

expenditures⁵ in 1997/98 and the proposed costs for 1998/98.

Significant increases are being requested in all areas, except capital expenditures. The organization had 1.66 person years of staff last year, currently employs 2.5 people and is requesting an additional program officer in 1998/99. This brings corresponding operating expense increases. The other large variance is associated with training costs and relates partially to the screening process discussed above.

The ultimate level of financial commitment is of course constrained by available resources. It is also importantly a function of the desired outcomes. A straight forward data base may be a small financial investment. However, if well qualified personnel are required, some measure of screening is required and results in additional costs. If the tool is to be actively marketed, notably to international networks, costs again rise. And finally, if the goal is not only to consolidate, but to build expertise or capacity, then some degree of training is required.

It is difficult to discriminate when costs are associated with the nature of expenditure. An activity based approach would better demonstrate the magnitude of effort involved in different aspects of this program. An activity based budget would facilitate negotiations between the sponsor and CANADEM and allow for more informed financial decision-making. Appendix E provides template for this approach.

5.0 RECOMMENDATIONS

It is recommended that:

1. CANADEM prepare an strategic vision of how it sees the program evolving over the next three to five years, with specific reference to how it will contribute to the Canadian Peacebuilding Program.
2. The sponsor and CANADEM address the issue of organizational form, prior to concluding the incorporation process.
3. CANADEM rework its budget request for 1998/99, linking expenditures to the objectives/activities outlined in their recent strategic planning document.

⁵ Spending for the first two contribution periods (to October 31, 1997) are confirmed as actual. However, actual expenses for the last period November 1997 to March 1998 have not yet been consolidated. CANADEM projects it may be \$20,000 underspent.