

CHAPTER V

DISTRIBUTION OF ASSISTANCE TO COMMONWEALTH RECIPIENT COUNTRIES

The Commonwealth developing countries receive development assistance from a variety of sources, bilateral and multilateral. From incomplete information, it appears that in 1975 they received bilateral assistance of \$2.8 billion from the DAC countries and concessional funds amounting to \$1.1 billion from multilateral agencies, compared with \$1.9 billion and \$0.9 billion respectively in 1974. Without comparable data on the geographical distribution of aid received in 1975 from all sources, including non-Commonwealth countries, it is not possible to indicate the proportion of aid received by the Commonwealth developing countries and territories that came from Commonwealth sources, but it is believed to have remained significant for almost all and substantial for a number of them.

A brief description of the geographical pattern of intra-Commonwealth assistance i.e. only that part of net CDA that was provided by the Commonwealth developed countries to the Commonwealth developing countries is given in the following paragraphs.

Disbursements

Net receipts of ODA by Commonwealth countries from the four major Commonwealth donors amounted to \$1,139.9 million in 1975 compared with \$1,008.4 in 1974, an increase in current prices of 13 per cent (Table 13). The growth in ODA was entirely accounted for by grants, which rose from \$700.6 million to \$866.2 million while loans fell from \$394.0 million to \$362.2 million (gross), or from \$307.8 million to \$273.7 million (net). (Tables 14, 16 and 18). In geographical terms these flows were distributed as follows:

		<u>\$ million</u>						
Area	Grants ^a		Loans		Net ^b		Total ^b	
	1974	1975	Gross 1974	Gross 1975	1974	1975	1974	1975
Africa	123.0	137.5	99.2	126.4	65.5	98.9	188.4	236.4
America	44.4	53.8	22.3	16.6	16.5	10.0	61.0	63.7
Asia	172.4	239.2	264.8	206.8	221.7	156.5	394.1	395.8
Oceania	302.5	357.7	5.6	11.5	3.1	8.7	305.6	366.4
Europe	14.5	12.5	1.3	0.7	0.7	-	15.2	12.5
Unspecified	44.1	65.6	0.8	0.3	0.4	-0.3	44.4	65.2
Total	700.6	866.2	394.0	362.2	307.8	273.7	1,008.4	1,139.9

^a Including technical assistance expenditure.

^b Net of amortization.

Most of the increase in grants was accounted for by Asia (mainly Bangladesh) which nevertheless received an almost unchanged volume of total net ODA, and Oceania, which received almost all its ODA in grant form. Europe alone received lower grant disbursements. Asia also accounted for almost all the reduction in lending, both British and Canadian loans to India being sharply reduced. There was a substantial increase in loans to African countries from Canada and to Oceania from Britain.

Commonwealth countries in Asia continued to receive the largest share of net ODA from Commonwealth donor countries although the actual volume of receipts increased very little in 1975. Disbursements from Britain actually fell and Canada became the largest donor in the area.

India received less net ODA from both Britain and Canada and total receipts fell by 9 per cent. There was also a further reduction in receipts by Singapore. A steady increase has taken place in net disbursements to Bangladesh in recent years and by 1975 they had reached \$116.5 million, or almost half the level of Indian receipts. Disbursements to Sri Lanka rose by 76 per cent in 1975. There was also a substantial change in the composition of Asian receipts in 1975; the share of grants rose to 60 per cent of total net ODA compared with 44 per cent in 1974. Both India and Bangladesh received increased grants from Britain and Canada.

The fall in net disbursements by the Commonwealth donors to Commonwealth countries in Asia (and to a lesser extent Europe) was more than offset by the increase in flows to Oceania, Africa and America. Most of the increase in Commonwealth assistance going to Commonwealth countries in Oceania was accounted for by Australian grants to Papua New Guinea, which normally comprise four-fifths or more of total Commonwealth net disbursements in that region and virtually 100 per cent of PNG's entire ODA receipt. In 1975 these flows rose by \$40 million or 16 per cent. Other increases in the area occurred in receipts by the British Solomon Islands from Britain and by Western Samoa from Australia and New Zealand.

Among the African countries, the largest increases in net disbursements by Commonwealth donors were in Malawi where receipts rose by 87 per cent from \$18.6 million to \$34.7 million, reflecting heavier flows from Canada and Britain; in Ghana where the increase from \$13.2 million to \$20.1 million was mainly accounted for by Canada; in Tanzania, the largest Commonwealth recipient in the Continent with receipts of \$42.8 million in 1975 compared with \$34.5 million in 1974; and in Zambia where receipts rose from \$23.3 million to \$27.8 million. Most of the increase in these flows was in the form of loans and the share of grants fell to 58 per cent from 65 per cent in 1974.

Flows of Commonwealth ODA to the Commonwealth European countries is almost entirely provided by Britain in the form of grants. Receipts by Cyprus rose from \$0.8 million to \$2.2 million but this increase was more than offset by the sharp drop from \$6.6 to \$3.0 million in flows to Gibraltar.

Among the American countries, there was a marked reduction in disbursements to Jamaica where the amount received in 1975 was \$5.5 million compared with \$8.4 million in 1974. Receipts also declined in Guyana, from \$5.5 million to \$3.6 million, and in Barbados, from \$2.9 million to \$1.5 million. The Associated States, on the other hand, received \$27.1 million in 1975 compared with \$24.7 million in 1974. There were also

substantial increases in disbursements to Belize, which rose from \$4.7 million to \$6.5 million and in those to Trinidad and Tobago which went up from \$1.5 million to \$2.8 million.

Technical Assistance

For a variety of reasons, including the level of the recipient's economic development, technical assistance disbursements show a significantly different geographical pattern from that of the total ODA. For example, the African Commonwealth countries receive a greater proportion of expenditure on technical assistance than of total ODA provided by the Commonwealth developed countries, while the reverse is true for the Commonwealth countries in Asia. Total disbursements by Australia, Britain, Canada and New Zealand on technical assistance to the Commonwealth developing countries fell from \$276.4 million to \$262.6 million.

The geographical distribution is as follows:

<u>Area</u>	<u>\$ million</u>	
	<u>1972</u>	<u>1973</u>
Africa	78.9	80.9
America	11.2	12.4
Asia	20.5	23.2
Oceania	123.9	86.2
Europe	1.2	1.3
Unspecified	40.9	58.6
Total	<u>276.4</u>	<u>262.6</u>

Most of the decline in technical assistance expenditure was accounted for by Australian disbursements in Papua New Guinea which fell from \$106.9 million to \$68.1 million. There were few reductions elsewhere, the principal exception being Nigeria where there was a fall from \$13.3 million to \$10.4 million. Otherwise the distribution of technical assistance among recipient countries was not greatly different from that in 1974, with small increases going to a large number of countries.

The declining trend seen in recent years in the number of experts and advisers continued in 1975 when 12,560 experts were financed bilaterally by Australia, Britain and Canada (data for New Zealand are not available) compared with 16,195 in 1974. Africa received 1,344 persons and Papua New Guinea 2,106 persons fewer than in the previous year. The decrease was greatest in non-educational personnel and their share of the total fell from 53 per cent in 1974 to 49 per cent in 1975. The number of volunteers financed bilaterally by Australia, Britain and Canada fell from 2,799 in 1974 to 2,417 and the number of trainees from 4,269 to 4,022 but there was an increase in the number of students financed, from 7,241 in 1974 to 7,513 in 1975.

Commitments.

Bilateral ODA commitments from the four main Commonwealth donors to the Commonwealth developing countries rose from \$1,233.2 million in 1974 to \$1,461.9 million in 1975, an increase in nominal terms of 19 per cent (Table 18). In addition, bilateral commitments by India to the Commonwealth amounted to \$6 million. By far the largest share of the increase in commitments went to Asia where commitments to Bangladesh rose from \$106.1 million to \$206.1 million and those to India rose from \$341.5 million to \$435.5 million. In percentage terms, these increases were of the order of 94 per cent and 28 per cent respectively. Canada and Britain were the main sources of commitments to Bangladesh, while three-quarter of those to India were from Britain.

Commitments to Commonwealth Oceania rose from \$344.5 million to \$357.5 million in 1975. In particular, commitments to Fiji from Britain rose sharply. There was also some increase in commitments to America from \$66.6 million to \$69.3 million. Increases to some countries such as Trinidad and Tobago, Grenada, Barbados and the Associated States, more than offset a marked reduction elsewhere, notably in Belize and Jamaica.

Total Commonwealth commitments to the Commonwealth countries in Africa fell from \$285.5 million to \$261.1 million. The steepest declines were in Kenya where commitments fell from \$88.0 million in 1974 to \$21.0 million in 1975, in Nigeria (from \$33.3 million to \$14.3 million), in Swaziland (from \$9.8 million to \$5.6 million) and in Sierra Leone (from \$4.6 million to \$1.1 million). At the same time there were substantial increases elsewhere, the largest being in commitments to Ghana, which almost doubled from \$21.4 million to \$42.1 million.