

CHAPTER V

REGIONAL DISTRIBUTION OF AID

Nearly half of the total amount of intra-Commonwealth financial assistance goes to Asian countries, and about one-fifth to Oceania, while African countries receive a little over one-sixth. For technical assistance expenditure, however, the situation is reversed; over three-fifths is accounted for by African countries while those in Asia receive under a fifth. This chapter concentrates on the distribution of aid on a regional basis while Chapter VI 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 rose by 20 per cent between 1970 and 1971. There was also a further rise in technical assistance expenditure; the increase in 1971 being of the order of 4 per cent. The financial flow in 1971 was characterised by a modest increase in grants and a substantial rise in loan disbursements. Grants reached almost £33 million last year when they were 7 per cent higher than in 1970. Loans, which rose by 23 per cent in 1971, have become an increasingly important source of official Commonwealth funds for Asia. They represented almost three-quarters of total gross official financial flows during the year, compared to just over half in 1966. Gross investment increased by more than 50 per cent in 1971, mainly because of higher British flows to Hong Kong. Repayments of principal and interest payments on loans and investments were over £25 million, a slight rise on the previous year's level, and net official assistance, at £110 million, was up by 19 per cent on 1970, about the same rise as recorded in the level of gross assistance. Commitments outstanding at the beginning of 1972 stood at nearly £169 million, or £26 million more than at the beginning of 1971. There was a small increase in disbursements for non-project assistance last year and they represented 75 per cent of the gross financial flow. This aid is made up largely of grants and loans for current imports, including food aid. On the other hand, project aid increased by more than 90 per cent during the year due mainly to increased grants and loans to multi-projects and higher loans to industry and transport and communications, although the increase was reflected in all sectors. The technical assistance expenditure for students and trainees, and for experts was lower than in 1970 but the outlays on equipment increased slightly and the other forms of technical assistance, including the special aid to Malaysia and Singapore, increased substantially.

The country which receives the largest flow of assistance from Commonwealth suppliers is India but, because of the size of its population and the scope of its development plan, 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' bilateral official development assistance programmes and from multilateral agencies during 1970 was US\$1.54 per head of the population for India, US\$3.95 for Ceylon and US\$23.86 for Singapore.

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 in 1971 was somewhat lower than in the previous year. Although there was an appreciable increase in the number of educational personnel, especially for advisers, this was more than offset by a decrease of over 30 per cent in other operational personnel.

There were fewer trainees and students financed by Commonwealth donor countries under Colombo Plan arrangements in 1971. In the case of trainees there was a decrease of 74 or 7 per cent, while the number of students was 92 fewer than in 1970, a fall of 6 per cent. For students there has been a continuous decline since 1968.

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, and the Indian General Scholarships Scheme.

Only 10 advisers were provided under these various programmes in 1971. Educational personnel fell further from the peak level reached in 1969 being 19 per cent fewer than in 1970, while the total of other operational personnel fell by 69 or 30 per cent, due to a decline in the number provided under OSAS. The number of trainees was reduced by 14 per cent, but there was a further substantial increase in student numbers as many more went on British Council scholarships.

All programmes in Asia

The number of experts financed under all programmes in Asia has been consistently falling in recent years and in 1971 it was little more than four-fifths of the 1970 level. There was little change in the total of advisers serving in Asia, while the number of educational personnel declined moderately, but there was a marked reduction for operational personnel. The number of teachers fell by 9 per cent because of a large decrease in aid personnel in universities and higher technical institutes and in teacher training; there was, however, a small increase in educational advisers. Other operational personnel fell by 30 per cent, and represented only about 44 per cent of all experts in Asia in 1971, compared to 60 per cent in 1966. Personnel in power, transport and communications again showed the largest decrease, but this remains the biggest sector, accounting for two-fifths of non-educational operational personnel. The falling trend in those serving in agriculture, health and public administration also continued in 1971.

Since 1968 the number of trainees has declined, and in 1971 there were some 110 fewer than in the previous year, a fall of 9 per cent. The largest decreases were in agriculture, health, and trade and banking, but the fall was reflected in all sectors. In contrast to trainees, the number of

students financed increased further and approached 3,200. The rise was mainly reflected in the numbers studying natural sciences and engineering, the latter group totalled 900 in 1971.

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

	1970		1971	
	Gross	Net <u>a</u>	Gross	Net <u>a</u>
	£ thousand			
Financial flow				
Disbursements				
Grants	30,549	30,549	32,686	32,686
Loans	80,574	63,067	99,355	77,777
Investments	2,576	-420	3,947	32
Total	<u>113,699</u>	<u>93,196</u>	<u>135,988</u>	<u>110,495</u>
Outstanding commitments at end-year	142,439		168,701	
Technical assistance expenditure	5,800		6,009	
	Number	Man-months	Number	Man-months
Advisers: Colombo Plan	76	563	78	513
Other programmes	7	53	10	100
Educational personnel:				
Colombo Plan	85	685	102	766
Other programmes	134	734	108	706
Other operational personnel:				
Colombo Plan	94	558	65	442
O.S.A.S.	234	2,256	164	1,608
Other programmes	-	-	1	12
Trainees: Colombo Plan	989	4,763	915	4,748
Other programmes	260	535	223	525
Students: Colombo Plan	1,658	14,074	1,566	13,684
Other programmes	1,253	6,679	1,593	11,161

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 in 1971 showed a considerable increase of 25 per cent above the previous year's level, while technical assistance expenditure rose by almost 10 per cent grants and loans increased by almost 20 per cent, and investments were nearly double the previous year's level. Repayments of principal and interest payments on official loans and investments rose by over £5½ million compared with 1970, but the net financial flow, at £28 million, showed approximately the same percentage increase as gross flows. Commitments outstanding at

the beginning of 1972 amounted to £77 million, or £9 million higher than the year before. The share of non-project assistance in the total financial flow continued to fall, and amounted to 39 per cent of total in 1971. About a third of the non-project aid consisted of British grants and loans and Canadian grants for the purchase of current imports, including food aid and emergency and disaster relief, and of the remainder the largest item was Canadian loans for general development. The increase of 27 per cent in project aid was reflected in all sectors except multi-projects. The largest amounts went to the transport and communications and social infrastructure sectors, which each received about a quarter of the total project aid. The highest increase was in aid to industry, which grew from £2½ million, or 9 per cent of total, in 1970 to £5 million, or 15 per cent, in 1971 because of substantial rises in British loans and investments. Increases of over £1 million were also recorded by the agricultural and social infrastructure sectors. The greater expenditure on experts accounted for most of the rise in the value of technical assistance provided to African countries.

According to figures compiled by DAC, the net official flow of resources under DAC members' bilateral official development assistance programme and from multilateral agencies during 1970 to some African countries were \$US1.63 per head of the population for Nigeria, \$US6.13 for Kenya, \$US6.81 for Ghana and \$US4.12 for Tanzania.

SCAAP

The Special Commonwealth African Assistance Plan was initiated at a meeting of the Commonwealth Economic Consultative Council in 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 advisers, experts, and operational personnel made available under SCAAP arrangements rose by .11 per cent to reach 790 in 1971, increases being recorded for all categories. For advisers the increase was mainly evident in the numbers in the power, transport and communications sector. As far as educational personnel are concerned the rise was due mainly to greater numbers of advisers and technical and vocational training teachers. The higher numbers employed in the agricultural sector accounted for most of the increase for operational personnel.

The number of trainees financed bilaterally under SCAAP arrangements showed a small decline between 1970 and 1971, but an increase of 7 per cent was recorded in the number of students.

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.

Most Commonwealth advisers to Africa are provided under SCAAP arrangements and very few under these various schemes. The number of operational personnel, both in education and other fields, has been declining in recent years, and this trend was continued in 1971. The most pronounced

decrease was in the number of non-educational operational personnel, which fell by 12 per cent because of fewer personnel under O.S.A.S. The number of educational personnel also declined, by about 3 per cent, as the reduction for teachers in primary and secondary schools was only partially offset by an increase in those teaching in universities and higher technical institutes.

The small number of trainees who are financed under arrangements other than SCAAP fell by 10 per cent during the year. The number of students, on the other hand, showed a very substantial increase of 45 per cent.

All programmes in Africa

The total number of experts supplied by Commonwealth donors to Africa has been falling steadily since 1967, mainly because of a rundown in non-educational operational personnel. In 1971 the total number of experts was 7 per cent less than in the previous year. Advisers make up a very small percentage of experts in Africa, where most technical assistance personnel hold operational posts. The number of university and higher technical teachers continued to increase, but all other categories of teachers were lower than in 1970. Other operational personnel showed the largest decrease, both absolutely and in percentage terms, and in 1971 represented half of all experts, compared to two-thirds in 1966. The number of personnel in public administration has been falling consistently during the last four years, and showed the largest decrease during the year. Fewer personnel served in almost all sectors in 1971 compared to 1970.

The number of trainees was slightly lower than in the previous year. There were large decreases in those taking courses in health and the social services, but there were greater numbers in education, public administration and power, transport and communications, and these sectors now account for more than half of all trainees. There was, however, an increase of around 750 in the number of students financed. This was reflected in the much larger numbers studying education, social sciences, engineering and medicine. Smaller, but still significant, rises were recorded for natural sciences and agriculture.

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

	1970		1971	
	Gross	Net <u>a</u>	Gross	Net <u>a</u>
		£ thousand		
Financial flow				
Disbursements				
Grants	12,988	12,988	15,314	15,314
Loans	27,504	14,118	32,199	14,927
Investments	4,543	-4,191	8,712	-1,854
Total	<u>45,035</u>	<u>22,915</u>	<u>56,225</u>	<u>28,387</u>
Outstanding commitments at end-year	67,959		76,904	
Technical assistance expenditure	23,918		26,221	

a Net of amortization and interest payments.

	Number	Man- months	Number	Man- months
Advisers: SCAAP	296	2,177	325	2,517
Other programmes	17	79	23	216
Educational personnel:				
SCAAP	354	3,190	381	3,572
Other programmes	5,265	51,277	5,104	46,689
Other operational personnel:				
SCAAP	137	983	164	1,310
O.S.A.S.	5,838	58,443	5,049	50,062
Other programmes	704	6,820	719	6,441
Trainees: SCAAP	1,439	6,661	1,423	6,773
Other programmes	237	790	221	806
Students: SCAAP	1,587	12,022	1,702	12,623
Other programmes	1,411	8,182	2,051	13,137

America

The total of intra-Commonwealth gross financial assistance going to Commonwealth countries in the Americas rose by 23 per cent in 1971 to £27½ million. After servicing payments on earlier official loans and investments are deducted, the net figure was slightly under £23 million. Outstanding gross commitments at the end of 1971 totalled £23 million, somewhat below the level at the beginning of the year. Only a minor increase was shown in grants, which fell from 52 per cent of total gross financial flows in 1970 to 44 per cent in 1971. Much higher increases were recorded in disbursements of loans and investments, which rose above the 1970 levels by 34 per cent and 51 per cent respectively. Non-project assistance, which had been declining as a proportion of the total flow in earlier years, increased by 85 per cent in 1971 and accounted for 18 per cent of the total, compared to 12 per cent in the previous year. Project assistance, at £22½ million, showed a much smaller rise of 15 per cent. Increases were recorded in all sectors other than multi-projects, with the largest rise in grants to the transport and communications sector. Technical assistance expenditure rose by more than a quarter in 1971 with the increase spread between the outlays on experts and those on students and trainees.

Caribbean Technical Assistance Programme

Much of the assistance to Commonwealth countries in the Caribbean is provided under this programme. The number of experts made available in 1971 was about the same as in the previous year, although the amount of time each spent in the field is estimated to have risen, especially for advisers and other operational personnel. Operational personnel in education still represented the largest category of experts, although they made up a smaller proportion than in 1970.

The number of trainees financed under the Caribbean Technical Assistance Programme rose by 8 per cent between 1970 and 1971, and the number of students also increased, although by a smaller percentage. For students the duration of courses is estimated to be shorter than in previous years.

Other programmes in America

Technical assistance is also provided under OSAS, British Council, Commonwealth Education Co-operation arrangements and through the Indian Scholarship Scheme. The total number of experts under these programmes showed little change between 1970 and 1971, the small increase in educational personnel being almost offset by fewer experts in other categories.

The number of trainees from the Caribbean under other programmes is very small but the total of students continues to grow.

All programmes in America

The number of advisers and operational personnel in education serving in Commonwealth Caribbean countries have been increasing in recent years, whereas other operational personnel have steadily declined since 1966. Half the advisers work in the public administration and power, transport and communications sectors. Of the educational personnel, the most noticeable rise for the second year in succession was in the number of school teachers, while teachers in universities and higher technical institutions continued to decline. The downward trend in other operational personnel serving in the power, transport and communications and health sectors continued, but there were increases in personnel in public administration and in agriculture in 1971.

Since 1966 increasing numbers of trainees have been financed by Commonwealth donors and in 1971 over 600 took courses. More than half the trainees were in public administration and industry and mining, both of which took increased numbers in 1971. There was also a large increase in those taking courses in power, transport and communications, but there were fewer trainees in education. The upward trend in the number of students, which had been temporarily checked in 1970, was resumed in 1971 when more were studying social science, medicine and agriculture.

The total of intra-Commonwealth assistance to countries in America is summarised below:

	1970		1971	
	Gross	Net <u>a</u>	Gross	Net <u>a</u>
Financial flow				
Disbursements				
Grants	11,661	11,661	12,213	12,213
Loans	4,776	3,045	6,382	4,602
Investments	5,931	3,116	8,981	5,988
Total	<u>22,368</u>	<u>17,822</u>	<u>27,576</u>	<u>22,803</u>

a Net of amortization and interest payments.

Outstanding commitments at end-year	24,149		22,967	
Technical assistance expenditure	4,276		5,450	
	Number	Man-months	Number	Man-months
Advisers: C.T.A.	117	719	127	1,052
Other programmes	4	28	1	1
Educational personnel:				
C.T.A.	160	1,418	156	1,392
Other programmes	189	1,420	197	1,351
Other operational personnel:				
C.T.A.	59	351	56	470
Other programmes	283	2,664	273	2,401
Trainees: C.T.A.	530	3,031	572	3,402
Other programmes	29	56	35	79
Students: C.T.A.	413	3,278	431	3,176
Other programmes	347	1,902	411	2,648

Europe

Total disbursements of financial assistance to Malta, Cyprus and Gibraltar rose by more than 30 per cent to £10.9 million in 1971, as the small decrease in grants was more than offset by loans of almost £3 million to Malta. However, Malta also made a large repayment of principal on a previous loan, so that the net flow of assistance to Commonwealth countries in Europe amounted to £4.3 million, compared to £7.5 million in 1970. Commitments fell from £24.2 million at the beginning of 1971 to £4.6 million at the beginning of 1972.

Technical assistance receipts remained small in 1971. The number of experts fell to 119 compared from 157 in the previous year, largely because of a substantial decrease in educational personnel. Among the other experts, 14 helped in the health sector, 13 in public administration and 9 in power, transport and communications. The number of trainees financed by donor countries in 1971 increased slightly to 67, and the number of students also increased, from 243 in 1970 to 262 in 1971. The largest number of students took courses in education and there was also a considerable number studying engineering.

Oceania

The greater part of the assistance going to Commonwealth countries in this region consists of grant aid from Australia to Papua-New Guinea, which in 1971 amounted to over £52½ million. In addition Australia has also begun to give loans to Papua-New Guinea, which amounted to £2.6 million in 1970 and rose to £5.6 million in 1971. Australia also provides assistance to other countries in Oceania, as do Britain, New Zealand and India. The intra-Commonwealth flow of financial aid fell from £70 million to £66 million in 1971. Excluding Australian grants and loans to Papua-New Guinea, almost half of the total gross aid in 1971 was project aid, of which about two-fifths went to the social infrastructure sector, and over a quarter was for multi-projects. Most non-project assistance was given for budgetary

support. Expenditure on technical assistance, other than that provided by Australia to Papua-New Guinea, increased by about 13 per cent, the largest rise being in the expenditure on experts. The total number of experts rose to 1,133 because of increases in all categories of teachers. The numbers of advisers and other operational personnel were about the same as in 1970. Trainees also showed little change but student numbers fell by 5 per cent.