

CHAPTER IV

THE REGIONAL DISTRIBUTION OF AID

Nearly half of the total amount of intra-Commonwealth net financial assistance is destined for Asian countries while about one-fifth goes to African countries. The position is reversed for technical assistance expenditure in that more than half is accounted for by African countries while Asia receives less than a sixth. This chapter concentrates on the distribution of aid on a regional basis while Chapter V looks in more detail at the assistance received by individual countries.

Asia

The total gross official financial flow (i.e. grants, loans and investments) from Commonwealth supplying countries to Commonwealth countries in the Asian region fell by almost 4 per cent between 1968 and 1969, and technical assistance expenditure also declined by 8 per cent. The decrease in the financial flow was accounted for by a fall of over £5 million in the amount made available as grants, which was partially offset by a £2 million rise in loans. Gross investments, which comprise only a small proportion of the total flow, fell sharply by over 20 per cent. Although repayments of principal and interest payments on loans and investments remained considerable, they were slightly less than in 1968. Consequently, net financial assistance, at £73.8 million, declined by only 3 per cent in 1969. Commitments outstanding at the beginning of 1970 totalled almost £221 million, which was £55 million more than a year earlier. Although there was a further fall in the actual amount going for non-project assistance, over two-thirds of the gross financial flow in 1969 came into this category as India, Pakistan and Ceylon received large sums for the purchase of current imports. On the other hand, there was a small increase in project aid. Funds available for agriculture, forestry and fishing increased to £4.8 million as a result of large grants made to India and Ceylon by Britain, and British loans to Pakistan and Singapore provided over £3 million for multi-projects. Resources available for electricity generation and distribution and for transport increased, with higher loans offsetting a fall in grants in both sectors. The largest decline was in grants for the Indus Basin Development Fund, which were almost £4 million less than grants available in 1968. The decrease in technical assistance expenditure in 1969 was due to lower expenditure on all categories other than students and trainees.

The countries receiving the largest flows of assistance from Commonwealth suppliers are India and Pakistan but, because of the size of their population and the scope of their development plans, financial aid provides only a small part of the total funds needed for development. According to figures compiled by DAC, the net official flow of resources under DAC members' official bilateral programmes and from multilateral agencies during the period 1966-68 averaged \$ U.S. 2.3 per head of the population for India, \$ U.S. 4.0 for Pakistan, \$ U.S. 3.5 for Ceylon and \$ U.S. 4.9 for Malaysia.

Colombo Plan. The Colombo Plan, which was set up as a result of an initiative taken at the Commonwealth Foreign Ministers' Meeting in early 1950 and which subsequently was joined by non-Commonwealth countries both as donors and recipients, is the main channel of intra-Commonwealth assistance in Asia. Apart from the financial flow, the greater part of the

technical assistance is given under the Plan. The number of experts made available by Commonwealth countries to other Commonwealth countries under the Plan declined to 296 in 1969, 14 fewer than in 1968, with a reduction of almost 30 in other operational personnel more than offsetting increases in advisers and educational personnel. The advisers were spread over a wide range of fields of work. The numbers engaged in power, transport and communications increased sharply from 17 to 32, and there were smaller increases in agriculture, industry and public administration. On the other hand, the numbers engaged in the health sector and in economic planning declined. The number of operational personnel engaged fell from 90 in 1968 to 61 in 1969. This decline was evident in all sectors except power, transport and communications, which increased by 19. The sharpest fall, from 27 in 1968 to 2 in 1969, was in economic planning. Taking the advisers and operational personnel together, 19 were engaged in economic planning as compared with 46 in 1968, 75 in power, transport and communications as against 41, 15 in industry and mining as against 11, 10 in trade, banking and tourism as against 13, 7 in health as against 17 and 7 in social services as against 13. The total of educational personnel rose from 104 to 108, due to an increase in the number of teachers. Substantial increases in the number of university teachers and in those engaged in technical and vocational training resulted in these two categories each representing one-third of total teachers. The number of primary and secondary school teachers was less than half the number engaged in 1968.

The number of trainees financed by the Commonwealth donor countries under Colombo Plan arrangements was 1,092 in 1969, a fall of 11 per cent compared with the preceding year. The trainees went on courses covering a wide variety of subjects but the greatest number, nearly a fifth, went on courses to do with power, transport and communications; however in absolute numbers the total for this sector in 1969, at 216, was 83 less than in the previous year. The next largest number, also accounting for just under a fifth of the total, went on industrial courses. There were substantial reductions in trainees in the above two fields and in health and education. The major increases were in public administration, trade, banking and tourism and agriculture. There was little change in the number of students financed under Colombo Plan arrangements in 1969, although more students took courses in the natural and social sciences and engineering and fewer studied education, economics and medicine.

Other programmes in Asia. Commonwealth countries provide technical assistance to Commonwealth countries in Asia under a number of other programmes, including O.S.A.S., British Council, Commonwealth Education Co-operation Schemes, the Indian General Scholarship Scheme and to Pakistan, in particular, under the economic parts of SEATO and CENTO.

The number of advisers provided under these various programmes is small, totalling only 9 in 1969, although they were engaged in several fields of activity. On the other hand, 340 operational personnel were supplied in 1969, 82 fewer than in 1968. The decrease was reflected in all fields of activity, but mainly in public administration, power, transport and communications, agriculture and health. The total of educational personnel financed under O.S.A.S., British Council and Commonwealth Education Co-operation arrangements was about 18 per cent higher than in 1968. Of this number, 29 were education advisers and the remainder were teachers.

The number of trainees financed under programmes other than the Colombo Plan decreased by 16 per cent to 361 in 1969. The principal

courses taken by trainees in 1969 dealt with education and public administration. The number of trainees in the industrial field increased in 1969, but those in all other sectors decreased. The number of students financed was about the same as in 1968. Most of the students were financed under the Commonwealth Education Co-operation Programmes and the main subjects of study were education, medicine, natural sciences and engineering. The number of students in education and the natural sciences was approximately the same as in 1968, but there was a decrease of almost 40 in the number studying medicine.

All programmes in Asia. The total of assistance given by Commonwealth countries to Commonwealth countries in Asia is summarised below in tabular form.

	1968		1969	
	Gross	Net <u>a</u>	Gross	Net <u>a</u>
	£ thousand			
Financial flow				
Disbursements				
Grants	37,396	37,396	32,228	32,228
Loans	66,450	39,131	68,312	41,373
Investments	2,649	-357	2,038	173
Total	<u>106,495</u>	<u>76,170</u>	<u>102,578</u>	<u>73,774</u>
Outstanding commitments at end-year	165,648		(220,960)	
Technical assistance expenditure	7,576		6,945	
	Number	Man-months	Number	Man-months
Advisers: Colombo Plan	116	730	127	822
Other programmes	13	(20)	9	16
Educational personnel:				
Colombo Plan	104	841	108	763
Other programmes	152	1,205	179	1,298
Other operational personnel:				
Colombo Plan	90	659	61	538
O.S.A.S.	417	4,223	336	3,220
Other programmes	5	31	4	20
Trainees: Colombo Plan	1,222	(7,050)	1,092	(5,709)
Other programmes	432	(894)	361	(703)
Students: Colombo Plan	2,137	18,189	2,111	18,908
Other programmes	1,023	6,963	1,019	7,482

a Net of amortization and interest payments.

Africa

The total gross amount of official financial aid provided by Commonwealth donor countries to Commonwealth countries in Africa declined by £6 million in 1969 to approximately £43 million, and technical assistance expenditure showed little change. Disbursements of loans fell by 20 per cent to less than £19 million and there was a smaller fall of £2 million in grants. Investments showed a slight increase. Repayments of principal and interest payments on official loans and investments rose by about £3 million compared with 1968 so that the net financial flow amounted to only £23 million in 1969, a reduction of almost 30 per cent on the previous year's level. Commitments outstanding at the beginning of 1970 amounted to £57 million, about £3 million higher than the year before. The share of non-project assistance in the total financial flow has declined in recent years, falling from 60 per cent in 1966 to less than 50 per cent in 1969. Of the non-project aid, about half has been made available by Britain as grants for budgetary support to the dependent territories and to a few independent countries; much of the remainder has been loans for the purchase of imports. On the project side, the largest amount has been for the agricultural sector, which increased by about 50 per cent in 1969 and accounted for 40 per cent of total project aid. Most other forms of project aid were less than in 1968, the sharpest decrease being in the industrial sector, which fell from a level of £2.3 million in 1968 to £0.9 million in 1969 because of a drop in both loans and investments. Other proportionately large decreases were recorded in the transport sector (£3.3 million in 1968 to £2.6 million in 1969), the communications sector (£3.6 million to £2.0 million), and in education (£2.5 million to £1.7 million). Expenditure on technical assistance showed little change in total, because an increase in expenditure on students and trainees was more than offset by a fall in the sum financing experts.

While many African countries receive substantial amounts of assistance from other Commonwealth countries, those receiving the largest flows in 1969 were Kenya, Malawi, Ghana and Nigeria. Many of the countries also receive assistance from non-Commonwealth countries and multilateral agencies and, according to figures compiled by D.A.C., the net flow of resources under D.A.C. official bilateral programmes and from multilateral agencies worked out on average for the period 1966-68 at \$ U.S. 5.8 per head of the population for Kenya, \$ U.S. 8.8 for Ghana, \$ U.S. 11.4 for Zambia and \$ U.S. 2.3 for Nigeria, the low figure for Nigeria being due to its much larger population.

SCAAP. The Special Commonwealth African Assistance Plan was initiated at a meeting of the Commonwealth Economic Consultative Council in September 1960 with a view to expanding the assistance given by Commonwealth countries to developing Commonwealth countries in Africa. The assistance supplied under the Plan, which is given on a bilateral basis, consists of both capital aid (discussed in the preceding paragraphs) and technical assistance.

The number of experts made available under SCAAP arrangements showed a further decline in 1969 when the increase in educational personnel was less than the decrease in advisers and operational personnel. Compared with 1968, the fall for advisers was reflected in all fields of work with the exception of economic planning, and was most marked for agriculture. Agricultural advisers accounted for almost 30 per cent of the total number of advisers in 1969, and the next largest number worked in the power, transport and communications sector. Only a small proportion of the total operational

personnel working in African countries are made available under SCAAP arrangements and the number has declined in recent years. The decline of 11 to 144 in 1969 was mainly apparent in the number working in power, transport and communications and public administration, while at the same time those working in the health sector again showed the largest increase, rising by 9 compared with 1968. Taking the advisers and operational personnel (other than education) together, the numbers fell by 43 to 455 in 1969 and out of this total 104 assisted in the agricultural sector, 90 in power, transport and communications, 76 in public administration, 64 in health and 51 in economic planning. The number of educational advisers was 371, a small increase on the number supplied under SCAAP arrangements in 1968; the increase of 15 teachers was due to greater numbers of university and teacher training personnel.

The number of trainees financed under SCAAP arrangements decreased slightly to 1,345 in 1969 and the average length of the courses also seems to have been shorter than in 1968. Students financed bilaterally by Commonwealth countries under the Plan were 106 fewer than in 1968. The largest decreases were in numbers studying education and economics, whereas those engaged in agricultural studies showed the greatest increase.

Other programmes in Africa. Apart from SCAAP, technical assistance is provided to Commonwealth countries in Africa under many other programmes, including O.S.A.S, the British Expatriates Supplementation Scheme (B.E.S.S.), the Public Services Supplementation Scheme (P.S.S.S.), British Council, Commonwealth Education Co-operation schemes, and the Indian Scholarship Scheme.

Very few advisers are provided under these various schemes but the number of non-educational operational personnel, although about 480 less than in 1968, was still more than 7,300 in 1969. Most of these personnel are supplied under O.S.A.S., but there are also a substantial number under B.E.S.S. and P.S.S.S. arrangements. About 37 per cent of the operational personnel in 1969 were employed in the power, transport and communications sector, a slightly higher proportion than in the previous year, and although the actual number in public administration fell by over 140, the proportion in this sector remained over a fifth. There was a decline of 135 in the number working in agriculture, but this sector still accounted for almost 14 per cent of the total. The number of educational personnel increased by over 400 in 1969, reflecting increases in O.S.A.S. arrangements and other schemes. This rise was due to large increases in the number of school and university teachers, offset in part by a reduction in those engaged in teacher, technical and vocational training.

The number of trainees financed under programmes other than SCAAP rose by 21 in 1969 as the large rises in those attending courses in education and public administration more than offset the reductions in the numbers going on courses in other subjects. There was an increase of about 70 in the number of students financed under these programmes, reflecting increases in those studying all courses except medicine, agriculture and the social sciences.

All programmes in Africa. The total of Commonwealth assistance provided to Commonwealth countries in Africa is summarised below:

	1968		1969	
	Gross	Net <u>a</u>	Gross	Net <u>a</u>
£ thousand				
Financial flow				
Disbursements (net)				
Grants	21,315	21,315	19,340	19,340
Loans	23,555	12,416	18,889	6,349
Investments	4,315	-2,128	4,905	-2,910
Total	<u>49,185</u>	<u>31,603</u>	<u>43,134</u>	<u>22,779</u>
Outstanding commitments at end-year	54,272		57,400	
Technical assistance expenditure	24,902		24,723	
	Number	Man-months	Number	Man-months
Advisers: SCAAP	343	(2,423)	311	2,428
Other programmes	15	87	11	78
Educational personnel:				
SCAAP	366	3,118	371	3,155
Other programmes	5,198	50,950	5,632	51,355
Other operational personnel:				
SCAAP	155	1,320	144	1,174
O.S.A.S.	6,836	64,729	6,606	63,575
Other programmes	963	4,748	709	7,716
Trainees: SCAAP	1,374	(7,653)	1,345	(6,079)
Other programmes	183	(435)	204	676
Students: SCAAP	1,707	12,386	1,601	11,729
Other programmes	1,026	6,954	1,094	7,695

a Net of amortization and interest payments.

America

The total of intra-Commonwealth gross financial assistance going to Commonwealth countries in the Americas rose by almost 11 per cent in 1969 to £16½ million, but as these countries made substantial servicing payments on earlier official loans and investments, the net figure was around £12½ million. Outstanding gross commitments at the end of 1969 totalled approximately £28 million, a rise of over £8 million on commitments at the beginning of the year. The amount made available as grants increased slightly by 4½ per cent in 1969 while investments increased sharply by almost 30 per cent. Disbursements of loans showed a small decrease. Non-project assistance continued to decline as a proportion of the total flow, from 20 per cent in 1968 to 14 per cent in 1969, mainly because of a fall in both grants and loans to finance purchases of current imports. Project assistance

rose by more than 20 per cent in 1969, as higher investments brought the total for the industrial sector to £2 million, while increased grants accounted for the rise to £2.5 million for education, and to £2.1 million for multi-projects. The largest decline was in the assistance available for electricity generation and distribution.

Technical assistance expenditure rose by about 14 per cent in 1969, with increases in all categories, the largest being in the amount spent on experts.

Caribbean Technical Assistance Programme. Most of the assistance to Commonwealth countries, which largely comes from Canada and Britain, is provided under this programme. The number of experts made available increased slightly by about 3 per cent, largely because of an increase in advisers. The number of advisers assisting in the agricultural sector more than doubled, whereas there was a sharp decline in those engaged in economic planning. The distribution of operational personnel between sectors did not vary appreciably from the 1968 pattern. Educational personnel showed little change in 1969, although the number of school and university teachers declined. This was offset by increases in other forms of teaching and in educational advisers.

The number of trainees financed under the Caribbean Technical Assistance Programme was similar to that for 1968, although the average duration of the courses seems to have been shorter in 1969. There were large increases in the number of trainees on industrial and economic planning courses, offset by decreases in those attending courses in public administration and power, transport and communications. The number of students financed increased by over 27 per cent, although the average length of courses is estimated to have declined somewhat.

Other programmes in America. Technical assistance is also provided under O.S.A.S., British Council, Commonwealth Education Co-operation arrangements and through the Indian Scholarship Scheme. The total of educational personnel went up by almost a quarter in 1969, reflecting a large increase in the number of university teachers and a somewhat smaller rise in primary and secondary schools. Over half the educational personnel financed by Commonwealth donor countries in both 1968 and 1969 were for schools, but the proportion for universities rose from a third in 1968 to over 40 per cent in 1969. The number of operational personnel made available under other programmes (mainly O.S.A.S.) fell by 67 to 318 in 1969. The largest decreases were in health and the power, transport and communications sector, but fewer personnel were supplied in all sectors.

The number of trainees financed under arrangements other than the Caribbean Technical Assistance Programme increased from 17 to 24 in 1969, but the number of students decreased. As in the previous year, the majority of students took courses in education.

All programmes in America. x The total of intra-Commonwealth assistance is summarised below.

	1968		1969	
	Gross	Net <u>a</u>	Gross	Net <u>a</u>
	£ thousand			
Financial flow				
Disbursements				
Grants	7,801	7,801	8,147	8,147
Loans	2,513	865	2,451	782
Investments	4,713	2,265	6,029	3,666
Total	<u>15,027</u>	<u>10,931</u>	<u>16,627</u>	<u>12,595</u>
Outstanding commitments at end-year	19,490		27,867	
Technical assistance expenditure	3,161		3,596	
	Number	Man-months	Number	Man-months
Advisers: C.T.A.	97	591	106	677
Other programmes	-	-	4	16
Educational personnel:				
C.T.A.	158	1,249	159	1,389
Other programmes	120	851	147	1,132
Other operational personnel:				
C.T.A.	35	320	33	263
Other programmes	385	3,319	318	2,934
Trainees: C.T.A.	481	2,421	480	2,245
Other programmes	17	38	24	67
Students: C.T.A.	458	4,004	584	4,402
Other programmes	365	2,393	335	2,143

a Net of amortization and interest payments.

Europe

Total disbursements of financial assistance to Malta, Cyprus and Gibraltar fell from £7.0 million in 1968 to £4.4 million in 1969, a decrease of almost 40 per cent. The falling trend was reflected in both grants and loans. Repayments of principal and interest payments on earlier loans and investments amounted to £750,000. At the end of 1969 outstanding commitments for future disbursements totalled £33.3 million, some £1.4 million less than a year earlier. Out of the total flow of grants and gross loans in 1969 £1.3 million went to the industrial sector (other than mining and manufacturing), an increase of £350,000 on the 1968 flow, and education, the second largest sectoral flow, fell by over £350,000 to about £760,000.

The amount provided by way of technical assistance, although still comparatively small, showed a further increase to £335,000 in 1969 with all the main categories of expenditure higher than in 1968. The number of experts, of whom over 70 per cent were in the educational field, rose from 137 to 174 in 1969; among the other experts 23 helped in the health sector and 10 in public administration. The number of trainees financed by donor countries in 1969 was the same as in the previous year, but the number of students increased by 26. There were more students in most fields of study, but the largest increases were in education, engineering, agriculture and medicine.

Oceania

The greater part of the assistance going to Commonwealth countries in this region consists of grant aid by Australia to Papua and New Guinea which in 1969 amounted to £49 million. Australia also provides assistance to other countries in Oceania as do New Zealand and Britain. Thus the intra-Commonwealth flow of net financial aid rose to £57 million from £51 million in 1968. Excluding Australian assistance to Papua and New Guinea, about 64 per cent of the total gross aid in 1969 was project aid which went mainly to the agriculture, transport, health and education sectors. Compared with 1968, project aid to all sectors other than agriculture increased, with the largest rises in education and health. Expenditure on technical assistance, other than that provided by Australia to Papua and New Guinea, was approximately the same in 1969 as in the previous year. The total of experts rose to 1,035, largely because of greater numbers of advisers and educational personnel. In particular, the number of primary and secondary school teachers increased by 60 per cent to 120. Advisers and other operational personnel showed a small increase over 1968, and of the total of 829, about 270 helped in public administration, 204 in power, transport and communications, 137 in agriculture and 93 in health.