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Problems Associated with Soviet
Aid Programs in Africa

Magnitude of Soviet Aid

Since 1959, the USSR has committed more than \$1.3 billion of economic aid to 24 African countries and about \$670 million of military aid to 14 countries (Tables 2-5).^{*} Only 17% of Soviet economic aid commitments to all Third World countries has been extended to Africa (Table 1). Nearly 99% of the military aid extended to Africa has gone to four countries and six countries have received 75% of the economic aid committed. While some 80% of total military aid has been delivered, only about 33% of the economic aid has been used.

economic
The Soviet aid program in Africa was begun in 1958 and grew rapidly until it peaked with extensions of \$212 million in 1964. The program encountered political setbacks in 1965 as African receptivity to Soviet aid weakened and a series of coups ushered in regimes less inclined to extensive relations with Communist countries. By 1958, new commitments totaled only \$5 million and drawings declined to their lowest level since 1960 -- \$20 million. Many African regimes had come to believe that Moscow was interfering in their internal affairs and that the Soviets had poorly planned and implemented many of their aid projects. This phase also passed, and the USSR again is extending sizable amounts of aid to Africa. Moscow, however, has become more circumspect in its activities and more selective in determining which African countries will receive its aid.

^{*} Egypt is classified as a Middle Eastern country and is therefore excluded from this report.

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Soviet Military Assistance

Military aid has been an important instrument for furthering Soviet interests in Africa. It usually has a greater and more immediate political impact than economic assistance. The \$670 million in arms aid that Africa has received, however, represents only 8% of total Soviet military aid commitments to the Third World. Soviet agreements to provide military aid to selected countries usually represent targets of opportunity, such as the civil war in Nigeria in 1967 where they quickly responded to a call from Lagos for military supplies and technicians. Because Nigeria was short of foreign exchange, Moscow facilitated the arrangement by accepting cocoa in repayment.

Almost 40% of Soviet military aid to Africa has been committed to Algeria, making Moscow the major supplier of arms to that country. The only major Algerian military purchase in the West in recent years was

Almost 2,000 Algerians have gone to the USSR for military training and, since the June 1967 Arab-Israeli War, an estimated 1,000 Soviet technicians have been employed in Algeria.

Libya, the second largest recipient of Soviet arms in Africa, was exclusively supplied by Western sources. In 1970, however, arms agreements totaling 1 billion dollars were signed with the USSR for various ground forces equipment. Libya is believed to have paid about 100 million dollars for the equipment,

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The USSR supplanted Western military suppliers to Sudan in 1968 when they agreed to provide worth of arms to Khartoum. Deliveries under the credit started early in 1969 and by mid-1970 over had been drawn. During that time, the number of Soviet military technicians in Sudan jumped from 15 in 1968 to about 500. Following an abortive Communist coup in July 1971, in which Khartoum implicated Moscow, Soviet arms deliveries slowed considerably and Sudan announced that most Soviet military advisors would be phased out. Reports also indicated that the Sudanese were seeking alternative sources of military aid.

Soviet-African Trade

Soviet aid is closely connected with trade. The USSR frequently signs simultaneous trade and aid agreements. Since Soviet credits usually call for repayment in local goods, trade links consequently are strengthened. Trade between the USSR and Africa (excluding military equipment) reached a peak of \$442 million in 1970 (Table 6). Nevertheless, Africa accounted for only 17% of Soviet trade with the Third World. More than 55% of Soviet trade with Africa in 1970 was conducted with Algeria and Sudan.

Free World Economic Aid to Africa

Free World economic aid commitments to Africa exceeded \$23 billion by the end of 1970 (Table 7). Although the exact amount of bilateral Development Assistance Committee aid to Africa committed by (DAC) countries is not known, nearly \$19 billion was spent by them. Not included is several billion dollars provided

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by countries (mainly Arab states) not members of DAC or the European Economic Community. Multi-

lateral aid commitments through international organizations totaled nearly \$4.4 billion (Table 7).

DAC
Bilateral aid deliveries to Africa were relatively constant during the 1960s, ranging between \$1 billion and \$1.5 billion dollars annually (Table 8). France accounts for half of DAC aid while the United States and the United Kingdom make up most of the rest. Of the more than 40 African countries getting DAC aid, Algeria is the largest recipient (Table 9).

Comparison of Soviet and Western Aid Terms

Western economic assistance generally is provided to Africa on more favorable terms than is Soviet aid (Table 11). Only 2% of Soviet aid to Africa has been grants compared to an estimated 50% of all Western assistance. About \$11 billion of bilateral DAC aid deliveries to Africa has been grants. Where loans and credits are extended, the length of the repayment and grace periods of Western aid generally are more favorable. Interest rates on Soviet and DAC assistance, however, are similar but rates on loans from the World Bank Group tend to be higher.

Selected Soviet Aid Recipients in Africa

Algeria

Algeria is one of the largest Third World recipients of Soviet economic aid. By the end of 1971, Algeria had received extensions of \$426 million -- nearly one-third of Soviet aid commitments to Africa.

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More than 50% of this aid, however, is concentrated on a single project -- the El Hadjar Metallurgical complex at Annaba.* The other half of Soviet aid is distributed among smaller petroleum, mining, and agricultural projects.

El Hadjar

The only projects operating in the complex thus far are a Soviet power plant, French blast furnaces, and a German pipe mill. The major Soviet contribution -- a steel mill -- should be completed in 1972, several years behind the originally scheduled completion date. Although part of the responsibility for the delays is attributable to Algeria's cumbersome administrative and distribution systems, part of the fault also lies with the USSR. For example, shipments of steel for use on the mill periodically were rejected because of inferior quality. Algerian personnel also complain about the difficulty they encounter in working with their Soviet counterparts.

The Soviet role in Algeria's petroleum development is minimal and has been confined to exploration, consultation, and training -- all areas where Western participation is dominant. The Algerians, however, have been dissatisfied with the quality of even this small amount of Soviet assistance. They claim that Soviet drilling rigs are expensive, antiquated, and break down frequently and that spare parts are difficult to obtain.

* This complex includes several plants built (or now under construction) by Western countries.

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Moreover, because the rigs are smaller than those obtained in the West, they can drill only to certain depths and are limited to certain areas.

The Algerians also believe Soviet drilling crews are overstuffed and inefficient, making them more expensive than Western crews. When the contracts of several hundred Soviet oil technicians expired at the end of 1971, Algiers refused to renew them.

When Russian petroleum consultants have been used on technical matters, they often have performed unsatisfactorily. The Algerians reportedly considered Soviet advice during recent negotiations with French oil companies less than helpful* and attribute much of their own success to a US consulting firm. There have been complaints over the quality of material presented at the Petroleum and Gas Institute and with Soviet instruction having to be conducted through interpreters. Moreover, it is Western firms that provide the expertise for the more important crude oil and natural gas production and the huge liquified natural gas and petrochemical facilities.

Congo

The Congolese have become increasingly disenchanted with Soviet aid. One of the first projects undertaken by the USSR in the Congo -- the Cosmos Hotel in Brazzaville -- contributed to a deterioration in relations between the two countries. Construction of the project began around the beginning of 1965, but rapidly fell behind schedule. By the time the hotel was inaugurated in August 1968, it had exceeded its original cost

* At one meeting, the French displayed computer printouts to back their contentions, while the Soviet advisors were limited to slide rule computations.

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estimate of \$2 million by about 35%. After the hotel was in operation for a while, the Congolese found that earnings were below original estimates. Brazzaville subsequently claimed that because of the low profits it was unable to service the annual debt on the project and received a three-year moratorium on repayments from the USSR in 1968. Moscow, however, has refused any further debt renegotiation.

After publicly announcing they would construct a dam and irrigation system on the Mpama River, the USSR backed off, claiming that Congo did not need the volume of electricity the facilities would produce. The Congolese, however, believe the project is economically sound and are seeking Czechoslovakian aid. Congo officials also are dissatisfied with a Soviet-built maternity hospital being placed on the periphery of the main hospital in Brazzaville. The Soviets apparently preferred not to place these facilities within the main hospital complex for fear that it would lose much of its propaganda value. Additional help had to be hired because of its distance from the hospital's service functions, increasing the hospital's operating expenses.

Ethiopia

The USSR has extended \$102 million of economic aid to Ethiopia, but only \$18 million has been drawn. The first project agreed to under a \$100 million credit extended in 1959 was a \$14 million oil refinery at Assab. Plans for the refinery went through numerous revisions before agreement was reached late in 1961. Delays continued to plague the project

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and construction did not begin until 1964. The refinery finally was opened in 1967, but did not become fully operational until 1969. The plant operates at a loss because, the Ethiopians claim, Soviet petroleum equipment is less efficient than comparable Western equipment and tends to breakdown more frequently. Moreover, production is hampered further by the difficulty in obtaining spare parts.

Since 1969, Ethiopia has turned down two Soviet proposals to expand and modernize the Assab Oil Refinery. The initial proposal was rejected because it was \$4 million higher than the closest Western bid. Although a proposal advanced in mid-1971 called for a small price reduction, it also was rejected as still being considerably above a bid submitted by the Italian State Petrochemical Enterprise. Moreover, the Soviets suggested a completion date of 1975, exceeding those made by other bidders. The Ethiopians found the long lead-time unacceptable since the refinery would operate at a reduced capacity during most of the construction and the shortfall in production would necessitate compensatory imports.

Since 1967, Ethiopia has proposed a number of other projects to be undertaken by the USSR, but Moscow has refused to agree to any of them until Soviet technicians conduct their own feasibility studies. Since Ethiopia already had studies of these projects, they refused to bear the costs of additional surveys. Several efforts to reach a compromise have failed.

The Ethiopian Government also has been disturbed by Soviet refusal to shift their proposals for new projects from infrastructure, which

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yield little or no short-term returns, to directly productive projects. This is important to Ethiopia because repayment of Soviet debts begins after a project is completed. Moscow has refused to lengthen the repayment period of its credits from 12 years to 20 years and to grant a grace period before payment begins. The requested terms would conform more closely to aid from Western donors. As a result of all these difficulties, Soviet aid deliveries have averaged only \$300,000 annually during 1967-71, compared with \$4.2 million annually during 1964-66.

Ghana

The Soviet Union extended \$93 million in economic aid to Ghana during 1960-61, about one-third of which has been drawn. Since 1966, however, the Soviet program has been dormant. Ghana's chief economic problem lies in its unmanageable foreign debt. During the years from independence in 1957 until his ouster in 1966, Kwame Nkrumah ran his country deeply into debt in an ambitious effort to socialize Ghana's agriculture, to establish an industrial base, and to make Ghana the political leader of a united Africa. The USSR played a major role in encouraging these goals and in financing industrial projects of dubious economic value. Few of the projects launched during this period were completed, and most were neither self-financing nor able to contribute to foreign exchange earnings.

When the post-Nkrumah regime took power in February 1966, it moved quickly to halt work on uneconomical projects in order to minimize future

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debt service obligations. The Soviet aid program, in particular, was found to contain a large number of wasteful projects. Work on several factories, a gold refinery, and fishing facilities was far behind schedule, causing large cost overruns; an ostentatious building intended to house a Pan-African legislature stood empty; a prefabricated concrete factory was incurring prohibitive operating costs; tractors received under a 1960 credit were performing unsatisfactorily; and work on at least a dozen other projects ^{was} considered unviable and was suspended.

The expansion of trade with the USSR also worked to Ghana's disadvantage. The first bilateral trade agreement between the two countries, signed in 1961, called for large cocoa deliveries to the Soviet Union. Shipments increased until 1967-68, when 84,500 tons of cocoa reached the USSR. The price paid was set at half the prevailing world price because the Soviets held Ghana to the prices agreed upon under the 1961 accord. Shipments in 1969 were valued lower than the world market price by some 27%. Thus, while Western creditors were trying to ease Ghana's debt service burden, large Soviet purchases of cocoa at low prices reduced Ghana's foreign exchange earnings. If cocoa shipped to the USSR had been sold on the world market,* Ghana might have earned as much as \$60 million more in foreign exchange -- an amount almost twice its debt obligation to the USSR.

Nigeria

Soviet efforts to expand relations with Nigeria were unsuccessful until the outbreak of the civil war in 1967. When Nigerian efforts to obtain military equipment in the West were unsuccessful, they accepted a Soviet offer of arms

* Assuming that the price paid for cocoa on the world market was \$1.50 per ton.

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* Assuming that no pressure to deliver

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Soviet arms aid soon led to economic aid. A technical and economic cooperation agreement was signed in November 1968, which reportedly provided as much as \$140 million in credits. The largest project discussed was an iron and steel complex, one that raised much objection within Nigerian government circles. As in many other developing countries, a steel industry is considered to be a status symbol. The Soviets played on this desire and encouraged regional leaders who wanted the distinction of having the first fully integrated steel industry in black Africa in their jurisdictions.

The Soviets, however, paid little regard to a preliminary feasibility study conducted in 1967 by a small Soviet survey team which had concluded that Nigeria's iron ore and coal deposits were not adequate to supply a sizable steel mill. To be viable, the mill would require imports of iron ore and coal and sufficient external markets to absorb its surplus. The high-cost nature of Nigerian industry, however, makes it unlikely that domestically produced steel could be competitive on world markets.

Somalia

By the end of 1971, the USSR had extended more than \$80 million of economic aid to Somalia. About half has been used. A number of industrial and agricultural projects have been built, many of which have become a liability to the Somali economy.

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Except for several projects built under a \$2.5 million 1961 grant -- two hospitals, a printing plant, a secondary school, a 50-kw radio transmitter, five mobile movie theaters, and a training program for medical personnel -- only the port at Berbera can be considered economically sound. The \$5.6 port was completed in 1968 and is used mainly to export live cattle. It should become a far more active port when all-weather roads connecting it with nearby regional markets are built. The Soviets have not shown any interest in road-building, leaving such projects to Western, and more recently, Chinese aid donors.

Most other Soviet projects, however, have been adversely affected by inadequate preliminary planning, particularly a dairy, a meat-packing plant, and a fish cannery costing about \$10 million. The dairy was completed in the late 1960s, but still has not reached full production largely because of a lack of an adequate study of the market and sources of supply. For example, the plant has not been able to obtain a sufficient supply of raw milk* and only in 1971 were plans made to set up a dairy farm to supply milk. The meat-packing plant had similar difficulties, since the Soviets did not determine if cattle-herders would supply the plant rather than drive them across the border into Kenya as had been done for generations. The plant stood idle for several years as the Soviets refused to allow the Somalis to seek a foreign investor willing to run it. In 1971, Somalia finally hired Soviet technicians to operate the plant. Nor was there enough domestic demand for the plants output.

* Cattle herds in Somalia are not particularly suited for milk production and there was no provision for upgrading the quality of dairy herds.

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Some of the marketing problems were overcome, however, when the USSR agreed to purchase part of the plant's output and Egypt contracted to buy animal hides.

The fish cannery probably was the most ill-advised of the Soviet projects in Somalia. Even though fish abound off Somali shores, the Somalis have never done any extensive fishing. Consequently, Arab fishermen had to be hired to supply fish. Moreover, markets for the production still remain to be found and much of 1970's production, including more than a million cans of tuna, has yet to be sold.

About half of Somalia's foreign debt is owed to the USSR. The Somalis encountered early difficulties in making payment on the debt, but Moscow refused to stretch out the repayment period, only when drought had crippled the economy late in 1970, (seriously reducing government revenues) and when Communist China provided more aid to Somalia, did the Soviets agree to renegotiate the debts. Although Moscow has postponed repayment three times since then, Somalia continues to have difficulty meeting its \$7 million annual payments.

Sudan

Prior to the coup that brought to power a pro-Soviet regime in Sudan, Soviet economic aid to that country was limited to \$23 million committed in 1961. This aid has been used largely for the construction of grain storage facilities, food processing plants, a saw mill, and several hospitals. Responding favorably to the increasingly anti-

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Western trends in the Sudan after the 1969 coup, the USSR extended new credits of some \$42 million and signed a \$47 million barter agreement centering around cotton exports to the USSR. In return for about 300,000 bales of Sudanese cotton, the USSR agreed to supply an equivalent value of sugar, textiles, raw materials, and machinery and equipment. Since Sudanese reserves of foreign exchange were only equal to about one month's imports, the agreement had obvious appeal.

The Sudanese more than fulfilled their end of the agreement, even providing the 1971 crop at Soviet insistence, rather than drawing down stocks. Soviet goods, however, continually arrived behind schedule and were found to be grossly overpriced. By the end of 1970, Sudan had shipped \$47 million worth of goods, mostly cotton, while Soviet exports were only \$25 million. The \$22 million credit in the bilateral account of Sudan represented a loss of foreign exchange of at least that amount -- more if Soviet commodities had been fairly priced.

A recent Soviet deal to ship Sudanese cotton to India for processing elicited sharp Sudanese protests that this arrangement would jeopardize its large cotton exports to India. Although Sudan received assurances that the cotton will be processed only for resale to the USSR, Sudan reportedly plans to cut shipments of cotton to the USSR in 1972 by two-thirds.

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Table 1
Soviet Economic Aid Extended and Drawn, by Area
1954-71

Area	Million US \$				
	Economic Aid Extended	Percent of Total Extended	Total Drawn	Percent of Total Drawn	Drawings as a Percent of Extensions
TOTAL	7,727	100	3,854	100	50
Africa	1,323	17	438	11	33
Far East	156	2	136	4	87
Latin America	318	4	55	1	17
Middle East	3,078	40	1,534	40	50
South Asia	2,852	37	1,691	44	59

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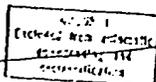
Table 2
Soviet Economic Aid to Africa
1959-71

Country	Economic Aid	Million US \$
	Extended	Estimated Drawings
TOTAL	1,323 a/	438
Algeria	426	136
Cameroon	8	1
Central African Republic	2	2
Chad	2	Negl.
Congo	14	8
Equatorial Guinea	1	1
Ethiopia	102	18
Ghana	93	31
Guinea	200	79
Kenya	49	4
Mali	64	48
Mauritania	3	1
Mauritius	5	1
Morocco	88	15
Nigeria	7	1
Senegal	7	1
Sierra Leone	28	2
Somalia	81	40
Sudan	65	23
Tanzania	20	1
Tunisia	34	17
Uganda	16	6
Upper Volta	3	--
Zambia	6	1

a. Due to rounding, totals may not add.

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Table 3
Soviet Economic Aid Extended to Africa, by Credits and Grants
1959-71

Million US \$

<u>Year</u>	<u>Economic Aid Extended</u>	<u>Credits</u>	<u>Grants</u>
TOTAL	1,323	1,298	25
1959	139	135	4
1960	69	68	1
1961	197	193	4
1962	25	24	1
1963	112	108	4
1964	212	203	9
1965	54	54	Negl.
1966	83	81	2
1967	26	26	-
1968	5	5	-
1969	135	135	Negl.
1970	56	56	-
1971	210	210	-

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Table 4

Soviet Economic Aid to Africa, by Year
1959-71

Year	Million US \$	
	Total Extended	Total Drawn
TOTAL	1,323	438
1959	139	2
1960	69	4
1961	197	30
1962	25	32
1963	112	38
1964	212	35
1965	54	47
1966	83	33
1967	26	30
1968	5	20
1969	135	43
1970	56	51
1971	210	73

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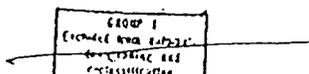
Table 5
Soviet Military Aid to Africa, by Country
1955-71

Million US \$

<u>Recipient Country</u>	<u>Military Aid Extended</u>	<u>Estimated Drawings</u>
TOTAD	670	533
Algeria	395	296
Burundi	Negl.	--
Congo	14	7
Equatorial Guinea	Negl.	Negl.
Ghana	10	10
Guinea	15	15
Libya	80	60
Mali	6	5
Morocco	13	13
Nigeria	9	9
Somalia	50	47
Sudan	66	62
Tanzania	2	2
Uganda	10	7

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Table 5

Rate of Drawdowns of Soviet Economic Aid,
by Major African Recipients
1959-71

Country	Million US \$				
	Economic Aid Extended	Percent of Total Extended	Total Drawn	Percent of Total Drawn	Drawings as a Percent of Extensions
TOTAL	1,323	100	438	100	33
Algeria	426	32	136	31	32
Ethiopia	102	8	18	4	18
Ghana	93	7	31	7	33
Guinea	200	15	79	18	40
Mali	64	5	48	11	75
Morocco	88	7	15	3	17
Somalia	81	6	40	9	50
Sudan	65	5	23	5	35
Others	204	15	48	11	24

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Table 6
Soviet Trade with Africa
1969-70

Country	1969		1970	
	Exports	Imports	Exports	Imports
TOTAL	180	172	216	226
Algeria	58	62	69	62
Cameroon	1	12	1	8
Ghana	9	15	11	44
Guinea	9	3	12	3
Libya	11	Negl.	14	Negl.
Mali	5	2	5	2
Morocco	37	18	36	20
Nigeria	17	24	12	23
Sudan	16	14	36	50
Tunisia	4	3	3	3
All Others	13	19	17	11

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Table 7
Free World Economic Aid to Africa
1954-70

	Million US \$	
		Percent
TOTAL ^{a/}	<u>23,266</u>	<u>100</u>
DAC Countries ^{b/}	<u>18,964</u>	<u>82</u>
World Bank Group ^{c/}	<u>2,353</u>	<u>10</u>
International Bank for Recon- struction and Development (IBRD)	1,746	
International Development Associa- tion (IDA)	522	
International Finance Corporation (IFC)	85	
African Development Bank (ADB)	<u>21</u>	<u>Negl.</u>
United Nations ^{c/}	<u>688</u>	<u>3</u>
United Nations Development Program (UNDP)	568	
Other	120	
European Economic Community (EEC) ^{d/}	<u>1,240</u>	<u>5</u>

- a. Does not include aid to Africa from non-DAC countries, which may amount to several billion dollars.
- b. The Development Assistance Committee (DAC) includes Australia, Austria, Belgium, Canada, Denmark, France, West Germany, Italy, Japan, Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom, and the United States. DAC figure denotes aid deliveries only; undisbursed commitments total an additional several billion dollars.
- c. Includes multilateral economic aid commitments to Africa as of 30 June 1970.
- d. The countries of the EEC are France, Belgium, West Germany, Italy, Austria, Luxembourg, and the Netherlands.

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Table 8
DAC Economic Deliveries to Africa
1954-70

	1954-59	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	Total
TOTAL	3,569.5	1,017.5	1,475.5	1,484.2	1,379.5	1,453.7	1,433.2	1,389.8	1,452.3	1,377.3	1,481.8	1,458.8	18,964.1
Australia	--	--	--	--	--	--	0.6	0.9	0.9	1.2	0.9	N.A.	4.5
Austria	--	--	--	--	0.8	1.4	5.4	5.6	7.0	0.7	3.9	1.4	26.2
Belgium	66.0	86.0	92.1	63.6	75.9	76.6	96.4	61.9	65.8	63.8	70.2	78.6	896.9
Canada	--	0.1	0.9	2.0	3.8	13.9	10.0	16.7	21.5	27.6	29.9	51.3	177.7
Denmark	--	0.1	--	--	--	--	1.1	2.5	3.5	7.4	13.9	15.8	44.3
France	2,612.1	632.3	809.6	756.6	669.2	684.0	578.9	525.2	535.5	573.9	581.2	579.9	9,538.4
West Germany	--	0.9	13.4	61.0	58.1	50.3	86.7	109.3	105.5	99.8	139.1	145.8	869.9
Italy	38.6	17.0	17.9	14.1	37.4	19.2	31.7	33.1	98.6	58.9	41.5	44.5	452.5
Japan	--	--	--	1.2	0.1	5.7	0.5	0.7	1.0	1.9	23.0	7.4	41.5
Netherlands	--	--	--	--	--	--	1.0	3.0	11.1	6.3	3.9	12.2	37.5
Norway	--	--	--	--	0.4	0.8	1.1	1.9	2.4	9.4	8.6	7.5	32.1
Portugal	8.0	N.A.	2.5	36.9	40.7	56.9	23.3	23.6	49.6	35.8	72.0	50.2	408.5
Sweden	0.9	0.3	0.4	0.8	2.2	4.7	5.1	10.6	13.1	12.6	28.3	20.7	99.7
Switzerland	--	N.A.	0.1	N.A.	0.6	1.5	1.9	2.2	2.0	5.5	N.A.	5.2	19.0
United Kingdom	478.3	60.8	250.6	183.5	181.3	232.7	223.1	182.6	190.8	176.5	151.4	146.3	2,457.9
United States	365.6	220.0	288.0	364.5	300.0	297.0	366.4	410.0	344.0	296.0	314.0	202.0	3,857.5

a. Official Development Assistance only.

Million US \$

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Table 9
DAC Economic Deliveries to Selected African Countries
1954-70

Country	Total	Million US \$													
		1954-59	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970		
Algeria	3,999	1,576	335	454	403	280	230	148	128	108	123	99	115		
Ethiopia	305	38	16	19	24	21	12	16	31	25	36	33	34		
Ghana	460	14	2	2	5	17	24	46	70	72	71	72	56		
Nigeria	639	21	17	33	31	22	47	71	75	78	66	86	91		
Sudan	173	11	17	18	13	16	20	26	11	14	18	5	4		

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GROUP 1
Excluded from automatic
downgrading and
declassification

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Table 10
Multilateral Economic Commitments to Selected African Recipients
as of 30 June 1970

	Million US \$					
		<u>Nigeria</u>	<u>Zaire</u>	<u>Cameroon</u>	<u>Morocco</u>	<u>Sudan</u>
<u>Africa Total</u>	<u>4,302.0</u>	<u>320.0</u>	<u>251.2</u>	<u>197.8</u>	<u>197.3</u>	<u>183.2</u>
IBRD	1,746.1	35.5	11.0	29.0	18.3	21.5
IDA	522.1	2.7	0.8	--	2.9	0.7
IFC	84.6	--	--	--	2.8	--
AFDB	21.1	32.3	22.0	12.7	25.6	23.4
UNDP	568.2	7.9	4.9	2.2	4.7	3.6
Other UN	120.1	--	90.9	114.8	--	--
EEC	1,239.8					

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Table 11
Comparison of Soviet and Western Aid Terms to Africa

	USSR	DAC Countries ^{a/}	World Bank Group	United Nations Organizations
Grants	2% of all Soviet	62% of DAC deliveries in 1970	All aid is in the form of loans	All aid is in the form of grants
Interest Rates	Mostly 2.5%, but some as high as 4%	2.7%	6%-7% in recent years. Was as low as 4.75% in 1964, and 3.5 in the 1940's ^{b/}	
Length of Repayment	Mainly 12 years for development credits; 5-8 years for commodity credits	30 years	Usually 10-20 years	
Grace Period	Most Soviet credits call for repayment to begin one year after use	7.5 years	N.A.	
Means of Payment	Mainly local goods. In some cases, option for convertible currency	Primarily local goods		

a. Average terms for official DAC commitments in 1970.
b. These are rates for the IBRD, which accounts for more than three-fourths of World Bank Group economic assistance.

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