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THE EVOLUTION OF ASSISTANCE TO AFRICA  
1962-1985

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Office of Development Planning  
Africa Bureau  
Agency for International Development

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EVOLUTION OF U.S. ASSISTANCE TO AFRICA  
1962-1985

I. Summary

Africa has become a major focus of U.S. foreign assistance only in recent years . The last five years have accounted for 37% of the \$13 billion of total U.S. economic assistance to Africa since 1962. Africa has generally received the smallest share of total U.S. assistance which was less than 10% in the 1970s. (See Figure 1). This has meant that the U.S. has been a relatively minor actor in the region compared to the West Europeans. Moreover, of the \$13 billion total in the last twenty-five years, one third has been food assistance.

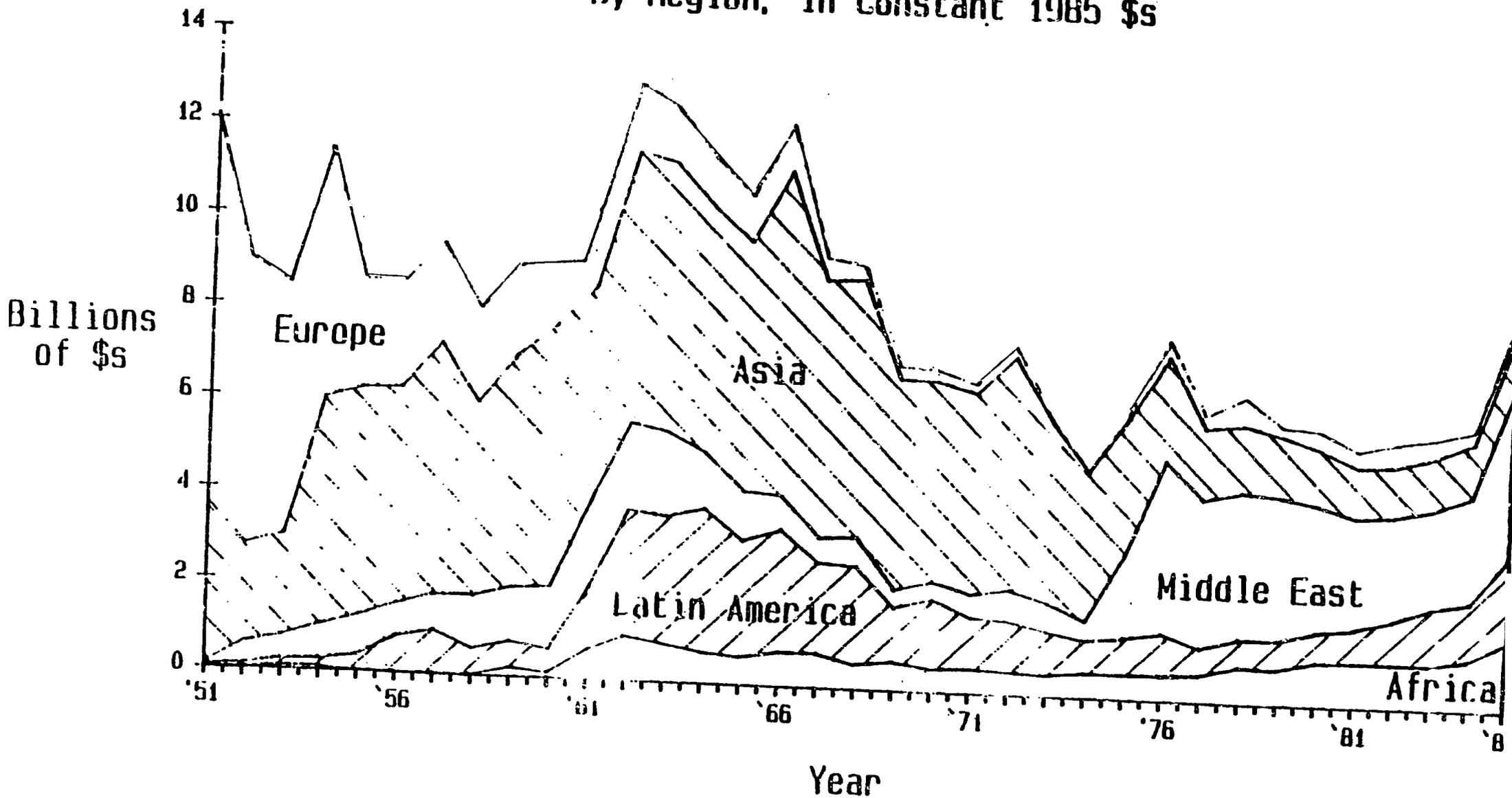
One of the most striking characteristics of U.S. assistance to Africa has been discontinuity due to:

- changes in country focus, fluctuations in program size and interruptions in assistance;
- the evolution of development strategy and change of target group;
- shifts in sectoral priorities and approaches and programming modes (projects , sector loans, etc.); and
- varying emphasis on bilateral, multilateral or regional modes of assistance.

One conclusion that emerges from a review of the history of U.S. assistance is that Africa's lack of development progress cannot be attributed to a failure of U.S. aid, but if anything to the absence of a sustained commitment to Africa's development in terms of resource allocations and continuous aid relationship with the countries of Africa. This is changing today because of 1) the crises Africa faces, 2) the priority this Administration is according to African aid, and 3) the more realistic approach A.I.D. is following.

Figure 1

U.S. ECONOMIC AID, 1951-85.  
By Region, in Constant 1985 \$s



## II. Resource Flows in Relation to Other Donors

The U.S. is a relative newcomer to Africa. When we first provided indirect assistance to Africa in the 1940s, we were 50 years behind the European donors. The U.S.' share of all donor assistance is currently 14%, and it is estimated that our current share is the highest level ever (although comparable data shown in the chart below are only available back to the 1970s). In the sixties and at times in the seventies, it averaged as low as 8%.

Even the major recipients of U.S. assistance have received a relatively small percentage of their aid from the U.S. Except Liberia (at 33%), no African country received more than 15% of its development assistance from the U.S. in the 1970s. In spite of the major increases in U.S. aid to Africa in the 1980s, only four countries (Sudan, Liberia, Somalia, and Zimbabwe) received more than 15% from the U.S. between 1980 and 1984.

As a result, our role and influence are significant, but have to be seen as part of the larger donor effort.

Figure 2

US Assistance as Percent of Total ODA  
to Largest Recipients of US Assistance

	1974 - 1979		1980 - 1984		Overall Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Sudan	74	8%	721	28%	795	23%
Zaire	156	10%	155	9%	311	9%
Kenya	119	10%	316	15%	435	13%
Liberia	69	33%	273	51%	342	46%
Somalia	56	13%	331	22%	387	20%
Ghana	80	15%	98	13%	178	14%
Nigeria	10	3%	0	0%	10	2%
Ethiopia	70	9%	35	3%	105	5%
Tanzania	150	7%	96	3%	246	5%
Senegal	73	7%	178	12%	251	10%
Zambia	99	13%	168	14%	268	14%
Zimbabwe	0	0%	237	23%	237	22%
Total	1687.3	8%	3,910	11%	5,598	12%

### III. Country Involvement Since 1960

The fact is that development in most African countries has been interrupted by a combination of external and internal factors. The countries themselves have gone through political ups and downs and our relations have mirrored these. Some of these shifts were due to crises, such as the Sahelian droughts. The effectiveness of U.S. assistance, while considerable in the specific, reflects these discontinuities in the aggregate, particularly in the face of the worsening terms of trade, oil shocks and worldwide recession of the past decade. Since 1960, A.I.D. has provided assistance to most of the 46 countries in SubSaharan Africa. This assistance must be assessed in the context of the shifts in emphasis countries, and the fluctuations and interruptions in assistance that have continually occurred.

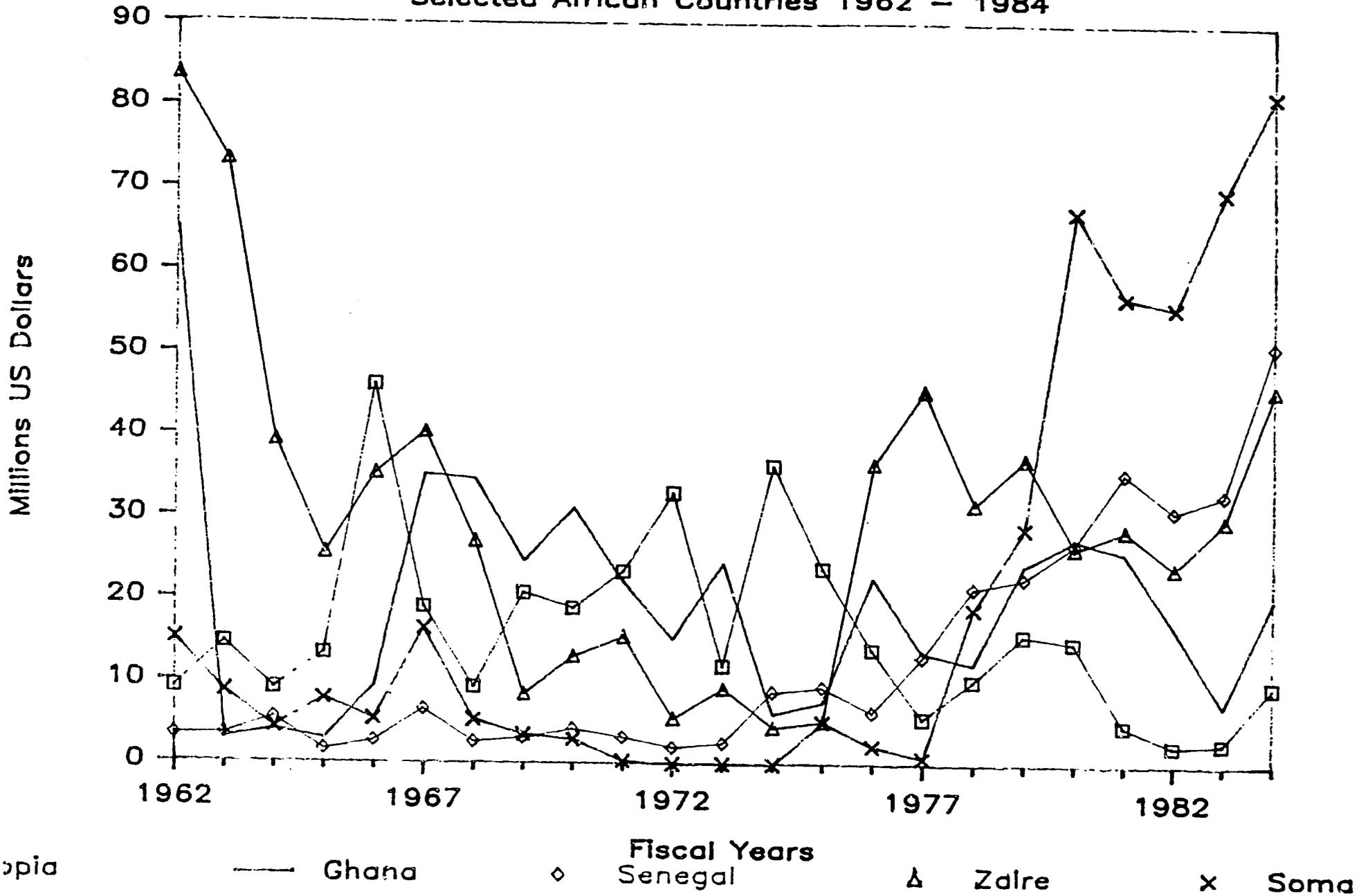
The chart on "Fluctuations in U.S. Assistance" (figure 3) shows five of our major programs that have had some of the largest changes in aid levels. Zaire largely reflected changing political conditions; Ghana reflected changes in both political and economic conditions. Although overall much of the change in the levels for Ethiopia and Senegal reflected changing political conditions, the increases in 1973-74 reflected the response to the drought. The 1984 increase for Ethiopia was the drought response in spite of political conditions.

Interruptions in assistance are an even greater problem for the continuity required to best pursue sustained development. Liberia and Zaire are two of the major countries where A.I.D. has continued uninterrupted for several decades. Notable contrasts are Sudan, Somalia, Nigeria. (See figure 4.)

Part of the explanation for the changes in levels reflects a conscious effort during the last 25 years to select a small group of countries that would receive particular attention. The current 41 countries receiving U.S. assistance are divided into three groups according to need, potential and U.S. interests. With so many countries in Sub-Saharan Africa, concentrating limited resources has always been essential. For example during the 1960s, 60% of U.S. assistance was concentrated in seven countries, with 40% spread over 26 countries.

Ethiopia, Nigeria, Ghana and Liberia had been major recipients in the 1960s and continued to be important into the early 1970s, but the drought was responsible for a shifting emphasis and resources to the Sahelian countries. Into the later 1970s, there was increased emphasis on aid to poorer countries. This, of course, included the Sahel, and as can be seen from the series of maps, this is the time

# Fluctuations in US Assistance to Selected African Countries 1962 - 1984



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Figure 4

INTERRUPTIONS IN US ASSISTANCE TO SUB SAHARAN AFRICAN COUNTRIES

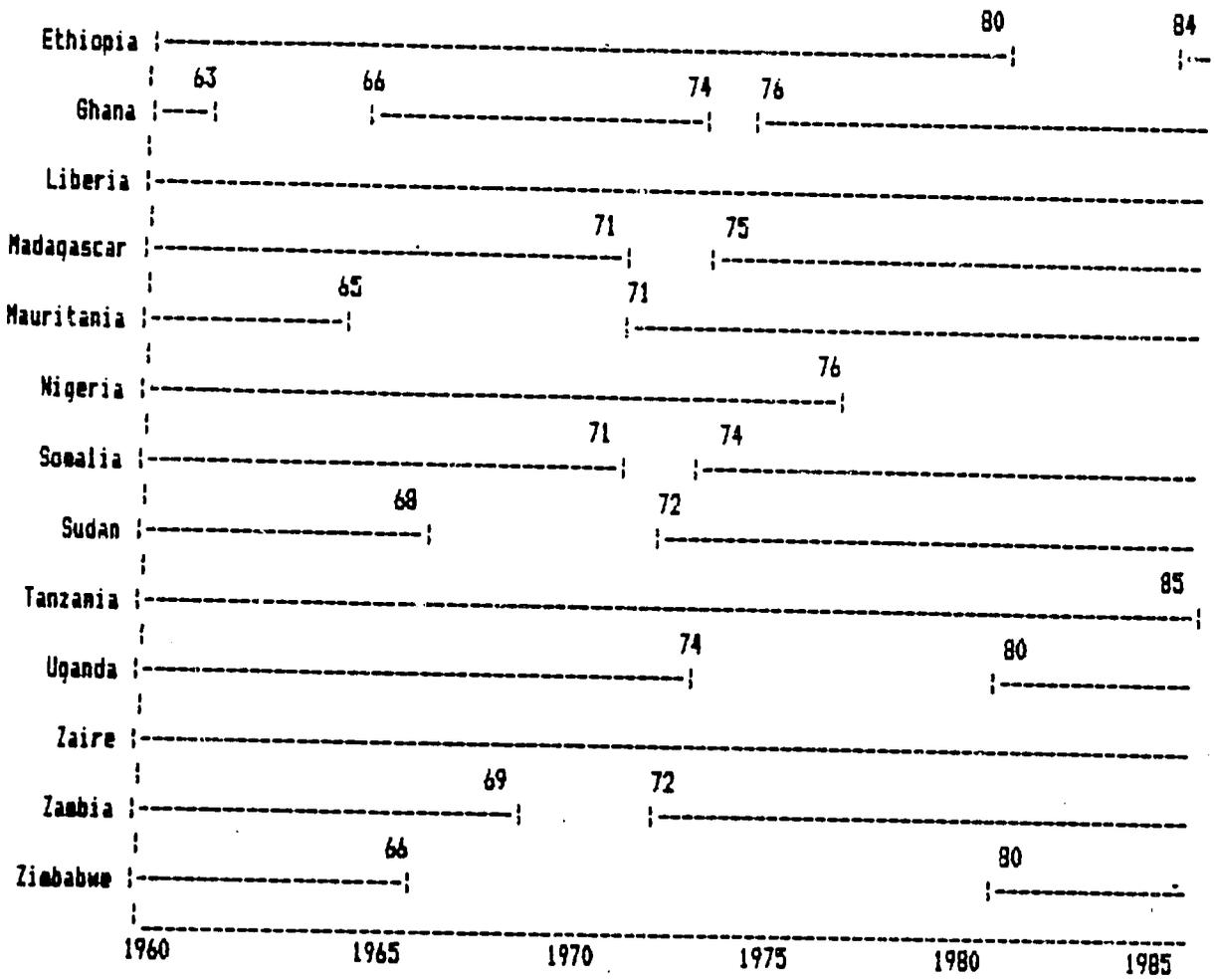


Figure 5

MAJOR RECIPIENTS OF US ECONOMIC ASSISTANCE\*

1962 - 1972		1973 - 1976		1977 - 1980		1981 - 1985	
Country	Program Level	Country	Program Level	Country	Program Level	Country	Program Level
Nigeria	\$37.9	Tanzania	\$23.4	Sudan	\$40.1	Sudan	\$166.4
Zaire	33.4	Ethiopia	21.6	Kenya	36.0	Somalia	67.0
Ghana	22.5	Ghana	15.1	Zambia	36.0	Kenya	63.6
Ethiopia	19.7	Kenya	14.4	Zaire	35.3	Liberia	63.5
Liberia	15.1	Mali	14.2	Somalia	29.0	Zimbabwe	50.1
		Zaire	13.9	Tanzania	24.8	Senegal	38.9
		Niger	12.4	Senegal	21.0	Zaire	37.6
		Liberia	11.8	Burkina Faso	20.7	Zambia	34.4
				Ghana	19.4	Niger	23.3
				Liberia	17.4	Lesotho	20.2
				Mali	15.7	Cameroon	20.2
				Botswana	15.1	Mali	19.9
				Mozambique	12.3	Burkina Faso	17.5
				Niger	12.2	Ghana	17.4
				Ethiopia	11.7	Botswana	15.8
				Chad	11.5	Tanzania	14.9
				Cameroon	10.2	Mauritania	13.8
						Mozambique	13.5
						Malawi	12.3
						Madagascar	12.3
						Rwanda	11.9
<b>TOTAL</b>	<b>209.2</b>		<b>221.1</b>		<b>464.2</b>		<b>839.6</b>

\* Major recipient defined as receiving in excess of \$10 million in current dollars. Data source is IIS Loans and Obligations and International Programs (green book).

that assistance to the poorer countries of southern Africa increased as well. The assessment of need, potential, and U.S. interest in the 1980s has put current emphasis in Sudan, Kenya, Somalia, and Liberia. To some extent these shifts in priority explain changes in the levels of assistance.

Two approaches to increasing the effectiveness of our aid even to countries that were not of particular emphasis have been regionalism, such as the Entente Fund, and multilateralism, such as the Consultative Groups chaired by the World Bank. These approaches received early prominence from an assessment in 1966 of the effectiveness of U.S. assistance to Africa (known as the Korry Report). It led to a very strong emphasis on multilateralism and regionalism, with the assistance to the East African Economic Community as the strongest case in point.

Although the drought of the early seventies led to a heightened awareness of any single donor's inability to adequately support so many countries with such considerable need, the growth of assistance in the aftermath gradually replaced the regional approach with a steadily increasing number of bilateral programs and missions. Still, the current regional programs account for 20% of total U.S. assistance.

Clearly the effectiveness and impact of some of our major programs has been constrained by the discontinuities that have occurred because of the changing internal and external African environments, changing relations with the U.S., and changes in U.S. emphasis on bilateral, multilateral or regional modes of assistance. Beyond changes in country programs reflecting political and economic realities, A.I.D.'s development strategy has gone through a metamorphosis as well.



# AVERAGE LEVELS OF U.S. ASSISTANCE

FY 1974-1980



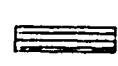
≡ UNDER \$5 MILLION  
▨ \$5-25 MILLION  
▧ \$25-50 MILLION

BLANKS INDICATE NO PROGRAM

# AVERAGE LEVELS OF U.S. ASSISTANCE

FY 1981-1985



-  UNDER \$5 MILLION
-  \$5-25 MILLION
-  \$25-50 MILLION
-  OVER \$50 MILLION

BLANKS INDICATE NO PROGRAM

#### IV. A.I.D.'s Changing Development Strategy and Approaches

##### A. The Evolving Strategy

Development is only one of the several objectives the Agency for International Development has pursued. In the late fifties and early sixties, the program emphasized U.S. national/strategic interests concentrating resources in countries with military facilities.

##### Building Social and Economic Infrastructure -- 1962-1972

By 1962, the emphasis had shifted pointedly toward development, building social and economic infrastructure. The early sixties program concentrated on meeting the great needs for skilled manpower in all parts of the private and public sectors by emphasizing social infrastructure. In the mid-sixties, the emphasis shifted to economic infrastructure, particularly industrial development but also transportation, power, and communications.

##### Basic Human Needs -- 1973-1980

The social and economic infrastructure strategy of the sixties was criticized in the early seventies for excluding the rural poor from the benefits of development. By 1973, Congress mandated the New Directions strategy with the purpose of increasing incomes and the quality of life for rural people -- Basic Human Needs. The 1974 Congressional Presentation states "Over the past few years, AID has shifted its primary emphasis from strengthening various government and public institutions to meeting the challenges of independence. AID's more recent assistance strategy concentrates on activities which directly affect the quality of life of the average African."  
p.2

Agricultural development was central to the strategy and direct assistance projects were viewed as the best way to reach the poor. This led to supporting governmental delivery of social services and integrated rural development efforts. With the exception of small PVO activities that were self-sufficient, most projects ran up against weak government ministries, budget constraints, and other structural constraints. Although these projects may have been of assistance to the direct beneficiaries, the structural impediments seriously undercut their ability to have any lasting effect.

The Sahelian Drought in 1973-74 necessitated an emphasis on relief for the Sahel and Sudan diverting the programs in those countries away from impact in achieving long-term developmental goals as well.

## Structural Adjustment for Growth -- 1981-1986

By the 1980s, agriculture was still central, but it was clear that sustained growth would require economic restructuring, diversification and export development to provide jobs and incomes for a rapidly growing labor force and to generate enough foreign exchange to cover debt and import bills. For example, policy reform offers one of the most effective and quickest ways to create incentives for farmers and businessmen to produce and sell more.

These new emphases are undertaken in a context where foreign policy has reemerged as the major objective in the 1980s with development as an integral part. To pursue these objectives and the considerable needs of the countries in Africa, AID must use all available resources, including ESF. Whereas the security supporting assistance of the 1950s was purely political, ESF monies today are also used developmentally providing an opportunity to support political stabilization as well as economic stabilization. The increased use of ESF has facilitated significant economic policy reform programs in many countries (e.g. Zambia and Senegal) in order to address the increasingly complex problems faced by most African countries.

### B. Sectoral Trends and Modes of Assistance

As building blocks to the overall strategy, sectors have gone through their own shifts in emphasis and priorities -- largely shadowing the evolution of the strategy through the periods. All sectors focussed on basic infrastructure in the sixties: agricultural infrastructure for the rural areas, industrial infrastructure in the urban areas, education and health systems for both. Large capital projects were the norm with big, direct-hire technical assistance teams building scores of institutions.

The "sectoral" trend of the Basic Human Needs era was multisectoral. Integrated rural development projects became popular -- combinations of agriculture, infrastructure, social services, and anything else that was thought to constrain agricultural production as broadly construed. To a large degree, approaches in education and health realigned in support of village-focussed service delivery. This was the era of the complex, direct service-delivery projects with substantial amounts of contracted technical assistance. But the complexity and ambitiousness of these projects demanded more than the governments could provide both in terms of adequate budgets for recurrent costs and as institutions capable of effectively implementing such projects.

The Structural Adjustment era of the eighties focusses on policy

reform to provide producer incentives in agriculture, and institutional restructuring in all sectors, to recognize what governments can and cannot do well. The results of the primary health care projects of the sixties and seventies were mixed at best and therefore the focus has shifted from government provision of these services to PVOs and the private sector. The exception is the narrow targetting on a specific disease or problem that can be handled most appropriately by governments, such as immunization.

Although, A.I.D. programs in some countries still include projects in primary education improvement (such as Cameroon, Botswana, and Liberia), the shift away from government provision of education services that they cannot afford has focussed activities in the education sector on those supportive of growth. Therefore, a large proportion of funds in the education account is allocated to participant training in agriculture.

The new objectives require more flexibility in the way A.I.D. uses different modes of assistance. For 20 years after the developmental focus of the early sixties, the bread and butter of AID's portfolio was the project. AID made use of PL480 and sector grants and loans but some 60% of the portfolio was "projectized" up through the Basic Human Needs period of the 1970s. (See figure 11.)

The realities in Africa, the Structural Adjustment strategy, and the availability of U.S. budget and staff resources all argue for a balance in the 1980s of project and nonproject assistance with larger and longer duration projects and quick disbursing, flexible, policy-based assistance.

Policy reform is the cornerstone of the current strategy to achieve economic growth. Non-project assistance, such as the Commodity Inport Programs that support the provision of services and inputs, provide flexibility and allow the quick disbursement needed to support policy reform efforts. Accordingly, "non-project" assistance accounts for 60% of the Africa Bureau's portfolio.

# U.S. DEVELOPMENT AID TO AFRICA

## By Major Function

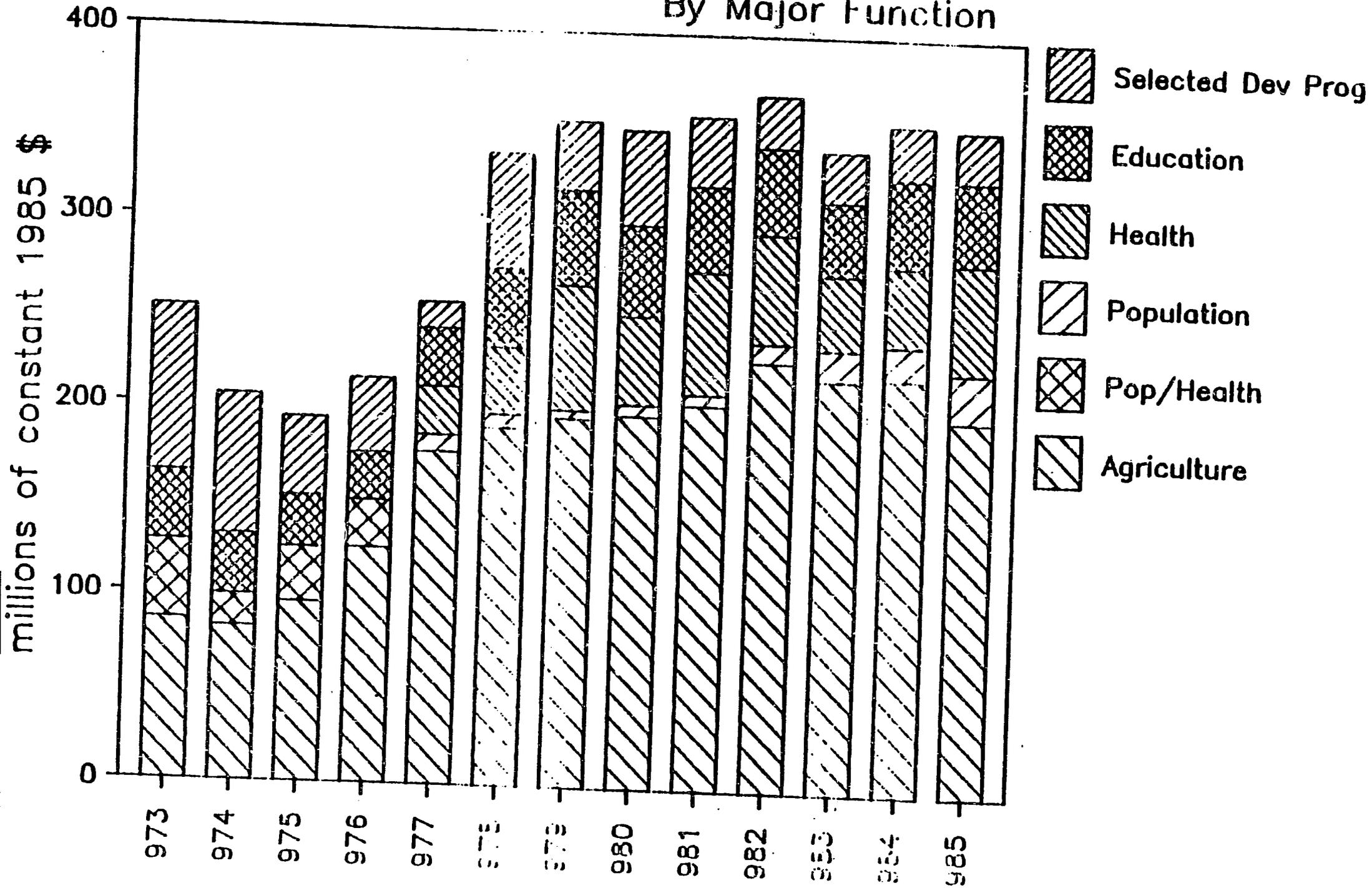


Figure 10

Year	Agriculture	Pop/Health	Population	Health	Education	Selected Dev Prog	Total
1973	\$85.5	\$42.0	1.0	\$0	\$36.5	\$87.7	\$251.1
1974	\$81.8	\$17.2	1.0	\$0	\$32.5	\$73.7	\$204.1
1975	\$95.5	\$29.4	1.0	\$0	\$27.5	\$41.2	\$193.1
1976	\$125.3	\$25.1	1.0	\$0	\$25.1	\$39.1	\$214.1
1977	\$176.6	\$0	17.0	\$25.4	\$31.0	\$13.9	\$255.1
1978	\$190.0	\$0	14.9	\$35.5	\$42.2	\$61.0	\$335.1
1979	\$195.7	\$0	11.3	\$66.4	\$50.6	\$36.0	\$351.1
1980	\$198.0	\$0	15.9	\$46.9	\$48.4	\$49.7	\$348.1
1981	\$204.3	\$0	15.8	\$65.3	\$45.1	\$36.1	\$356.1
1982	\$227.8	\$0	10.1	\$58.2	\$45.5	\$27.0	\$360.1
1983	\$218.9	\$0	11.3	\$39.9	\$30.7	\$26.3	\$340.1
1984	\$220.1	\$0	17.8	\$42.1	\$46.5	\$28.0	\$354.1
1985	\$198.7	\$0	25.3	\$58.3	\$43.6	\$26.3	\$352.1

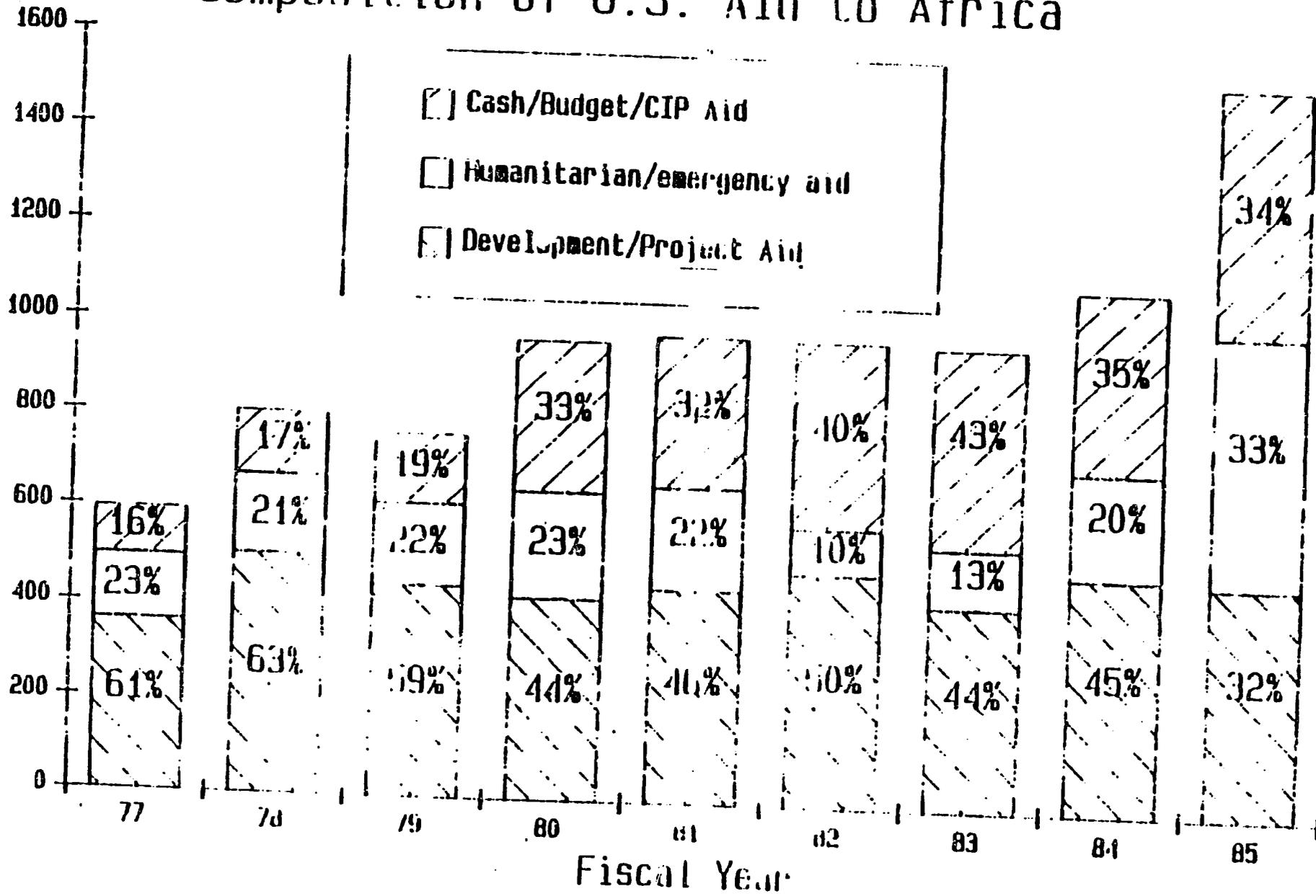
EACH FUNCTION AS A PERCENT OF TOTAL DEVELOPMENT AID

Year	Agriculture	Health/Population	Health	Education	Selected Dev Prog	Total
1973	34.0%	16.7%	---	14.5%	34.8%	100.0%
1974	39.9%	8.4%	---	15.8%	36.0%	100.0%
1975	49.4%	15.2%	---	14.1%	21.3%	100.0%
1976	58.4%	11.7%	---	11.7%	18.2%	100.0%
1977	69.0%	---	9.9%	12.1%	5.4%	100.0%
1978	56.6%	---	10.6%	12.6%	18.2%	100.0%
1979	55.5%	---	18.8%	14.3%	10.2%	100.0%
1980	56.8%	---	13.4%	15.9%	14.3%	100.0%
1981	57.3%	---	18.3%	12.7%	10.1%	100.0%
1982	61.8%	---	15.8%	12.3%	7.3%	100.0%
1983	64.4%	---	11.7%	11.4%	7.7%	100.0%
1984	62.1%	---	11.9%	13.1%	7.9%	100.0%
1985	56.4%	---	16.6%	12.4%	7.5%	100.0%

Figure 11

# Composition of U.S. Aid to Africa

Constant 1985  
\$ (millions)



## V. Lessons and Current Realities

Changes in U.S. assistance have been a factor of the changing world but also of U.S. attempts to meet the challenges of African development in that changing world. Still, there is a very real need to continue to improve the effectiveness of donor assistance. The U.S. has done a good deal of stock-taking in the last two years, triggered by the calamitous 1984-1985 famine and by Africa's deepening economic crisis. We have already begun to reshape our assistance to Africa in light of some emerging lessons:

- There has been a tendency to fragment support across countries and sectors with the result, sometimes, that inadequate resources have been directed at pressing priority problems;
- In spite of sometimes considerable attempts, donor coordination has been inadequate to avoid a proliferation of uncoordinated, sometimes competitive donor-sponsored projects;
- Modes of assistance have sometimes been too inflexible, for example providing project assistance only despite constraints to that project assistance from alien policy environments, recurrent cost crises due to budgetary constraints, and other factors requiring a new approach;
- There has been inadequate attention to the development of a supportive macro-policy framework conducive to domestic and foreign investment;
- There has also been inadequate attention to some of the other basic building blocks of development such as agricultural institutional development, human resource development, and physical infrastructure maintenance and operations;
- Donors have been too ready to rely on the public sector to plan and manage activities that could, in many cases, be better left to private enterprise;
- Africa as a region has not received priority by U.S. and other donors and international institutions;
- Developmental approaches pioneered in Latin America and Asia have been imported to Africa without regard to different stages of development.

## VI. Steps Taken to Make the Management of Aid to Africa More Effective

A.I.D. resources for Africa are unlikely to increase significantly over the coming years. In fact, the Gramm-Rudman-Hollings deficit targets may mean a reduction in current levels. This will force even more selectivity and concentration in the use of our resources. To deal with these challenges, the Africa Bureau has taken a number of steps to improve the effectiveness of its assistance.

-- We have classified countries into three categories in terms of political and developmental criteria as a guide to our programming, budget allocations, documentation requirements, delegations of authority and staffing. We are moving to less staff-intensive approaches in the smaller countries (e.g. CIP to Seychelles).

-- We are pressing our field missions very hard to concentrate their programs in a few key sectors and reduce the number of active projects by phasing out low priority or problem projects and by limiting the number of new starts. For example, we plan 32 new starts in FY 87 compared to 66 in FY 85.

-- We are increasing our use of non-project assistance and encouraging missions to develop larger projects to respond to Africa's current need and reduce paperwork. Non-project assistance now accounts for over half of our programs.

-- We are setting priorities within sectors to increase the impact of our programs (e.g. the Agricultural Research Plan concentrates efforts in 6-8 countries).

-- We are cutting back and streamlining documentation requirements. For example, we have exempted small countries from CDSS and Action Plan requirements. This year 3 CDSSs are required compared to over 30 submissions 2 years ago.

-- We are increasingly delegating project authorizations to the field. In 1986, the Africa Bureau expects over half of its new projects to be authorized in the field.

-- We are holding missions to a reasonable staff to program ratio. Sahel mission staffs, for example, have been reduced by 25% in the last year.

-- Overall Bureau staff levels have been contained despite the demands of the famine, new programs in Madagascar, Mozambique, southern Africa, and several important new initiatives (e.g. AEPRP, Child Survival), through reorganization, greater automation, more aggressive recruitment of qualified staff, and improved productivity.

-- We are using an innovative approach to streamlining approval of PVO activities called "umbrella projects". AID/W approves a multi-year funding level and strategy/criteria for mission selection of PVO subprojects. The mission then has full authority to approve activities in their country. This has facilitated the dialogue between missions and the PVO community, thereby improving the quality of proposals.

-- We are streamlining our evaluation system to provide better information on program impact and factoring evaluation results into strategy formulation and project design and implementation.

-- We are conducting three mission management assessments per year to provide information for continued improvement.