

## CHAPTER IV

### THE REGIONAL DISTRIBUTION OF AID

Nearly half of the total amount of intra-Commonwealth financial assistance is destined for Asian countries and almost a quarter for Oceania, while less than one-sixth goes to African countries. For technical assistance expenditure, however, more than three-fifths is accounted for by African countries while Asia receives less than one-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 gross official financial flow (i.e. grants, loans and investments) from Commonwealth supplying countries to Commonwealth countries in the Asian region rose by 39 per cent between 1969 and 1970, with technical assistance expenditure showing a much smaller rise of about 2 per cent. The financial flow in 1970 was characterised by a very large increase in loans, with smaller rises in grants and investments. Grants increased by more than £4 million, or nearly 14 per cent more than in 1969, while loans rose by over £35 million, or more than 50 per cent. Gross investments also increased. Repayments of principal and interest payments on loans and investments fell by £5 million and consequently net financial assistance, at £119 million, was more than 60 per cent higher than in the previous year. Commitments outstanding at the beginning of 1971, however, fell to £170 million, or £51 million less than at the beginning of 1970. There was a substantial increase in the amount going to non-project assistance, which represented 85 per cent of the gross financial flow in 1970, and which is made up largely of grants and loans for current imports, including food aid. On the other hand, project aid fell by 25 per cent. This was due mainly to falls in grants to agriculture, grants and loans to multi-projects, and loans to industry. There were substantial increases, however, in loans to the communications sector and for social infrastructure. The increase in technical assistance expenditure was due mainly to higher outlays on experts.

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 1968-70 averaged \$US 1.7 per head of the population for India, \$US 3.6 for Pakistan, \$US 4.2 for Ceylon and \$US 5.0 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 279 in 1970, 17 fewer than in 1969, with reductions in advisers and educational personnel more than offsetting an increase of 40 in other operational personnel. The increased number of other operational personnel, however, is estimated to have spent less time on average in the field.

The number of trainees financed by the Commonwealth donor countries under Colombo Plan arrangements increased to 1,140, but there was a decrease of 51 in the number of students. In the case of both trainees and students, the duration of courses was slightly shorter than in 1969.

#### 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 Scholarships 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 10 in 1970. Educational personnel declined somewhat to 166, and other operational personnel, at 237, were 30 per cent fewer than in 1969. The number of trainees also fell, by 17 per cent, but student numbers increased by over 600, or 59 per cent, to 1,624.

#### All programmes in Asia

There was a fall of more than 130 experts financed under all programmes to Asia in 1970, and this decrease was reflected in all categories. There were fewer advisers in all sectors except social services, with the largest decreases in agriculture and power, transport and communications. The number of all types of teachers declined in 1970. Those in universities and higher technical institutions had been increasing between 1966 and 1969, but showed the largest fall of 13 in 1970. The declining trend in the number of school teachers also continued. Non-teaching personnel in education, however, showed a small increase. Other operational personnel fell by 16 per cent in 1970. Personnel in power, transport and communications showed the largest decrease, but this sector still accounts for 44 per cent of the total number, about the same proportion as in 1969. The declining trend of recent years in those serving in the public administration, agricultural and health sectors was continued in 1970.

At 1,440, the number of trainees was at about the same level as in the previous year. There was a large decrease in the numbers training in public administration, but this was offset by larger numbers in agriculture and social services. In contrast to trainees, the number of students increased by 18 per cent to almost 3,700 in 1970. The largest increase is estimated to have been in those studying the medical sciences. The faculty of engineering has accounted for the largest number of students in recent years.

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

	1969		1970	
	£ thousand			
	Gross	Net <sup>(a)</sup>	Gross	Net <sup>(a)</sup>
Financial flow				
Disbursements				
Grants	32,228	32,228	36,591	36,591
Loans	68,312	41,373	103,656	82,881
Investments	2,038	173	2,576	-420
Total	<u>102,578</u>	<u>73,774</u>	<u>142,823</u>	<u>119,052</u>
Outstanding commitments at end-year	(220,960)		169,777	
Technical assistance expenditure	6,945		7,104	
	Number	Man- Months	Number	Man- Months
Advisers: Colombo Plan	127	822	87	670
Other programmes	9	16	10	56
Educational personnel:				
Colombo Plan	108	763	91	707
Other programmes	179	1,298	166	943
Other operational personnel:				
Colombo Plan	61	538	101	639
O. S. A. S.	336	3,220	234	2,256
Other programmes	4	20	3	24
Trainees: Colombo Plan	1,092	(5,709)	1,140	5,464
Other programmes	361	(703)	300	637
Students: Colombo Plan	2,111	18,908	2,060	17,254
Other programmes	1,019	7,482	1,624	8,651

(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 1970, at £45 million, was over 4 per cent above the level of 1969, but technical assistance expenditure declined by about 3 per cent. There was a large fall of over £6 million in grant disbursement, but an even larger increase in loans. Investments showed a small decline. Repayments of principal and interest payments on official loans and investments rose by about £2 million compared with 1969 so that the net financial flow amounted to £23 million in 1970, about the same as the previous year's level. Commitments outstanding at the beginning of 1971 amounted to £68 million, or £10½ 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 40 per cent

in 1970. Of the non-project aid, more than half has been made available by Britain in the form of grants and loans for the purchase of current imports, including food aid and emergency and disaster relief. The remainder has been mostly British grants for budgetary support and Canadian loans and grants for general development and food aid. On the project side, the largest amount was received by the agricultural sector. Although there was a fall of about £3 million in this sector in 1970 it still received over 20 per cent of total project aid, compared with 40 per cent in 1969. The largest increase was in the communications sector, which grew from £2 million, or 9 per cent of total, in 1969 to £5½ million, or 20 per cent, in 1970, because of a substantial rise in British loans. Large increases were also recorded in aid to industry (less than £1 million in 1969 to almost £2½ million in 1970) and social infrastructure (£4½ million to almost £7 million). Expenditure on technical assistance fell by almost £1 million in 1970, mainly because of lower expenditure on experts.

### 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 experts made available under SCAAP arrangements showed a further decline in 1970. The largest fall was in the number of educational personnel, with smaller decreases in advisers and other operational personnel. Taking the advisers and other operational personnel (other than education) together, the numbers fell by 22 or 5 per cent, in 1970. The number of educational advisers also decreased by about 5 per cent.

The number of trainees under SCAAP arrangements showed a moderate increase of 7 per cent between 1969 and 1970. Both the number of students financed bilaterally by Commonwealth countries under the Plan and the average duration of courses are estimated to have remained virtually the same during the two years.

### 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 non-educational operational personnel continued to decline in 1970, falling by more than 10 per cent to about 6,500. This was due mainly to fewer personnel under O.S.A.S., which accounts for most personnel in this category, although there are also a substantial number under B.E.S.S. and P.S.S.S. arrangements. The number of educational personnel also declined in 1970, by about 7 per cent, reflecting fewer teachers in primary and secondary schools.

There was a small increase in the number of trainees. The increase in the number of students, at almost 30 per cent, was much larger, but the duration of courses was again somewhat shorter.

### All programmes in Africa

All categories of experts supplied by Commonwealth donors to Africa showed a decrease in 1970. In the case of advisers and non-educational operational personnel, this decrease is in line with recent trends. The number of advisers in economic planning has been increasing each year, but in most other sectors there has been a steady decline. More than half the operational personnel (other than educational) are employed in public administration and power, transport and communications, and in both these sectors the numbers have been decreasing since 1967. This decrease was reflected in all fields except health in 1970. There were fewer school and university teachers in 1970 than in the previous year, and fewer educational administrators. Increases were recorded in the number of teachers in teacher training and technical and vocational training, but these two fields account for only 11 per cent of all educational personnel.

The number of trainees increased by over 8 per cent in 1970, with more than half taking courses in public administration, power, transport and communications and industry and mining. There was a larger increase in the number of students, of about 12 per cent. The largest numbers of students are studying education, which accounted for more than 20 per cent of total in 1970. Other disciplines which attract large numbers of students are the medical and social sciences, engineering and agriculture.

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

	1969		1970	
	Gross	Net <sup>(a)</sup>	Gross	Net <sup>(a)</sup>
£ thousand				
Financial flow				
Disbursements				
Grants	19,340	19,340	12,988	12,988
Loans	18,889	1,349	27,504	14,118
Investments	4,905	-2,910	4,543	-4,191
Total	<u>43,134</u>	<u>22,779</u>	<u>45,035</u>	<u>22,915</u>
Outstanding commitments at end-year	57,400		67,959	
Technical assistance expenditure	24,723		23,933	

(a) Net of amortization and interest payments.

		Number	Man- Months	Number	Man- Months
Advisers:	SCAAP	311	2,428	296	2,177
	Other programmes	11	78	17	79
Educational personnel	SCAAP	371	3,155	354	3,190
	Other programmes	5,632	51,355	5,265	51,277
Other operational personnel:	SCAAP	144	1,174	137	983
	O. S. A. S.	6,606	63,575	5,838	58,443
	Other programmes	709	7,716	704	6,820
Trainees:	SCAAP	1,345	(6,079)	1,439	6,661
	Other programmes	204	676	237	790
Students:	SCAAP	1,601	11,729	1,595	12,118
	Other programmes	1,094	7,695	1,421	8,257

### America

The total of intra-Commonwealth gross financial assistance going to Commonwealth countries in the Americas rose by almost 35 per cent in 1970 to £22 million. After servicing payments on earlier official loans and investments are deducted, the net figure was £18 million. Outstanding gross commitments at the end of 1970 totalled £24 million, about £3½ million less than commitments at the beginning of the year. In contrast to Africa, the amount made available as grants to the Americas showed a large increase of over 40 per cent, and represented just over half the total financial assistance received. Disbursement of loans almost doubled between 1969 and 1970 to £4.8 million, but there was a small decrease in investments. Non-project assistance continued to decline as a proportion of the total flow, from 14 per cent in 1969 to 12 per cent in 1970. Project assistance rose by almost 40 per cent to nearly £20 million, with particularly large increases in grants for multi-projects and transport, and in loans for social infrastructure.

Technical assistance expenditure rose by 19 per cent to £4.3 million, with increases recorded in all categories.

Caribbean Technical Assistance Programme. Most of the assistance to Commonwealth countries, which largely comes from Britain and Canada, is provided under this programme. The number of experts made available rose by 13 per cent in 1970, with increases reflected in all types of experts. Almost half this number were operational personnel in education, but this category showed the smallest increase. Other operational personnel rose from 33 in 1969 to 59 in 1970, although the amount of time each spent in the field is estimated to have fallen. The number of advisers went up by 10 per cent to 117 in 1970.

The number of trainees financed under the Caribbean Technical Assistance Programme rose by about 10 per cent between 1969 and 1970, and the duration of training courses is estimated to have been somewhat longer. On the other hand, the number of students showed a substantial fall of almost 30 per cent, from 584 in the previous year to 413 in 1970.

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 number of

experts showed little change between 1969 and 1970. Educational personnel increased by almost 30 per cent, but this was largely offset by a fall in the numbers of other operational personnel from 318 to 283.

The number of trainees from the Caribbean under other programmes is very small. Student numbers increased slightly to 347 during the year.

#### All programmes in America

Since 1966, the number of technical assistance personnel who act as advisers or are operational in the teaching field have tended to increase whereas the number of other operational experts has steadily declined. The number of advisers has increased most consistently in public administration and agriculture, and the rise in educational personnel is most noticeable in schools and technical training. Of the other operational personnel, the majority serve in the public administration, power, transport and communications, and health sectors, and in each of these sectors the number has been falling in recent years.

There was a further increase in the number of trainees financed by Commonwealth donors in 1970. In the last five years increasing numbers have been taking training courses in industry and mining, and in 1970 this sector accounted for about 30 per cent of all trainees. Public administration, although it had attracted the largest number of trainees in previous years, has shown a falling trend, and in 1970 the number of trainees in this field represented about 25 per cent of total.

In contrast to trainees, the number of students fell by about 17 per cent in 1970, after increasing consistently for the past few years. Although the largest number of students are still in the education field, they have been decreasing since 1967 and totalled less than 240 in 1970. There has been a continuous increase in students taking economic and related subjects, but in other disciplines the numbers fluctuate from year to year with no discernible trend.

The total of intra-Commonwealth assistance is summarised below.

	1969		1970	
	Gross	Net <sup>(a)</sup>	Gross	Net <sup>(a)</sup>
	£ thousand			
Financial flow				
Disbursements				
Grants	8,147	8,147	11,661	11,661
Loans	2,451	782	4,776	3,045
Investments	6,029	3,666	5,931	3,116
Total	<u>16,627</u>	<u>12,595</u>	<u>22,368</u>	<u>17,822</u>

(a) Net of amortization and interest payments.

Outstanding commitments at end-year		27,867		24,149	
Technical assistance expenditure		3,596		4,276	
		Number	Man- Months	Number	Man- Months
Advisers: C.T.A.	106	677	117	719	
Other programmes	4	16	4	28	
Educational personnel: C.T.A.	159	1,389	160	1,418	
Other programmes	147	1,132	189	1,420	
Other operational personnel: C.T.A.	33	263	59	351	
Other programmes	318	2,934	283	2,664	
Trainees: C.T.A.	480	2,245	530	3,031	
Other programmes	24	67	29	56	
Students: C.T.A.	584	4,402	413	3,278	
Other programmes	335	2,143	347	1,902	

### Europe

Total disbursements of financial assistance to Malta, Cyprus and Gibraltar rose to £8.3 million in 1970, due to a large increase in grants. As disbursements had fallen heavily in the previous year, this represents an increase of almost 90 per cent on the 1969 level, and an increase of 20 per cent on the 1968 level. Loans and investments fell to a negligible sum, and after repayments of principal and interest payments, they show a negative flow of about £725,000.

Technical assistance receipts continued to increase, and amounted to £385,000 in 1970. The number of experts fell from 174 to 157, although the total amount of time spent in the field increased. The decline was due to fewer teachers, most notably in teacher training. Among the other experts 19 helped in the health sector, 15 in public administration and 11 in power, transport and communications. The number of trainees financed by donor countries in 1970 fell from 87 in 1969 to 60 in 1970, but the number of students, which has been consistently rising in recent years, increased to 243. About half the students financed are in the field of education.

### Oceania

The greater part of the assistance going to Commonwealth countries in this region consists of grant aid by Australia to Papua-New Guinea, which in 1970 amounted to £60 million. For the first time, Australia also provided loans to Papua-New Guinea, which totalled £2.6 million during the year. Australia also provides assistance to other countries in Oceania, as do New Zealand and Britain, and Canada and India also provide a small amount by way of technical assistance. The intra-Commonwealth flow of financial aid rose to £70 million from £57 million in 1969. Excluding Australian grants and loans to Papua - New Guinea, about 69 per cent of the total gross aid in 1970 was project aid, of which almost two-fifths went to multi-projects. Expenditure on technical assistance, other than that provided by Australia to

Papua-New Guinea, increased by more than 20 per cent, the largest rise being in expenditure on experts. The total of experts rose to 1,061 with small decreases in advisers and educational personnel being more than offset by an increase in other operational personnel. The largest increases were in operational personnel in the public administration and power, transport and communications sectors. There were increases in the number of trainees and students of 9 per cent and 13 per cent respectively. The number of trainees on public administration, industrial and mining courses showed the largest increases, although there was a substantial fall in trainees in education. On the other hand, the number of students studying education increased considerably, and there were also large increases in those taking engineering and agricultural courses.