

THE AFRICAN DEVELOPMENT FOUNDATION: A NEW APPROACH TO BILATERAL ASSISTANCE TO AFRICA

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This note briefly examines the existing United States approach to development assistance in Africa, a proposed solution to some problems created by the existing approach, and the support and opposition to the proposed solution: the creation of an African Development Foundation (ADF).¹

The U.S. has traditionally defined development in terms of capital investment and the transfer of modern technology. Thus, our foreign assistance in Africa has given priority to such economic infrastructure commodities as modern road networks, hydro-electric dams and heavy agricultural machinery. Support of the economic infrastructure has been considered the best way to support investment and capital growth, the conventional yardsticks of modernization.

This traditional definition underpinned development programs sponsored by international financial institutions such as the International Bank for Reconstruction and Development (the World Bank), and by the principal U.S. bilateral assistance agency, the Agency for International Development (AID), in the 1960's and through the early 1970's.²

In 1973² and 1975,³ Congress mandated "New Directions" for worldwide development programs, whereby primary emphasis would be given to helping the poorest of the poor, and to enabling the poor to participate in the economic and social development of their individual countries.⁴ Despite the changes which Congress mandated in terms of the direction of our nation's development programs, there has not been sufficient change in the substance of AID programs in Africa.

Traditional American approaches to development have not proven effective in dealing with Africa's traditional societies. The overwhelmingly rural populations of less developed countries, and the needs of their indigenous societies, have largely been neglected, as U.S. assistance was directed to support the infrastructure of the urban-industrial sectors of these countries.

Further, as Denis Goulet, a senior fellow at the Overseas Development Council, demonstrated in *The Uncertain Promise: Value Conflict in Technology Transfer*,⁵ concentration of development in modern technology has resulted in only limited transfer of benefits from the modern to the traditional and rural populations. Ultimate use of assistance is determined by the central government

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1. S. 1348, 95th Cong., 1st Sess., 123 Cong. Rec. S. 6144 (daily ed. April 21, 1977) [hereinafter cited as S. 1348]; H.R. 8130, 95th Cong., 1st Sess. (1977) [hereinafter cited as H.R. 8130].
2. 22 U.S.C. 2151(b), amended Dec. 17, 1973, Pub. L. No. 93-189, §2(2), 87 Stat. 714.
3. 22 U.S.C. 2151(c)(d), amended Dec. 20, 1975, Pub. L. No. 94-161, Title III §301, 89 Stat. 855.
4. Pub. L. No. 94-161, Title III, §301, Dec. 20, 1975, 89 Stat. 855 added subsec. (c) and (d).
5. Denis Goulet, *The Uncertain Promise: Value Conflict in Technology Transfer* 11 (1977) (Washington, D.C., Overseas Development Council).

of the grantee country and by the U.S. Government. By the nature of the transfer, U.S. assistance bolsters the central governments of grantee countries to the exclusion of other levels of government.

By tying development decisions closely to the interests of the central government of a grantee country, and thereby minimizing other community or parastatal institutional needs, which may or may not be consistent with stated country objectives, American policy effectively minimizes and discourages democratic participation by the local groups in the country. Thus, the U.S. finds itself with a development policy that is inconsistent with its fundamental democratic tenets.

Decentralized decisions concerning foreign assistance and decentralization of delivery of aid are needed in order to assist effectively local communities involved in their own self-help endeavors. To implement this need for community-based, nondirective development assistance, Senators Edward M. Kennedy and George S. McGovern, and Representatives Don Bonker and Cardiss Collins, have introduced bills⁶ to establish a public foundation mandated to support decentralized and community-based development assistance programs in Africa.

THE PROPOSED AFRICAN DEVELOPMENT FOUNDATION

The Kennedy/McGovern and Bonker/Collins bills would establish an African Development Foundation, governed by a board of directors from the public and private sectors,⁷ and would take into account the need for a new philosophical approach toward development assistance in Africa. The proposed foundation would provide the basis for more effective development assistance without relying on greatly increased U.S. appropriations.⁸

The foundation would support self-help initiatives of local groups interested in their own development. By encouraging opportunities for grassroots participation, the foundation would support the ongoing process of development.

A. The Conceptual Basis for a Foundation Approach to Development Assistance in Africa

Sponsors of H.R. 8130 and S. 1348, to establish an African Development Foundation, believe that development is a social process worked out by individuals, communities and nations. This process differs from previously developed Western definitions which emphasize trained technicians and infrastructure commodities. These manifestations may be among the by-products of the social process of development, but they do not replace that process, which must occur and be worked through. Fundamental to this social process is the self-reliance of the beneficiaries.⁹ Only through a social process based upon self-reliance can the self-sustainment of any development benefits ultimately occur.

The foundation would support the social process rather than supply the technological by-products by responding to requests from local groups or communities involved in private or public grassroots initiatives by means of a

6. *Supra* note 1.

7. S. 1348 §924(a)(1); H.R. 8130 §926(a)(1).

8. Appropriations requested in the bills are an aggregate amount of \$25 million for a three-year period. S. 1348 §928; H.R. 8130 §928.

9. 123 Cong. Rec. S. 4301 (daily ed. July 1, 1977) (remarks of Rep. Don Bonker).

grant, loan, or loan guarantee.¹⁰ Self-sustainment would be encouraged by supporting decision-making by the direct beneficiaries at the community level. To operate successfully, the foundation would require the participation and involvement of the direct beneficiaries, since requests would have to be initiated by them. Thus, the ultimate determination of the problems, priorities and solutions would be the responsibility of the recipients.

The ADF approach would involve a learning process of self-evaluation by the direct recipients of foundation-supported projects, and an analysis of those experiences by other African individuals and entities, as well as foundation staff.¹¹ The foundation would give primary emphasis to African involvement in this learning process, and to the sharing of the substance of the experience learned among Africans. The overall ADF approach, in which the problem and solution are defined and then later evaluated by members of the traditional society, has the advantage of encouraging members of traditional groups to apply scientific methodology to their own well-being. Learning objective inquiry is essential for an understanding of modernization as well as for surviving in the modern world.

Private American voluntary agencies which work in Africa support the new development approaches set forth in the ADF bills.¹² These organizations encourage the absence of foreign policy constraints in development assistance, the active participation of local community members in development projects, and the need for assistance directed to rural areas.

The private sector groups contend that the efforts of U.S. private voluntary organizations are not sufficiently comprehensive or sustained to foster African self-help activities and that the U.S. Government must begin to more consciously address itself to assistance in these areas. Robert H. Edwards, president of Carleton College and formerly director of Africa programs for the Ford Foundation, noted that "In the realms in which the African Development Foundation would work, the terrain is virtually untouched."¹³

B. Structure and Funding

Both bills would create the African Development Foundation as a non-profit government corporation, with status as a foundation.¹⁴ The bill's sponsors believe that the foundation model best lends itself to decentralization and also ensures sufficient autonomy from short-term political intra-government exigencies in the United States. Management would be vested in a board of directors appointed by the President of the United States from among the private and public sectors.¹⁵ In both bills the majority of board members would be appointed from private life.

10. S. 1348 §925(a); H.R. 8130 §924(a)(1).

11. Interview with Montague Yudelman, director of agriculture and rural development projects, International Bank for Reconstruction and Development (Washington, D.C., Mar. 22, 1978).

12. All private voluntary agencies testifying before the hearings of the Subcommittee on Africa, House Committee on International Relations, supported the proposed African Development Foundation. Those agencies who testified were: Robert H. Edwards, president of Carleton College and formerly director of Africa programs for the Ford Foundation; Joseph C. Kennedy, director of international development for Africare, and Allen C. Choate, Washington representative for the Asia Foundation, Inc. Others who testified were William M. Dyal, Jr., president, Inter-American Foundation; Fred M. O'Regan, co-director, The Development Group for Alternative Policies, Inc., and Andrew W. Ndonyi, director of community development, United Republic of Cameroon.

13. *Hearings on H.R. 8130 before the Subcom. on Africa of the Comm. on International Relations*, House of Representatives, 95th Cong., 1st Sess. (1977) (statement of Robert H. Edwards at 39).

14. S. 1348 §923(b); H.R. 8130 §925(b). The foundation would have no capital stock and would be subject to Title 1 of the Government Corporation Control Act, 31 U.S.C. 849, 61 Stat. 584.

15. *Supra* note 2.

The involvement of Africans and other foreign nationals at the policy level of the foundation is viewed as important in both bills. Each calls for the establishment of a Council of persons knowledgeable about development activities in Africa, including representatives from among African grant recipients and other foreign nations, who would be consulted, on at least an annual basis, by the board concerning the objectives and activities of the foundation.¹⁶

The Senate bills also limits the personnel of the foundation to 75 persons at any one time.¹⁷

Minimum appropriations requested in the bills are \$25 million for the initial three fiscal years.¹⁸ This comparatively small appropriation request reflects several values: a belief that assistance to local self-help initiatives does not need to be of large dollar amounts to have an effective impact; a choice not to build up a large U.S. bureaucracy in the name of foreign assistance to the poor majorities, and the cautionary environment in which supporters approach the foundation at its inception.

C. Criteria for Assistance

Priority for foundation assistance would be given to projects and programs which community groups initiate as self-help development activities and in which there is maximum feasible participation of the poor in all phases of the project or program.¹⁹

Monies which the foundation would be empowered to disburse in the form of grants, loans, and loan guarantees to African private or public groups are mandated to foster local indigenous development institutions, evaluation of projects for the purposes of participant learning and project transfer to other endeavors, and/or to support research by Africans and interchange of knowledge within Africa.²⁰

PENDING STATUS OF ADF LEGISLATION

Despite the need for reevaluation of U.S. assistance to Africa and apparent congressional support for the ADF approach, it seems unlikely that an ADF bill will be passed by the 95th Congress. In addition, the Carter administration has not taken a position on the efficacy of the ADF bills.

A. Action in the House of Representatives

The House bill, H.R. 8130, was assigned to the Committee on International Relations' Subcommittee on Africa, chaired by Rep. Charles C. Diggs, Jr. The Diggs subcommittee held hearings on the bill in October, 1977, dealing with the implications of the ADF model in U.S. foreign assistance to Africa, and the experiences of other public foundations and private U.S. organizations working in less developed countries.²¹

The House Subcommittee on Africa did not recommend the ADF bill to the full Committee on International Relations in its mark-up meeting of March

16. S. 1348 §924(f)(1), (2); H.R. 8130 §926(e)(1), (2).

17. S. 1348 §926(7).

18. S. 1348 §928(a); H.R. 8130 §928(a).

19. S. 1348 §925(b); H.R. 8130 §924(b).

20. S. 1348 §925(a); H.R. 8130 §924(a).

21. *Supra* note 13.

16, 1978. While Chairman Diggs endorsed the ADF in principle,²² he was concerned that the legislative history was not complete and had not addressed the operational issues of the foundation. These issues include what projects could be effective; the extent to which the foundation would work through government structures, and the mood of the U.S. Congress in permitting the foundation sufficient political autonomy to work throughout the continent.

B. Action in the Senate

The Senate bill, S. 1348, was assigned to the Subcommittee on Foreign Assistance of the Committee on Foreign Relations. Senator John Sparkman chairs both the full committee and the subcommittee. Action on the Senate bill was delayed because of the Panama Canal treaty debates and because of the introduction of the Humphrey bill, S. 2420,²³ in February, 1978. The Humphrey bill, abruptly withdrawn in April, 1978, would have comprehensively reorganized the structure of U.S. foreign assistance. The thrust of the Humphrey bill was toward consolidation of foreign assistance programs, and there were some on the Senate subcommittee who wanted the ADF and Humphrey bills to be considered jointly. While many of the issues of the two bills are similar and involve fundamental questions of aid policy, action by the Senate in the 95th Congress on the ADF bill would not prevent its coordination with a later re-organization of U.S. foreign assistance programs and delivery mechanisms.

It is uncertain whether the Senate will act on the ADF bill this session. However, the issue of effective aid to Africa embodied in the ADF bill, and the issue of comprehensively restructuring our foreign assistance programs and delivery, embodied in the Humphrey bill, will come before the Senate again in the near future. The Senate should be urged to consider each issue on its singular merits.

C. The Carter Administration

To date, the Carter Administration has not stated a position concerning the ADF bills. The Office of Management and Budget, delegated the task of reviewing the bills, studied them within the context of total foreign aid organization and preferred an independent study.

CONCLUSIONS:

THE BENEFITS OF THE AFRICAN DEVELOPMENT FOUNDATION

The establishment of an African Development Foundation would support local self-development initiatives and local participation in the development process. It is an important and needed contribution to U.S. bilateral development assistance in Africa.

Many members of Congress see a need to initiate new concepts in structure and substance in U.S. development assistance to complement AID and to address its limitations. As Rep. Bonker points out:

We greatly need to complement our new diplomatic initiatives in Africa with a new approach in development assistance. It must be one which maintains

22. Interview with Nate Fields, professional staff member, Subcomm. on Africa, House Comm. on International Relations, (Washington, D.C., March 22, 1978).
23. S. 2420, 95th Cong., 2d Sess., 124 Cong. Rec. S. 409 (daily ed. Jan. 25, 1978) [hereinafter cited as S. 2420].

the autonomy and flexibility needed to respond quickly and appropriately to emerging self-development initiatives in African communities.²⁴

The foundation is relatively attractive for several reasons. The foundation context, more analogous to private than to public organizations in operation, permits more flexible and swift responses to requests for aid. The foundation could be distinguished by its greater flexibility in responding to local development needs, its ability to select the groups with which it would work, and its flexibility in working with a variety of groups and institutions, in addition to departments and ministries of governments. Some supporters of the ADF concept see its greatest potential in finding and supporting local institutional growth.²⁵

The foundation could identify and support the strengthening of local parastatal organizations and community groups. Some would grow and could later be mediaries for the programs of AID and the World Bank. This capability to seed institutional growth is a key to its complementarity with existing assistance programs of AID and the international financial institutions such as the World Bank. These latter bodies are encumbered with institutional barriers in their size and accountability structures which make it difficult for them to aid development at the community level.

As Senator Kennedy has pointed out, there would be no conflict between the programs of the foundation and those of AID.²⁶ ADF would complement, not counter, AID activities in Africa.

In addition, the proposed legislation is targeted to support high impact programs at local community levels throughout the continent. Few, if any, private voluntary organizations operating in Africa have continent-wide scope, and none is specifically mandated to support development research by Africans and the transfer of development resources, expertise, and knowledge within Africa. ADF would be uniquely mandated to support various processes leading to self-sustaining development in Africa, and would thereby be required to justify its assistance decisions against such a standard.

ADF, being empowered to support the strengthening of non-government associations, traditional groups and other private groups in Africa, could comprehensively address a unique area of U.S. development aid to Africa. It could also support innovative relationships between central governments and their people, and vice versa. While the foundation could by-pass central government approval hierarchies and formalities, supporters of the ADF non-directive aid approach realize that, in practice, cooperation and coordination with central governments is a necessity in working in any less developed country.²⁷ Most funding would involve the host government, directly or indirectly, although the foundation would provide support to strengthen local community endeavors and institutions.

Such an alternative and new level of assistance is attractive for other reasons. Conventional assistance, operating solely through grantee and donor

24. *Supra* note 9.

25. Interview with Edward V.K. Jaycox, director of urban projects, International Bank for Reconstruction and Development, (Washington, D.C., March 29, 1978).

26. 123 Cong. Rec. 26143 (daily ed. April 21, 1977) (remarks of Sen. Edward M. Kennedy).

27. Interviews with Robert Sylvester, legislative assistant to Rep. Cardiss Collins (Washington, D.C., Dec. 1977), and E. Jaycox, *supra* note 25.

central governments, precludes U.S. assistance where our foreign assistance policies prevent us from dealing with a government directly. Locally-oriented assistance, based on participation and self-help criteria, could continue to operate in countries where government-to-government relations are tenuous or where for other reasons the countries do not qualify for conventional U.S. bilateral assistance, but where inequitable distribution of benefits creates a need for aid to certain groups in the societies. It also elevates assistance to the poor to a level which cuts across U.S. political policies.

A development assistance policy for Africa which would emphasize self-determination and the direct participation of the local recipients would place the U.S. in a more positive, responsive posture. A non-directive policy would encourage people to participate in and be responsible for their own social development, and would make American development programs more respected and more effective.

Further, by being responsive to recipient self-help initiatives, ADF would not decide the choice of technology, or the cultural expression, or the human need to be most valued. These would be the decisions of the grantees themselves. The African Development Foundation is an opportunity for innovation.