

Food Aid

Food aid, except for emergency food aid, is intended to alleviate hunger and to provide balance of payments support through the provision of foodstuffs.

Some of the types of aid outlined above are typically in the form of non-repayable contributions (e.g. food aid, humanitarian assistance, technical assistance, etc.) while others (e.g. lines of credit) are structured as loans, offered at either 0 per cent interest with repayment over 50 years including 10 years' grace or 3 per cent interest with repayment over 30 years including 7 years' grace. In the case of integrated development projects and other kinds of assistance packages, combinations of contribution and loan funds are usually employed. Unlike the contributions to the multilateral institutions whose spending is, by and large, beyond CIDA control, these bilateral loans and contributions are controlled by CIDA through direct arrangements with the individual developing country.

Procurement for contribution-funded assistance, with some exceptions, is handled through the Canadian Commercial Corporation (CCC), a Crown Corporation involved in export promotion which can negotiate contracts overseas on behalf of Canadian suppliers. Procurement for loan-funded assistance is handled by the recipient developing country. Most often, this means that the point of contact for loan-funded contracts resides in the recipient country and not with the CCC as is the case for contribution-funded contracts.

In addition to these general procurement guidelines, Canadian business firms should also take note of the two following regulations, which apply to Canadian bilateral assistance:

- (a) In general, all goods and services provided through CIDA's bilateral program must have a minimum of 66.67 per cent Canadian content; and
- (b) Consulting services and technical assistance provided through CIDA's bilateral program must be provided by firms which are established in Canada and 51 per cent beneficially owned in Canada.

For equipment manufacturers, suppliers, and trading houses wishing to participate in CIDA's bilateral program through the provision of goods and services, the point of contact for registration is as follows:

Sourcing and Materials Priorities Division
Supply Information and Data Management Branch
Department of Supply and Services
11 Laurier Avenue
Place du Portage, 4B3
Hull, Quebec
K1A 0S5

Transportation agencies should register with:
Overseas Traffic Section
Supply and Services Canada
Place du Portage, 8B3
Hull, Quebec
K1A 0S5

In addition, consultants and trading houses should register with:

Industrial Relations
Business Co-operation Branch
Canadian International Development Agency
Place du Centre
200 Promenade du Portage
Hull, Quebec
K1A 0G4

3. Industrial Co-operation Program

In addition to the bilateral and multilateral programs, CIDA administers the Industrial Co-operation Program, which had a budget of \$21 million for the 1983-84 fiscal year.

The program provides financial support to Canadian firms in their efforts to establish long-term business relationships with counterparts in developing countries through mechanisms such as joint ventures, direct investment, management contracts, licensing agreements and technical assistance. Contributions are available for starter or exploratory studies, which provide preliminary analyses of possible ventures. Follow-on viability studies to establish detailed economic, commercial and legal analyses of potential projects are eligible for larger contributions.

The Canadian Project Preparation Facility (CPPF) is directed more toward the consulting community, with the aim of getting Canadian companies in "on the ground floor" of projects to be financed by multilateral development institutions. Capital project pre-feasibility studies are eligible for support under CPPF.

The Canadian Technology Transfer Facility is also available to enable Canadian firms to test and adapt their technology in developing countries as a means of establishing long-term co-operation with developing-country counterparts. Finally, the Canadian Renewable Energy Facility assists Canadian manufacturers in the field of renewable energy to transfer their technology to developing countries.