance in the establishment of government services in newly independent countries or in countries about to gain independence.

Private capital

6. The flow of private capital which appears to have been well maintained up to 1960, as indicated earlier, declined significantly in 1961. The decline was, however, almost entirely attributable to the movement of French and Belgian funds as Table 2 shows. French private investment in North Africa, notably in the development of the Saharan oil resources, tapered off. In the case of Belgium a return-flow of private funds from the Congo (Leopoldville) which had already been significant in 1960, appears to have gathered momentum in 1961.^{1/} On the other hand, the flow of private capital from the United States was well maintained, and there was a substantial rise in United Kingdom investment in African countries other than South Africa. The flow of private capital from other countries was relatively small, and changes from 1960 to 1961 largely offset each other. In consequence of the decline in net receipts of private capital the share of such funds in the total net flow of long-term capital and donations to the region declined in 1961.

7. The share of private capital in total receipts of foreign capital and donations in 1960-1961 has varied considerably as between recipient countries, and from year to year (see Table 4). It was high in Nigeria and in Rhodesia and Nyasaland, while it was small or negligible in both years in the case of Ghana and Morocco. In Tunisia and in other franc area countries it amounted to 25-30 per cent of the total in 1960 and it declined significantly in 1961. In the United Arab Republic a large net inflow of funds into the private sector in 1960 was converted into a net outflow in 1961, while Libya and South Africa recorded a net outflow in both years.

The contribution of foreign long-term funds to economic resources

8. African countries tend to be more heavily dependent on receipts of foreign capital and donations to supplement export earnings than other under-developed regions taken together. This is particularly true of

^{1/} Data on the flow of private funds into Belgium include unallocated flows thought to have originated chiefly in the Congo (Leopoldville).

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TABLE 4
Net International Flow of Long-term Capital and Official Donations to Selected African Countries^{a/}
1960 and 1961
(Millions of dollars)

Country	1960			1961		
	Total	Total donations capital	Private capital	Total donations capital	Official	Private capital
Cameroon	...	...	...	2	2	...
Ethiopia	27	17	...	16	11	6
Ghana	95	89	10	104	-2	-
Libya	39	44	-5	32	29	-2
Morocco	59	58	1	56	16	1
Nigeria	125	32	92	43	-	77
Rhodesia and Nyasaland	34	13	22	13	8	38
Somali Republic	12	12	...	14	14	...
South Africa	-87	-31	-56b/	-22	-	-21b/
Sudan	41	39	2	38	23	15
Tunisia	60	44	15	50	46	9
United Arab Republic	49	17	33	66	..	-7
Total, excluding Cameroon	454	334	120	412	145	116
Flow to franc area countries other than Morocco and Tunisia c/	(1,041)	726	(315)	808	717	(270)
Total, above recipients	(1,495)	1,060	435	1,220	862	(386)

Source: See Table 1.

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

b/ Direct investment only.

c/ Bilateral assistance (including technical assistance expenditures) by French Government, estimated flow of private capital from Franco and loans and donations from multilateral agencies.

countries other than South Africa, notably of those in the French franc area. In 1960-1961 the average contribution of foreign funds to the total foreign exchange receipts^{1/} of Africa amounted to 24 per cent, or 28 per cent if the exports and capital transactions of South Africa are excluded (see Table 5). This compares with a ratio of only 19 per cent for the flow to all under-developed countries taken together.

9. The contribution of foreign long-term capital and donations to total external receipts was particularly large - more than one-half - in the French franc area countries other than Tunisia and Morocco. Even if private capital flows are excluded from receipts of foreign funds and from total foreign exchange receipts, the proportion for that group of countries exceeded two-fifths. In Libya the proportion was even higher, but it declined significantly in 1961 as receipts from exports by the recently established petroleum industry began to flow into the country. In sterling area countries foreign long-term funds played a less significant part in the total supply of foreign exchange. Foreign capital also made a relatively small contribution in the case of Morocco and the United Arab Republic.

10. The rise in the inflow of foreign long-term capital and donations from 1956-1959 to 1960-1961 has in most cases exceeded that of export earnings and consequently its relative share in total receipts was generally higher at the beginning of the nineteen sixties than in the second half of the nineteen fifties. The major exception to this pattern was Rhodesia and Nyasaland, where private investment, the largest component of long-term capital and official donations, had declined appreciably in 1960.

11. Changes between 1960 and 1961 in the export receipts of African countries were small in the aggregate, although relatively large variations were recorded by individual countries. In the group of capital importing countries shown in Table 6, export receipts declined, on balance, by \$24 million, but the rise in the group's net inflow of long-term capital and

^{1/} Defined here as the sum of merchandise exports and total receipts of long-term capital and official donations.

TABLE 5

Net Inflow of Long-term Capital and Official Donations in Relation to Total Foreign Exchange Receipts^{c/}
and Domestic Variables of African Countries
(Percentage)

Country	1956-1959				1960				1961			
	Ratio of net inflow to				Ratio of net inflow to				Ratio of net inflow to			
	total foreign exchange receipts	Gross domestic product	Total foreign exchange receipts	Gross domestic product	total foreign exchange receipts	Gross domestic product	Total foreign exchange receipts	Gross domestic product	total foreign exchange receipts	Gross domestic product	Total foreign exchange receipts	Gross domestic product
British East Africa ^{b/}	22	8.4	12	3.3	20.2	3.3	25	7.9	25	7.9	...	...
Ethiopia	18	1.4	26	...	...	...	22	...	22	...	...	...
Ghana	6	...	24	7.3	35.3	7.3	26	7.5	26	7.5	35.7	...
Libya	70	21.5	65	...	...	...	58	...	58	...	...	...
Morocco	14	3.5	14	3.2	32.0	3.2	12	...	12	...	...	...
Nigeria	...	...	21	...	...	...	20	...	20	...	...	...
Rhodesia and Nyasaland	18	8.8	6	2.3	10.2	2.3	8	3.3	8	3.3	16.2	...
Sudan	3	1.4	18	4.0	...	4.0	23	...	23	...	...	...
Tunisia	18	6.0	33	11.3	...	11.3	35	...	35	...	...	...
United Arab Republic	5	0.5	8	0.7	...	0.7	11	...	11	...	...	...
French franc area other than Morocco and Tunisia; including private capital	51	(20)	54	...	...	...	53	...	53	...	...	...
excluding private capital	40	(14)	45	...	...	...	46	...	46	...	...	...
Total Africa ^{c/}	21	...	22	...	...	...	24	...	24	...	...	...
Total Africa ^{c/} excluding South Africa	25	...	27	...	...	...	29	...	29	...	...	...
All under-developed countries ^{d/}	16	...	18	...	...	...	20	...	20	...	...	...

(Source and footnotes on following page)

(Source and footnotes to Table 5)

Source: See Table 1.

- a/ Sum of inflow of long-term capital, official donations and merchandise exports.
- b/ For 1960 and 1961 inflow of official capital and donations only.
- c/ Including countries not shown separately.
- d/ Including the estimated flow of French private capital to franc area countries.

TABLE 6

Changes from 1960 to 1961 in Merchandise Exports and in Net
Inflow of Long-term Capital and Official Donations of
Selected Capital Importing Countries

(Millions of dollars)

Country	Change in exports	Change in net inflow of funds
Ethiopia	3	-5
Ghana	-2	9
Libya	11	-9
Morocco	-11	-2
Nigeria	24	-5
Rhodesia and Nyasaland	5	17
Sudan	-3	12
Tunisia	-9	-1
United Arab Republic	-88	10
Franc area countries other than Morocco and Tunisia	48	37
Total, above countries	-24	63

Source: See Table 1.

official donations more than offset that decline. Taking countries individually, however, increases in receipts of foreign long-term funds compensated for reductions in export earnings, only in the case of Ghana, the Sudan and partly in the United Arab Republic. In Morocco and Tunisia exports as well as the inflow of funds declined. In three countries, Ethiopia, Libya and Nigeria, reductions in receipts of foreign funds were in varying degree offset by increased exports, while Rhodesia and Nyasaland and the franc area countries other than Morocco and Tunisia were fortunate in recording gains in both exports and the inflow of capital and donations.

12. The quantitative contribution of foreign funds to total domestic resources has in some cases been very significant. However, the inadequacy of data on gross domestic products and domestic capital formation precludes a general evaluation of the role of receipts of external capital and donations in the economies of the African countries. For the countries for which data are available, the ratio of receipts of foreign capital and official donations of gross domestic products ranged in 1960 from less than one per cent in the United Arab Republic to over 7 per cent in Ghana and an estimated 11 per cent in Tunisia, as Table 5 indicates. In two of the small number of countries which have published estimates of gross domestic capital formation - Ghana and Morocco - net receipts of foreign funds were equivalent to around one-third of such capital formation in each of the years 1960 and 1961. In British East Africa the estimated ratio of receipts of official funds alone to gross domestic investment was one-fifth in 1960, and even in Rhodesia and Nyasaland where the contribution of foreign capital and donation to total domestic resources was relatively small in 1960 and 1961, the ratio to domestic investment was 10 to 15 per cent. While the ratio of foreign funds to domestic investment in Tunisia cannot be directly computed, it should be noted that according to official sources such investment in 1959 was equivalent to 12 per cent of the gross domestic product. If this investment ratio also applied in 1960, the inflow of foreign capital and official donations in that year would have been of similar magnitude as domestic investment.

For other franc area countries as a group no recent data on gross domestic products and capital formation are available, but in view of the high share of capital and official donations in their total foreign exchange receipts, the inflow of external funds can safely be assumed to have also been large in relation to domestic products and domestic investment.

II. DEVELOPMENTS IN BILATERAL ASSISTANCE BY MAJOR CONTRIBUTORS

13. The estimated bilateral flow of long-term capital and official donations from the developed countries of western Europe, North America and Japan to African countries amounted in 1961 to \$1.9 billion, of which \$1.5 billion represented official contributions. Such contributions were about \$200 million larger than in 1960. The increase in official assistance was accounted for by the United Kingdom, France and the United States, in that order of importance, while the estimated flow from other sources declined on balance.

14. The United Kingdom Government raised assistance to associated African countries (excluding South Africa) and territories by over \$100 million of which more than half was in the form of official donations. A large part of the increase in donations was devoted to East African countries and the East African Common Services Organization, partly for technical assistance purposes. Donations to British Colonial and Trust Territories elsewhere in Africa were also increased. The rise in such assistance to Africa was largely associated with the establishment of independent governments, notably in Nigeria and Tanganyika and with activities in anticipation of the granting of independence to other countries in Africa. Increases in loan disbursements included notably loans under the Colonial Development and Welfare Act of 1959, to Kenya and the East African Common Services Organization and drawings by Nigeria under a Commonwealth assistance loan approved in 1960.

15. Preliminary data on bilateral assistance by the French Government to African countries in the French franc area indicate that total outlays amounted to \$776 million in 1961 compared to \$693 million in 1960 (see Table 7). As in earlier years, the bulk of French contributions in 1961

TABLE 7

France: Official Bilateral Assistance to Franc Area Countries
in Africa 1960 and 1961 ^{a/}

(Millions of dollars)

Item and year	Overseas territories	Algeria	Sahara	African States and Madagascar	Morocco and Tunisia	Total
Donations:						
<u>Equipment</u>						
1960	17	222	43	119	2	403
1961	8	261	56	109	1	435
<u>Technical assistance</u>						
1960	-	-	-	71	20	91
1961	-	-	-	102	21	122
<u>Other</u>						
1960	13	47	21	56	7	145
1961	14	51	23	59	5	152
<u>Total</u>						
1960	30	270	64	246	29	639
1961	22	312	78	270	27	709
Capital:						
1960	-	20	-	34	-	54
1961	3	35	-	29	-	67
Total official assistance:						
1960	30	290	64	280	29	693
1961	25	348	78	299	27	776

Source: Special Questionnaire issued jointly by the United Nations Secretariat and the International Monetary Fund.

^{a/} Data for 1961 are preliminary. Totals differ from those shown in Table 2, which include official contributions by France to non-franc area countries in 1960.

was in the form of donations. Well over half of donations appears under the heading of "equipment" which includes expenditures on construction and other outlays of a capital nature. The major part of these outlays occurred in Algeria and the Sahara region, while African countries south of the Sahara accounted for around one quarter of the total in 1961. In these countries, as well as in Morocco and Tunisia, expenditures of this kind declined from 1960 to 1961. On the other hand, this group of countries benefited from relatively large and rising technical assistance expenditures by the French Government, which had gained increased prominence in its overseas programme. The share of technical assistance in total donations increased from some 14 per cent in 1960 to over 17 per cent in 1961. Other donations - chiefly subsidies to African governments to meet current budgetary deficits - amounted to around \$145 million in 1960 and rose only slightly in 1961. Algeria, the Saharan region and the countries south of the Sahara absorbed a somewhat larger share of this total in 1961 than in the preceding year. The net increase in official loans was relatively small, as a substantial rise in net disbursements to Algeria was offset by reductions in other countries.

16. Bilateral assistance by the United States Government doubled from \$258 million in the fiscal year 1959/60 to \$515 million in the fiscal year 1961/62 (see Table 8). At the same time the emphasis shifted from North Africa to the rest of the continent. Assistance to African countries south of the Sahara (excluding South Africa), which had amounted to only \$32 million in 1959/60 rose to \$68 million in 1960/61 and \$145 million in 1961/62. A substantial part of this increase was accounted for by donations to the Congo (Leopoldville). However, assistance to many other countries in the region, which had been insignificant in 1959/60 increased several fold. This was notably true of the newly independent countries (included in table 8 in "other and unspecified") which, together with Nigeria, recorded an increase in the flow of United States donations and capital from a total of only \$5 million in 1959/60 to \$41 million in 1961/62. United States official assistance to Ethiopia, Liberia and the Somali Republic also more than doubled. Although the total flow of United States official capital and donations to North African countries increased

TABLE 8

United States Government Donations and Net Flow of Official Capital to African countries,
Fiscal Years 1960, 1961 and 1962^{a/}
(Millions of dollars)

Country	1960			1961			1962		
	Donations	Capital	Other net ^{b/}	Donations	Capital	Other net ^{b/}	Donations	Capital	Other net ^{b/}
Congo (Leopoldville)	-	-	-	-	-	-	-	-	3
Ethiopia-Eritrea	9	-1	-	8	1	-	11	11	-
Algeria	3	5	1	9	10	-	14	16	-
Libya	29	2	-	31	3	-	37	2	-
Morocco	19	51	7	77	27	-4	44	43	16
Nigeria	-	-	-	3	1	-	4	6	-
Rhodesia and Nyasaland	-	-8	-	-8	-10	-	-10	-	-
Senegal Republic	2	-	-	2	3	-	3	8	-
South Africa	-	-14	-	-14	-12	-	-12	-	-
Sudan	11	5	-	15	2	-	13	10	2
Tanzania	24	1	-	26	3	-	73	54	6
United Arab Republic ^{d/}	15	17	75	107	43	38	123	43	38
Yemen and unspecified	5	-	-	5	-1	1	10	29	2
Total	118	58	83	258	67	35	331	286	67
North Africa	87	71	82	240	76	34	276	162	60
Other Africa (excluding South Africa)	31	1	1	32	3	1	68	124	7

Source: United States Department of Commerce, Foreign Grants and Credits by the United States Government (Washington, D.C.).

- ^{a/} Fiscal years ending 30 June of year shown. Minus sign indicates not repayments to United States.
- ^{b/} Not claims acquired by the U.S. Government under farm product sales programs or loss liabilities for currencies advanced by foreign governments pending delivery of agricultural commodities.
- ^{c/} Included in line "Other and unspecified".
- ^{d/} Including Syria in fiscal year 1960.

more slowly than the flow to the rest of the region, net loan disbursement almost doubled from 1959/60 to 1961/62. However, proceeds from farm surplus sales (shown in column headed "other, net" in table 8), chiefly to the United Arab Republic, fell off sharply, while total donations to North African countries levelled off after 1960/61.

17. Commitments of bilateral assistance to the African countries by the centrally planned economies amounted to the equivalent of \$325 million in 1961, which was appreciably less than commitments in 1959 and especially in 1960, when credit agreements with the United Arab Republic alone amounted to almost \$300 million (see Table 9). In 1961 Ghana was the largest beneficiary of commitments, followed by Somalia, and Mali which had not previously received assistance from that source. Commitments to Tunisia and the Sudan also recorded substantial increases. No data on disbursements during the period under review are available.

TABLE 9

Centrally Planned Economies: Commitments of Bilateral Economic
Assistance to African Countries, 1959 to 1961
(Millions of dollars)

Country	1959	1960	1961
Ethiopia	125	2	-
Ghana	-	40	106
Guinea	41	30	15
Liberia	-	3	-
Mali	-	-	55
Morocco	-	5	-
Somalia	-	-	82
Sudan	25	-	22
Tunisia	-	15	39
United Arab Republic	160	298	6
Total	341	395	325

Source: United Nations, International Flow of Long-term Capital
and Official Donations, 1959-1961 (Document A/5195).

III. DEVELOPMENTS IN MULTILATERAL ASSISTANCE

18. As indicated earlier, multilateral agencies have in recent years become increasingly important as sources of external assistance for African countries. This trend may be expected to become more marked in the years to come, as special ties with the individual former colonial powers in western Europe are loosened and these powers themselves progress toward integration of their economies. The establishment of joint economic institutions, including those dealing with the provision of economic assistance to associated overseas countries, is likely to channel an increasing proportion of assistance funds through regional programmes.
19. The share of African countries in net assistance extended by all major multilateral agencies to under-developed countries amounted to one-half in 1960 and to two-fifths in 1961 (see Table 10). It was, however, exceptionally large in both years owing to substantial capital subscriptions paid by some groups of under-developed countries in connexion with the establishment of the International Development Association (IDA), to which African countries contributed only a small fraction of the total, and of the Inter-American Development Bank (IDB) to which only Latin American countries contributed. The share of African countries in net disbursements, excluding capital subscriptions paid, was nonetheless relatively large in 1960, and although it declined to one-quarter of the total in 1961, it remained well above the average for the nineteen fifties.
20. Outlays in Africa under the United Nations' Technical Assistance and relief programmes advanced sharply in 1960 and 1961, and in the latter year the area accounted for almost one-quarter of the total. On the other hand, net loan disbursements to African countries by the IBRD declined in 1961 to well below the level of the preceding years. Net drawings by countries other than South Africa amounted to \$54 million, and those of the entire region, allowing for net repayments by South Africa, totalled only \$34 million (Table 11).
21. While the IBRD has made an important contribution towards the financing of some projects in individual African countries, much of the region's assistance requirements relate to projects not suitable for financing by

TABLE 10.

Multilateral Agencies; Total Net Flow of Capital and Donations to all
Under-developed Countries and to Africa, a/ 1960 and 1961

(Millions of dollars and percentage)

Agency	1960			1961		
	Amount		Africa, percentage to total	Amount		Africa, percentage to total
	Total Africa			Total Africa		
EDF	4	3	75	17	15	88
IBRD	235	118	50	172	35	20
IFC	12	-	-	8	2	25
UN ^{b/}	109	19	17	181	44	24
IDA	-27	-2	7	-41	-5	12
IDB	-69	-	-	-109	-	-
Total net flow from multilateral agencies: including capital subscriptions.....	264	137	52	229	91	40
excluding capital subscriptions.....	360	139	39	379	96	25

Source: Bureau of General Economic Research and Policies of the United Nations Secretariat.

a/ Minus sign indicates net payments to agencies; in both years such net payments related to capital subscriptions.

b/ Contributions under the United Nations Technical Assistance programmes, the United Nations Special Fund, UNICEF and UNRWA.

TABLE 11.

International Bank for Reconstruction and Development:
Loan Disbursements ^{a/} to African Countries, 1960-1962

(Millions of dollars)

Country	1960		1961		Jan-Sept 1961		Jan-Sept 1962	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Algeria	50	50	-	-5	-	-3	-	-3
Congo (Leopoldville)	10	8	-	-5	-	-5	-	-5
East Africa (United Kingdom)	-	-1	-	-1	-	-1	-	-1
Ethiopia	3	3	3	2	2	1	2	1
French West Africa	-	-1	-	-1	-	-	-	-
Gabon	9	9	15	15	11	11	6	6
Kenya	-	-	2	2	1	1	2	2
Mauritania	-	-	15	15	7	7	24	24
Nigeria	7	7	4	4	4	4	-	-
Rhodesia and Nyasaland	18	16	7	5	6	5	1	-1
Rwanda-Burundi	2	2	1	-	-	-	-	-
Sudan	7	7	10	9	2	2	10	13
Uganda	-	-	4	4	4	4	1	1
United Arab Republic	31	31	9	9	8	8	10	8
Total above	136	130	69	54	45	33	56	41
South Africa	4	-12	-	-20	-	-13	16	1
Grand total	140	118	69	34	45	30	72	41

Source: International Monetary Fund, International Financial Statistics (Washington, D.C.).

^{a/} No sign indicates gross or net disbursements, minus sign indicates net repayments.

that institution. For instance, expenditures on the development of basic facilities and on the exploration of natural resources are not immediately productive, and their financing through international borrowing at market rates would place a heavy burden on the budgets of borrowing countries. In these circumstances, donations or very long-term low interest loans are a more appropriate form of external assistance. Such assistance is being given on an increasing scale by multilateral agencies such as the IDA, the UN Special Fund and the European Development Fund of the EEC (EDF).

22. The United Nations Special Fund has devoted a growing proportion of its resources to "pre-investment" projects in Africa. From its inception in 1959 up to May 1962, the Fund has approved a total of 65 projects in 21 African countries, which will involve a total outlay of \$54 million of Fund resources. This represents one-quarter of its total project commitments up to that date. Approved projects include resource surveys and the establishment of applied research institutions and of training and technical education facilities.

23. The EDF was originally established in 1958 with pledged subscriptions by the six members of EEC (Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands) of \$581 million to be used over the first five years of its operation. Its purpose is to assist overseas countries and territories associated with members of the EEC in the financing of social and economic development projects through donations or long-term interest-free loans. By mid-1962 \$283 million had been allocated for 236 development projects in African countries (Table 12). Allocations in 1961 alone amounted to \$ 132 million and the total for the full year 1962 was expected to rise to about \$200 million (including some small amounts for the financing of projects in dependencies of EEC member countries outside Africa). The allocation of funds up to the end of 1961 by types of projects was as follows:

TABLE 12. Projects Approved by European Development Fund
(Millions of dollars)

Country	Cumulative total to December 1960	1961	Jan-June 1962	Cumulative total to June 1962
Algeria	-	17.68	-	17.68
Cameroun	7.32	8.70	18.0	34.02
Central African Republic.	1.25	7.17	2.33	10.75
Chad	8.07	3.78	3.61	15.46
Comores	0.08	2.00	-	2.07
Congo (Brazzaville)	2.77	9.80	2.06	14.64
Congo (Leopoldville).....	9.38	-	-4.40	4.98
Dahomey	1.08	7.31	2.13	10.52
French Somali Coast	0.74	-	-	0.74
Gabon	5.07	2.99	0.97	9.03
Ivory Coast	5.19	18.38	2.29	25.86
Madagascar	13.46	12.11	3.18	28.74
Mali	3.40	11.69	-	15.09
Mauretania	2.34	7.44	-	9.78
Niger	7.29	5.76	-	13.05
Reunion	-	1.68	-	1.68
Rwanda/Burundi	2.30	0.83	3.05	6.17
Sahara	-	-	2.75	2.75
Senegal	11.84	3.78	12.80	28.42
Somalia	1.95	2.81	-	4.76
Togo	3.70	5.71	0.63	10.04
Upper Volta	2.29	12.52	0.13	14.94
Other and regional	5.25	-5.25	1.97	1.97
Total	99.17 ^{a/}	132.47 ^{a/}	51.50	283.14
Number of projects	109 ^{a/}	98 ^{a/}	29	236

Source: European Economic Community, Bulletin (Brussels)

^{a/} Including one unallocated project approved prior to 1961, which was dropped in 1961.

Percentage of Total Allocation ^{a/}

Social projects:

Education and vocational training	16
Health	14
Surveys and studies	4
Other	8
Total	42

Economic projects:

Transport and communications	40
Agriculture, stock-breeding	17
Surveys and studies	1
Total	58

Grand total100

Source: European Economic Community Bulletin No.3
(Brussels) 1962.

^{a/} The distribution is based on total allocations of which some 15 per cent related to projects in countries outside Africa.

The continuation of the EDF beyond 1962 was assured by a proposal of the six member countries of the EEC to subscribe \$780 million for its operations during the years 1963-1967. Disbursements to date have been relatively small - some \$3 million - in 1960 and \$15 million in 1961. But in view of the steep rise in allocations in 1961 and 1962 and of the increase in the resources to be made available to the Fund in subsequent years, annual disbursements may soon be expected to exceed \$100 million.

IV. CONCLUSIONS

24. The future level of official assistance will continue to depend to an important extent on the bilateral flow of funds from France, the United Kingdom and the United States. No information on French Government assistance in 1962 is available at the time of writing, but in view of the high level it had attained in 1960 and 1961, it is thought unlikely to have recorded a further substantial increase in 1962. Bilateral assistance by the United Kingdom to under-developed countries as a group appears to have levelled off in the first half of 1962, although the payments of donations were at a higher annual rate than in 1961. The flow to African countries of official capital and donations from the United States, on the other hand, amounted to \$515 million in the fiscal year 1961/62, which represents an increase of more than 50 per cent over the preceding twelve-month period. Disbursements by centrally planned economies may have risen in 1962 in view of the high level of commitments entered into since 1959.

25. Net loan disbursements by IBRD advanced significantly during the first nine months of 1962 from the low level to which they had fallen in 1961, but they are not expected to regain their 1960 level, when disbursements under a single loan to Algeria had totalled \$50 million. The IDA approved a number of loans to African countries in the course of 1962, but no major disbursements appear to have been made during the year. Disbursement by the EDF, on the other hand, are likely to have been substantially larger in 1962 than in 1961 in view of the sharp increase in allocations during that year. Taking all these factors into account, it seems probable that the flow of official donations and capital to African countries in 1962 will have exceeded the 1961 level, although the increase may not have matched that of the preceding year.