

bilateral projects, assistance provided through multilateral agencies such as the United Nations Development Program (UNDP) or a regional development bank, cooperation with Canadian and International Non-Governmental Organizations (NGOs), balance of payments support, etc... Lines of credit are tied to the procurement of goods and services in Canada to meet the recipient's developmental needs.

When CIDA is considering a request for development cooperation the program manager concerned seeks the most effective and efficient transfer mechanism to achieve Canada's objectives in that country. Like any other request for development assistance, proposals involving a line of credit must meet the normal criteria for Canadian ODA. Each type of transfer mechanism has its own unique advantages and disadvantages and its appropriateness depends on the circumstances in the country concerned, the form of assistance required, the objectives of the proposed project or program, the economic or social sector concerned, the target group, etc... Lines of credit represented about 18.6% (\$102 million) of the \$548 million bilateral (government-to-government) ODA disbursements in FY 1981-82. Currently, there are 24 operational lines of credit with a total value of \$458.6 million. The number and value of lines of credit have increased over the past two years, as has the proportion of bilateral assistance represented by this activity.

#### Question 7

Why does CIDA not trim its overly centralized staff - 1062 of the total 1134 are in CIDA headquarters - and cut its administrative costs which have reached an all time high of nearly \$60 million?

These figures need clarification. CIDA has 1062 authorized person-years and these relate to headquarters personnel located in Canada. However, aid administration overseas is covered in two ways:

- (a) in terms of public officials, there are between 150-175 person-years overseas in Canadian missions under the responsibility of the Department of External Affairs to assist with the management of CIDA's programmes; and
- (b) CIDA implements its development assistance programmes through support to other institutions and organizations for their programmes and projects, and through contracts and other agreements with Canadian firms, institutions, and governmental bodies to act as executing agents for bilateral projects.

It is estimated that it costs the Government between two and three times as much to maintain an employee overseas as it does in Canada and this is one factor which has to be taken into account in assessing the cost-effectiveness of managing CIDA's programmes.

Finally, CIDA's administration costs in relation to CIDA's total budget were 4.1% in 1982-83, and 4.0% in 1983-84.