
fiscal year beginning on April 1.

Bilateral programs

The choice of which countries currently receive Canadian assistance is the result of various factors: financial, economic, political, historical and commercial. The major portion (80 per cent) of bilateral funds is allocated to selected "countries of concentration" in recognition of the view, first, that the larger the amount of Canadian funds allocated to any individual developing country the greater the likelihood of such funds having a lasting impact; secondly, that it would be an administrative nightmare to treat all developing countries equally in relative terms; and, thirdly, that, in any event, Canada has not the means to meet all of the legitimate needs of all of the developing countries.

Since 1972, as noted earlier, CIDA has intensified efforts to assist countries at the bottom of the development scale -- the so-called "least-developed" of the developing countries.

The amount of aid received by any individual country is determined first by its status as a country of concentration or otherwise and second by careful evaluation of a number of issues, of which the most important are: its balance-of-payments situation; its capacity to raise and spend funds for its development programs from domestic or external sources; its commitment to maximizing the welfare of the majority of its people; Canada's ability to meet the priority needs of the country.

CIDA has a relatively flexible range of components of aid transfers: grants, two types of loan, food and other non-project aid, project aid, and emergency relief, the use of which depends upon the circumstances of both the project or program and the recipient in question. In general, it is fair to say that grants are more likely to be given to the poorer developing countries than to those that are relatively better off, and that, where loans are deemed appropriate for the poorer countries, they are more likely to be highly concessional rather than of medium concessionality. Further, technical assistance is usually financed by grants, as are food aid and emergency aid. The ratio between loans and grants is expected to remain at around 35:65 in the coming fiscal year, with loans amounting to \$325.3 million and grants and contributions totalling \$535.9 million.

The 1970 foreign policy review authorized CIDA to "untie" up to 20 per cent of the bilateral program for projects and programs of particularly high developmental priority. The 80 per cent of the program to be spent in Canada must, except for shipping costs, satisfy minimum Canadian value-added requirements. CIDA normally pays all shipping costs regardless of Canadian content. Consultancy
