

CHAPTER IV

THE REGIONAL DISTRIBUTION OF AID

Nearly half of the total amount of intra-Commonwealth financial assistance is destined for Asian countries while between a fifth and a quarter goes to African countries. The position is reversed for technical assistance expenditure in that almost three-fifths is accounted for by African countries while Asia receives a little under a fifth. 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 official financial flow (i.e. grants, loans and investments) from Commonwealth supplying countries to Commonwealth countries in the Asian region, which had increased in 1967, declined by about 3 per cent, in pre-devaluation terms, in the following year but technical assistance expenditure continued to rise. Looking at the component parts of the financial flow, the downward trend in the amount made available as grants continued when it was over £14 million lower than in 1967 but the supply of loan funds showed a further substantial increase. Investments, which comprise only a small proportion of the total, rose sharply in 1968. During 1968 Commonwealth countries in Asia made considerable repayments of principal and interest payments on official loans and investments to Commonwealth donor countries. These payments amounted to some £31 million, of which over £28 million was in respect of loans. Consequently, the figure for net financial assistance in that year was just under £80 million. Commitments outstanding at the beginning of 1969 totalled over £177 million, at pre-devaluation rates of exchange, nearly £14½ million more than a year earlier. Although there was an appreciable fall in the actual amount going for non-project assistance, about two-thirds of the financial flow in 1968 came into this category as India, Pakistan and Ceylon received large sums through food aid and as funds for the purchase of current imports. On the other hand, there was a small increase in project aid. Grants for the Indus Basin Development Fund were higher than they had been in the two previous years. The increase of nearly £1.8 million in 1968 almost doubled the resources made available for electricity generation and distribution as compared with the preceding year since the increase in loans (to India from Britain and to Pakistan from Canada) more than offset the decline for grants. More money, again almost wholly through greater loans, was disbursed for the communications sector while over £5 million was made available for the industrial sector as compared with £3.9 million in 1967. The largest decline was for the transport sector, where the funds made available fell from about £4.5 million to under £2.2 million in 1968 largely as a result of reduced loans to Pakistan. The increase in technical assistance expenditure in 1968 was mainly reflected in higher expenditure on students and trainees and on research, surveys and consultancies whereas the expenditure on equipment showed a fall as compared with 1967.

The countries receiving the largest flows of assistance from Commonwealth suppliers are India and Pakistan but, because of the size of

their populations 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 D.A.C., the net official flow of resources under D.A.C. members' official bilateral programmes and from multilateral agencies during the period 1964-67 averaged at \$ U.S. 2.4 per head of the population for India and \$ U.S. 4.2 for Pakistan.

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 310 in 1968, a fall of nearly 30 for the second year in succession, mainly as a result of the reduction for educational personnel. The advisers were spread over a wide range of fields of work. The number engaged in economic planning, which had risen appreciably in 1967, was maintained at this level in the following year while considerably more were employed in the trade, banking and tourism sector and in public administration. On the other hand, the number of advisers in agriculture was about halved, from 37 in 1967 to 19 in 1968 while those in the power, transport and communications sectors fell from 26 to 17. While the total of operational personnel also showed little change, there was some variation in the fields of activity during 1968. The number assisting in economic planning went up to 27 from 4 in 1967 but the downward trend in those employed in public administration continued. Operational personnel engaged in health activities declined from 17 in 1967 to 5 in 1968 but half this reduction was made good by the increase in those helping in the social services sector. Taking the advisers and operational personnel together, 46 were engaged in economic planning, twice as many as in 1967, 41 in power; transport and communications as compared with 54 a year earlier, 29 in agriculture as against 44 and 17 in health as against 30. The bulk of the reduced total of educational personnel were teachers but there was also an appreciable number of advisers. Thirty persons, or over a third of the teachers, were engaged in teacher training in 1968; nevertheless, the absolute number was 7 below the 1967 figure. The greatest reduction, however, was in the number of primary and secondary school teachers.

The number of trainees financed by the Commonwealth donor countries under Colombo Plan arrangements was 1,222 in 1968, a fall of 5 per cent compared with the preceding year. The trainees went on courses covering a wide variety of subjects but the greatest number, nearly a quarter, went on courses to do with power, transport and communications; however, in absolute numbers the total for this sector in 1968, at 299, was 44 less than in the previous year. The next largest number, accounting for just over a fifth of the total, went on industrial courses. A feature of 1968 was the reduction in the numbers going on courses in health and the social services fields.

There was a small decline in the number of students financed under Colombo Plan arrangements in 1968. As far as subjects of study are concerned, the main features were a continuation of the upward trend in the number studying engineering (the increase of around 170 since 1966 brought the 1968 figure to nearly 570), social sciences, economics and education and the very heavy falls in the number of students in natural sciences and humanities.

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 13 in 1968 when they were mainly engaged in the health, social services, agriculture and economic planning fields. On the other hand, about 420 operational personnel were supplied in 1968, some 74 fewer than in the previous year, mainly through O.S.A.S. to Malaysia and Singapore. This reduction was reflected in all fields of activity but mainly in public administration, power, transport and communications and agriculture. The total of educational personnel financed under O.S.A.S., British Council and Commonwealth Education Co-operation arrangements was about the same as in 1967, about 20 in each year being education advisers as opposed to teachers.

The number of trainees financed under programmes other than the Colombo Plan showed a very large increase in 1968 mainly because many more were financed by India. The principal courses taken by the trainees in 1968 dealt with education and public administration but the number attending courses in the former was appreciably lower than in 1967. The upward trend in the number of students financed continued when the total rose by 56 to exceed 1,020. Most of the students were financed under the Commonwealth Education Co-operation programmes and the main subjects of study were education, medicine, engineering and natural sciences. Compared with 1967 there was a marked increase of 50 students (to 262) in medicine but the number studying natural sciences declined.

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

	1966	1967	1968		
			Pre- devaluation	Post- devaluation	
	£ thousand				
Financial flow					
Disbursements (gross)					
Grants	51,917	47,293	33,164	37,396	
Loans	58,003	65,548	74,923	78,733	
Investments	1,534	1,477	2,649	2,649	
Total	<u>111,454</u>	<u>114,318</u>	<u>110,736</u>	<u>118,778</u>	
Outstanding commitments at end-year	136,627	162,950	177,414	183,464	
Technical assistance expenditure	6,193	6,913	7,169	7,576	
	Number	Number	Man- months	Number	Man- months
Advisers: Colombo Plan	113	118	755	116	730
Other programmes	1	4	11	13	(20)
Educational personnel:					
Colombo Plan	154	132	1,195	104	841
Other programmes	170	149	1,284	152	1,205
Other operational personnel:					
Colombo Plan	97	88	653	90	659
O.S.A.S.	564	490	4,735	417	4,223
Other programmes	2	6	43	5	31
Trainees: Colombo Plan	1,174	1,280	(7,320)	1,222	(7,050)
Other programmes	286	290	633	432	(894)
Students: Colombo Plan	1,935	2,147	(20,100)	2,137	18,189
Other programmes	801	967	(6,760)	1,023	6,963

Africa

The total amount of official financial aid provided by Commonwealth donor countries to Commonwealth countries in Africa declined by about £4½ million in 1968 to just under £49 million (at pre-devaluation rates) but technical assistance expenditure rose by 18 per cent to £24.3 million. Disbursements of grants, which had increased in 1967, fell heavily in the following year as did investments. On the other hand, disbursements of loans were about £5 million higher in 1968. African countries make appreciable payments to Commonwealth donor countries as repayments of principal and interest payments on official loans and investments. In 1968, these payments totalled over £17½ million, of which just over £11 million arose from the servicing of loans. Thus, the net financial flow from Commonwealth countries to Commonwealth African countries amounted to

about £31.2 million in 1968. Commitments outstanding at the beginning of 1969 amounted to only £54 million as compared with some £86½ million a year earlier, with those for grants showing a very heavy reduction. The share of non-project assistance in the total financial flow has declined in recent years from 60 per cent in 1966, to 56 per cent in 1967 and 51 per cent in 1968. Out 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 and, although the sum so earmarked declined somewhat compared with 1967, it still accounted for almost a quarter of total project aid. The most noticeable features of 1968 were the increase of over £1.9 million (in the form of loans) to nearly £3½ million in disbursements for the communications sector and the rise of £1.4 million (in this case largely due to greater investment) to £2.3 million for the industry sector. On the other hand, the amount of money going to the transport sector fell by nearly £500,000 to £3.3 million and appreciably less was required for education. The increase in technical assistance expenditure in 1968 was largely reflected in a further increase in the sum used for experts but there was a partial recovery in the amount required for research, surveys and consultancies.

While many African countries receive substantial amounts of assistance from other Commonwealth countries, those receiving the largest flows in 1968 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 1964-67 at \$ US 6.4 per head of the population for Kenya, \$ US 7.7 for Ghana and \$ US 2.1 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 small decline in 1968 when the marked increase for advisers was not quite sufficient to offset the falls for educational and operational personnel. Compared with 1967, the rise for advisers was reflected in all fields of work with the exception of trade, banking and tourism but was most marked for agriculture, economic planning and public administration. The increase of 19 to 101 meant that agricultural advisers accounted for almost 30 per cent of the total number of advisers in 1968. The next largest number (62) 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 nearly 20 to 155 in 1968 was mainly apparent in the number working in the power, transport and communications sector while at the same time those working in the health sector increased by 10 compared with 1967. Taking the advisers and operational

personnel (other than education) together, the number increased by 37 to nearly 500 in 1968 and out of this total 113 assisted in the agricultural sector, 91 in public administration, 104 in power, transport and communications, 56 in health and 50 in economic planning. Although there was a large increase in the number of educational advisers, the total of educational personnel supplied under SCAAP arrangements was 49 lower than in 1967; the decline of some 70 for teachers was reflected in all categories except university teachers where there was a small rise.

The number of trainees financed under SCAAP arrangements declined further in 1968 when the total was 1,374 compared with 1,434 a year earlier; however, the average length of the courses seems to have been longer as the reduced number of trainees are estimated to have spent 150 more man-months under instruction. Compared with 1967, the most marked reduction, some 65, was for trainees in public administration while there was a fall of 44 in the number on courses in trade, banking and tourism; this was in direct contrast to 1967 when the number of trainees going on courses in these subjects increased. In 1968 there was a rise in the number attending courses on power, transport and communications and on education.

In contrast with trainees, the number of students financed bilaterally by Commonwealth countries under the Plan increased by 115 in 1968 and the total, at nearly 1,710, was some 550 more than in 1966. The rise as compared with 1967 was mainly concentrated in the number studying social sciences, education, medicine and engineering.

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 nearly 740 less than in 1967, still approached 7,800 in 1968. 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 35 per cent of the operational personnel in 1968 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 from nearly 2,000 in 1967 to around 1,625, the proportion in this sector remained over a fifth. There was a decline of over 210 in the number working in agriculture in 1968 but they still accounted for 15 per cent of the total. Although the number of educational personnel financed under O.S.A.S. arrangements increased in 1968, this rise was not sufficient to offset the fall in the number provided through the Commonwealth Education schemes and the total, at 5,200, was 55 less than a year earlier. As with the educational assistance under SCAAP, this reduction was reflected in all categories of teachers, other than university staff which actually increased by 225, with the most pronounced fall in those teaching at primary and secondary levels.

The number of trainees financed under programmes other than SCAAP fell by almost 110 in 1968, with those on educational courses declining by the same amount. As far as other courses are concerned, many

more trainees went on courses in social services and health but there was a reduction in those being trained in public administration. There was also a fall in the number of students financed under these programmes and again the most marked fall was in education. Far fewer students were studying fine arts and social sciences than in 1967 but engineering, medicine, economics and humanities attracted more students.

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

	1966	1967	1968		
			Pre-devaluation	Post-devaluation	
£ thousand					
Financial flow					
Disbursements (gross)					
Grants	27,954	29,867	21,100	21,315	
Loans	20,696	18,448	23,406	23,555	
Investments	4,628	5,066	4,315	4,315	
Total	<u>53,278</u>	<u>53,381</u>	<u>48,821</u>	<u>49,185</u>	
Outstanding commitments at end-year	78,541	86,501	54,111	54,272	
Technical assistance expenditure	21,024	20,634	24,345	24,902	
	Number	Number	Man-months	Number	Man-months
Advisers: SCAAP	311	287	2,034	343	(2,423)
Other programmes	22	18	164	15	87
Educational personnel: SCAAP	400	415	3,576	366	3,118
Other programmes	3,481	5,253	44,758	5,198	50,950
Other operational personnel: SCAAP	208	174	1,435	155	1,320
O.S.A.S.	7,235	7,364	74,400	6,836	64,729
Other programmes	844	1,173	11,605	963	4,748
Trainees: SCAAP	1,773	1,434	(7,500)	1,374	(7,653)
Other programmes	264	292	(890)	183	(435)
Students: SCAAP	1,156	1,592	(12,950)	1,707	12,386
Other programmes	1,042	1,053	(7,311)	1,026	6,954

America

The total of intra-Commonwealth financial assistance going to Commonwealth countries in the Americas rose by nearly 30 per cent in 1968

to reach a gross figure of almost £15½ million, at pre-devaluation rates, but, as these countries made repayments of principal and interest payments amounting to over £4 million on earlier official loans and investments, the net figure was about £11.4 million. Outstanding commitments for the three types of financial flow totalled about £19 million at the end of 1968, roughly the same figure as a year earlier. The amount made available as grants recovered in 1968 while investments increased very sharply; on the other hand, disbursements of loans declined. Only 20 per cent of the flow as compared with almost 30 per cent in 1967 was non-project assistance since grants for budgetary support declined and drawings against loans to finance purchases of current imports were also reduced. Project assistance rose by 45 per cent in 1968 as higher investments brought the total for electricity generation and distribution to £1½ million while increased grants accounted for the rise to £1.3 million for education. However, the largest increase, over £2 million, compared with 1967 was for housing and expenditure in this sector exceeded £2.9 million. On the other hand, the amounts used for agriculture and multi-projects declined.

Technical assistance expenditure, which had risen substantially in 1967, showed little change in the following year as the reduction in the amount spent on experts was offset by increased outlays on research, surveys and consultancies.

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 in 1968 as small rises were recorded for all three categories but for both advisers and educational personnel the number of man-months supplied declined. There was a further increase in the total of advisers and operational personnel assisting in public administration while many more advisers helped in economic planning. On the other hand, a decline was again recorded for the industry and mining sector while for agriculture the rise in operational personnel did not offset the reduction for advisers. More teachers were made available for the University of the West Indies and for teacher training colleges in 1968.

The number of trainees financed under the Caribbean Technical Assistance Programme showed a large rise for the second year in succession but the average duration of the courses seems to have been shorter in 1968 than in the previous year. As in 1967 the greatest number of trainees attended public administration courses and the increase of 53 to 201 meant that over two-fifths of all trainees in 1968 were on these courses. In contrast to 1967, the number of trainees on courses covering trade, banking and tourism and on industrial and mining courses fell while many more went on courses in power, transport and communications and in social services in 1968. After showing little change in 1967, the number of students financed rose by 7 per cent in 1968 with increases recorded for most subjects but most noticeably for social sciences and economics.

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 a third in 1968 but the number of man-months of service provided declined; the rise in actual numbers was mainly reflected in university teachers but more were supplied for primary and secondary schools; nearly a third of the educational personnel financed by

Commonwealth donor countries in 1968 were for universities. The number of operational personnel made available under O.S.A.S. fell by 26 to 385 in 1968 with declines recorded for all sectors except agriculture. For the second year in succession the amount of help needed for the power, transport and communications sector declined.

A further decline in the number of trainees financed under arrangements other than the Caribbean Technical Assistance Programme was recorded in 1968 but the number of students so financed showed little change. Nearly two-thirds of the students in 1968 were studying education while the next largest number (35), about half as many again as in 1967, were in medicine.

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

	1966	1967	1968		
			Pre-devaluation	Post-devaluation	
	£ thousand				
Financial flow					
Disbursements (gross)					
Grants	7,429	6,778	7,677	7,801	
Loans	1,356	3,374	3,088	3,440	
Investments	2,057	1,870	4,713	4,713	
Total	<u>10,842</u>	<u>12,022</u>	<u>15,478</u>	<u>15,954</u>	
Outstanding commitments at end-year	15,192	19,051	19,135	19,490	
Technical assistance expenditure	2,407	2,937	2,952	3,161	
	Number	Number	Man-months	Number	Man-months
Advisers: C.T.A.	96	94	620	97	591
Other programmes	-	1	3	-	-
Educational personnel: C.T.A.	148	153	1,293	158	1,249
Other programmes	105	90	902	120	851
Other operational personnel: C.T.A.	33	31	260	35	320
O.S.A.S.	414	411	3,847	385	3,319
Trainees: C.T.A.	378	436	2,501	481	2,421
Other programmes	46	34	(97)	17	38
Students: C.T.A.	427	428	3,452	458	4,004
Other programmes	353	363	(2,200)	365	2,393

Europe

Total disbursements of financial assistance to Malta, Cyprus and Gibraltar rose by £500,000 to about £7 million in 1968, mainly as a result of increased loans. However, repayments of principal and interest payments on earlier loans and investments amounted to £650,000. At the end of 1968 outstanding commitments for future disbursements totalled £34.7 million, some £1.7 million less than a year earlier. Out of the total flow of grants and loans in 1968 nearly £950,000 went to the industrial sector (other than mining and manufacturing); this was, in fact, some £250,000 less than in 1967. On the other hand, there was a rise of £637,000 to £1.1 million in the amount going to the "other community projects" part (i.e. other than health, education and housing) of the social infrastructure sector. Education also accounted for £1.1 million, the same figure as in 1967.

The amount provided by way of technical assistance, although still comparatively small, showed a further increase to £264,000 in 1968 with all the main categories of expenditure higher than in 1967. The number of experts, three-fifths of whom were in the educational field, rose from 112 to 137 in 1968; among the other experts, 26 helped in the health sector and 12 in public administration. The number of trainees financed by donor countries, which had nearly doubled to 140 in 1967, fell back to under 90 in 1968 and this was reflected in the number going on courses in public administration, power, transport and communications, and health; these three sectors had accounted for most of the rise in 1967. A further substantial rise in the number studying education meant that the total of students in 1968 (about 190) was almost double the 1966 level. Last year many more students than in 1967 were studying engineering 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 1968 amounted to some £35.6 million, at pre-devaluation rates of exchange. Australia also provides assistance to other countries in Oceania as do New Zealand and Britain. Thus, the intra-Commonwealth flow of financial aid rose to £41.4 million from £39.6 million in 1967. Excluding Australian assistance to Papua and New Guinea, about 70 per cent of the total in 1968 was project aid which went mainly to the agriculture, transport, health and education sectors; compared with the previous year both agriculture and transport took more money as did, on a lower level, housing. Largely as a result of greatly increased expenditure on experts under the O.S.A.S. programme, technical assistance expenditure in 1968, other than that provided by Australia to Papua and New Guinea, at nearly £2.7 million, was more than double that in the previous year. The total of experts in 1968 was almost 1,000 as against 960 in 1967 and these experts spent, on average, more months in the field. More teachers, especially in teacher training and technical and vocational education, and educational administrators were provided while out of the total (815) of advisers and other operational personnel, which showed only a small increase on 1967, about 280 helped in public administration, 230 in power, transport and communications, 130 in agriculture and 90 in health. The number of trainees financed declined somewhat in 1968 although many more attended educational courses but the total of students, most of whom were also studying education, probably rose sharply to approach an estimated 500.