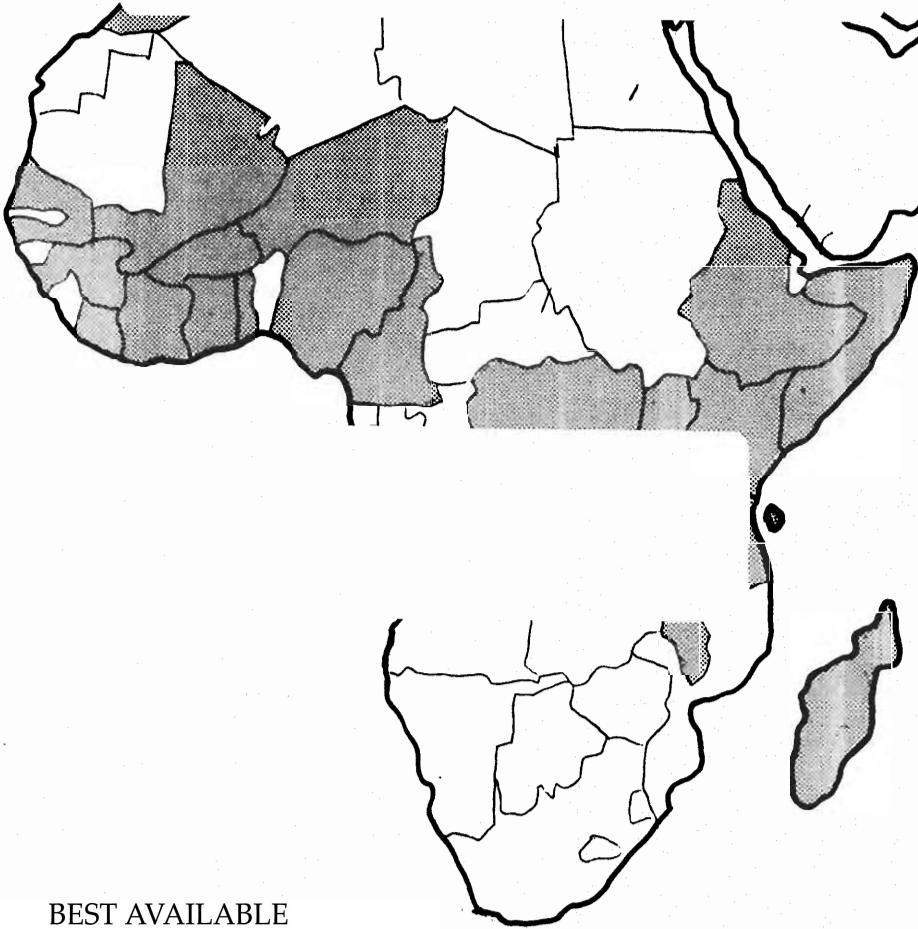


FY 1969



BEST AVAILABLE

**U. S. FOREIGN AID  
IN  
AFRICA**

**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) 1969.

Unless otherwise stated, the terms "foreign assistance" or "economic assistance," as used in this volume, refer only to economic aid programs conducted under the Foreign Assistance Act and exclude other foreign assistance such as the Food for Freedom 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 1968 are actual commitments. FY 1968 figures are estimates made at the time this volume went to press in February 1968. FY 1969 figures are illustrative proposed programs based on the FY 1969 appropriation request and anticipated carryovers, receipts and recoveries.

Countries in Africa where AID proposes programs for FY 1969 are shaded on the cover map.

## U.S. FOREIGN AID IN AFRICA

The President proposes \$179 million for A.I.D. programs in Africa. This amount is essential if the United States is to make a significant contribution to the effort of the African peoples to achieve a better life.

African nations are filled with a sense of national pride and independence, and with a confidence that Africa has a great future. They are focussing on the development tasks which lie ahead. Vice President Humphrey, in his recent trip through Africa, noted the top priority which African leaders he met gave to economic and social development.

Increasingly, African nations are facing their needs with realism and pragmatism. Increasingly, Africans recognize that their own efforts are the keystone to progress, with external aid providing a crucial margin of resources and skills. The spirit with which they approach their tasks gives grounds for considerable optimism that they will succeed. But that optimism is tempered by the enormous development problems that Africa faces at every turn -- more water, power, transport and communications, schools, food and jobs are needed. To solve these problems, the African nations need outside help.

The proposed A.I.D. program for FY 1969 provides for modest but significant assistance. It falls far short of the full measure of needs and opportunities in Africa. Our resources are limited while Africa's aid problems are vast and long-term. So A.I.D. must be selective and concentrate on education, agriculture and institution-building.

### U.S. INTEREST IN AFRICA

The A.I.D. program supports efforts of free African nations -- more than 250 million people -- to achieve economic, social and political development. It stems from the fundamental U.S. interest in an orderly evolution of African states to responsible self-reliant government.

Other U.S. interests in Africa stem from the continent's international importance. Its 39 independent countries comprise about one-third of the UN General Assembly membership and about half of the "Third World" bloc. The decisions of the United Nations and other international groups on a variety of issues extending beyond African borders concern us deeply. For example, until last summer, most of Africa appeared to be only marginally involved in political problems in the Middle East. But the reverberations of the Arab-Israel war extended across all of North

Africa and to other parts of the continent. The influence exerted by moderate Maghreb states on other members of the Arab community and the opportunities seized by the Soviet Union in moving into more favorable Mediterranean and Middle East positions are forceful reminders of the international significance of Africa.

The importance of Africa's geography also concerns other American interests. Access to certain facilities are accorded the United States including communications and tracking stations.

The United States is interested in increasing trade and investment in Africa. Africa is an important source of raw materials. It produces more than 75% of the Free World's gold supply and practically all its natural diamonds, as well as large amounts of such strategic materials as copper, uranium and manganese. Linked with African resource wealth is more than \$2 billion in direct U.S. private investment, which has doubled since 1961. About two-thirds of that total is concentrated in less-developed states which will receive preferential treatment under new U.S. private investment ceilings. While slightly more than half of total U.S. investment remains in Liberia, Libya and the Republic of South Africa, the most rapid concentration of U.S. investment has occurred in the other African states, growing at an annual average of over 15% between 1963 and 1966, although that rate has begun to level off.

A.I.D. assistance makes good long-range business sense. Developing African economies provide expanding markets for American products. Although Africa currently represents less than \$1 out of every \$20 of U.S. foreign trade, this proportion has been growing steadily at over 10% per year. This is double the rate of U.S. trade increases with the rest of the developing world. U.S. exports to less-developed African states, amounting to over \$750 million in 1967, have more than doubled since 1960 and have grown at a faster rate than have exports to South Africa.

Commercial exports from the United States to A.I.D.-recipient countries have increased by more than 55% in recent years, particularly important in view of traditional African dependence on European suppliers and trade.

#### AFRICAN AID ENVIRONMENT

U.S. assistance to Africa is tailored to the unique characteristics of African conditions:

- The needs of nation-building in sub-Saharan Africa. Thirty African nations are less than nine years old. Colonial legacies of "balkanized" national borders frequently divide tribal groups or bind traditionally unfriendly tribes together in a single state. There are at least 1,000 African tribal languages; fewer than ten are spoken by more than a million persons. Africa's people are unevenly spread over enormous land areas. Combined with generally limited previous experience in national self-government, these factors strain fragile new political institutions

as African states seek to meet the demands of nation-building.

--The generally low base from which African economic development must proceed. Although increasing gradually, average per capita GNP in A.I.D.-assisted Africa is about \$125. An estimated one-third of the area of the continent remains unproductive because of climate or disease. Twenty-six countries have populations smaller than Chicago. Transport facilities within and among states are limited. Africa has the least road and rail mileage of any developing region, many of its rivers are only partly navigable, and 13 states are land-locked. Furthermore, over 40% of Africans are under 16 years old, and the number of Africa's skilled manpower is among the smallest in the world.

--Africa continues to depend on Europe, and particularly the former metropolises of France and Great Britain, for more than 70% of its trade and almost 75% of the diminishing Free World bilateral aid available to Africa in recent years. However, since the memories of colonialism still run deep in Africa, these nations resist exclusive reliance on their former metropolises and need U.S. help to demonstrate independence.

#### A.I.D.'s APPROACH IN AFRICA

One year ago, A.I.D. revised its African strategy to improve the effectiveness of U.S. policies and programs in the long, concerted effort required for African development. The new policy provides for more selective concentration of bilateral aid to selected countries whose combination of development potential and performance, lack of adequate help from other aid donors, or special relationship to the U.S., justifies broad A.I.D. support.

These "development emphasis" countries, eligible to receive new A.I.D. bilateral assistance, currently are Ethiopia, Ghana, Liberia, Morocco, Nigeria, Tunisia, and the East African Community states of Kenya, Tanzania and Uganda. In addition to bilateral programs in these countries, A.I.D. is continuing Supporting Assistance to the Congo (Kinshasa) to help solve its balance-of-payments problems and strengthen internal security.

A.I.D. programs in the rest of independent Africa are rapidly shifting from bilateral assistance to support of regional projects involving cooperation by two or more African states. This interstate emphasis seeks to strengthen African efforts to surmount national problems of limited resources, markets and economic prospects. A.I.D. is now completing its bilateral technical assistance projects in these other countries, save for small but high-impact "self-help" contributions.

Increasingly, A.I.D. assistance throughout Africa is coordinated in a multilateral framework, through arrangements under the leadership of the World Bank or the International Monetary Fund (IMF).

These international agencies are in an advantageous position to set relatively objective performance standards and priorities, as well as to reduce the present extent of overlap and inconsistencies on the part of diverse donors. IBRD-led Consultative Groups already function effectively in Morocco and Tunisia, while the IMF plays an important analytic and coordinating role in Ghana, Congo (K) and Liberia. Kenya, Tanzania and Uganda recently agreed to the establishment of a Consultative Group for the East African Community. Formation of a Consultative Group for Ethiopia in the future is a distinct possibility.

#### AFRICAN DEVELOPMENT IN 1967

If ever one can be assured of uniform and satisfactory advances among more than 30 countries in Africa, that time is not yet. Nonetheless, seen in long-term perspective, there was discernible progress in many African countries over the past year. Moreover, new African strides in regional cooperation and multilateral coordination demonstrated that the new A.I.D. policy makes sense for African development.

On the political scene, civil conflict in Nigeria continued in the past year with the central government seeking to quell revolt in the Eastern Region. In the Congo (K), the departure of the white mercenaries has brought a greater measure of political stability. Prospects for stability in the Horn of Africa have brightened significantly through successful efforts by Ethiopia, Kenya and Somalia to improve their relations with one another. Tensions diminished to some extent in the Maghreb, although an arms build-up by Algeria has created anxieties. Friction between Guinea and the Ivory Coast also abated. Army leaders seized power in Sierra Leone and two other West African countries with histories of internal troubles -- Dahomey and Togo. Such upheavals are the product of the newness of political and social institutions, inexperience and inherited problems, among other factors.

The perpetuation of minority rule in the southern tier of the continent and the Rhodesian impasse continue to frustrate the neighboring African countries, leading to their support of liberation forces and consequent fears of retaliation. The problem, moreover, is a canker affecting virtually all independent African states, whose ranks are more united on this question than on almost any other political issue.

Despite the reverberations in North Africa of the Arab-Israeli war, most other African states took moderate, constructive positions on this important issue. The exceptions included Algeria, Mauritania and the Sudan, who joined several Middle Eastern states in breaking relations with the United States during last June's crisis.

Notwithstanding these problems, the main news from Africa is that many of the new nations display increased attention to their development efforts. The process was highlighted by political compromises and sacrifices, as evidenced in Guinea's and Mali's efforts to renew favorable economic relations with France.

Economic Circumstances. East African regional cooperation was continued and enhanced with the creation of the East African Community, linking Kenya, Tanzania and Uganda. Already, the Community shows promise of embracing a larger geographic area: Zambia, Ethiopia and Somalia have applied for membership, Burundi may do so shortly, and Congo (K) and Mauritius have expressed interest in some form of association.

African states also increased their cooperation in an imposing array of practical regional development activities during 1967, described in greater detail in the "Africa Regional and Multi-donor Programs" chapter which follows.

Individual country economic performance varied widely, reflecting continued African dependence on limited markets and on earnings from exports of primary products. Food production in most sub-Saharan countries has maintained an unsteady balance with population growth. At current levels of caloric intake, a food deficit exists in North Africa. Rice shortages persist in some countries of Central and West Africa, and most African diets continue to be significantly deficient in protein. A second year of drought caused serious shortfalls in Moroccan and Tunisian agricultural production and export earnings. Closing of the Suez Canal cut into export earnings in East Africa, Ethiopia and Somalia. Sterling devaluation has reduced the value of U.K. assistance and reserves in British banks.

#### AFRICAN SELF-HELP MEASURES

African countries are far from achieving self-sustaining growth, but modest economic progress last year indicates their zeal for successful development efforts. Kenya has managed to maintain a 6% annual GNP growth rate. Tanzania has an average GNP growth rate of 5% and is actively seeking ways to reorient its development program along the lines set forth in President Nyerere's Arusha Declaration, which calls for greater reliance on local efforts than foreign aid to speed the development process. Uganda expects to finance about two-thirds of its development program from domestic resources. During the last six years, domestic revenues have more than doubled in Tanzania and Uganda, have increased by more than 60% in Ethiopia, Ghana and Tunisia and by almost that amount in Morocco and Nigeria. Ghana and Congo (K) devalued their currencies as part of International Monetary Fund stabilization programs and improved control of budget expenditures.

In Ethiopia, the government recently instituted sweeping tax reforms, including a major revision of the agricultural income tax, and is now preparing legislation to tax unused agricultural lands. A national economic planning effort financed almost entirely by the government began in 1967, under the guidance of a World Bank advisor.

Self-help development in Morocco and Tunisia last year demonstrated the influence of Consultative Groups in encouraging improved national performance. Based on IBRD analysis and recommendations,

the Moroccan Government embarked in 1967 on a major economic development effort expected to raise its currently stagnant GNP growth rate to 4.5% by 1970. At IBRD urging, the Tunisian Government undertook an important stabilization program which included central and commercial bank credit and loan ceilings as well as price and wage controls.

#### PRIVATE ENTERPRISE AND PUBLIC ASSISTANCE

Foreign private capital added to public external assistance in furthering African economic growth during the year. Free World private investment flows to countries receiving A.I.D. assistance now are about \$450 million annually, almost half from the United States. The A.I.D. investment guaranty program shows increasing private U.S. interest in independent Africa. In 1967, A.I.D. wrote \$118.2 million in specific risk guaranties for Africa, more than double the amount issued in 1966, raising the total equity and loan investment covered under the A.I.D. insurance program to an estimated \$232 million.

During 1967, Africa received aid from 38 bilateral sources, the European Economic Community and international organizations. Global aid to Africa in 1967 was approximately \$1.8 billion, somewhat lower than the 1962-66 average, with indications that it well may fall to \$1.6 billion in 1968. France remains the largest single donor to Africa although its aid level has declined steadily, as has Belgium's. The United States continued in 1967 to hold second place to France in total aid through the programs of A.I.D. and all other U.S. Government agencies. Third is Great Britain, whose aid level has remained constant and is expected to continue to do so for the next two years. In contrast with many other cutbacks in overseas activities, Britain's recent moves to lessen its payments deficit did not include any reduction in aid levels, although devaluation will reduce their value. The West Germany holds fourth place as a donor and the European Economic Community (EEC) ranks fifth.

The proportion of loan to grant funds is rising in Africa, as elsewhere in the developing world, although grants probably still exceed half of all external public aid to Africa. However, the annual cost of servicing medium and long-term external public debt in countries receiving A.I.D. assistance, currently estimated at upwards of \$7 billion, is also rising sharply. Expected to increase by 37% in the next two years, the 1970 debt servicing burden is likely to be on the order of \$300 million in the development emphasis countries alone, according to a recent survey. This is almost three times the current annual increase in the official reserves of less developed Africa. It represents about three-fourths of those countries' estimated trade surplus in 1966.

#### FY 1969 PROGRAM

The A.I.D. program proposed for FY 1969 reflects the new assistance strategy for Africa. The total amounts requested by category of

assistance for FY 1969, compared with present estimates for FY 1968 and actual experience in FY 1967, are as follows:

(In millions of dollars)

	<u>Development Loans</u>	<u>Technical Assistance</u>	<u>Supporting Assistance</u>	<u>Total</u>
FY 1969	90.0	80.0	9.0	179.0
FY 1968	52.0	70.0	16.6	138.6
FY 1967	97.8	82.7	18.7	203.0*

\*Includes \$3.8 million Contingency Funds.

Only 5% of the funds requested is for Supporting Assistance, related to political stability and security needs. The bulk is for Development Loans and Technical Assistance, thus continuing emphasis on development assistance (which was higher in FY 1967 than in three previous years).

A comparison of the FY 1969 request with programs in FY 1968 and FY 1967 reveals the change in emphasis of the aid program in Africa, particularly in the two development assistance categories, as follows:

(In millions of dollars)

	FY 1967		
	<u>Dev. Asst.</u>	<u>% of DA</u>	<u>SA</u>
Regional, Multinational and Multidonor programs	31.0	16.8	1.1
Development Emphasis Countries and East Africa	108.5	59.0	-
Other Countries: Congo(K), and completion of current activities in remaining Countries	43.1	23.3	17.6
Self-Help Fund	1.6	0.9	-
TOTAL	<u>184.2</u>	<u>100.0</u>	<u>18.7</u>

(In millions of dollars)

	FY 1968		
	<u>Dev. Asst.</u>	<u>% of DA</u>	<u>SA</u>
Regional, Multinational and Multidonor programs	27.4	22.5	1.0
Development Emphasis Countries and East Africa	71.9	58.9	0.3
Other Countries: Congo(K), and completion of current activities in remaining Countries	20.6	16.9	15.3
Self-Help Fund	<u>2.1</u>	<u>1.7</u>	<u>-</u>
TOTAL	<u><u>122.0</u></u>	<u><u>100.0</u></u>	<u><u>16.6</u></u>

(In millions of dollars)

	FY 1969		
	<u>Dev. Asst.</u>	<u>% of DA</u>	<u>SA</u>
Regional, Multinational and Multidonor programs	70.4	41.4	1.0
Development Emphasis Countries and East Africa	90.9	53.5	-
Other Countries: Congo(K), and completion of current activities in remaining Countries	6.3	3.7	8.0
Self-Help Fund	<u>2.4</u>	<u>1.4</u>	<u>-</u>
TOTAL	<u><u>170.0</u></u>	<u><u>100.0</u></u>	<u><u>9.0</u></u>

Regional and multidonor programs account for 41% of the FY 1969 request for development assistance, compared with 23% and 17% in FY 1967 and FY 1968 respectively. Slightly over half the total program is planned for assistance to "development emphasis" countries, down from a share of almost 60% for these programs in each of fiscal years 1968 and 1967.

A sharp reduction occurs in FY 1969 in bilateral development aid to the 12 countries where, except for Congo(K), bilateral activities are being completed. It amounts to only 3.7% of the FY 1969 request; in FY 1968 and FY 1967, the comparable shares were 16% and 23% respectively. A.I.D. expects to complete in FY 1968 the last development loans to these countries for projects which were at an advanced stage of planning and discussion when the new Africa aid policy was adopted. In Technical Assistance, \$6.3 million is required next year for the Congo program and for the last 31 on-going projects in the other 11 countries amounting to fewer than half of comparable activities in FY 1968. FY 1969 will represent the final funding year for bilateral Technical Assistance projects in all but the Congo and two of these countries.

The rate of completion of these activities is shown in the following table of the total bilateral portion of the A.I.D. program in Africa:

	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>
Bilateral country programs	32	28*	21
"Self-Help" only	3	5	13

\* Excludes funds programmed for necessary expenses of termination of the program in the Sudan, under Section 617 of the Foreign Assistance Act.

Program Composition. The FY 1969 program will continue to concentrate assistance in selected fields of primary importance for African development: food production, with linked activities in nutrition, family planning and health; the creation of transport, communications and power facilities; encouragement of private enterprise; and help in building Africa's supply of trained manpower. They account for more than four-fifths of planned A.I.D. assistance to Africa. Division of the A.I.D. program among these areas of emphasis is as follows:

Agriculture. Almost one-fourth of A.I.D. assistance to Africa in FY 1969 is proposed for agricultural production and rural development activities. Agriculture is the springboard of African development, since an estimated 80% of Africans make their living from the land. Development progress is difficult in this area. Many African countries require more comprehensive plans and policies for modernizing their agriculture to increase food and cash crop production. While Tunisia's current development plan devotes more than 40% of public investment to agriculture, elsewhere the estimated share of budgetary expenditures on agriculture ranges from 15% in Uganda down to 2% in Liberia. The FY 1969 program will continue to shift toward increased production of cash crops and foodstuffs now in chronic short supply.

Since greater efficiency in marketing and distribution must accompany increased production, a study of grain marketing, storage and distribution was started recently in five West African states,

while a similar activity is planned for East Africa in FY 1969. An agricultural production loan to Morocco is expected to provide equipment and fertilizers to expand grain production to help overcome recurring serious food deficits. The FY 1969 request also contemplates a contribution to a Coffee Diversification Fund which would stimulate coffee-producing countries to convert surplus coffee acreage to production of food and other needed crops.

Population. Africa has not given extensive attention to family planning. Nevertheless, population growth will become critical in time if the current 2.4% rate of increase continues. Kenya and Morocco, for example, are already estimated at 3% or higher. The almost total lack of demographic and data collection services in many African countries hinders assessment of such trends and their implications for economic growth. Along with African organizations, governments, and international agencies, A.I.D. has been working to establish or improve demographic and data collection services, and for suitable training in these fields. In FY 1969 regional population study centers may be established in West and North Africa. Other family planning activities proposed in Tunisia and other countries will tie in with improved maternal and child health services.

Nutrition. While much of tropical Africa is a net food exporting area, serious deficiencies in diets, particularly protein, are almost universal throughout Africa. In general, that shortage appears to be due to the Africans' inability to afford higher-cost protein foods, as much as to inadequate production of the latter. Aid to help increase earnings will be important in the long-term, therefore. In the interim, A.I.D. will continue to encourage farmers and private enterprise to produce high-protein foods and to enrich local foods. A pilot plant will be established for evaluating fish species and demonstrating the manufacture of fish protein concentrate. An important additional activity planned for FY 1969 is a pilot nutrition program in Tunisia designed to add a high-protein wheat by-product to the diet of infant children and to enrich locally grown wheat by the addition of lysine.

Education. The FY 1969 A.I.D. program will help African efforts to deal with continued shortages of skilled manpower. Over 15% of the proposed FY 1969 program is in this area. Shortages of technicians, administrators, trained teachers and specialists are acute, and African secondary education systems have not been able to handle the mounting population, let alone to give enough youths practical training for jobs. African expenditures on education have risen steeply since independence to as much as one-fourth the annual national budget in some countries, averaging an estimated 15% in the African countries A.I.D. is helping. Most countries have recognized that, with limited resources, universal primary education must yield priority to training larger numbers of skilled manpower for immediate needs. Yet African education still needs greater adaptation to real needs. For example, schooling has not been properly designed to fit young people for rural life. Their flow to the cities -- and the ranks of the urban unemployed -- continues. Some African countries feel that the contribution of

current educational expenditures to development is not great enough.

A.I.D.'s education efforts include teacher training; high-level manpower training; improvement of African universities in development-related fields; technical and vocational training; development of testing and selection procedures; and secondary school administration and curriculum development.

A.I.D. will support African teacher education through continued assistance to a regional project in the East African Community and through a new activity centering on the University of Botswana, Lesotho and Swaziland. A.I.D. also will complete assistance to a teacher training college in Northern Nigeria.

The new African Higher Education Program seeks to enable more African students to receive higher education on the continent instead of overseas, and to help the most promising African university departments to become regional centers of training in development-related fields. Through this program, A.I.D. intends to help African countries to cooperate for better use of existing university facilities, while discouraging the uneconomic founding of new, expensive higher education institutions in countries which cannot afford them. As a result, A.I.D. will train more students in Africa than in its U. S. undergraduate training program.

As another approach to help meet continuing African high-level manpower requirements, A.I.D. has been assisting African Governments employ Americans to perform actual operating functions and fill staff vacancies. In this departure from the "advisory" concept typical of U. S. technical assistance, the African Government assumes responsibility for supervising and supporting these technicians, including their base salaries. A.I.D. supplements the latter in order to attract sufficiently competent personnel. As of October 1967, there were 242 Americans in these positions, over half of whom were recruited from the American private sector.

Communications and Transport. Twenty-one percent of the FY 1969 program request is planned for activities to improve African communications and transportation facilities, especially for regional purposes. Planned activities include a loan for the Great North Road, a vital transportation link between Zambia and the Tanzanian coast which is designed to reduce Zambia's dependence on Rhodesia and Portuguese territories for access to the sea; a multidonor loan for extension of the Trans-Cameroon Railroad to accelerate the integration of the country; improvement of rural roads in Liberia and improvement of airport facilities in Liberia, Tunisia and Ethiopia. Loans are being considered for the engineering phases of the Ghana-Ivory Coast highway, and various improvements which may grow out of the Middle Africa transportation study.

An important support element of these undertakings consists of training and equipment for improved highway maintenance capabili-

ties of several West African states. Other vital infrastructure activities being considered in FY 1969 include engineering and construction of safe water supply systems, preliminary engineering work for satellite ground stations, and improved West African telecommunication networks.

#### OTHER ACTIVITIES

Health. The FY 1969 program will continue the combined measles/smallpox control program in 19 western and central African countries, the single largest A.I.D. activity in the health field in Africa. As of January 1968, 25 million Africans had been vaccinated against smallpox under this project and five million children against measles. In one large Nigerian city, incidence of measles of 100-150 cases per month prior to the local inoculation campaign with 113 deaths in the first half of 1967 compares with only 5-6 cases per month (with no deaths) since the local campaign ended. No cases at all of smallpox have been reported in the same city. A.I.D. also will continue projects to improve and extend local health facilities in Liberia and Ethiopia, increasingly in connection with efforts to provide family planning information.

Private Enterprise. Activities in this field represent some 17% of the FY 1969 program request. A.I.D. will continue to finance exploration of opportunities for large-unit agricultural production in some seven African countries, reflecting the need for concentration on expanded production of export commodities and other cash crops. One purpose of this program is to obtain greater direct involvement of the private sector by encouraging U. S. firms to enter into joint ventures in Africa. Further, A.I.D. is planning to continue its program of financing pre-investment activities of selected U. S. financial institutions, designed to acquaint their numerous clients with African investment opportunities. A.I.D. is working with a group of private American investors considering formation of an investment corporation designed to finance private investment opportunities in Africa for which A.I.D. might provide loans for seed capital.

Loans in support of overall economic development efforts in Ghana and Tunisia will finance imports from the U.S. of industrial raw materials, fuels and lubricants, agricultural machinery and essential consumer goods, largely to the private sector.

Other activities being carried on with A.I.D. financing include technical assistance for improved public administration, support for improving internal security capabilities of local police forces, economic and feasibility studies, self-help projects in each country and necessary technical support of A.I.D. activities.

Food-for-Peace assistance is expected to provide some \$160 million in agricultural commodities in FY 1969, with 58% in sales supporting balance of payments and economic stabilization efforts, and the remainder in donation programs for Food-for-Work programs, child feeding and voluntary agency relief activities. In past

years agricultural commodities valued at \$130-\$160 million have been provided. Principal recipients of both sales and donations programs will continue to be Tunisia, Morocco, Ghana and Congo(K).

#### MULTILATERAL APPROACHES

A.I.D. has been developing a variety of multilateral approaches to improve the impact of aid. We are working with other donors and major African regional organizations to determine priorities among requirements for power and communications and for transportation links. Some of these approaches include pooling A.I.D. resources with those of smaller nations interested in enlarging their contributions to Africa. A.I.D.'s program plans in this area include:

- Further negotiations with the African Development Bank concerning a possible U.S. contribution to the projected Special Fund, the African equivalent of IBRD's soft-loan "window," and the International Development Association (IDA).

- Contributions to multidonor projects (described in the section under the tab "Africa Regional and Multidonor Programs").

- Contributions to a trust fund arrangement for the improvement of African agricultural planning and statistics and the aforementioned Coffee Diversification Fund, to be administered by the UN Development Program and World Bank respectively.

- Bringing together African, American and European scientists to devise arrangements and programs for getting better, wider applications of already available and recent agricultural research findings to improve the prospects for feeding Africa's growing population. This is an initial approach, in terms of A.I.D.'s programs in Africa, to the new Section 461(b) of the Foreign Assistance Act which concerns the improvement of agricultural research and training facilities.

- Collaboration with the IBRD in strengthening the Consultative Groups for African countries so that they achieve more unified donor actions on aid policies and terms. This activity may be paralleled by U.S. and other bilateral donor participation in the steering group (consisting of IBRD, UN Development Program, UN Economic Commission for Africa and the African Development Bank) on African power, communications and transport development in an attempt to settle internationally agreed priorities for aid financing.

AFRICA REGIONAL AND MULTIDONOR PROGRAMS

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
Development Loans	7.3	5.0	34.0
Technical Assistance	23.7	22.4	36.3
Supporting Assistance	1.1	1.0	1.0
Total A.I.D. Assistance	<u>32.1</u>	<u>28.4</u>	<u>71.3</u>

"In Africa, the spirit of regional cooperation is beginning to take hold in practical ways."

President Johnson  
State of the Union Message  
January 1968

U.S. Aid Objectives

In its new emphasis on assistance to African inter-state efforts, A.I.D. seeks to overcome limitations on economic development of small nations with limited resources. Aid to regional projects and institutions is designed to make the most of what the countries do have by sharing with others in programs of mutual economic benefit.

Multinational development efforts in Africa today are timely. The limited size of African markets handicaps investment. Many demands on meager budgets make it essential to avoid duplication of facilities and services where a common effort of two or more countries would be less costly. Regional cooperation is responsive to historic and current initiatives by African nations to cooperate in solving their common problems, and to improve relationships and understanding among themselves.

A.I.D. concentrates its assistance to Africa, apart from a small number of important national development situations, on regional and multinational activities and institutions. The absence of long-standing involvement with all but a few African nations makes the U.S. particularly suited to such a role in Africa, and our own history of inter-state cooperation provides practical and relevant experience.

Moves Toward Association

During the past year, Africa made significant progress in regional cooperation. New regional mechanisms were created or moved forward, existing regional organizations and institutions were

strengthened and their programs broadened, and new regional projects were undertaken.

- In June 1967 Kenya, Tanzania and Uganda entered into a treaty providing for the creation of an East African Community to base their development progress on closer economic cooperation. Existing joint services will be maintained; a regional development bank is planned; and other joint economic development institutions are contemplated.
- In West Africa, ministers of 13 countries have begun work on an agreement for an economic community in that region, on which the Chiefs of State are scheduled to meet soon.
- Fourteen French-speaking African countries have agreed to the formation of a limited common market among themselves.
- In North Africa a council of economic ministers from Algeria, Libya, Morocco and Tunisia has requested its secretariat to develop a five-year plan for reaching agreement on industries in which each country would specialize; a common customs policy; harmonization of external tariff policies; and creation of a regional development bank and multilateral payments system.

#### Regional Organizations

There were notable improvements and enlargements of Africa-wide regional organizations during 1967. The 29 members of the African Development Bank increased the Bank's paid-in capital to over \$47 million. The Bank, with the help of the UN Development Program, established a pre-investment unit to conduct the feasibility and engineering studies for identification and preparation of capital projects. Last spring, the Bank announced its first loan of \$3 million to improve the roads connecting Kenya with Tanzania and Uganda. It is considering investment in a proposed Sierra Leone Development Bank and is providing an advisor to assist that organization. The Bank is trying to organize donor support for its proposed Special Fund which would serve as a soft-term loan window to finance development projects which require liberal terms. A U.S. contribution to the Special Fund will be requested when the Bank is able to secure pledges from other contributors.

The UN Economic Commission for Africa, a prime advocate of African regional economic cooperation, continues to point the way toward new fields for closer coordination of African resources and effort. Its current initiatives in agriculture production may stimulate measures by which African governments can attain the kind of development they want.

The Scientific, Technical and Research Commission (STRC) of the Organization of African Unity is expanding its scope. It is extending to six East African countries the popular rinderpest

campaign to control this debilitating cattle disease. To assure continued surveillance over this disease, which impedes development of Africa's rich livestock resources, STRC plans an animal husbandry program to guard against recurrence of rinderpest in the 15 nations where inoculation campaigns will soon be completed and, eventually, all others. STRC also plans to train inspectors for future African border control services to prevent spread of plant disease.

A fund established by the Entente States (Dahomey, Ivory Coast, Niger, Togo and Upper Volta) shows signs of becoming a valuable catalyst and contributor to economic growth in that region. With funds raised by its member states, principally the Ivory Coast, the Fund financed its first development project and is prepared to guarantee private investments. With A.I.D. help, it has obtained the services of an American contractor to develop investment possibilities for processing and marketing livestock products. The Fund has been exploring, also with A.I.D. assistance, the feasibility of measures to obtain more adequate grain supplies at reasonable prices for Ghana, as well as the Entente States, and is seeking attractive agro-industry prospects for potential private investors.

Two West and Central African francophone regional health organizations, the Organization for Control of Endemic Diseases (OCCGE) and the Organization for Control of Endemic Diseases in Central Africa (OCEAC), are broadening their scope. The experience they have gained in the large measles-smallpox program is stimulating a widening range of activity. The health services of Ghana, Sierra Leone, Liberia, Gambia, and Nigeria are considering permanent affiliation with these organizations. OCEAC is beginning to train national endemic disease service teams in better vaccination and disease surveillance techniques. OCCGE is convening a group of technical experts on river blindness this spring to identify the most important African sites and methods of controlling this impediment to agricultural development.

### Inter-State Projects

The West and Central African countries are examining the development potential of the enormous but largely untapped resources of the basins of three great waterways, in approaches cutting across national borders. States bordering on the Senegal and Niger rivers, and Lake Chad have formed basin commissions to cover the full range of water resources development. With UN assistance, the commissions now are conducting basic resource surveys of navigational, hydrological, power, and agricultural prospects and requirements.

Congo(K) and Burundi are jointly exploring the development of their common Ruzizi River Valley and the two nations have joined with Rwanda in examining a common transport company and possibilities for exploitation of methane gas in the lakes on their borders. There are a number of proposals for power, transportation and telecommunications projects to link neighboring states.

Togo and Dahomey have reached agreement with Ghana on terms for the sale of Volta River Dam power to meet their needs, as an alternative to costly new national power generation and transmission activities. Senegal and Gambia are assessing their common transportation problems. The IBRD and West Germany will study roads to connect Rwanda, Burundi and Tanzania. There is a request for U.S. aid to undertake a study of a coastal road to improve the flow of traffic through Ghana, the Ivory Coast and Liberia. Telecommunications projects under consideration involve links between Rwanda and Uganda, the Entente States, the Central African Customs and Economic Union (UDEAC) states, and several West African coastal countries.

In the field of education, representatives of national Institutes of Education and four universities of East and Southern Africa plan to establish joint testing and research services.

Tangible results so far are modest, but these activities mark increasing African attempts to press for regional cooperation to meet development needs. They appear even more significant when viewed against the background of Africa's great diversity of language, culture and political situations, and the continuing criss-cross pattern of ties with the former metropolises. Such factors have tended to divide rather than unite Africa. In addition, the inexperience and thin staffing of African regional organizations limit their capacity to develop regional activities.

The problems are tough and the job large, but African regional efforts during the past year demonstrate that the U.S. emphasis on regionalism will support important African preferences and needs.

#### Related Steps

A.I.D. and other organizations began a variety of steps in FY 1967 to demonstrate the potential development returns of regionally-oriented activities:

- A new A.I.D.-financed program to help place African students in African universities outside of their own countries -- rather than taking them overseas for higher education -- is now underway. An American private organization is administering the selection, placement and scholarship activities of the African Higher Education Program temporarily, until an African body can take over. The estimated 225 scholarships to be awarded in FY 1968, supplementing those presented last year, should contribute substantially to reducing the African "brain drain."
- A.I.D. is sponsoring an Africa-wide conference, under the direction of the National Academy of Sciences, for African, American and European scientists to redirect African agricultural research priorities to more development-g geared food and agricultural production needs. This is also intended to improve the flow of research results from the

widespread network of African research stations to African agricultural ministries and farm groups.

--The IBRD and UN Development Program have joined with the African Development Bank and the Economic Commission for Africa to identify priority regional projects among Africa's vast needs in the fields of transport, telecommunications and power.

--The World Bank established its first Consultative Group on a sub-regional basis for the East African Community.

### The FY 1969 Program

The program proposed by A.I.D. in FY 1969 for funding Africa regional programs and multidonor activities is \$71.3 million, more than 40% of the total request for Africa, including:

-\$6.6 million for regional activities supporting the East African Community described in detail in the following chapter on East African programs;

-\$54.7 million (\$22.5 in Development Loans, \$31.2 million for Technical Assistance and \$1 million in Supporting Assistance) for other regional programs; and

-\$10 million in Development Loans for multidonor projects.

The FY 1969 request represents a sharp increase for these three programs over expected FY 1968 obligations of \$28.4 million (\$3.1 million for East Africa Regional activities and \$25.3 million for other regional activities).

No precise projection can be made of other donor assistance to regional projects but the UN Development Program and the IBRD, in particular, are increasing their participation in such activities. The UN Development Program is (1) assisting the African Development Bank and the African regional institution for training development planners; (2) examining trans-Saharan and East African road requirements; and (3) financing the river basin commissions' studies. The IBRD has been concentrating on East African transportation needs, as well as providing staff for an agricultural advisory service in Eastern Africa.

The United Kingdom is the major free world donor to the East African Community and to the University of Botswana, Lesotho and Swaziland. It also finances projects designed to benefit both Senegal and Gambia. Several Western European nations and Canada have already indicated an interest in aiding the African Development Bank. The French are providing assistance to the Council of the Entente and to the UDEAC countries for regional projects in telecommunications and other sectors.

The A.I.D. Regional Program will focus on projects which may lead to significant economic ties among African countries. A.I.D.

plans to involve the larger countries of Africa such as Ghana and, when political circumstances permit, Nigeria, in these activities to a greater extent than in the past.

Agriculture. To meet the growing demands for food, the number of countries participating in the research and experimental work of Major Cereals Projects (\$355,000 in FY 1969) that are taking place in both East and West Africa will be expanded. A.I.D. also plans to assist projects directed at overcoming specific weaknesses in rice production and marketing practices (\$450,000 in FY 1969) in 11 West African states. In North Africa, similar efforts will be started this year to expand wheat production and marketing in Morocco and Tunisia (\$123,000 in FY 1969). A.I.D. is now exploring a possible development loan to improve storage, distribution and other facilities to help the Entente States and Ghana establish and operate a Regional Grain Stabilization Program.

The control of widespread contagious animal diseases that cross national boundaries is the target of two regional projects to improve nutrition for Africans, as well as their foreign exchange earnings. The Rinderpest Control Project (which started in FY 1962 in the Lake Chad basin area and has been systematically extended through Western and Central Africa) is being extended in FY 1968 to Eastern Africa, where some 26 million head of cattle will be inoculated. This project, the largest animal disease control program ever undertaken on an international basis, has saved millions of African cattle from the world's most devastating cattle disease. The FY 1969 plan, for which an estimated \$1.1 million is needed, is to extend the area of coverage further into Ethiopia which has a total estimated cattle population of 25 million. Assistance from the British and UN Development Program will support this project, in which the U.S. contribution has amounted to about 20% of total costs. A second project, Bovine Pleuropneumonia Research, is an effort now to produce an effective diagnostic test of the vaccine which has been developed to combat this major disease (\$115,000 in FY 1969).

Education. The scholarship part of the African Higher Education Program (AHEP) consists of the selection and placement of African students in African universities outside their own home countries. The African-American Institute helped to place some 40 students in African universities through the new selection procedures for the 1967-1968 academic year. An additional 225 scholarships will be awarded for 1968-1969; and between 250 and 300 students will be matriculated in 1969-1970. \$1.8 million is proposed in FY 1969 for this purpose. In AHEP's second phase, the Overseas Liaison Committee (OLC) of the American Council on Education is now evaluating particular African university departments to identify the most promising prospects for development-oriented programs which can meet the needs of several African countries. Initial emphasis is in the fields of agriculture, veterinary medicine, engineering, and business administration. In FY 1969, A.I.D. contemplates assistance to the first center for regional undergraduate-level instruction plus additional OLC evaluations (\$1.1 million in FY 1969).

Correspondingly, the number of undergraduate students A.I.D. brings to the United States will continue to decline. There are some 598 students enrolled under the "ASPAU" program for the current academic year; only about 400 students will be covered by the FY 1969 funds requested (\$1.6 million) for the 1969-1970 academic year. U.S.-financed graduate training, on the other hand, will continue to rise because African institutions are not yet able to meet the demand for advanced training in specialized fields important to economic development (\$1.4 million in FY 1969).

A.I.D. plans to help African vocational training institutions in such projects as the proposed Telecommunications Training Centers. Further support is planned for the West Africa University Examinations Council (\$380,000 in FY 1969) and \$200,000 is proposed for the establishment of a similar regional testing operation in Southern Africa. One million dollars of Supporting Assistance will continue U.S. support of secondary school training of refugees from Rhodesia and territories under the control of Portugal and South Africa.

Health. The principal activity in the field of health will be to continue the campaign to control measles and eradicate smallpox in 19 countries of West and Central Africa, in which over 25 million people have been vaccinated. The \$9.5 million requested for this project will finance vaccinations for about 45 million people. New regional health programs are planned to deal with population problems, including the possible establishment of two demographic centers (one for English-speaking countries and one for French-speaking countries). A conference on nutrition and child feeding problems, to be sponsored by A.I.D. in the late spring of 1968, is expected to result in recommendations for improved programs of maternal and child health and nutrition which may play an important role in inducing greater receptivity for family planning activities.

Telecommunications and Transportation. The African transportation projects aim at expanding trade among the developing states in Africa. The prime example of A.I.D.'s activities in this field is the forthcoming Development Loan for the construction of a portion of the "Great North Road" which will provide a vital transportation link between Zambia and the Tanzanian coast. The IBRD will collaborate in this project designed to provide Zambia with essential additional access to the sea. FY 1969 funds amounting to \$980,000 will also be used to expand the services of the present regional school which trains operators and mechanics for road maintenance and construction equipment. The enlarged project also attempts to develop a system of joint procurement and coordination under a possible regional highway board which would help Ghana and its French-speaking neighbors to overcome their common problems of limited resources and experience, which are compounded by the heavy seasonal rains and other road difficulties of the area. FY 1969 funds will be used for feasibility studies in transportation, telecommunications and power transmission fields, and for follow-up with detailed economic and engineering studies of selected activities identified by the current transport survey.

For FY 1969, Development Loans will be considered for transportation links in the Middle Africa area (Kenya, Uganda, Tanzania, Malawi, Zambia, the Congo copper belt, Rwanda, Burundi, and Botswana). Development Loan requests are anticipated for regional telecommunications links in Central and West Africa, based upon current studies for the Entente and UDEAC countries.

Finally, the FY 1969 program places greater emphasis on the provision of experts to strengthen such organizations as the African Development Bank, STRC, the Basin Commissions, UDEAC and the Entente Mutual Assistance and Guaranty Fund.

Multidonor Activities. A.I.D. plans to participate jointly with other donors and international organizations in financing major capital projects. A.I.D. will participate where there is at least one other donor and for less than half of the total external aid financing. Such a project is the Trans-Cameroon Railroad involving France, the European Economic Community (EEC) and the United States. An FY 1969 Development Loan of \$10 million is planned for this railroad. The reduction in the FY 1968 A.I.D. appropriation makes it unlikely that funds will be available for the project in the current fiscal year.

The same approach is now being applied to technical assistance projects. In a first example, A.I.D. is now contemplating furnishing approximately \$65,000 of a total of \$540,000 for expansion of Botswana's sole teacher training college. The Swedish Government and UN Education, Social and Cultural Organization (UNESCO) are financing most of the project.

## EAST AFRICA

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
<b>TOTAL EAST AFRICA</b>			
Development Loans	6.3	-	4.5
Technical Assistance	8.7	8.9	11.0
<b>Total A.I.D. Assistance</b>	<b>15.1</b>	<b>8.9</b>	<b>15.5</b>
<b>EAST AFRICA REGIONAL</b>			
Development Loans	0.1	-	1.5
Technical Assistance	2.3	3.0	5.1
<b>Total</b>	<b>2.5</b>	<b>3.0</b>	<b>6.6</b>
<b>KENYA</b>			
Development Loans	0.4	-	-
Technical Assistance	2.4	2.2	2.0
<b>Total</b>	<b>2.7</b>	<b>2.2</b>	<b>2.0</b>
<b>TANZANIA</b>			
Development Loans	0.9	-	-
Technical Assistance	2.2	1.9	1.8
<b>Total</b>	<b>3.1</b>	<b>1.9</b>	<b>1.8</b>
<b>UGANDA</b>			
Development Loans	5.0	-	3.0
Technical Assistance	1.8	1.8	2.1
<b>Total</b>	<b>6.7</b>	<b>1.8</b>	<b>5.1</b>

A.I.D. Objectives

The primary A.I.D. objective is to help strengthen the East African Community by assisting in the economic development of its members--Kenya, Tanzania and Uganda. The positive U.S. response to African initiative in creating the Community underscores a basic element in A.I.D.'s Africa strategy: the importance of regional cooperation for better use of development resources. East African economic progress can demonstrate to other African countries the tangible benefits of closely knit efforts to work out cooperative solutions to shared development problems.

Zambia, Somalia, Ethiopia, as well as Burundi, Congo (K) and Mauritius, have already indicated their interest in either formal or informal association with the Community, enlarging its potential population base to a total of 80 million.

While A.I.D. expects to remain a supplementary donor in East Africa, where U.S. aid has averaged 15% of all free world assistance in the past four years, proposed U.S. assistance to the Community states is expected to rise in the future. A.I.D. intends to coordinate its assistance with other donors through a new World Bank-led Consultative Group for East Africa.

#### Country Performance and Self-Help

Progress toward African regional cooperation last year was best illustrated by the signing of the treaty which brought the East African Community into operation on December 1, 1967. Kenya, Tanzania and Uganda already enjoyed the most advanced system of regional cooperation in Africa, including a rudimentary common market; some of their arrangements for regional free trade date back more than 50 years. However, differences among the three countries led to their failure to federate in 1964 following independence, and the individual governments later imposed trade restrictions within the region and established separate currencies and central banks.

The new Treaty provides for a common external tariff, generally free internal transit of goods (modified by transfer taxes to protect infant industries), and creation of a Common Market Council as well as an East African Development Bank to help modify industrial imbalances in the region. Existing common services--railways, harbors, airways, posts and telecommunications--will continue, with some organizational changes and relocation of headquarters.

A major purpose of the Treaty is to encourage more equal development among the three countries. This will help Tanzania and Uganda to catch up with industrialization in Kenya, which has received the bulk of foreign investment in East Africa and served as headquarters for the East Africa Common Services Organization. The transfer tax, arrangements to give Tanzania and Uganda preferential access to loans from the planned regional development bank, and decentralization of common services all reflect East African efforts to spread development benefits more equally among the three countries.

However, not all regional changes in East Africa were encouraging in 1967: for example, it now appears that the regional University of East Africa will break up into three independent national institutions in 1970. Nevertheless, some form of cooperation among them is expected to continue, and U.S. assistance has been requested in considering its future scope.

East Africa has good prospects for development. Its 679,000 square miles contain rich farm and grazing lands and its combined

population of 29 million can provide a sizeable market for locally produced goods. Over the past five years, overall annual GNP growth of the region has averaged 5.9%; its balance of payments situation is generally favorable.

Agriculture remains the dominant sector, accounting for about 80% of East Africa exports outside the region, about 80% of employment, and half of total gross domestic product. The region generally can feed itself. While production has continued to rise, fluctuating or falling world prices for its three main export commodities--coffee, cotton and sisal--are likely to keep earnings at or below current levels. Real potential for regional development is offered by tourism which A.I.D. has assisted through a regional wildlife management project and a loan to improve Tanzania's national parks. Between 1960-66, the number of annual visitors to East Africa tripled to 128,000. Tourism already shows promise of becoming the largest foreign exchange earner in Kenya, accounting for over \$40 million in 1966.

Trade among the Community countries grew twice as fast from 1963 to 1966 as the region's rising exports to other parts of the world. Its relative importance in the economies also has increased. In recent years about 35% of Kenya's exports have gone to its regional partners.

At this point, it is too early to predict the success of the Community. The three countries are only on the threshold of full regional economic cooperation. Whether current momentum will continue depends on a number of factors, including economic growth in all three countries. The year 1967 saw the continuation of measures to diversify agriculture, reduce growing unemployment, and increase East Africa's revenue base for development.

#### FY 1969 Program

The proposed FY 1969 A.I.D. program in East Africa totals \$15.5 million--\$11 million in Technical Assistance and \$4.5 million in loans. Of the Technical Assistance, \$5.1 million is for the East African Regional Program; \$2 million, \$1.8 million, and \$2.1 million are for bilateral assistance, largely to continuing projects, in Kenya, Tanzania and Uganda respectively. In FY 1969, nearly all available funds for new activities will be put into regional projects. Consequently, the proportion of the East Africa Technical Assistance program devoted to regional activities will rise from about 26% in FY 1967 to about 45% in FY 1969, and should reach at least 50% in FY 1970.

The United Kingdom is the largest donor to East Africa, accounting for approximately 35% of total aid, followed by the United States, the World Bank, the United Nations and other international agencies, the Communist countries, and all other aid donors.

United States aid will be planned and administered in cooperation with the other ten members of the new IBRD-chaired Consultative Group, representing all the principal Free World donors to East Africa.

Agriculture. Agriculture and related manpower programs will account for \$4 million, or 36%, of A.I.D.'s FY 1969 Technical Assistance in East Africa. As the dominant sector, agriculture is the backbone of East Africa's economy and the largest resource for development. However, the three export crops on which the Community relies almost exclusively are all subject to strong fluctuations in world markets, and their current price outlook is uncertain. Concern with the future of these commodities has led to considerable East African efforts to diversify, partly through expanded production of livestock and major cereals.

East Africa has become a competitor in world tea markets; production in Uganda alone more than doubled to 24.6 million pounds between 1960 and 1966. However, shortages of trained agricultural manpower and inadequate supporting institutions remain serious obstacles to more rapid diversification. A.I.D. programs in agriculture concentrate on helping develop the manpower and institutional base for agricultural change, the essential operational research for increased production, and the development of promising sources of agricultural income.

Regional support to agriculture training in FY 1969 will continue through additional Technical Assistance to the University of East Africa veterinary medicine faculty at Nairobi and the agriculture faculty at Makerere, totalling \$460,000. New regional projects of \$375,000 based on FY 1968 surveys are proposed to help reorient secondary education in the region toward the needs of agriculture and to improve coordination among diploma-level agricultural training institutions in the three countries. Continued bilateral support to diploma agricultural training in the three countries will total \$700,000. A.I.D. also will continue assistance to develop pilot agriculture programs in six Kenya secondary schools. Under the regional program, initial A.I.D. support of \$25,000 is planned in FY 1969 to help the East Africa Agriculture and Forestry Research Organization (EAAFRO) undertake research on social and economic barriers to increased agricultural productivity, while assistance to EAAFRO and other wildlife management programs will require about \$100,000 in FY 1969, against almost \$200,000 in FY 1968. An additional \$100,000 is planned for A.I.D. assistance to a proposed project to help stabilize the Community supply and price of grain, now subject to severe regional fluctuation because of storage and related limitations. Assistance for livestock development, range management and agriculture extension will continue in Kenya and Uganda at \$733,000. Additional support is planned for credit union development in Tanzania, along with assistance to agriculture cooperatives in Uganda and a fisheries improvement program in Kenya, totalling about \$500,000.

Education and Manpower. Education and manpower development other than for agriculture accounts for \$5.2 million, about half the FY 1969 Technical Assistance request for East Africa. Both loans proposed for FY 1969 also fall in this sector. A.I.D. programs seek to help overcome the critical shortages of skilled manpower which remain a major obstacle to development in the Community. In Kenya, an estimated 30% of the high-level jobs in the Ministry

of Agriculture alone either are held by non-Kenyans or remain unfilled; non-citizens occupy about 28% of the senior and middle-level civil service jobs in Tanzania and Uganda. All three governments have steadily increased public expenditures for education to an estimated average of 18% of recurrent budgets. The number of students in Community high schools tripled between 1963 and 1966 to 104,000. University of East Africa enrollments rose by half, to 3,000 between 1964 and 1966. Primary school enrollment, rising at only 5% a year in line with priority Community attention to secondary and higher education, now averages more than half of school-age population in the three countries combined. However, exemplifying a major problem caused by education expansion, a current survey indicates that Kenya's supply of college-trained high school teachers in 1970 may be only about one-fourth of its estimated requirement of more than 2,200.

FY 1969 A.I.D.-assisted education and training programs in the region will continue to concentrate on teacher training and higher education. About \$1.1 million in Technical Assistance is requested to continue the regional Teacher Education in East Africa project, under a contract with Teachers College of Columbia University, providing 88 instructors for 28 teacher training colleges in the Community countries. The contract also furnishes advisors to assist the region's Institutes of Education in curriculum development, training, and other aspects of teacher education common to the three countries. A \$3 million loan is planned to build two training colleges for primary school teachers in Uganda, following a \$260,000 FY 1967 design loan. These institutions form part of Uganda's plan to consolidate teacher training in four, instead of its existing 26, colleges. Assistance to primary school teacher training will also continue in Kenya, partly through a program begun in FY 1967 to improve teaching skills by correspondence courses and radio, requiring \$120,000 in FY 1969 Technical Assistance.

**Support to the University will continue through Technical Assistance of \$325,000 and a planned \$1.5 million loan for construction and teaching materials at Makerere College, its Uganda campus. Technical Assistance of \$325,000 will continue supplementing the faculty salaries of U.S. academicians under contract to the University and provide support to other University-related activities.**

Training of public service staffs and provision of operational personnel to Community organizations and ministries in member countries will continue in FY 1969, including expansion of the regional stevedoring skills improvement project, training and advisory services for income tax personnel, and related activities requiring about \$1.5 million in Technical Assistance.

Bilateral vocational and secondary training also will continue with assistance of \$400,000 to Uganda's only high school for girls which combines academic and vocational training and for vocational and technical training in Kenya and Tanzania.

Other Activities. Additional regional loans for consideration in FY 1969 include assistance to the East African Development Bank, help in construction of the new East African Community headquarters at Arusha, Tanzania, and the proposed cold storage facilities at the port of Mombasa, Kenya, as well as follow-up engineering studies rising from the A.I.D.-financed Middle Africa Transportation Survey. A loan may also be considered for teacher training college construction in Tanzania.

**Country:** GHANA

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
Development Loans	22.0	10.0	15.0
Technical Assistance	2.0	2.0	2.4
Total A.I.D. Assistance	<u>24.0</u>	<u>12.0</u>	<u>17.4</u>

U.S. Aid Objectives

The immediate A.I.D. objective is to help Ghana recover from the economic disorder--fiscal and monetary crisis, inefficient allocation of resources, large external public debt, and unfavorable balance of payments position--inherited from the Nkrumah regime. At the same time, A.I.D. also seeks to assist Ghana in establishing a sound basis for launching a renewed development program. These objectives will be pursued in concert with other donors and in accord with the International Monetary Fund (IMF) guidelines for the stabilization program. Achievement of these objectives is intended to support Ghana's re-emergence as a moderate, democratic nation, exercising constructive leadership in West African and continental affairs.

Country Performance and Self-Help

During the past year, the Government of Ghana has continued to make impressive strides in tackling the immediate, formidable problems inherited from the Nkrumah regime. When the National Liberation Council (NLC) took power in February, 1966, the economy was in shambles. There were 55 state-owned enterprises and over 100 state-operated farms, many of which were economically unsound and inefficiently run. Foreign exchange reserves had been sharply drawn down. There was a staggering external debt of \$730 million, largely incurred for unrealistic development projects and prestige structures. The country had a chronic budgetary deficit resulting in severe inflation. The NLC took steps to meet the immediate economic crisis. It arranged rescheduling of about \$150 million

in external debts falling due in the next several years. It restrained credit, and achieved price stability. It reoriented the economy toward private enterprise by closing over one-half of the state farms and encouraging private investment in many state-owned industrial enterprises.

Import regulations for commodities to improve agricultural production were liberalized in order to meet private sector market demands. In July 1967, the Council announced a 30% devaluation--a major step toward balance-of-payments equilibrium. In these efforts, Ghana has adhered to the requirements imposed as a condition for IMF assistance.

Despite the progress of the past two years, substantial problems remain. The successful stabilization effort has resulted in heavy unemployment and continued economic stagnation. Per capita GNP, while still among the highest in A.I.D.-assisted Africa, has remained at approximately \$220 since 1962. The prolonged austerity associated with the stabilization effort may produce social and political unrest if some signs of progress are not soon evident. For that reason and the urgency of development progress, the country is preparing plans for a substantial development effort following achievement of stabilization objectives. A.I.D. provided a \$2 million loan in FY 1967 to finance four major sector studies which will provide a basis for the development program.

Ghana's major problem currently is to sustain a minimum inflow of essential commodities to revitalize its productive capability and prevent further economic decline, despite its large foreign debt and a current balance of payments deficit. Although the economy holds promise of recovering its favorable trade position, the IBRD has estimated that the Ghanaian balance of payments deficits over the next several years will range between \$125 and \$150 million annually. About half of this amount results from servicing requirements on external, medium-term debts. Hence, in the interim period, essential imports cannot be financed without substantial external assistance.

#### FY 1969 Program

The proposed A.I.D. program for FY 1969 amounts to \$17.4 million, of which \$15 million will be provided in the form of a Development Loan for essential imports from the United States and \$2.4 million in Technical Assistance. This may be compared with loans of \$22 million and \$10 million in FY 1967 and FY 1968 respectively and about \$2.0 million in Technical Assistance in each of those years. In addition, there is a planned P.L. 480 program of about \$16 million in FY 1969, of which \$0.7 million will consist of grants for voluntary agency programs. Present levels of total assistance are not sufficient to permit further relaxation of import controls and induce additional investment and faster recovery.

Reduction from this level could weaken Ghana's resolve to continue stabilization efforts at the expense of domestic austerity and severe unemployment.

Assistance from other donors may total \$50 million, including a possible loan from the International Development Association (IDA) to finance an electrical distribution system, a drawing from the IMF, and concessional commodity loans or project financing from various European countries and Canada. The IMF performs the crucial leadership and coordination role among the group of aid donors and encourages the substantial participation of as many donor nations as possible. The group met twice under IMF leadership in 1967 to review Ghana's economy, self-help performance and external aid requirements. As the emphasis changes from stabilization to long-term development, it is anticipated that leadership of the donor group will shift to the IBRD.

Disbursements and deliveries under A.I.D. loans and P.L. 480 credit sales will continue to be conditioned on Ghana's adherence to the IMF guidelines for the stabilization program. These measures include limiting budgetary expenditures to amounts financeable from domestic receipts and external grants or concessional loans, rationalizing the tax system to both increase revenues and encourage domestic savings and investment, restricting credit expansion to amounts consistent with economic stability, progressively eliminating import and exchange restrictions, and limiting external borrowing to amounts consistent with debt-servicing capacity.

The major portion of FY 1969 A.I.D. assistance is a proposed loan of \$15 million for financing essential imports from the United States needed to stimulate the industrial and agricultural sectors. The eligible imports will be identified in accordance with the minimum essential requirements developed by the Ghana Government with the IMF and IBRD. These imports will be primarily in the following areas: spare parts, raw materials, machinery and transportation equipment for more effective use of existing industrial capacity; fertilizer, pesticides, seeds, farm machinery and other commodities related to agricultural production; and spare parts for road repair and maintenance equipment.

The proposed Technical Assistance program of \$2.4 million will be concentrated on efforts to increase and diversify agricultural production, reducing dependence on cocoa exports and promoting a satisfactory growth rate in agricultural output. Additional A.I.D. assistance will support efforts to transfer state-owned enterprises to private hands, and promote new private investment.

Agriculture. Agriculture is by far the most important sector in Ghana, accounting for almost one-half of GNP and about 70% of export earnings. With A.I.D. assistance, Ghana is diversifying agriculture in order to reduce the country's dependence on food imports and cocoa exports, which account for 60% of export earnings and are subject to world price fluctuations. The country has set a goal of 5% average annual increase in agricultural production. In working toward this goal, Ghana has placed agricultural imports under open import licenses. As part of the last P.L. 480 sales agreement, the Government of Ghana agreed to a number of self-help measures, including an evaluation

and adjustment of price support measures needed to stimulate private production and improvements in coordination of agricultural research. Ghana will spend half of the local currencies generated under this agreement for agricultural production-related activities such as support of secondary agricultural schools.

Proposed FY 1969 Technical Assistance funds totalling \$900,000 will continue the present A.I.D.-financed activities and provide for new production studies. The continuing programs include assistance by U.S. advisors to the Ministry of Agriculture for analysis of policy problems and project planning and evaluation; support of a program to expand corn and sorghum production in order to meet the expanding demand for these grains; agricultural extension assistance for four pilot production programs; and provision of ten experts who teach and develop the curriculum at seven vocational agriculture schools. Local currency loans will help finance feeder roads, an agricultural development bank, and vocational agricultural education.

The FY 1967 \$2 million A.I.D. loan signed last summer includes an agricultural sector analysis to be carried out during FY 1968-69. This study will lay the groundwork for future A.I.D. projects as well as provide the basis for a long-range plan for agricultural development.

Industry. The objective of the NLC Government, supported by A.I.D. and the IMF, is to give a greater role to private enterprise and to revive production by permitting necessary imports of raw materials, spare parts and equipment. A number of projects (e.g., a laundry, tire factory, match factory and cement plant) have already been sold to private investors. In 1967, the Firestone Company purchased a state-owned rubber plantation and tire factor on a joint-venture basis. Two hotels have been placed under management of Intercontinental Hotels Corporation, a Pan-American Airways subsidiary. The remainder of the 55 state-owned enterprises are being evaluated for possible sale by the State Enterprise Board and the National Investment Bank (NIB) with U.S. assistance.

Under the FY 1968 and proposed FY 1969 programs, U.S. assistance to the industrial sector includes services of specialists to train the local staff of the National Investment Bank in analyzing the state-owned enterprises and preparing them for consideration by private investors. In the interim, consultants are provided under an A.I.D.-financed contract to carry on investment analyses jointly with the Bank. In addition, several Ghanaians are being trained in the United States.

Infrastructure. A.I.D.'s goal in assisting Ghana in this sector is to establish the priority of projects for implementation in terms of the country's long-range requirements. In FY 1969, Technical Assistance will be provided to the Ghana Water and Sewerage Corporation to help overcome the severe public health problems resulting from inadequate water supply and distribution

systems. The FY 1967 \$2 million A.I.D. loan is financing economic studies which will provide a basis for future assistance in transportation, telecommunications and water resources in which every effort will be made to encourage financing of projects by other donors.

**Country:** TUNISIA

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
Development Loans	23.2	5.0	20.5
Technical Assistance	2.4	2.5	2.6
<b>Total A.I.D. Assistance</b>	<b>25.6</b>	<b>7.5</b>	<b>23.1</b>

U.S. Aid Objectives

A.I.D. has joined with other donors to help Tunisia overcome its serious balance of payments difficulties and to support an ambitious development program designed to give Tunisia a 6% annual GNP growth rate. The United States is supporting Tunisia's own substantial efforts to help modernize and expand agriculture, expand its industrial base, promote tourism, and develop the institutions and skilled workers required to achieve this growth. The stability and growth derived from these efforts help Tunisia maintain its moderate and effective political position in the Maghreb and the Arab World.

Country Performance and Self-Help

Tunisia has considerable development potential despite its limited arable land and few mineral resources. Growing oil production, considerable tourist attraction, and potential production and marketing of fresh fruits, vegetables and wheat are its chief assets. Its problems stem from imbalances of trade and production resulting from a 75-year old economic orientation toward France.

Tunisia uses U.S. aid effectively and has demonstrated the eagerness and discipline necessary to advance economically. It is vigorously applying modern planning techniques, assisted by the United States, the International Monetary Fund (IMF), the IBRD and other donors. It has carried out three development plans under relatively stable economic conditions, adhering to IMF and World Bank guidelines, and maintained an impressive growth rate averaging over 5% annually during 1962-1965. (There was no improvement in GNP in 1966-1967 due largely to a sharp downturn in agricultural production resulting from successive droughts.)

Since 1960, however, Tunisia has suffered a trade deficit averaging over \$100 million annually. Food imports on commercial terms accounted for about half that deficit in 1967. Other major factors affecting its trade balance include loss of preferential access to the traditional French market and heavy capital imports under the development program. Given its own small market, Tunisia has limited potential for import-substitution industries and must increase foreign exchange earnings to meet import requirements. As a step toward better relationships with European markets for its exports and excess labor, Tunisia recently completed a second round of negotiations regarding possible "associate" status with the European Economic Community.

In 1967, continued balance of payments pressure led Tunisia to take stricter stabilization measures. These included new curbs on supplier credits, restrictions on non-essential imports, and enforced savings to keep domestic revenue at about 25% of GNP, already high for a developing country. In another effort to reduce its balance of payments deficit, the Government cut back Tunisia's capital investment to \$218 million, a 13% reduction from 1966. Tunisia's export-import gap is expected to begin to narrow in 1968 because of these efforts and returns from investment in export-earning activities.

Tunisia's foreign debt problem remains serious. The debt servicing burden rose from 17% of foreign exchange earnings in 1965 to an estimated 24% in 1967. To help contain that growth, the Government has held down new private supplier credits. Tunisia was also successful last year in obtaining debt relief from France, Italy and West Germany.

Tunisia's self-help has been comprehensive and successful. The Government achieved a 34% rise in domestic revenues between 1964 and 1967 as a result of a 50% increase in direct taxes, new taxes and better collections. Its stabilization measures in 1967 included ceilings on government borrowing and central bank credits, and price and wage controls. Tunisia has adopted an integrated financial and economic budget to improve planning and resource allocation.

To quicken the modernization of traditional agriculture, food crops have the first call on land resources, and diversification measures are being pushed. The number of Tunisian cooperatives was increased by almost 70% in 1967. Their combined membership now numbers more than 250,000. The nation-wide work program, supported by P.L. 480 assistance, but largely financed (77%) by the Tunisian government, employed 140,000 people during FY 1967.

#### FY 1969 Program

The proposed \$23.15 million program for FY 1969 includes \$20.5 million in Development Loans and \$2.65 million of Technical Assistance. The estimated FY 1968 program of \$7.5 million represents a substantial reduction from A.I.D.'s previous planning due to appropriation cuts which have forced deferral of two important

loan actions to FY 1969. P.L. 480 assistance of approximately \$30 million is also planned for FY 1969.

Under the leadership of an active World Bank-chaired Consultative Group, fourteen bilateral donors and international organizations have committed aid totalling about \$400 million to Tunisia between 1964 and 1967. Of this total, \$214 million came from other Free World donors. The U.S. provided \$174 million, with the A.I.D. portion amounting to \$74 million. By comparison, assistance from other Consultative Group members next year is expected to reach \$60 million, roughly \$10-15 million higher than the 1964-67 annual average. Indications are that it will consist largely of (1) credits from the World Bank, France, Germany and Italy, (2) substantial technical assistance from France, and (3) project assistance from numerous other donors.

The core of the proposed FY 1969 program is a \$10 million loan for commodities essential for agricultural and industrial production. This loan, as in previous years, will be conditioned on Tunisia's adherence to specific self-help efforts, including the IMF/IBRD-agreed stabilization measures. These conditions include measures to restrict investment to available resources, to limit short and medium-term supplier credits, to control operating budget expenditures, to allocate a portion of imports to meet essential needs of the private sector, and to continue concerted efforts for increasing agricultural production.

Agriculture. Farm products account for more than half of Tunisia's total exports, and half the labor force is in agriculture. Tunisia's development plans call for a 30% increase in agricultural production between 1965 and 1972. Weather conditions, particularly a serious drought, have caused wide fluctuation in annual production, but there has been little improvement in the use of modern techniques, fertilizers and other advanced agricultural inputs, and per capita output has not increased in the past decade. Nevertheless, A.I.D. assistance to agriculture has brought marked results in the past few years. Programs to improve citrus fruit varieties and horticulture began to pay off in the 1966-67 crop year, when exports rose one-third over 1965-66 levels to more than 50,000 metric tons. Fourteen million trees have been planted in an A.I.D.-assisted reforestation program. A water resource project has produced 65,000 acres of irrigated land and reclaimed an additional 120,000 acres to supplement the ten million acres previously under cultivation.

As a result of an A.I.D. well-drilling project begun in 1963, the total water production capacity from all the country's deep wells rose from 950 liters per second to 28,000 liters per second by the end of 1967. The significance of that increase is underscored by the difference between the Tunisian average income of \$30 per acre for wheat in good dry land and \$240 from irrigated

land. In FY 1969, under a North African regional project which will benefit Tunisia, A.I.D. will collaborate with the Rockefeller and Ford Foundations to grow improved wheat strains. One intended goal of this effort is ultimately to eliminate Tunisia's reliance on wheat imports (including P.L. 480), currently equal to almost half of annual consumption.

About \$3 million of the FY 1969 commodity loan will be used for import of equipment and materials related to improvement of agricultural production, including agricultural machinery (e.g., tractors, threshers and combines) and spare parts, fertilizer and insecticides.

Assistance to the agricultural sector will also require about \$1 million of Technical Assistance funds in FY 1969. Under an A.I.D.-financed contract, five University of Minnesota staff members are helping to develop a new research and analysis unit in the Ministry of Agriculture to deal with the economics of wheat production. In FY 1969, they will conduct studies of the comparative returns of different varieties, regional rainfall/production relationships, and the influence of marketing and pricing arrangements on wheat output. A.I.D. will continue to finance a Texas A&M team training secondary-level agricultural technicians at the Chott Maria Agricultural School. A.I.D. will provide further assistance in water resources development through training projects on the techniques of conservation, irrigation and groundwater utilization.

A \$5 million loan for groundwater development in FY 1969 also is planned, expanding to other parts of the country a previously successful A.I.D. program in central Tunisia. Through Technical Assistance of \$2.6 million ending in FY 1968, A.I.D. helped conduct hydrological surveys of 20,000 square miles in central Tunisia, train more than 100 Tunisians in well-drilling techniques, and build and equip 50 pump-driven wells. The loan is expected to provide equipment and engineering services in specific additional locales where groundwater irrigation is to be developed.

Family Planning and Nutrition. Supplementing the agricultural improvement projects, the United States is helping Tunisia in the fields of family planning and food fortification. Tunisia's population is estimated to be increasing at more than 2.5% annually, and it is clear that unless the increase is arrested it will constitute a serious threat to Tunisian development. The Government of Tunisia, therefore, is improving the family planning program which it launched soon after independence in 1957. Since that time, the Bourguiba Government has taken a variety of steps, all deriving from its efforts to liberate Tunisian women from their traditional bonds. These measures have included legalizing abortions for women with more than five living children, abolishing restrictions on the sale of contraceptives, and legislative steps to sanction broad family planning activities.

The Tunisian Government and A.I.D. family planning activities will be closely integrated with a broadly defined maternal and child health improvement program. In FY 1968, A.I.D. allocated \$265,000 in local currency for public health education programs linked with Ford Foundation activities. This project will be succeeded by advisory services and equipment costing approximately \$250,000 in each of Fiscal Years 1968 and 1969. This assistance will serve to start an oral contraception program, convert the present mobile family planning teams into units that also provide pre- and post-natal service, and create mobile education teams working with rural clinics and women's unions.

In the nutrition field, A.I.D. is engaged in the first phase of a protein enrichment project adding vitamins and lysine to wheat and semolina. In addition, A.I.D. is studying the International Milling Company's proposal to introduce to the Tunisian market a high-protein wheat by-product which is particularly appropriate for infant children. The proposal is based on an FY 1968 research survey which the Company conducted with A.I.D. assistance.

Expansion of Private Investment. In FY 1967, the Tunisians made significant strides in promoting investment in the private sector of the economy. A major contribution to this success is the Tunisian Development Bank's revolving loan fund, established with the help of A.I.D. counterpart funds. By the end of FY 1967 some 160 loans amounting to the equivalent of \$12 million had been granted to some 140 private firms and had spurred private investment, largely in tourism, from 19% of total fixed investment in 1966 to 28% in 1967.

Other measures designed to promote private investment have been the preparation of an investment code, and the establishment of an Investment Promotion Center chiefly designed to promote foreign private investment in enterprises oriented towards the export of Tunisian products. These activities will require about \$350,000 in FY 1969 Technical Assistance funds. In addition, about two-thirds of the imports under the FY 1969 A.I.D. commodity loan will be to meet the needs of private enterprise and industrial activity. The projected imports include substantial amounts of hotel equipment, industrial equipment, tires and tubes, and paper and paper products.

The FY 1969 request also makes provision for a loan for construction of air terminal facilities, for which preliminary engineering and architectural work was financed through a Development Loan authorized in FY 1967. Local currency ("Cooley") loans are planned in FY 1969 to continue projects for low-cost housing, a tire manufacturing plant, and a new hotel construction project. Other activities for which FY 1969 Technical Assistance funds of \$425,000 are programmed include public safety training and training in other development fields.

Country: ETHIOPIA

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967	FY 1968	FY 1969
	Actual	Estimated	Proposed
Development Loans	5.8	-	4.5
Technical Assistance	7.8	5.8	6.3
Supporting Assistance	-	0.3	-
Total A.I.D. Assistance	13.6	6.0	10.8

U.S. Aid Objectives

The main objectives of the A.I.D. program are to help Ethiopia (1) increase its insufficient trained manpower by improving general education and training in skills needed in the job market, and (2) raise its currently inadequate government revenues by expanding the money sector of the economy through concentration on revenue-producing activities in agriculture and related industries. By encouraging and assisting Ethiopia's efforts to accelerate social and economic development, the A.I.D. program seeks to promote progress and stability, thereby safeguarding important U.S. strategic interests.

Country Performance and Self-Help

With a \$62 per capita GNP and 5% literacy rate, Ethiopia is one of the poorest countries in Africa, despite its substantial resources. With the second largest population in Africa, the second largest acreage of agricultural land, the largest livestock resources on the continent, adequate rainfall and generally temperate climate, Ethiopia could become a major exporter of food and meat for growing African and world needs. Still in an early stage of development, its economy is growing at over 4% a year. Agricultural production, which already accounts for most of Ethiopia's exports and employment, has increased only 18% since 1960, reflecting the slow redirection of an overwhelmingly subsistence economy. Nevertheless, exports increased about 45% during the same period. Gradually rising private investment, particularly in large-scale commercial agriculture and manufacturing, accounts for more than two-thirds of all public and private investment. Moreover, Ethiopia is expected this year to broaden its investment insurance program with A.I.D. to the full range of available coverage, including extended risk guaranties, increasing prospects for U.S. private investment.

Through conservative fiscal policies, Ethiopia maintains a balanced budget, stable exchange rate and had official reserves of \$65 million at the end of 1967. While domestic revenues have more

than doubled since 1958, they still total only a modest 9% of GNP and remain, on a per capita basis, less than half the average in many countries. During 1967, however, the Ethiopian Government introduced legislation for a major tax reform: progressive taxation to replace the traditional tithe system. It also is considering ways to tax unused agricultural land.

The government in 1969 will embark on a third five-year plan, now being developed with World Bank assistance. While specific goals have not yet been set, the new plan seeks to promote more rapid growth of cash agriculture as Ethiopia's dominant source of increased capital for development. Pervasive obstacles to development, including ethnic and geographic fragmentation, a still embryonic transportation system, limited modern marketing arrangements, and inadequate credit structure, will continue to tax Ethiopian capacities in the years immediately ahead.

#### FY 1969 Program

The proposed FY 1969 A.I.D. program in Ethiopia totals \$10.8 million--\$6.3 million in Technical Assistance and \$4.5 million in Development Loans. In addition, \$1 million of donations under P.L. 480 is programmed, including a work relief program which will continue in Eritrea and may expand in FY 1969 to include other provinces.

While the United States is still the largest bilateral donor, others now provide almost two-thirds of the estimated \$84 million in total aid to Ethiopia during FY 1967 and FY 1968 combined. During the previous three years, U.S. assistance averaged about half the total \$166 million in aid to Ethiopia from all sources, including the World Bank group, Germany, Sweden, Italy, the UN, Bulgaria and the Soviet Union. The United States will continue to seek increased participation by other donors through an informal coordinating group involving major bilateral donors, like West Germany and Sweden, as well as the UN and the World Bank. A formal Bank-led Consultative Group may be in the offing.

Agriculture. Improved cash returns from agriculture are essential for Ethiopian development. Agriculture's contribution has been restricted, however, by lack of effective national plans and policies, low expenditures for its improvement averaging only about 3% of the national budget for the past two years, and restrictive land tenure and ownership patterns.

Nevertheless, food production has managed to keep pace with population growth, and Ethiopia may enter the world market again this year as an exporter of corn and sorghum. Total Ethiopian exports--primarily agricultural--were one-third higher in 1967 than in 1962. In 1967 the Ethiopian Grain Corporation managed for the first time to buy and move grain from surplus to deficit regions, checking grain speculation, averting famine in drought-stricken areas and building a buffer stock. In this way, the Corporation has begun to break price-fixing practices of some of the leading grain merchants. Moreover, its premium purchase prices and

refusal to buy poor quality grain are expected to encourage increases both in the amount and quality of Ethiopian grain production. During the past year, the Corporation also reduced its debt substantially and expects to eliminate the remainder during 1968. A.I.D. recommendations have contributed to the Corporation's success. The present manager of the Corporation is an American on contract to the Ethiopian Government.

In the proposed FY 1969 program, agriculture again accounts for about one-fifth of A.I.D. Technical Assistance to Ethiopia--\$1.4 million. Additional Technical Assistance projects are expected to result from the two-year A.I.D.-financed agro-industrial survey scheduled for completion in FY 1969. The survey will identify potential projects yielding cash returns within five years to agricultural producers and processors, and will produce feasibility studies of at least six projects, permitting their speedy implementation. The Ethiopian Government is expected to give private enterprise a major role in projects identified by the survey. The study also will produce a 15-year agricultural development plan for integration into the third national five-year plan. FY 1969 assistance to agricultural planning and extension is proposed under two projects totalling approximately \$375,000, including continued assignment of U.S. advisors to the Ministry of Agriculture. A.I.D. also intends to provide approximately \$250,000 to assist in developing the southern Ethiopian livestock program, designed to produce more and better meat for export.

At the College of Agriculture in Alemaya, an A.I.D.-supported Oklahoma State University contract team will conclude its direction of teaching and research programs in FY 1969. U.S. assistance totalling approximately \$365,000 in FY 1969 will serve to help complete the training of Ethiopian faculty and provide partial salary support for the American professors to be hired by the Ethiopian Government. Africans from other countries are also being trained at Alemaya. A.I.D. proposes to provide \$100,000 in FY 1969 to help develop training programs at the country's first training center for middle-level agricultural extension and rural services workers, also to be set up at Alemaya. A.I.D. also plans to help the Ministry of Agriculture design a credit and cooperatives program, and to provide funds for agricultural development projects in Eritrea.

Education and Training. While Ethiopia has not yet matched manpower needs with education and training efforts, the country has made substantial educational progress. During the past ten years primary school enrollment has doubled. The number of secondary school students has risen by half. The number of trained teachers has also doubled, reflecting continued A.I.D. assistance to teacher training institutions. Ethiopian public expenditures on education rose from approximately \$12 million in FY 1962 to over \$21 million in FY 1967, accounting for 12% of the national budget. Nevertheless, Ethiopia needs more professional, technical, clerical and commercial workers, along with new teachers to keep pace with school expansion. According to a recent estimate, Ethiopian requirements for secondary school

teachers may double in the next four years, rising to 2,000 in 1972.

In FY 1969, \$1.95 million, about 31% of the Technical Assistance proposed for Ethiopia, will go for education and training. A.I.D. will continue supporting vocational and academic teacher training at Haile Selassie I University, as well as the University schools of business administration, law, and liberal arts, totalling approximately \$800,000. During FY 1969, A.I.D. also plans a grant of \$386,000 to provide equipment and books for 20 of the 43 Ethiopian high schools offering combined vocational-academic training and which are being built or remodeled through a \$7 million IDA loan. A.I.D. advisory services will also continue for primary and secondary school system development.

Other continuing training programs, totalling \$240,000 in Technical Assistance, help develop managerial and engineering capabilities for agencies like the Imperial Highway Authority and the Water Resources Department, upgrade statistical and economic skills of government personnel in the Finance and related ministries, and provide in-service vocational training for artisans in the Confederation of Ethiopian Labor Unions.

A.I.D. also plans to authorize a \$1.5 million loan for commodities and engineering services for construction of additional buildings at the Addis Ababa campus of Haile Selassie University and the Public Health College campus at Gondar, as well as to provide books for the A.I.D.-financed John F. Kennedy Memorial Library at the Addis campus.

Health and Population. A.I.D. programs in this area are expected to require \$1,350,000 of Technical Assistance funds in FY 1969. This includes continued U.S. support of \$220,000 for a malaria eradication program of the Ethiopian Government and the World Health Organization. The program will open up large tracts of fertile agricultural land while increasing productivity of the labor force. Advisory services to the Ministry of Public Health and the Itegue Menen School of Nursing, as well as teaching assistance to the Public Health College at Gondar, totalling approximately \$680,000, is planned to continue until the end of FY 1970. A vital events registration project begun in FY 1968 and requiring \$450,000 in FY 1969 is designed to pave the way for Ethiopia's first census in 1970 as a prelude to expected family planning activities. A further development loan to supply needed commodities for the malaria eradication program may also be considered in FY 1969.

Other Programs. To help overcome the isolation of large parts of the country from modernizing influences, continuing Technical Assistance, estimated at \$270,000 is planned for improving programming and production techniques at Radio Ethiopia. The public safety program in FY 1969 will provide \$245,000 Technical Assistance for advisory services, commodities and training to help the police meet international security requirements. A project begun in FY 1968 to help the Confederation of Ethiopian

Labor Unions set up six branch offices in provincial towns will require Technical Assistance of \$65,000 in FY 1969.

A new \$100,000 Technical Assistance project proposed for FY 1969 will provide advisors from the U.S. Bureau of Customs to help their Ethiopian counterpart organization improve revenue collections along lines recommended in an FY 1967 A.I.D.-financed study.

A \$3 million Development Loan is planned to complete runway installations and provide navigational aids to the Addis Ababa and Asmara jet airports, built with previous A.I.D. loans. These are vital links in a transportation network that must rely heavily on air traffic in the absence of road and rail communications.

Other development loans under consideration for FY 1969 would be for highway maintenance equipment and 94 prefabricated bridges for farm-to-market roads in rural areas.

**Country:** LIBERIA

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
Development Loans	1.9	0.6	5.0
Technical Assistance	5.4	5.3	5.2
Total A.I.D. Assistance	<u>7.3</u>	<u>5.9</u>	<u>10.2</u>

U.S. Aid Objectives

U.S. assistance seeks to help Liberia achieve the development progress which its ample resources should permit. A.I.D. assistance supports basic U.S. objectives in Liberia which include a continuing cooperation with the Liberian Government with respect to installations of importance to the United States which are located there. In the long run, U.S. interest includes progress by Liberia toward broader popular participation in and benefits from economic growth. Economic progress in Liberia will tend to strengthen its government's moderating influence in African political councils and demonstrate that an "open door" investment policy can help to bring economic progress to African people. Given the close historical identification of Liberia with the United States, measurable and visible development progress is important to the U.S. image in other African countries.

Country Performance and Self-Help

Liberia has substantial resources of minerals and forests, as well as considerable agricultural potential. Over the past few years,

moreover, the country is believed to have maintained an annual GNP increase of between 3.5% and 4.5%, despite the continued decline in world market prices of its two major exports, iron ore and rubber. However, Liberia's growth has been primarily due to foreign private investment in concessionary enclaves for the rubber and iron ore export market. Further substantial inflow of foreign private investment is essential for continued growth in the near future. But Liberia's long-term growth also requires integration of the sharply contrasting urban and rural economies and wider participation in the modern economy by a greater part of the population.

Liberia's most critical economic problem is service of its external debt; the total public external debt is now an estimated \$233 million including interest. Anticipated export revenues were insufficient to cover the costs of public buildings and highways constructed in 1959-1962. By 1963, Liberia found itself unable to meet its debt obligations and sought relief through debt rescheduling and International Monetary Fund (IMF) stand-by arrangements. Subsequently, Liberia avoided incurring further short-term indebtedness, tried to adhere to a balanced budget, and met its debt payments in accordance with the IMF arrangements; recently an IMF delegation expressed satisfaction with the Government's performance. However, annual payments under existing arrangements will increase by over \$2 million in 1968 and by another \$5.7 million in 1969, when such payments may require about 35% of anticipated government revenues. The government is currently studying ways and means of negotiating a second rescheduling.

The government has had considerable success in increasing its revenue collections. From 1965 to 1966, current government revenues increased from \$42.4 million to \$47.7 million. Slightly over \$2 million of this increase resulted from an A.I.D.-assisted drive to improve collection of customs and other trade duties. A special austerity tax last year produced approximately \$1 million, and accelerated real estate tax collections, although relatively small, netted an 85% increase over preceding years. Improvements in tax collection from current sources are expected to increase revenue to \$48.9 million in 1968, and further concerted tax measures recently recommended by the IMF could net additional funds.

In contrast, Liberia's allocation and effective use of resources for development purposes has not been outstanding. Substantial expenditures for such recurrent items as government salaries, the diplomatic establishment, extensive foreign travel and government rental payments have continued at the expense of increased support for schools, road maintenance, agricultural development and public health services. As debt servicing requirements rise more rapidly in 1968 and 1969 than anticipated revenues, the situation may become even more difficult.

Since 1950 Liberia has experienced a phenomenal rate of growth and rapid expansion of public services and facilities. GNP has increased almost fivefold and revenues have increased twelvefold.

The country mortgaged future revenues for new public infrastructure and buildings. The road network expanded tenfold and school enrollment quintupled. Recently Liberia has made concerted efforts to introduce a more sophisticated budgetary system, to develop plans for better allocation of resources, and to create a modern educational system. However, demands generated by economic growth and expanding government services have far out-paced increases in trained and experienced manpower, hence the inability to date to master its administrative, financial and technical problems. Substantial improvement may be expected as this manpower gap is narrowed and a new generation gains training, experience and influence in the country.

### FY 1969 Program

The proposed A.I.D. program for FY 1969 amounts to \$10.2 million, including \$5.2 million for Technical Assistance and \$5 million for Development Loans, of which \$500,000 is for a project support loan. Liberia receives additional aid, largely from the U.N., in technical assistance, including financing of the Harvard Development Advisory Service team for assistance in development planning. The Republic of China is continuing its assistance in rice production, and small programs of technical assistance from Sweden, Israel and other countries are expected to continue.

In an effort to assure greater Liberian support for assistance activities, A.I.D. in recent years has selectively reduced its grant financing for project-related commodities and required Liberia to provide for such items in its normal budgeting process with interim financing covered by A.I.D. project support loans. In another measure, A.I.D. is requiring the Government to pay part of the salaries of A.I.D. contract technicians who are filling key operational Government positions. Future levels of assistance will depend in part on the Government's own self-help measures and the adequacy of support for existing A.I.D. activities.

In FY 1969, as in the past, A.I.D.'s program goals in Liberia are to improve Liberia's supply of trained manpower, its economic performance, its administration, and basic infrastructure.

Education. Liberia faces a serious shortage of adequately trained manpower at practically all levels. The literacy rate is about 10%, and the dropout rate is exceedingly high in the school system, especially at primary levels. Elementary schools are now producing only about 3,500 graduates annually, the junior high schools 1,000, and the high schools 500. The quality of education is low. These problems reflect administration difficulties, lack of textbooks, and insufficient numbers of well-qualified elementary school teachers, especially in rural areas. Liberia is attacking these problems with A.I.D. assistance. Liberian support for A.I.D.'s education projects, notably the Monrovia Consolidated School System and the Rural Teacher Training Institutes, has improved substantially during the last year. The Curriculum and Materials Center produces increasingly useful publications and teaching aids. However, Liberian expenditures have not been as

large as desirable due to the present financial stringency; thus the major effort must be to achieve greater returns from the limited available funds.

U.S. assistance to Liberian educational institutions will require about \$1.3 million in FY 1969, approximately the same level as in FY 1968. As some activities are reaching conclusion in FY 1968, A.I.D. is redirecting its efforts and is planning to stimulate faster progress. At the Rural Teacher Training Institutes, the contract with Tuskegee Institute for advisory assistance will be successfully terminated in December 1968, since the Liberians can now operate the two schools. The Government has demonstrated renewed support for efforts to create a more efficient, semi-autonomous school district for the city of Monrovia; hence the contract team supporting this project will be expanded. In order to involve local institutions more deeply in Liberia's national development, plans include the possible replacement of the present staff of A.I.D. rural education advisors by a contract with Liberia's Cuttington College.

Public Administration and Services. A.I.D. is helping to develop a more efficient civil service, improve fiscal management, and expand Liberia's capacity to plan and implement development activities. As indicated by the increase in customs revenue and real estate tax collection, Liberia has accomplished substantial improvements in these areas with the assistance of U.S. personnel. There has been marked improvement in the Liberian Government's procurement and supply activities. There have been some improvements, as well, in the labor and public safety areas and limited success in efforts to improve government-wide organization and personnel policies. In FY 1969, customs and public safety assistance will be continued. The advisory contract personnel for government organization will complete their phase-out by the middle of FY 1969 with only local support costs being funded that year. Continuing assistance in public administration will include support for an institute of public administration aimed at providing in-service training for middle- and upper-level government personnel. The FY 1969 request for Technical Assistance funds includes \$1.0 million for these activities.

Public Utilities and Transportation. Development of Liberia's infrastructure has lagged behind other countries of West Africa, which benefitted from extensive construction by the colonial powers. Consequently, the country entered the 1960's possessing only the minimal and most rudimentary utilities and transport facilities. A.I.D. proposes to continue assistance for the development of a public utilities and transportation structure, emphasizing projects which will increase economic production in the short run, e.g., rural access roads. Liberia's Public Utilities Authority, with a small A.I.D.-financed operational team and semi-autonomous status, has become an efficient and well run organization -- excellent power and water service and profitable operation (gross profits of \$0.9 million in CY 1965 and \$1.6 million in CY 1966) have replaced the previous undependable service and operating deficit.

In FY 1969, \$358,000 in Technical Assistance funds is proposed for public works development including funds to supplement the Liberian base salary paid by the Government for five U.S. contract technicians filling key operational positions in the Department of Public Works and Utilities. A Development Loan is also proposed in FY 1969 for construction of rural access roads.

In FY 1969, A.I.D. will continue to finance training of Liberians scheduled for technical and managerial responsibilities at Roberts International Airport and in the Bureau of Civil Aviation. In addition, a Development Loan is proposed for improvements of runways, navigational aids, and other facilities at the international airport. This loan and the loan for rural access roads mentioned above have been postponed because of the cut in A.I.D. funds for FY 1968.

Revenue Producing Activities. A.I.D. proposes to continue assistance where there are promising opportunities to increase employment and income in agriculture, commerce, industry and mining. Although the Government recognizes the needs, its ambitious production plans are handicapped by inadequate planning and staffing, and limited resources. A.I.D. assistance to the Liberia Bank for Industrial Development and Investment (LBIDI) is beginning to show results in recent approval of eleven loans and two underwritings, totalling about \$750,000; seventeen new proposals are under active consideration. Geologic exploration is continuing with increasingly effective participation by the government and improved management and performance by the Bureau of Natural Resources and Surveys. The FY 1969 request includes \$600,000 for these activities.

In FY 1968 a fact finding survey of rice production and marketing will provide further basis for subsequent activities of a rural development nature, including field services, selective credit, agricultural training, cooperatives, rural access roads, and public rice production and marketing facilities. These activities support the objectives of Liberia's "Operation Production" program which includes a "crash" effort to increase rice production. In FY 1969 \$337,000 is proposed for support of agricultural activities.

Health and Population Planning. FY 1969 A.I.D. activities in this area will require \$1.2 million in Technical Assistance funds. A.I.D. will continue support of the Medical Center complex by providing administrative and teaching staff for hospital administration and para-medical training. A demographic study for which initial A.I.D. support will be provided in late FY 1968 will commence full operations in FY 1969 and is expected to provide valuable population data and trends for future planning in all areas. In addition, a new project for improving maternal and child health is planned in FY 1969.

**Country:** MOROCCO

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
Development Loans	2.9	13.0	8.0
Technical Assistance	1.0	1.8	2.2
Total A.I.D. Assistance	3.9	14.8	10.2

U.S. Aid Objectives

The fundamental objective of the A.I.D. program in Morocco is to help Morocco in its accelerated development effort aimed, in accordance with World Bank recommendations, at raising its annual GNP growth rate to 4.5% by 1970. Economic progress is vital if Morocco is to retain its moderating role in the Arab world as demonstrated during the Middle East crisis last year. Another A.I.D. objective is to promote greater Moroccan participation in regional economic cooperation among the Maghreb states. U.S. economic assistance also furthers close U.S.-Moroccan relations in many fields.

Country Performance and Self-Help

During the last year, the Government of Morocco decided to step up its development efforts. In mid 1967, Morocco's predominantly agricultural economy was suffering a second successive year of drought. However, a slight increase in per capita GNP in 1967 reversed the sharp decline of 5% in the previous year. Strict adherence to earlier International Monetary Fund (IMF) guidelines restricting credit expansion had stabilized prices, but at the expense of investment. Unemployment rose to over 700,000, about one-sixth of the total labor force. Concerned with the long-term political and economic consequences of continuing stagnation, the Moroccan Government moved promptly to put greater stress on economic development activities and to increase jobs and incomes.

In conjunction with the World Bank-led Consultative Group of principal aid donors to Morocco, the Government set a 4.5% GNP growth target for 1970 in a development plan which places primary emphasis on agriculture. As an immediate measure to meet the rural decline, the A.I.D.-assisted "Promotion Nationale" (Food for Work) Program was substantially expanded in 1967 from 18 to 30 million man-days per year. This program helps alleviate rural unemployment and stem migration to the cities through projects such as road building, irrigation work, reforestation and reclamation. The Government expanded the "Operation Fertilizer" project to increase wheat yields in dry-land farming areas. In accordance with World Bank recommendations, the Ministry of Agriculture was reorganized, with

substantial authority placed in the hands of the provincial governors. Import regulations were liberalized and an Investment Promotion Center established with A.I.D. help to stimulate foreign investment.

Morocco's economic development efforts are favored by some major economic advantages: rich agricultural potential and extensive irrigation resources, phosphate and other mineral resources, as well as considerable tourist potential with ready access to Europe.

A fundamental problem is moving from an austere economic stabilization program to a development effort requiring sizeable increases in national investment. In order to achieve a 4.5% annual growth rate in GNP by 1970, Morocco, on the basis of IBRD analysis, will require substantial foreign inputs as well as a 50% increase in investment from domestic resources between 1966 and 1970.

Balance of payments assistance is particularly important since it is believed that falling exports and rising imports in 1967 resulted in a trade deficit greater than the \$49 million deficit of 1966. This deficit is expected to increase in 1968 unless export production picks up considerably. The Government is making new efforts to expand phosphate and citrus exports, including a stronger export sales push and increased efficiency in production and management. Tourism earnings, already Morocco's fastest growing source of foreign exchange, are expected to increase by 20% annually over the next few years.

Morocco's estimated 3.1% population growth rate, among the highest in Africa, will continue to be a major obstacle to development. However, in 1967 the Moroccan Government began a program to reduce new births by 10% during the next five years with assistance from the Population Council, and the Government repealed a law forbidding the sale of contraceptives.

#### FY 1969 Program

The proposed FY 1969 A.I.D. program for Morocco of \$10.15 million includes \$2.15 million in Technical Assistance and an agricultural production loan of \$8 million. Depending on import requirements, P.L. 480 assistance valued at up to \$38 million is also planned.

Since the first Consultative Group meeting in 1967, the IBRD and other major donors--the Germans, Italians and Belgians--have shown increased interest in Morocco. A substantial increase in assistance in 1968 is hoped for from the IBRD. Italy has indicated that its aid will increase.

Agriculture. Agriculture accounts for about 30% of GNP and employs more than 70% of the population. Half the rural population still lives at subsistence levels. Modern commercial farming employs a relatively small number of families and accounts for about one-fourth the gross value of all crops. Morocco has considerable potential to increase agricultural production both

for the domestic and export market, but in recent years population growth has outstripped food production, and the country has become an importer of wheat and other food grains. Major improvement depends upon: establishing more effective plans and policies to increase food production and cash return from agriculture; developing agricultural credit, marketing and related institutions; and increasing trained manpower to service the agriculture sector.

Encouraged by both the World Bank and the United States, Morocco has taken major steps toward agricultural improvement, such as recent reorganization and decentralization of the Ministry of Agriculture and an urgent effort, based on A.I.D.-financed studies, to increase wheat yields.

About 87% of the total FY 1969 A.I.D. program in Morocco will go to help Moroccan efforts to increase returns from agriculture. An \$8 million loan is planned to continue fertilizer and other commodity imports for agriculture in line with the Moroccan target of increasing wheat production 50% over its 1964 base within the next five years. Like the \$8 million loan to be authorized in FY 1968, the proposed FY 1969 loan is based on the Moroccan Government's undertaking a number of policy-related self-help measures for agricultural development, including adherence to selected World Bank recommendations.

Despite continuing drought, 1967 wheat production recovered from 1966 record low yields, although estimated at still only 83% of the 1965 bumper crop. The most sizeable production increases, however, took place where the Government introduced its new "package program" with A.I.D. Technical Assistance and local currency generated by P.L. 480 wheat sales. In 1967 the new cereals improvement program emphasized distribution of fertilizer on 820,000 acres, supplemented in some cases by new seed varieties, extension services, and mechanical equipment. Yields from this acreage proved about one-fourth higher than in comparable areas not reached by the program.

Technical Assistance of about \$600,000 is also proposed for agriculture programs in FY 1969, mostly for on-going activities. A.I.D. plans additional help in seed production and cultivation techniques for the cereals project mentioned above. Advice and training in specialized seed research and production is also expected from a regional North African wheat project sponsored by the Ford and Rockefeller Foundations who will be drawing on their experience with the International Wheat and Corn Center at Chapingo, Mexico.

As in previous years, A.I.D. will provide assistance in FY 1969 to Moroccan livestock improvement through artificial insemination, better forage, and improved range management. A new project in FY 1969 will help Morocco prepare a comprehensive plan for development and use of water resources. This preliminary work may lead to a Development Loan in FY 1970 or FY 1971.

A.I.D. also will continue technical assistance to Food for Work projects, particularly those increasing Morocco's food production

potential. P.L. 480 food grants will also continue, but at a decreasing level.

Industry and Tourism. In FY 1969, A.I.D. plans to continue an FY 1968 management contract helping the development of a hotel chain owned by the government Tourist Office. Previous A.I.D. assistance has helped tourist development through stimulation of private hotel investment, assistance in hotel management, and loans to help convert the former U.S. air base at Nouasseur into an international civil airport.

A.I.D. also will continue technical assistance which helped the Government set up an Investment Promotion Center in FY 1968. Several U.S. firms which made A.I.D.-assisted agro-industrial surveys in the past two years already have used the Center's services. These activities will require about \$400,000 in FY 1969.

Other Development Activities. A.I.D. technical assistance to help Moroccan government ministries prepare for the new development effort recommended by the World Bank, will expand somewhat in FY 1969. A.I.D. will continue support to advisors now under recruitment for the Ministries of Agriculture and Industry. A.I.D. will also continue advisory assistance on manpower development to the Planning Office of the Cabinet and training activities, especially in the field of engineering, management and various development fields amounting to about \$400,000 in FY 1969. Technical Assistance will also continue for a public safety program.

**Country:** NIGERIA

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
Development Loans	6.0	9.7	-
Technical Assistance	15.5	10.5	10.5
Total A.I.D. Assistance	21.5	20.2	10.5

U.S. Aid Objectives

The long-range U.S. objective is to help Nigeria resume a comprehensive economic development program so that, as a vigorous, open economy, it can move toward self-sustaining growth. However, the present conflict has required curtailment of A.I.D. assistance. All activities in the Eastern region have been suspended due to the hostilities in that area. A.I.D. is continuing existing programs in other parts of the country, but, given present

uncertainties, no funds are presently proposed in FY 1969 for new projects. However, as conditions permit, A.I.D. will consider additional assistance for reconstruction and renewed development efforts.

The United States is convinced that Nigeria's political problems can only be solved by the Nigerians themselves. While we have been urging both sides to reconcile their differences, we have not become involved in the conflict and have not sold or otherwise supplied arms or ammunition to either side. The Soviet Union has helped supply the Federal Military Government. We continue to recognize only the Federal Military Government and are sympathetic to its desire to preserve Nigeria's territorial integrity and end the rebellion as quickly as possible. We are providing concrete evidence of our continuing interest in constructive ways, including A.I.D. support for Nigeria's economic and social development. Unfortunately, the end of the conflict is not yet in sight. Nevertheless, physical damage to the infrastructure and the disruptive effects of the conflict on the economy in general have been less severe than expected. Outside assistance to help Nigeria resume its task of nation-building when hostilities end will be of critical importance. Nigeria's sheer size and potential, and the tragic consequences elsewhere in Africa should Nigeria fail, compel a continuing U.S. interest.

U.S. technical and loan assistance, although less in magnitude than that of the IBRD and the U.K., are also important means of helping Nigeria to retain the free world pattern of its political and educational institutions. The A.I.D. program will continue to assist Nigeria in increasing agricultural production and developing viable institutions for support of the agricultural sector, improving technical training and higher educational institutions in critical technical and professional fields, supporting expansion of productive enterprises through promotion of private investment and provision of training in entrepreneurial and managerial skills, and developing the public infrastructure essential for economic expansion.

#### Country Performance and Self-Help

With its 45 million inhabitants, Nigeria is the largest country in Africa and one of the most populous in the world. Its reservoir of trained manpower, diversified resource base, and sizeable oil deposits make Nigeria one of the most important countries in Africa. Although considerable progress was made following Nigerian independence, that progress has been overshadowed by the current internal conflict. Civil war since July 1967 and political disturbances going back to early 1966 have set back Nigeria's development. War needs and withdrawal of skilled Ibos have created new manpower shortages which Nigerian and foreign technicians cannot fill rapidly through current training efforts. Despite high returns from cocoa and peanuts, exports dropped 35% for the third quarter of 1967 compared with 1966, primarily because oil exports were reduced drastically by Federal blockade of the Eastern region. Official reserves

declined by 46% in 1967 to a new low (\$122 million at year end) sufficient to finance just over two months' imports, as compared to nearly four months' imports at the end of 1966. Foreign private investment, primarily by oil companies, and new loan assistance from external donors decreased markedly from 1966 to 1967.

Nigeria's rate of economic growth estimated to have averaged 5%-6% annually in 1964-1966 is believed to have dropped to about 1% in 1967. Because of the burden of supporting the war effort and the cost of reconstruction in the Midwest and Eastern states, the Nigerian financial situation will undoubtedly deteriorate further, although agricultural and other domestic production have been relatively stable, as have price levels in the major cities. To meet budgetary deficits, Nigeria has imposed new taxes retroactive to April 1967, and introduced compulsory savings schemes which are expected to increase annual revenue by about \$28 million. In addition to seeking short-term relief from the International Monetary Fund (IMF), it is probable that Nigeria will seek increased assistance from the IBRD and other external donors. With the cessation of the war and resumption of large-scale crude oil exports, the Nigerian economy should be able to regain its forward movement within a year. Despite wartime budgetary and administrative problems, the Federal and the State Governments have continued to provide good financial and program support of A.I.D.-financed technical assistance and loan activities.

### FY 1969 Program

The proposed FY 1969 A.I.D. program consists of \$10.5 million of Technical Assistance. The \$20.2 million FY 1968 program contains the same amount for Technical Assistance, plus \$9.7 million in Development Loans for construction of a water treatment plant to complete the Ibadan water supply system. P.L. 480 assistance is expected to continue in FY 1969, with a voluntary agencies donation program amounting to \$800 thousand, although it is possible that a larger emergency relief program administered by the voluntary agencies in cooperation with Nigerian authorities may become necessary for the former Eastern region. It is also hoped that improved conditions in Nigeria will permit the Export-Import Bank to resume consideration of loans to Nigeria and allow the Peace Corps to renew its large Nigerian program (estimated at \$4.5 million in FY 1967).

Assistance from other donors will probably include about \$12 million in U.K. disbursements and renewed consideration of new loan proposals by the IBRD, which in past years has provided the major assistance, including \$114 million in 1965-1966, for infrastructure development. Limited assistance from a large range of other donors is also expected to continue. In early 1967 the Government announced acceptance of prior economic aid offers from Communist countries totalling \$70 million; to date, however, none of the loan proceeds have been earmarked for specific projects. Following an economic reconnaissance study in the spring of 1968,

the IBRD is expected to reactivate the Nigerian Consultative Group to consider the roles which the Bank as well as the U.K., West Germany, Italy, Canada, the United States, and other donor countries may again play in assisting Nigerian development. The interim U.S. strategy is to continue technical assistance in FY 1969 for ongoing projects in agriculture, industry, education and public administration located in the States controlled by the Federal Military Government. Additional Technical Assistance funds may be required for reactivation of the technical assistance projects in the education, agriculture and industry fields in the former Eastern region, if and when this becomes possible. No new projects are currently proposed due to the uncertainties arising from the political-military situation and the administrative changes involved in shifting from four semi-autonomous regions to twelve new States with less well-defined relationships with the Federal Government; however, some technical assistance may be needed to respond to Nigeria's rehabilitation/reconstruction needs after hostilities end. Similarly, although no specific Development Loan amounts are contained in the FY 1969 request for Nigeria, the current strategy is to undertake contingency planning for possible short-term reconstruction requirements and to continue assistance for high priority infrastructure projects. Hence, additional FY 1969 Development Loan funds estimated at over \$10 million may be needed for an engineering study of the Lagos water supply system, engineering surveillance for a large telecommunications project, additional requirements for a previously authorized loan for construction of the vital Western Avenue-Agege Road on the outskirts of Lagos, a satellite ground station, an agricultural school, and fertilizer imports.

Agricultural Production. Agriculture is dominant in the Nigerian economy, employing three-fourths of the labor force, contributing over 60% of the gross domestic product, and accounting for about two-thirds of the total value of domestic exports. Hence, Nigeria's development is heavily dependent upon agriculture for (1) both foreign exchange earnings and domestic savings essential for development investment, (2) production of raw materials for domestic industry, and (3) food production to maintain present self-sufficiency and improve the diets of its people.

The Nigerian Government's agricultural development programs have had successes in several areas, despite some overconcentration of resources in resettlement and government plantation schemes. In the North, peanut farmers have taken advantage of research, fertilizer and insecticide distribution programs, and consequently the output of peanuts--a major export crop--has increased one-third since 1963/64. At least part of this improved performance is due to the success of extension efforts with demonstration plots, initiated with A.I.D. assistance, which increased in number from 600 in 1963 to 7,000 in 1967 and expanded to cover three times as many crops. In the area of livestock production, the government is devoting considerable resources to range land and water development. However, shortages of extension agents,

storage facilities and credit institutions continue to hinder agricultural programs throughout the country.

About \$4.5 million or almost 45% of the proposed Technical Assistance funds for FY 1969 will be devoted to agriculture programs to which the Government has continued to provide full support in those areas not affected by recent hostilities. A.I.D. assistance in both FY 1968 and FY 1969 is directed primarily toward support of (1) extension, research and credit programs for cash crop and livestock production; (2) agricultural economics and planning to enable the Nigerian Government to allocate resources rationally; and (3) university training in agriculture and veterinary medicine, and training in middle-level agricultural schools. In line with these emphases, A.I.D. proposes to continue to assist the agricultural colleges of Ahmadu Bello University and the University of Ife and, if the situation permits, to renew similar assistance to the University of Nigeria in the former Eastern region. A series of A.I.D.-financed studies of the agriculture sector, to be completed in FY 1969, will provide a basis for improved agricultural planning.

Improved Skills and Educational Institutions. Over 15%, or about \$1.8 million of the Technical Assistance funds requested for FY 1969, will be used for education and public administration training to help Nigeria meet critical skilled manpower requirements from indigenous training and education facilities. In FY 1968 A.I.D. will complete assistance to the Technical College and the Teachers Colleges at Ibadan and to the College of Education at the University of Lagos. In FY 1969 A.I.D. will complete curriculum development and teaching contracts at the Faculty of Business, University of Lagos, and at the Northern Nigeria Teachers Colleges. Also, coming to an end in FY 1968 is A.I.D. assistance for projects to expand and test modern teaching aids, to develop an indigenous book industry, and to improve educational and aptitude testing. All of these projects met with considerable success and are expected to continue to function effectively with Nigerian leadership and staff. Except for continued assistance to two university faculties of agriculture (Ife and Ahmadu Bello) and one of administration (Ahmadu Bello), and the possibility of renewed assistance to the University of Nigeria in the East, A.I.D. university-level advisory services will have been completed by the end of FY 1969.

Nigeria's establishment of several new comprehensive high schools similar to those assisted at Port Harcourt and Aiyetoro is evidence of positive Nigerian response to A.I.D.'s efforts. The employment of graduates of the Faculties of Administration at the Universities of Lagos and Ahmadu Bello, and of nearly all of the 1,265 Nigerians returned from training in the United States, demonstrates the same.

Industry and Private Enterprise Development. A.I.D. has provided technical assistance through teams of technical advisors to two indigenous Industry Development Centers (IDCs), industrial planners for the Federal and Regional Ministries of

Industry, and a foreign investment promotion advisor. Such assistance will require slightly less than 10% of Technical Assistance funds in FY 1969. Technicians will continue at the IDC in the North and, if conditions permit, the IDC in the East will be reactivated on a small scale.

FY 1969 Technical Assistance funds will also provide for a continuing labor training project, economic and financial planning for the Midwest State, engineering and feasibility studies, and technical support costs. Housing assistance in the Eastern region was terminated one year early in FY 1967-1968 due to the hostilities, but had achieved its major goals.

OTHER AFRICA PROGRAMS

CONGO (KINSHASA)

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
Development Loans	2.5	-	-
Technical Assistance	0.6	0.7	0.9
Supporting Assistance	17.2	15.4	8.0
Total A.I.D. Assistance	<u>20.3</u>	<u>16.1</u>	<u>8.9</u>

U.S. Aid Objectives

A.I.D. seeks to help the Congo (K) become a viable state, capable of maintaining political stability and internal security and of expanding its economic development efforts. The A.I.D. program for FY 1969 addresses these goals by helping the Congo (1) stabilize its economy by providing balance of payments assistance through both a P.L. 480 sales program and a loan for commodity imports from the United States, (2) maintain internal security by assisting the police with training and equipment, and (3) maintain administrative effectiveness of key elements of the Congolese Government by providing funds for expatriate personnel until Congolese have been trained.

Until the above basic objectives are achieved, the Congo, with its great agricultural and mineral wealth, will be vulnerable to disruptive external interests. Because of the Congo's size and location, further disorder there could seriously affect the stability of other states in central Africa. The United States is working with other donors to help the Congo avoid such a situation.

Country Performance and Self-Help

The Congo achieved independence in 1960 without the trained administrators, reliable security forces, or political consensus

necessary for political stability. It has faced repeated rebellions and separatist movements supported by outside interests inimical to the central government. Production fell off, monetary conditions grew chaotic, the government ran a deficit to finance its military expenditures, and prices climbed sharply. In 1963 the government launched a stabilization program under IMF guidance which later foundered when a new rebellion broke out.

Assuming power in 1965, the Mobutu Government succeeded in ending the Simba rebellion and, more recently, in bringing to a close a revolt of mercenary soldiers which began in July, 1967. It has worked steadily for economic growth. At the present time, with political conditions relatively stable, the government gives every indication that it will devote major attention to economic and social progress.

In cooperation with the International Monetary Fund (IMF), with U.S. assistance, the government undertook a broadly based monetary reform and economic stabilization program in June 1967, demonstrating considerable responsibility and political courage. Early reports indicate the program is succeeding. Tax receipts are rising. Investment has remained strong, at 20% of GNP. Exports have risen sharply. Copper production has regained its pre-independence level. Agricultural exports in 1967 were 15% above the previous year's figure and should continue to rise. The Congolese Government recently announced its intention to further increase agricultural production in 1968.

#### FY 1969 Program

The proposed FY 1969 direct A.I.D. program amounts to \$8.9 million--\$8 million in a Supporting Assistance loan and \$0.9 million in Technical Assistance--compared with \$20.3 million in FY 1967 and an estimated \$16.1 million in FY 1968. A.I.D. will also provide \$1.5 million through Contributions to International Organizations funds in FY 1969 for the UN Special Program for the Congo. P.L. 480 sales of \$16.3 million are also planned.

Supporting Assistance grant funds for internal security assistance totalling \$325,000 are planned for FY 1968; however, no grant Supporting Assistance funds are proposed for FY 1969 or subsequent years. If the stabilization program is successful, A.I.D. assistance after FY 1969 may shift from Supporting Assistance loans to development assistance.

U.S. resources are furnished in conjunction with other donors, mainly the IMF, European Economic Community (EEC), and Belgium. While the United States has furnished roughly half of all free world assistance to the Congo (K) in the past four years, the U.S. share is expected to decline substantially as a result of recent indications of the IBRD's interest in the Congo's development.

Stabilization Assistance. Under a 1967 IMF-sponsored stabilization program, the Congo began an ambitious and comprehensive economic reform program which included a 70% devaluation of the

Congolese franc, liberalized credit and trade policies, budgetary reorganization, fiscal management reform, and restrictions on government salary increases. Budget surpluses will be reserved solely for development purposes.

The \$8 million of Supporting Assistance, together with \$15 million of agricultural commodities planned for sale to the Congo on dollar repayable terms under P.L. 480, will provide U.S. imports to assure continued operation of local industries, particularly transport equipment and industrial raw materials. These funds are released on the demonstration of adequate Congolese performance in carrying out the main elements in the stabilization and monetary reform program. Local currency proceeds from both the loan and P.L. 480 sales will be used mainly for development activities e.g., road maintenance, bridge and new road construction, food production, and classroom construction. The proposed FY 1969 program continues the reduction in stabilization assistance to the Congo, for which \$17 million of Supporting Assistance and \$18.6 million of sales under P.L. 480 were provided in FY 1967.

Training, Administration, and Internal Security. The limited Technical Assistance program of \$890,000 proposed for FY 1969 will continue to provide graduate training in the United States for Congolese students in education, economics, and agriculture. A.I.D. will also continue its support for Congolese internal security. In addition, several pre-investment surveys will be undertaken to prepare for a possible shift to developmental activities in future years.

The United States, together with Belgium, Italy and Israel, has helped the Congo upgrade the army and return its less effective personnel to civilian life. President Mobutu has established a national police force and instituted a policy to make the police more responsive to the local population. Police schools in areas of former rebel control have been reopened and new recruits are being trained. A.I.D.'s FY 1969 Technical Assistance program continues the services of six technicians and provides for training of twenty senior police officials in the United States.

The UN Funds-in-Trust program, the Belgians, and, to a lesser extent, the French, are supplying most of the technical advisors and operational experts needed to keep the Congo functioning while its manpower is developing. In FY 1968 the U.S. expects to contribute \$3 million to the UN program, which supplied over two hundred technicians in agriculture, public works, public administration, health services, telecommunication, and the postal service. The smaller contribution of \$1.5 million proposed for FY 1969 reflects the gradual phase-out of the UN program.

## OTHER AFRICA PROGRAMS

### PROGRAM SUMMARY

(In millions of dollars)

	FY 1967	FY 1968	FY 1969
	Actual	Estimated	Proposed
Development Loans	20.0	8.8	-
Technical Assistance *	16.2	11.0	5.4
Supporting Assistance	0.3	-	-
Contingency Fund	3.8	-	-
Total A.I.D. Assistance*	40.3	19.8	5.4

\* Plus Self-Help funds of \$1.7, \$2.2, and \$2.4 in FY 1967, 1968, and 1969 respectively.

For 24\*\* African countries, future assistance under the new A.I.D. strategy will be provided through regional and multilateral programs and Self-Help funds.

Many of these countries have a number of problems in common--inadequate physical resources, limited availability of skilled manpower, low productivity and incomes, and small national markets--which limit their ability to attract profitable investment in industry and, more generally, their potential for rapid development as separate economic units. A.I.D.'s approach is designed, therefore, to encourage and facilitate movement of these countries toward regional economic cooperation and resultant economies of scale; such cooperation provides promising opportunities for their future development and economic growth. A.I.D. regional assistance, along with selected multidonor efforts and the special Self-Help Fund, will help meet their economic and social needs and provide continuing tangible evidence of U.S. concern for their progress.

With this shift to emphasis on interstate projects, A.I.D. will make no new bilateral project loans or Technical Assistance starts in these 24 countries. However, projects which were under way or in late planning stages at the time of the A.I.D. policy revision are being carried on to conclusion.

#### U.S. Role

A.I.D. assistance was extended to 22 of these countries in FY 1967--Mauritius and Swaziland will gain their independence in 1968. Generally, A.I.D. assistance has been small, amounting to less than 7% of total external assistance received from all

\*\* Botswana, Burundi, Cameroon, Central African Republic, Chad, Dahomey, Gabon, Gambia, Guinea, Ivory Coast, Lesotho, Malagasy Republic, Malawi, Mali, Mauritius, Niger, Rwanda, Senegal, Sierra Leone, Somali Republic, Swaziland, Togo, Upper Volta, and Zambia.

free world donors in 1964-67. The United States has not tried to compete with the former metropolises or other major donors in these countries. Fifteen of the countries are associated with the European Economic Community (EEC) and, with trade and aid privileges from the Community, remain intimately tied to the former metropolises. In the period 1964-67, about two-thirds of the total assistance received by these 22 countries came from the ex-metropolises, either directly or through EEC channels; in 1967 such aid totalled approximately \$280 million. In fact, these 22 countries have received substantially more aid per capita during the 1964-67 period from all free world sources than have the 10 countries in which A.I.D. is concentrating its assistance.

The new U.S. emphasis on regional activities meets needs for which there have been few other significant sources of external assistance. Furthermore, not having any past colonial ties with the new African states, the United States is in an advantageous position to provide assistance and to promote cooperation on an interstate basis. Examples of A.I.D.'s assistance to regional activities or institutions are the Mutual Assistance and Guaranty Fund of the Entente States--Dahomey, Ivory Coast, Niger, Togo and Upper Volta--which has already requested and received A.I.D. assistance for studies of (1) the potential of a meat industry in the region and (2) the agricultural resources potential of the five countries with particular attention to the possibilities of attracting private investment. The common problems in the Senegal River, Niger River and Lake Chad basins make these areas especially appropriate for assistance on an interstate basis. In recognition of their common problems, the countries in these three areas have recently established regional organizations to tackle the development problems of their respective areas and have expressed an interest in A.I.D. assistance for this purpose. The two West and Central African regional health organizations, the Organization for the Control of Endemic Diseases (OCCGE) and the Organization for the Control of Endemic Diseases in Central Africa (OCEAC), are cooperating with A.I.D. and the World Health Organization (WHO) in measles and smallpox eradication programs in nineteen African member countries. An example of a multidonor capital project is the joint U.S., French and EEC assistance for construction of the Trans-Cameroon Railroad.

#### FY 1969 Program

The proposed FY 1969 A.I.D. bilateral program for these countries is limited to Technical Assistance funds for completion of bilateral projects; no Development Loans or Supporting Assistance are proposed. When compared with the \$19.8 million estimated program in FY 1968 and the \$40.3 million allocated in FY 1967, the FY 1969 request of \$5.4 million, amounting to only 3% of the proposed \$179 million program for Africa, is an indication of the progress that is being made to bring projects to successful conclusion in these countries. As indicated by the schedule in the FY 1968 Congressional Presentation, funding for existing bilateral projects will be completed in seven countries in FY 1968, and of the remaining 11 countries scheduled for Technical

Assistance funding in FY 1969, only two--Senegal and the Somali Republic--are expected to require bilateral funding for on-going projects after FY 1969.

Over two-thirds of the continuing projects in the 11 countries are in the area of agricultural and rural development or education. The continuing agricultural and rural development projects consist mostly of improving extension services, training agricultural personnel, developing irrigation wells and water supply systems. Agricultural advisors and individual farmers are being trained in the Cameroon, Malawi, Niger, Togo and the Malagasy Republic. Improved soil and water conservation assistance is being provided in the Somali Republic and Upper Volta. U.S. technicians in Senegal are helping to develop the potentially rich Casamance agricultural area through a pilot project designed to diversify and increase production of grain and vegetable crops.

Technical and vocational training account for the largest portion of the education component of FY 1969 funds. Such projects are being completed in Guinea, Malawi and the Somali Republic.

The only direct assistance from A.I.D. in FY 1969 to the 13 countries not receiving bilateral assistance after FY 1968-- Botswana, Burundi, Central African Republic, Chad, Dahomey, Gabon, Gambia, Lesotho, Mauritius, Rwanda, Sierra Leone, Zambia and Swaziland (after its independence)--will be from \$50,000 to \$100,000 each from the Self-Help fund.

Many of the latter group of countries, however, will be major beneficiaries of assistance from the regional and multidonor activities proposed for FY 1969.

### Self-Help Fund

A.I.D. plans continued use of the Self-Help Fund to demonstrate U.S. interest in, and support for, worthy self-help efforts of African peoples and governments. The Fund finances missing factors--critically needed yet otherwise not readily available-- essential to the success of locally planned and initiated development activities. This small, one-time U.S. contribution augments village-level projects carried out by the local authorities or the villagers themselves.

Some typical examples of activities supported with these funds during FY 1967 are:

- books and teaching aids for adult literacy centers in Zambia;
- construction materials for a water and waste elimination system in Bigona, Senegal;
- materials and hybrid stock for a poultry farming extension project in Gitenga, Burundi.

The Peace Corps and various U.S. voluntary agencies have also figured prominently in the direction of local self-help projects supported with the Self-Help Fund:

- medical and nursing books for a hospital/nursing school reference library in Gambia under the direction of Peace Corps nurses;
- materials for a training center for girls operated by voluntary agencies in Upper Volta;
- oral polio vaccine for a pilot immunization program in the Somali Republic under joint Peace Corps, Red Crescent and UN direction; and
- electrical and plumbing supplies for a community center built with "Operation Crossroads Africa" assistance in the Central African Republic.

Our African aid policy contemplates Self-Help Fund activity in the 24 countries indicated above, as well as the 10 major aid recipients. In FY 1969, \$2,425,000 is planned for the Fund, compared with \$2,175,000 in FY 1968 and \$1,679,000 in FY 1967.

## FISCAL YEAR 1969 PROPOSED PROGRAM

(Thousands of Dollars)

Country	Type of Assistance			
	Total	Development Loans	Technical Assistance	Supporting Assistance
<b><u>AFRICA</u></b>				
<b><u>TOTAL</u></b> . . . . .	<b><u>\$179,000</u></b>	<b><u>\$90,000</u></b>	<b><u>\$80,000</u></b>	<b><u>\$9,000</u></b>
<b><u>REGIONAL &amp; MULTIDONOR PROG.</u></b>	<b><u>71,250</u></b>	<b><u>34,000</u></b>	<b><u>36,250</u></b>	<b><u>1,000</u></b>
(Africa Regional) . . . . .	(64,650)	(32,500)	(31,150)	(1,000)
(East Africa Regional) . . . . .	(6,600)	(1,500)	(5,100)	--
<b><u>DEVELOP. EMPHASIS COUNTRIES:</u></b>				
East Africa . . . . .	(15,500)	(4,500)	(11,000)	--
East Africa Regional . . . . .	(6,600)	(1,500)	(5,100)	--
Kenya . . . . .	1,950	--	1,950	--
Tanzania . . . . .	1,850	--	1,850	--
Uganda . . . . .	5,100	3,000	2,100	--
Ghana . . . . .	17,450	15,000	2,450	--
Tunisia . . . . .	23,150	20,500	2,650	--
Ethiopia . . . . .	10,800	4,500	6,300	--
Liberia . . . . .	10,150	5,000	5,150	--
Morocco . . . . .	10,150	8,000	2,150	--
Nigeria . . . . .	10,450	--	10,450	--
<b><u>OTHER AFRICAN COUNTRIES:</u></b>				
Congo (Kinshasa) . . . . .	8,890	--	890	8,000
Cameroon . . . . .	120	--	120	--
Guinea . . . . .	900	--	900	--
Ivory Coast . . . . .	80	--	80	--
Malagasy Republic . . . . .	40	--	40	--
Malawi . . . . .	775	--	775	--
Mali . . . . .	60	--	60	--
Niger . . . . .	245	--	245	--
Senegal . . . . .	360	--	360	--
Somali Republic . . . . .	2,475	--	2,475	--
Togo . . . . .	200	--	200	--
Upper Volta . . . . .	130	--	130	--
<b><u>SELF-HELP PROJECTS</u></b> <sup>a/</sup> . . . . .	<b><u>2,425</u></b>	<b><u>--</u></b>	<b><u>2,425</u></b>	<b><u>--</u></b>

<sup>a/</sup> All the listed countries plus Botswana, Burundi, Central African Republic, Chad, Dahomey, Gabon, Gambia, Lesotho, Mauritius, Rwanda, Sierra Leone, Zambia and Swaziland will be eligible to receive Self-Help funds ranging from \$50,000 to \$100,000.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D. C. 20523

OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
AGENCY FOR INTERNATIONAL DEVELOPMENT