



U. S. FOREIGN AID IN AFRICA

PROPOSED FISCAL YEAR 1972 PROGRAM
AGENCY FOR INTERNATIONAL DEVELOPMENT

GENERAL NOTE

This is an excerpt from the Agency for International Development's Program Presentation to the Congress outlining the President's foreign aid request for fiscal year (FY) 1972.

The terms "foreign assistance" or "economic assistance," as used in this volume, usually refer only to economic aid programs conducted under the Foreign Assistance Act and exclude other foreign assistance such as the Food for Peace Program under Public Law 480, the Peace Corps and the Military Assistance Program, as well as other economic programs such as those carried out by the Export-Import Bank.

Figures for fiscal years prior to 1971 are actual commitments. FY 1971 figures are estimates made at the time this volume went to press in June 1971. FY 1972 figures are illustrative proposed programs based on the FY 1972 appropriation request and anticipated receipts and recoveries.

Countries in Africa where AID proposed economic development programs for FY 1972 are shaded in the cover map.

TECHNICAL COOPERATION – REGIONAL SUMMARY

PROGRAM SUMMARY						
(In millions of dollars)						
FY	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industrial & Urban Development	Program Development & Support	Total
1970	14.6	7.5 a/	19.5	2.4	15.2	59.2b/
1971	17.2	8.7 a/	17.8	4.5	14.5	62.7b/
1972	18.4	10.0	15.6	5.1	15.8	64.9

a/ Includes Development Loan funded grants of \$2,666,000 in FY 1970 and \$5,424,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

b/ Excludes Public Safety of \$943,000 in FY 1970 and \$978,000 in FY 1971 which is included in the Economic Supporting Assistance presentation for FY 1972.

The decade of the 1960's marked the independence of most African countries. It also marked progress toward a better and more productive life for the African peoples – higher incomes, greater opportunities for education and improved social services. However, Africa's tremendous requirements have not yet been met.

African countries are demonstrating a willingness to make sacrifices and face the difficult policy decisions required for economic and social growth. In the past decade they have gained experience in mobilizing their own resources and setting their own development priorities. In the decade of the 1970's, donors will need to respond increasingly to those needs and priorities identified by Africans.

- Although the annual rate of growth exceeds 5 percent in some countries, this growth is offset by increases in population. Indeed, in some instances the net per capita growth rate is less than one percent. The average annual per capita product in the developing countries of Africa is about \$140, but in 15 of these countries, it is less than \$100, and in five it is under \$55.
- Although only about one-third of the young people of primary school age are in school, there are insufficient places in secondary schools for primary school graduates, and many of those who attend secondary school often find they have not acquired skills needed to fill productive jobs and earn a living.
- In more than 15 countries there are more than 20,000 persons to be served by each physician and in some as many as 70,000 – and in most rural areas hundreds of thousands have no access to medical services.

- - Although total crop production has increased 2.5 percent annually over the past decade, food crops have increased at a lower rate and per capita food production has actually decreased.
- - The demand for meat production is increasing faster than supply. In seven countries of West Africa alone, by 1980 the shortfall will be an estimated 262,000 metric tons of beef with a consequent import bill of \$140 million. Increases in the food crop and livestock production are essential for economic development and to meet the basic nutritional requirements.

During the 1960's many educational, agricultural, research and service institutions were established or expanded. A base of administrative and management personnel for both the public and the private sector was created. In the 1970's Africans must be trained to staff the institutions and their curricula must be made more relevant to local requirements. More effective methods are needed for training large numbers of African technicians, administrators and managers so that there is less dependence on foreigners.

Production and income must expand more rapidly in order to provide an adequate resource base to support development programs and meet increased demands for social services. Resources must be more equitably allocated between rural and urban development. Research in tropical agriculture must be greatly expanded and integrated with production and marketing programs so that the traditional farmer can move into the money economy.

In the health field, the focus must be on low cost delivery systems for preventive rather than curative medicine if the minimal health services, including maternal and child care and family planning, are to be made available to the general population. There is a growing recognition by African governments that more must be done about the adverse effects of rapid population growth upon development prospects and the quality of life for individual Africans.

In FY 1972 our technical assistance will focus increasingly on a limited number of basic development problems in which the United States has a special competence, which have been identified by the recipients as high priority activities, and which have the greatest prospect for improving the quality of life of African peoples. As a result of efforts focused on these problems, the number of projects funded declined from 235 in FY 1970 to 180 in FY 1972. In many projects technical assistance will be provided in conjunction with capital assistance, combining human and financial resources to mount significant efforts in a particular sector or subsector.

The largest part of our program will be in agriculture, the source of livelihood of 80 percent of Africans. We will concentrate on livestock production, crop and

land utilization, and research and field trials. We will cooperate in the development of integrated package production projects that will emphasize (1) management and coordination of related inputs such as labor, credit, seed, fertilizer and improved production practices, (2) the training of agricultural technicians and scientists, and (3) the organization of effective marketing systems.

The second thrust of the program will be in education where our main goals are to (1) help develop institutions to train technicians, managers and administrators in selected skills, and (2) help provide special education in manual and craft skills.

Smaller but important programs will be carried out in health and family planning and urban growth and unemployment, which are becoming matters of increasing concern for African governments.

The bulk of technical assistance in Africa is provided by other donors, particularly France, Great Britain and the UNDP. Many of the projects included in the proposed \$65 million program for FY 1972 are multidonor activities, which reflect our increasing collaboration with other bilateral donors and international organizations. Some involve cooperation among neighboring groups of recipient countries in Africa, especially among the smaller, poorer countries of Central, West and Southern Africa where important advances have been made in implementing multi-country programs.

AGRICULTURAL AND RURAL DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	14.6	17.2	18.4

The self-help capacity of Africans to improve the quality of their lives rests largely on their increasing agricultural productivity and income and their ability to make rural life more attractive. Furthermore, most African governments must increase their revenues to maintain or expand development programs and basic health and education services. These revenues will have to come primarily from increased agriculture production.

By applying modern technology, African countries have the potential to increase the productivity of food crops that will meet near-term population requirements and provide improved nutrient quality, and of other crops to provide export earnings and raw material for the small but growing manufacturing industry. Livestock production can be increased to meet growing demand within the continent and supply exports to the Middle East and Europe.

However, for Africa to achieve its agricultural potential, there must be research, planning, credit and, above all, training — not only of African agricultural scientists, extension workers, and planners but also of the individual farmers. In order to sustain development, millions of African farmers must become more effective as commercial producers to provide increased flows of produce through their marketing channels, which also need improvement.

The largest part of our program will be for our agriculture assistance efforts which has three principal thrusts in the areas of livestock and food crop production:

- (1) It is directed toward the elimination of bottlenecks so that production can be increased to provide higher individual and governmental income;
- (2) It stresses research in tropical African agriculture and adaptation of new seeds, fertilizers, and cattle strains developed in other areas to African conditions; and
- (3) It concentrates on development of the African Institutions and the training of people to apply this research work on the land through a flow of training and information to African farmers.

Livestock

The demand for meat in the coastal areas of West Africa has resulted in rapid increases in imports from outside the continent. At the same time, thousands of African herdsmen make only a meager living from their herds in the savannah belt of West and Central Africa, where wealth is traditionally measured in numbers of cattle rather than size and weight because large numbers of cattle have appeared to be the best hedge against natural disasters. Disease, shortages of food and water, and unfavorable price policies hamper efforts and incentives to improve or sell more cattle.

A livestock project initiated with the *Entente Council* (Ivory Coast, Dahomey, Niger, Upper Volta, Togo) will assist the cattle raisers of these five countries to change this situation. U.S.-financed advisors will work with the recently established Livestock Community of the Entente to prepare and implement agreements among member countries concerning customs duties, common health standards and cattle grading. At the same time funds generated by the sale of U.S. commodities imported under a loan authorized in FY 1971 will be allocated by the Community to finance the building of feed and water points and inspection stations in each of the five member countries. France is also providing livestock and marketing experts and vehicles for this project. In FY 1972 a similar livestock project will begin in Central Africa involving Nigeria, Chad, Cameroon, Central African Republic and Congo(K).

U.S. technicians are assisting *Uganda* in East Africa in a major integrated livestock production and marketing project that will build upon the successes achieved in an A.I.D.-sponsored pilot ranching project in the southwestern part of the country through which 2,000 square miles of potential grazing lands were cleared of the disease-carrying tsetse fly, access roads were constructed and 80 ranches were put into production.

Large areas of Africa are better suited to pasturing livestock than to any other agricultural use. Yet inadequate knowledge of livestock management and cattle diseases inhibit Africa from realizing its full livestock potential. The International Livestock Development Institute to be established in FY 1972 in West Africa by a consortium of private and governmental donors will undertake a concentrated research program on all aspects of livestock production. The Institute will develop and carry out a cooperative research program in close collaboration with existing livestock research stations, many of which receive substantial assistance from France and the United Kingdom. A related disease research laboratory to be established in East Africa will concentrate on East Coast Fever and other damaging livestock diseases. To help provide trained livestock technicians and veterinarians, A.I.D. will continue to support the veterinary school at the University of Nairobi serving East Africa and the college of veterinary medicine at Ahmadu Bello University of Nigeria.

Food Crops

Although Africa is generally self sufficient in food crops, the balance is precarious – droughts can lead to famine. Moreover, production must be increased to meet the growing food demand of African cities, to improve the quality of life in rural areas and to promote intra-African agricultural trade.

In *Central and West Africa* little had been done to increase production and distribution of local cereals until recently. The main U.S. contribution has been emergency P.L. 480 food shipments for drought relief. The United States is now sponsoring projects to increase outputs of basic grains – sorghum and millet – by establishing more realistic price incentives and grain storage and distribution systems among participating countries. In conjunction with technical assistance in establishing and managing cereal boards, P.L. 480 commodities will be used to provide initial stabilization stocks and generate local currency to finance new storage facilities. Simultaneously, grain stabilization projects will be undertaken in cooperation with the *Senegal River States* (Senegal, Mali, Mauritania and Guinea), the countries of the Chad Basin Commission (Chad, Central African Republic, Gabon and Cameroon), and the five Entente States. At the same time, U.S.-sponsored research is underway to improve these local grain varieties for higher yields and field trials will be carried out in a number of West African countries in FY 1972.

During the past several years the Mexican dwarf wheat varieties have been moved from the field trial stage to seed multiplication and now to large-scale production in Morocco and Tunisia. U.S. technical assistance is providing technicians to help bring an integrated production program of credit, new farm practices, fertilizer and new seed to thousands of small farmers. In both countries, U.S. universities are also under contract to strengthen local agricultural institutions so they can train agronomists, plant breeders, and others needed to support these agricultural programs.

The dramatic results of the Green Revolution have highlighted the need for further research into the problems of tropical agriculture. In addition to introduction of the new crop varieties, an essential requirement is development of an agricultural system to replace slash-and-burn shifting cultivation and other low yield systems.

U.S. support for the new International Institute of Tropical Agriculture (IITA) in *Nigeria* will continue along with that of the Ford and Rockefeller Foundations, Canada and possibly other donors. The IITA has begun research on soil and crop management and improvement in varieties of cereals, grain legumes and root and tuber crops. The Institute has held seminars of African experts to exchange information on research on various crops, as well as on agricultural systems.

Fourteen West African countries have now formally organized the West African Rice Development Association (WARDA) to encourage research on all aspects of rice production and marketing, to assist governments in making these results available to individual farmers and to provide training to African research and extension workers. A.I.D. has encouraged the initiatives of those countries to establish WARDA and, with the UNDP, FAO, and other bilateral donors, will assist the new organization to establish the headquarters of its secretariat and undertake its work program.

Rural Development

If the migration of rural people to the towns and cities is to be even partially slowed, more employment and better conditions of life must be developed in rural Africa. The Government of Kenya has mounted an imaginative attack on this broad problem through a special rural development program, supported by various donors, including IBRD, Sweden, United Kingdom, and the United States, to be carried out in five areas of the country. An A.I.D.-financed team will assist officials in the Vihiga district of western Kenya to undertake programs to improve corn production, develop other cash crops, improve marketing, develop new ways to provide credit to small farmers and identify opportunities to establish agricultural processing and other light industries. Training programs will also be developed to prepare rural youth for employment in these new agricultural and industrial activities.

In Ethiopia, a combination of technical and capital assistance to new agricultural production programs is being organized in two selected rural areas. The package approach will offer credit, agricultural machinery, instruction in improved farm practices, and access to marketing facilities to farmers in an attempt to move them from the traditional into the monetary economy.

POPULATION AND HEALTH

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	7.5 a/	8.7 a/	10.0

a/ Includes Development Loan funded grants of \$2,666,000 in FY 1970 and \$5,424,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

African governments are faced with inadequate facilities to provide basic health services to their widely dispersed populations. Severe shortages of trained personnel and financial resources limit their ability to expand these services. On the average, there is only one physician for every 17,000 people, but because health personnel, clinics and hospitals are concentrated in urban areas, most rural residents have practically no access to modern health care. A.I.D. has supported major disease eradication campaigns against measles and smallpox in 20 countries of West Africa and against malaria in Ethiopia. In FY 1972 these campaigns will be nearing completion, and our attention will shift to training of nurses and paramedical personnel to extend preventive health care and education to the rural areas.

African recognition of problems created by rapid population growth is growing slowly. A.I.D.'s assistance to population-related activities in Africa, though modest, has doubled in each of the last three years. As a result of high birth rates and declining infant mortality, as much as 40 percent of the people of many African countries are under the age of 15. The impact of this youthful population in the form of demands for education and jobs and other services to improve human conditions is creating enormous budgetary pressures and is therefore receiving increasing official attention. A.I.D. plans to respond to this concern through support of demographic research and programs to train health workers and others to provide information on child spacing and by supplying vehicles and commodities to local groups providing family planning services.

Demography

A central objective, of our population activities is to provide African planners with better information and greater understanding of their demographic situation. The serious shortage of detailed demographic information is compounded by a general lack of understanding of the impact rapid population growth has on real economic growth, living standards, and family life. These problems will be approached at two levels:

Census projects are nearing completion in Uganda and Kenya and demographic surveys are being analyzed in Morocco and Liberia. The Population Council,

assisted by an A.I.D. grant, will continue to carry out selected demographic studies and to provide demographic training. The U.S. Bureau of the Census, in cooperation with the U.N. Economic Commission for Africa and the U.N. Fund for Population Activities, is assisting African governments to obtain reliable demographic data through a combination of head counts and sample surveys. This system can be used when more detailed census information is beyond a country's financial capacity.

African universities are being encouraged to establish interdisciplinary population centers to expand and coordinate the work of various faculties that are teaching and doing research on population dynamics. The traditional insularity of departments of geography, economics, statistics and demography, medicine and public health can thus be overcome by consultation, joint offering of courses and exchange of students. The first such population center will be inaugurated at the University of Ghana in FY 1971.

Maternal and Child Health and Family Planning

Some African countries have already recognized that better child spacing is needed because of the adverse effect frequent births have on the health of mothers and children. We respond to their concerns by helping to extend maternal and child health services and to broaden them to include provision of family planning information and services. A.I.D. is assisting Tunisia, Liberia and Uganda to provide basic and in-service training for maternal and child health personnel. In FY 1972 we will also help Tunisia expand maternal and child health facilities and extend family services throughout the country in conjunction with a substantial World Bank loan for this purpose. Contraceptives and clinical equipment will be provided to Ghana's National Family Planning Program.

Survey teams are developing plans for a project initially covering Lesotho, Cameroon, Nigeria, Dahomey, Mali and Gambia to assist health ministries to upgrade the staffs of their rural clinics and to provide training in family planning. Experience gained in the first group of countries will provide a valuable approach which can be adapted for use in other countries. In Cameroon, training activities under this project will be closely associated with the work of the new University Center for Health Sciences which, with A.I.D. support, will staff clinics and train health workers in maternal and child health and family planning.

There is an urgent need to train African medical and para-medical personnel to staff the growing African network of health services and equip them to provide family planning assistance. A survey team from a consortium of U.S. universities is visiting several medical schools in Africa to discuss ways and means of expanding and improving their training in family planning. In FY 1972

assistance to several African medical schools will be initiated. The A.I.D.-supported seminar on family planning which the African Medical School Association plans to hold in late 1971 is expected to stimulate interest in family planning training among African medical school directors and others in charge of schools and government-sponsored training programs for para-medical personnel.

In the area of family planning, we support government programs and those of private local organizations that are encouraged by their governments to provide family planning information and services. A.I.D. makes grants to organizations such as the Pathfinder Fund, the Population Council and the International Planned Parenthood Federation to facilitate their work with private groups in Africa. A special Population Activities Fund initiated in FY 71 offers direct U.S. assistance to small local groups running small maternity clinics and providing family planning services.

EDUCATION AND MANPOWER TRAINING

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	19.5	17.8	15.6

The goal of our program in education and training is to help develop the capabilities of Africans to manage their own growth and reduce their dependence on foreign experts. Today there are over 110,000 foreign teachers and others in operational government jobs in Africa. France provides the largest number of these – almost 40,000 technicians, of whom 27,000 are teachers: Great Britain finances approximately 6,000 teachers and 7,500 operational and advisory personnel.

During the past ten years A.I.D. has supported the expansion of secondary school systems and the establishment or expansion of faculties of eight higher education and 26 subprofessional institutions, including teacher training institutions, throughout the continent. Over 15,000 new classrooms now house 800,000 students, and institutions of higher and professional education in the important fields of agriculture, education and veterinary medicine have granted degrees to over 3,000 and diplomas or certificates to another 14,000. Demonstration schools of the comprehensive high school type were founded in Uganda and Nigeria, and a consolidated school system was created in Monrovia, Liberia.

Although only one-fourth of the 5 to 19 year age group is enrolled in schools in Africa, we believe that our resources will be most effective if they are used to help develop the institutions and in-service training needed for Africans to replace foreign personnel and relieve critical manpower shortages. We will also continue to support initiatives to modify curricula and examination requirements to make them relevant to the backgrounds and needs of Africans and to develop practical job-related training programs. And we will train middle level management in the public and private sectors through seminars, demonstrations and special and recurring courses.

Education and Training Institutes

A.I.D. assistance, primarily through contracts with U.S. universities, will accelerate Africanization of the staffs of African educational and training institutes. Among these are agricultural schools in various parts of the region – the Superior School of Agriculture in Morocco, also aided by the French and Belgians; agriculture and veterinary faculties in Uganda, Kenya and Nigeria; and agriculture divisions at Njala University in Sierra Leone and Bunda College in

Malawi. Other U.S.-assisted institutions include faculties of education, teacher training institutes and institutes of public administration. Once the institution building period and the training of Africans for the staff have been completed, we will enrich their programs through such means as visiting professors and research grants.

We also help African institutions improve curricula and examinations to relate them to job requirements and the changing conditions of Africa. In *East and West Africa*, the two major examinations councils are being assisted to develop matriculation requirements and examinations that are relevant to effective, practical education, especially in science and mathematics. In FY 1972 a new program will be launched in Botswana, Lesotho and Swaziland to help make their primary school education consistent with the needs of the daily life and occupations of the people.

We are also providing technical and professional staff in operational positions in universities, agricultural organizations, public works ministries and customs services. The continued support of such operational personnel, who will give on-the-job training to their counterparts, many of whom will have studied in the United States, is an important complement to programs aimed at developing African capabilities for training increasing numbers of skilled Africans. University scholarship aid is provided to over 300 graduate students through the African Graduate Program of American Universities (AFGRAD). The Inter-African Scholarship Program (INTERAF) also sponsors over 800 students undertaking courses of study available to them at African universities in other countries.

Development Administration

Training the people and building the institutions necessary for administration of development programs will be emphasized and re-directed in FY 1972. Emphasis will be placed on integrated and systematic approaches to economic planning and administration by introducing modern management tools and practical senior and middle level managerial training.

Specialized training for top and middle level officials will be initiated at the new Institute of Public Administration planned in *Liberia*, and the programs already established in institutes in *Uganda* and *Nigeria* will be strengthened. Relationships between these national institutes and institutions in the United States will be encouraged through student and faculty exchanges.

In Morocco, Ethiopia, Liberia and Ghana, other projects will stress the relationships between planning, budgeting and project management by training ministry officials responsible for developmental programs. In Cameroon, assistance to the regional Pan-African Institute for Development will strengthen its programs for middle-level managers of rural projects and cooperatives. An

A.I.D.-financed expert in local government will continue his work at the Center for Research and Training in Administration for Development at Tangier, Morocco, and training will be provided to the staff of the East African Community secretariat at Arusha, Tanzania.

Labor

Continued support is planned for the program of the African American Labor Center (AALC) to train African workers and improve the organization of their trade union activities so they can participate more fully in national development and play a responsible role in collective bargaining. Partially financed by the AFL-CIO, the AALC program essentially provides direct assistance from American labor unions to African unions. The activities focus heavily on training of workers in manual skills and trade union leadership but include the establishment and operation of craft institutes such as the Kenya Tailoring Institute and guidance in union activities in cooperatives and community services.

INDUSTRIAL AND URBAN DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	2.4	4.5	5.1

As in other regions, Africa is experiencing the transfer of underemployment in rural areas to unemployment in the cities where the problem becomes far more visible and demanding. Consequently, policy-oriented research and technical assistance are needed to identify ways to expand training and work opportunities for growing urban populations. The urban and industrial sectors are closely interrelated with rural areas. Urban markets and urban services contribute to the process of rural modernization, and, conversely, rural programs such as agricultural mechanization affect the rate of influx into urban areas. Regional planning assistance may be required to assist African governments in assessing these reciprocal relationships and the consequences of rural and urban investment decisions.

The Opportunities Industrialization Centers, now operating in *Nigeria* and *Ghana* with A.I.D. support, exemplify one means of mobilizing private industry in the training of urban residents to fulfill job requirements in expanding local industries. In addition, A.I.D.'s housing investment guaranty program, which is expanding in Africa, will encourage investment in low cost housing as well as stimulate employment in construction and related activities.

Within the constraints of limited resources and personnel, and the competition from other priorities, A.I.D. can provide only limited assistance to African urban and industrial development. Care will be taken, therefore, to identify the areas in which this assistance can have greatest impact. A.I.D. does not plan to embark on urban projects as such, but rather to introduce an awareness of urban problems into existing agricultural and industrial project activities. The exception will be in Morocco where rapid urbanization and all the attendant problems have become a major national concern. Although the main thrust of U.S. assistance to Morocco remains in the rural sector, A.I.D. plans to provide advisory services in an urban improvement program. Counterpart funds, food aid, and an investment guaranty for low cost housing will be combined to help the government undertake a comprehensive program to upgrade slum communities.

A.I.D. efforts to stimulate industrial development in Africa have focused primarily on the promotion of private investment, both U.S. and local. Although current U.S. private investment is largely in petroleum and in mining for copper, nickel, iron ore, and uranium, small but growing amounts of U.S. private capital are going into tourism and agro-business ventures. Many of these U.S. enterprises

were launched by surveys financed by A.I.D. and \$30 million in loan funds have been made available to 700 African firms by A.I.D.-supported intermediate credit institutions in Tunisia, Morocco, Ivory Coast and Ethiopia. Such sub-loans to local private businessmen have created jobs and generated urban incomes. In FY 1972 technical advice and capital assistance will be provided to intermediate credit institutions to further stimulate private industrial development and tourism.

SELF HELP FUND (\$1.45 million)

Limited Technical Cooperation funds will continue to be used to augment local resources for small, worthwhile projects supported by private or local organizations in the African countries eligible for A.I.D. assistance. These programs range from \$5,000 to \$75,000 in each of up to 30 African countries.

DEVELOPMENT LENDING

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Africa Regional/Multidonor.....	7.1	2.0	2.5
Central and West Africa Regional.	-	6.0	7.0
East Africa Regional.....	-	7.5	-
Southern Africa Regional.....	-	8.7	7.0
Congo(K).....	8.0	12.0	5.0
Ethiopia.....	10.6	8.2	12.0
Ghana.....	15.0	15.0	15.0
Kenya.....	3.5	-	-
Liberia.....	-	-	4.0
Morocco.....	8.0	7.8	11.0
Nigeria.....	1.7	5.0	16.0
Tanzania.....	1.0	.8	3.0
Tunisia.....	10.1	10.0	10.0
Uganda.....	-	-	2.5
Total.....	65.0*	83.0*	95.0

* Excludes grants of \$2,666,000 in FY 1970 and \$5,424,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

As many African countries enter their second decade of independence, acceleration of economic and social development is the primary concern among African leaders and the key determinant in allocating their resources. We share with Africans their desire to concentrate their limited resources on development efforts and support the aspirations of their people to develop viable and prosperous societies. However, the independent African countries face a number of obstacles in their efforts to achieve a significant improvement for their people.

- Because almost 80 percent of Africans are engaged largely in subsistence agriculture, the resulting low level of productivity provides inadequate incomes and severely limits the amount of domestic savings available for investment.
- Recurrent balance of payments deficits result from heavy dependence on imports to provide essential consumption and investment goods and limited opportunities for expanding exports.
- Population is expanding at a rate which has already manifested itself in severe underemployment of the working force and a rapid rate of urbanization and which, if continued, could well undermine future development efforts.

- - The education system has not yet been transformed to meet the basic manpower and training requirements of rapidly changing societies.

Though all of these problems are common to most African countries in varying degrees, a diversity exists within Africa which calls for differing emphases in the development activities undertaken to address them.

In some countries, balance of payments deficits are the most serious and immediate limiting factor affecting development, while in others scarce domestic financial resources restrict the amount of funds which can be allocated to critical development sectors for revenue producing activities and manpower training. In other situations, inadequate transport and communications infrastructure precludes the expansion of trade and commerce essential for achieving satisfactory growth rates. Finally, many countries lack well developed financial institutions which can supply an adequate flow of credit to agricultural and industrial enterprises.

FY 1972 PROGRAM

To assist African governments in meeting these problems, a Development Loan program of \$95 million is planned for FY 1972. The loans will be concentrated on increased agricultural production and income, balance of payments support, improvement of transportation and telecommunications systems, construction of specialized training institutions, and stimulation of private investment and employment opportunities through assistance to intermediate credit institutions.

Carefully integrated with our technical assistance activities, the proposed loan program addresses core development problems. The program will enable the United States, in close cooperation with other donors, to play an effective role in the total African development effort. Its successful implementation will contribute to the formation of a solid base for future development of the continent.

This level of U.S. loan assistance will provide only a small portion of the external capital assistance African countries must receive to support an acceptable level of development. Western European countries, which have important traditional and commercial ties with Africa, provide about 45% of total free world capital and technical assistance to the region. The IBRD/IDA, the largest capital assistance donor, provided over \$400 million in capital assistance to Africa in 1970. U.S. assistance is important, however, because it will help to meet a number of critical development needs identified by the recipient countries and will be provided in conjunction with the assistance of other donors. The total flow of external resources to African countries will make a significant impact in raising the level of investment and employment in Africa.

In Nigeria, Congo(K), Ethiopia, Uganda, Tanzania, Kenya, Morocco, Tunisia, and Ghana, U.S. capital assistance is provided within the framework of Consultative Groups led by the World Bank. These Consultative Groups meet regularly, fostering continuing aid coordination among the donors and providing a multidonor framework within which the recipient country presents its development plans and priorities. Although there are no World Bank-led Consultative Groups for the smaller countries of Central and West Africa and Southern Africa, our lending activities in these areas are closely coordinated with those of the major donors to these regions – France, Great Britain, the European Economic Development Fund and the IBRD – through frequent consultations.

To ensure maximum returns, our lending activities and technical assistance activities are mutually supportive. By concentrating both types of resources on certain projects or in sectors of activity, our effectiveness is increased.

NORTH AFRICA

Morocco and Tunisia have similar development profiles, with well-defined economic plans and demonstrated ability to mobilize substantial domestic resources for investment. Their major trading partner is Western Europe, and through associated membership with the European Economic Community, their best prospects for increasing investment and trade will continue to be in this direction.

In Tunisia, the country's chronic balance of trade problem is beginning to show signs of improvement with private investment being given a greater role and with earnings from tourism and petroleum exports increasing, although foreign debt servicing requirements continue to limit foreign exchange availabilities. Morocco is enjoying its best period of economic growth since independence and has recently accelerated its investment and domestic savings targets in an effort to continue the development momentum. However, both countries are faced with persistent balance of payments deficits and will require substantial amounts of foreign assistance over the next several years. France and the IBRD are the major sources of capital assistance for both countries and each provide about \$25 – 30 million per year to each country.

In FY 1972, the United States plans a \$10 million program loan to each country, which will be within the framework of assistance of the Consultative Groups. These loans will help offset a portion of the balance of payments deficits by financing imports of essential raw materials and capital equipment and will permit better utilization of prior investment in industry and agriculture, thus leading to higher levels of employment. We will also provide an Intermediate Credit Institution loan of \$1 million to the Morocco Development Bank to assist in increasing employment opportunities in private industry.

Together Morocco and Tunisia will continue to receive up to \$22 million PL 480 Title I assistance to help meet the countries' food import requirements. The sale of those imported commodities will generate local currency to be used primarily for increased agricultural investment.

ETHIOPIA AND EAST AFRICA

Ethiopia's efforts to accelerate development have led to the formation of an IBRD-led Consultative Group and an increasing amount of World Bank assistance. The country is handicapped by its backward agricultural sector, which dominates the economy, and limits the level of resources needed for an acceptable level of basic social services and investment for sustained development. Moreover, internal and external security problems reduce further the amount of resources available for development. However, substantial progress has been made in improving planning and budgeting, especially with regard to modernization and diversification of agriculture and increasing domestic savings in support of development efforts.

The current Ethiopian 5-year plan projects new public and private capital investment of \$140 million a year in agricultural development to help achieve an annual growth rate of 6%.

However, despite increased self-help efforts by the Ethiopians, current income levels are not high enough to generate the necessary private investment by farmers or provide adequate public financing of improved rural infrastructure and agricultural production projects. U.S. assistance, provided in close cooperation with the World Bank and other donors, is designed to help Ethiopia generate additional local currency resources for agricultural investment, improve the agricultural marketing systems facilities and increase production of commercial crops.

In Ethiopia in FY 1972, U.S. loan assistance totaling approximately \$10-12 million will be provided to expand agricultural production and marketing through an agricultural sector loan, a fertilizer loan and the financing of farm-to-market roads. These loans will supply equipment, fertilizer and agricultural credit which will increase both the income of individual farmers and the government's revenue base for financing development activities.

In *East Africa*, the East African Community, comprising Tanzania, Uganda and Kenya represents a viable effort at regional integration which we hope will not be adversely affected by the recent change of government in Uganda. The Community is effectively maintaining the system of economic ties developed during the colonial period, such as the customs union and a uniform external tariff. They are also expanding the operation of the four Community

corporations for railways, harbors, airways and communications and continuing common service activities such as the Income Tax Department and the East African Agricultural and Forestry Research Organization. The Community has also formed the East African Development Bank to foster cooperative development and stimulate investment and employment. The Bank has been capitalized by the member countries at \$16.8 million and has invested in 16 industrial enterprises in the three countries. However, the Bank requires additional financial resources if it is to undertake its functions adequately in expanding industrial output and employment and redressing industrial imbalance among the partner states. Depending on the availability of funds we plan an FY 1972 loan of up to \$5 million to the East Africa Development Bank. Implementation of such a loan should both strengthen the economic ties of the Community and stimulate local private investment through sub-loans made by the Bank.

The Consultative Group for East Africa has identified increased agricultural output as a top development priority in Uganda and Tanzania. Previous assistance to the *Uganda* livestock sector by the World Bank, the United States and other donors has clearly established that Uganda has the potential to expand production of livestock and livestock products substantially. The development of the livestock industry will contribute significantly to the diversification of agricultural production now overly dependent on cotton and coffee and provide increased income and employment to rural Ugandans. In FY 1972, we shall provide loan assistance of \$4 million to finance two activities: (a) the development of medium sized fattening ranches in southeast Uganda, using the same methods employed in the successful A.I.D.-financed Ankole-Masaka ranching project; and (b) the importation of capital equipment for developing a national system of wells and stock ponds to provide watering places for livestock.

In *Tanzania* our loan activities are directly tied to our technical assistance activities. Faced with the necessity of increasing the productivity per acre of farmland and moving traditional farmers into the market economy. Tanzania is attempting to develop improved agricultural inputs and farming practices for a variety of field crops and to reorganize and rationalize the principal agricultural marketing organizations. The Tanzania Government has requested that the United States provide assistance in these priority areas. A.I.D. is furnishing technical assistance in agricultural research, seed multiplication of improved varieties and crop marketing. To help assure that sufficient capital inputs are available to support and implement technical advances, we will provide during FY 1972 a loan to finance the machinery and equipment used in the projects.

NIGERIA AND CONGO(K)

Nigeria and Congo(K) are the two potential economic giants of tropical Africa.

If they can harness their natural and human resources effectively over the next decade, Congo and Nigeria could achieve significant rates of self-sustaining economic growth.

In *Congo*, the deteriorated transport system, both river and road, must be rebuilt if the country is to tap fully its rich potential in agricultural, mineral and power resources which has attracted considerable U.S. and other foreign private investment. Transport studies undertaken by the World Bank and the UNDP have identified rebuilding and expanding of the transport system as a priority investment requirement. These studies, which have been accepted by the Congo Government, include plans for the reorganization of the agencies administering and operating the various segments of the transportation system as well as recommendations for specific capital investment. Over the past two years, in close cooperation with the Bank and other donors, we have provided loan assistance to the Congo to help finance the rehabilitation of river transportation.

The first meeting of the Consultative Group for the Congo led by the World Bank will be held in May 1971. Based on the existing studies, the United States plans to finance a \$10 million transport sector loan within the framework of the Consultative Group. The proposed loan will finance capital equipment and technical services to strengthen Congolese road transport service and maintenance capability and will be coordinated with larger inputs of capital assistance by the World Bank and other donors. We may also, within the framework of Consultative Group recommendations, provide additional loan assistance to the agricultural sector in those areas where improvements in the transport system have made development of commercial agriculture economically feasible.

In Nigeria we will complete our assistance in FY 1972 to the major relief and rehabilitation effort which was mounted at the end of the Nigerian civil war in the spring of 1970. However, Nigeria still faces major problems in restoring the economy to its prewar level, completing planned capital investments which were deferred because of the war and financing its foreign exchange deficit. During CY 1971, Nigeria entered a new phase of reconstruction and development and launched a new Four Year Plan 1971-1974. The Plan was favorably received by the World Bank which is expected to provide an \$80 million reconstruction loan to finance essential imports of raw materials and investment goods needed to restore the post-civil war economy and provide the base for new growth. The Nigerian Government and the IBRD have agreed that the balance of payments deficits are likely to continue into 1972 – 1973. Therefore, a \$10 million program loan is planned in FY 1972, in conjunction with assistance from other members of the Nigerian Consultative Group, to help offset the projected balance of payments deficits. In addition, a \$6 million loan will support the construction of a school of veterinary medicine at Ahmadu Bello University in northern Nigeria. It will be the first school of its kind serving English-speaking West Africa, and will become an important part of the major livestock production programs in West Africa.

GHANA

Since Nkrumah's overthrow in February 1966, Ghana has been struggling with a stagnant economy overburdened with a foreign debt of \$750 million and exhausted foreign exchange reserves. In addition, cocoa exports, which are subject to major price fluctuations, account for nearly 60 percent of Ghana's export earnings, making its economy extremely vulnerable.

A Consultative Group, first headed by the International Monetary Fund, aided Ghana in its efforts to stabilize the economy between 1966 - 1969 by bringing inflation under control and setting the stage for new economic growth. The World Bank has now taken over the leadership of the Consultative Group and is discussing with the Ghanaian Government the implementation of a series of fiscal and economic policy reforms needed to accelerate the pace of economic activity. In view of the enormous resources required to support an acceptable growth rate while servicing the existing large debt, Ghana's self-help efforts must be matched with a substantial amount of external assistance.

Actions Ghana must take in order to achieve a state of sustained growth include: diversifying exports to reduce reliance on cocoa exports; increasing foreign exchange reserves; increasing efficiency of import substitution industries through provision of an adequate supply of raw materials; reducing unemployment and severe underemployment; expanding agricultural production; and extending monetary and fiscal policy reforms. Ghana has demonstrated in the past a willingness to make difficult choices and to utilize foreign assistance effectively. Given its sizable agricultural potential, its mineral resources and its available skilled manpower, it is possible for Ghana, under its new leadership, to achieve meaningful growth and resume its important role among African states.

Within the framework of the Consultative Group, a \$15 - 20 million U.S. program loan is planned in FY 1972 to help finance an estimated external resource gap estimated at \$75 million in each of the next several years and to support Ghana's self-help efforts. The balance will come from other donors and additional debt relief.

SOUTHERN AFRICA

In Southern Africa, our assistance for FY 1972 will be concentrated in the recently independent multi-racial states of Botswana, Lesotho and Swaziland. These small and poor countries must depend completely upon external assistance for their investment budgets. The United Kingdom, the major donor to the three countries, covers deficits in the operating budgets of Botswana and Lesotho. In close coordination with the United Kingdom, the IBRD, UNDP, Canada and other donors, U.S. assistance is aimed at improving agricultural

production and manpower development within the region so that these countries will be able to attain a higher degree of economic independence.

In FY 1972 a transportation loan of \$6 million is planned to assist with the construction of a major road link between Botswana and *Zambia*. This road will open Zambian markets for Botswanan livestock and other products, thus expanding trade between the two countries as well as strengthening the communication links among the Black-ruled states south of the Zambezi River. In FY 1971 a \$2.2 million agricultural sector loan was provided in conjunction with U.K. assistance for agricultural development in Swaziland. Additional loan funds of \$1 million are earmarked in FY 1972 to support agricultural activities in this area.

CENTRAL AND WEST AFRICA

In Central and West Africa, there are 14 French-speaking countries with low per capita incomes and meager basic social services and manpower development, lagging far behind other developing areas in the world. As separate entities, these countries have poor resource bases and limited markets. Thus, most development problems must be addressed regionally if income levels and the quality of life in this area are to be improved.

France remains the major donor and a large part of the investment and export trade is linked to France. There are signs, however, that the artificial barriers between the francophone and anglophone areas are dissolving with increasing trade and improving transportation between the former French and English colonies.

In Central and West Africa, regional loans are keyed to regional organizations such as the *Lake Chad Basin Commission* and the *Organization of the Senegal River States*. These regional organizations have identified cereals and livestock production as critical areas for increasing agricultural income and trade within the area. In sub-Saharan Africa, it is imperative that agricultural production be increased in order to permit the expansion of budgetary resources desperately needed for basic services as well as to improve nutritional standards. In FY 1972 livestock production and marketing loans totaling \$5 million are contemplated for these regional organizations. In addition, loan assistance of approximately \$6 million is planned in FY 1972, in cooperation with other donors, to complete a viable communications chain among *Entente States* and to provide assistance in developing communications links within *Liberia* and between Liberia and neighboring West African countries. We are also considering participating in a multi-donor loan to construct a railway into the interior of *Gabon*.

ECONOMIC SUPPORTING ASSISTANCE – SUMMARY OF
PROGRAMS BY COUNTRY^a

(In thousands of dollars)

Country	FY 1972 Proposed ECONOMIC SUPPORTING ASSISTANCE
AFRICA – TOTAL	5,950
Congo (Kinshasha) ^{b/}	1,016
Ghana ^{b/}	106
Liberia ^{b/}	203
Nigeria	4,100
Somalia ^{b/}	-
Tunisia ^{b/}	125
Regional	100
Southern Africa Regional	300

^{a/} Economic Supporting Assistance funds are provided to friendly foreign countries to help them carry necessary additional defense burdens without incurring unupportable political or economic costs.

In previous years, funding requests for this form of assistance have been submitted to the Congress as a part of the budget authorized under the Foreign Assistance Act.

On April 21, 1971, however, President Nixon recommended to the Congress a major reorganization of foreign assistance, including the separation of Economic Supporting and Military Assistance from Development Assistance. The President recommended that Economic Supporting Assistance be made a part of a new International Security Assistance Act, along with grant military assistance, military credit sales and the Contingency Fund.

The FY 1972 Economic Security Assistance request is presented as a separate chapter in this booklet in order to reflect accurately the division proposed in the President's recommendations.

^{b/} Public Safety only.

NIGERIA

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Economic Supporting Assistance	25.4	17.2	4.1

NIGERIA

If Nigeria can rapidly solve many of the problems growing out of the recent Civil War its prospects for development are very favorable. At this time oil investments are substantial and are a growing source of much needed foreign exchange. In addition, the geographic location of Nigeria is of particular importance to the United States because it represents an important alternative to Middle Eastern and North African oil sources. We would like to see the continuation of a basically free enterprise economy that will foster growth in trade and investment mutually beneficial to the United States and Nigeria.

Nigeria is faced with a sizable recovery task in the immediate future. The Nigerian Government wants to stimulate economic recovery as quickly as possible throughout the country. The rehabilitation of the economy is Nigeria's highest priority. Based on assessments of the most urgent reconstruction requirements made by the Nigerian Government and the IBRD, A.I.D. has been assisting with these rehabilitation efforts. Since the cessation of hostilities in Eastern Nigeria in January 1970, A.I.D. has been working closely with the Nigerian National Commission for Rehabilitation to restore basic community services.

Our past efforts are now almost completed. In FY 1972 we will wind up our assistance efforts in the rehabilitation area. In order to complete this work approximately \$700,000 in economic Security Assistance is required. Still to be completed in FY 1972 are our activities to assist state governments and state administrative agencies to build up strong institutions competent to carry on the remaining task of rehabilitation. In FY 1972 A.I.D. will continue to provide the Ministry of Transport with assistance in establishing a planning mechanism capable of rehabilitating and planning for best future use of resources in a national transportation system.

With the completion of our rehabilitation program in FY 1972, we will turn our efforts toward assisting the Government of Nigeria with its long-term economic development plans. In addition to the \$700,000 for rehabilitation assistance to Nigeria in FY 1972, A.I.D. is proposing a Technical Cooperation program of \$8.5 million and a \$10 million loan from Development Loan funds. Our technical assistance program is designed to address selectively high priority development and problems in the sectors of agriculture and education. The proposed program loan of \$10 million is required to assist Nigeria during its rehabilitation period to meet its short term balance of payments problems.

In Nigeria there is a serious lack of adequately trained police officer personnel and no in-country training facility. To satisfy present and expanded force requirements, Nigeria has developed plans for construction and establishment of a Police Staff College to train as many as 240 officers annually. Assistance has been requested of the United States in the construction of the college. In FY 1970 a \$200,000 grant financed architecture and engineering work for the Police Staff College. In FY 1971, A.I.D. agreed, in principle, to provide a construction loan of \$3.4 million for the college. Finalized plans will be available in FY 1972, and it is planned to provide this amount on a loan basis.

SOUTHERN AFRICA REGIONAL

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Econ. Supp. Asst.	3.6	0.5	0.3

SOUTHERN AFRICA REGIONAL

In addition to the Nigeria rehabilitation program, \$300,000 in economic Security Assistance is proposed for FY 1972 for the Southern Africa Refugee Education project. This new project, which succeeds the Regional Education and Training Project being phased out in FY 1971, will continue U.S. assistance to refugees from the Portuguese Territories, Rhodesia, South Africa and Namibia. Under this project, refugees are given educational opportunities to acquire sufficient skills to earn a livelihood and to help acquire future leadership positions in Africa.

PUBLIC SAFETY

Liberia and the newly independent countries of Africa, including the Congo, Ghana and Tunisia are experiencing problems attendant to nation building, development of the national economy and national resources, and to satisfying the aspirations of their people.

Prior to independence, some countries were much slower than others in having their native police in sufficient numbers at the higher levels provided with adequate training. In some instances, there were virtually no indigenous police in the officers ranks and very few at the senior noncommissioned officer levels. After independence, the police were seriously lacking in leaders, administrative and operational capability, communications systems mobility and training systems.

We propose, during FY 1972, to continue on-going assistance in four countries in Africa; Congo, Ghana, Liberia and Tunisia, for the purpose of further improving and developing elements of their police institutions.

Each of the four countries is in the process, with U.S. help, of building its civil police forces to assume effectively their role as the first line of defense against threats to internal order. They are attempting to develop the police to a point where it will not be necessary to rely on the military to maintain order or enforce the law. Progress has been made on both fronts, but more needs to be done.

In the years prior to FY 1972, A.I.D. provided resident advisory assistance in thirteen African countries, plus the four mentioned above, making a total of seventeen programs. In most countries in which there no longer are programs, limited objectives were achieved and projects ended, except for training of police officers from some countries at the International Police Academy.

The overall objective of the assistance to be provided is to develop an effective civil police institution which will be able to provide the required level of operational capability within the public service concept. Although specific Public Safety assistance in FY 1972 varies from country to country, overall it encompasses the development of leadership, organization and administration; training systems; transportation and communications systems, and training of the technicians to operate and maintain such systems; urban, rural and border patrol operations; and humane civil disturbance control capability.

Africa Regional Public Safety Training Project

This project offers training at the International Police Academy in Washington to mid-career and senior police officers from those African nations which do not have bilateral A.I.D. relationships with the United States Government, but request such training. The training is given in French and English and provides specialized orientation and indoctrination of present and potential police leaders in the democratic concepts of police administration in the support of viable national political, economic, and social development.

The project was initiated in FY 1971 and will have trained 30 participants from 11 countries during FY 1971 at a cost of approximately \$100,000. During FY 1972, \$100,000 is planned to train 30 participants from eligible African nations.

The total cost for the four country projects and the regional project will be \$1,550,000, with the greatest percentage planned for the Congo. Of this total, \$648,000 will be for 16 advisors; \$311,000 will be for training 92 participants in the U.S.; \$506,000 will be for selected commodities, consisting mainly of vehicles, communications equipment and training aids; and \$85,000 will be for other costs including five third country nationals.

Planned Police College Loan for Nigeria

In FY 1971, A.I.D. agreed, in principle, to provide a construction loan of \$3.4 million in FY 1972 for the police staff college. For further details see the Nigeria section.

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