

British Columbia and Yukon Region

General Manager, British Columbia and Yukon Region
Export Development Corporation
One Bentall Centre, Suite 1030
505 Burrard Street
Vancouver, British Columbia V7Z 1M5
Tel.: (604) 666-6234
FAX: (604) 666-7550

C. Canadian International Development Agency (CIDA)

The Canadian International Development Agency (CIDA) has primary responsibility for the administration of Canada's development assistance programs which provide assistance to more than 90 developing countries in Asia, Africa, the Caribbean and Latin America. For the 1989-90 fiscal year, Canada's Official Development Assistance reached approximately \$2.8 billion.

CIDA funds are divided equally between the Partnership Program and the National Initiatives Program. The Partnership Program is largely shaped by the Government's many Canadian and international partners in development, such as multilateral organizations, businesses, and non-governmental organizations (NGOs). The National Initiatives Program consists of bilateral assistance and other contributions to development projects decided by the Government.

1. Partnership Program

Multilateral Program

Multilateral development institutions, of which the World Bank is by far the largest, represent a pooling of coordinated aid resources and skills which cannot be matched by any one country. Consequently, they are an extremely important element in the global effort to assist the developing countries to achieve social and economic development objectives. The multilateral development institutions rely primarily on about 16 developed countries to provide them with funds which they use to promote development by providing loans and grants in almost all of the developing countries of the world. For the most part, these funds are provided to the development institutions without conditions. Consequently they are free to lend these funds according to their own priorities and planning. Through these loans, borrowers obtain goods and services under international competitive bidding procedures. Potential suppliers must actively pursue such bidding opportunities at an early stage. Otherwise they run the risk of having tender specifications set that favour other competitors.

Through its multilateral program, CIDA makes significant contributions to a number of such multilateral development institutions. In particular, CIDA acts as the "lead agency" for Canada's participation in the Inter-American Development Bank, the Caribbean Development Bank, the African Development Bank Group, the Asian Development Bank, and in United Nations agencies. The Department of Finance, on the other hand, acts as the "lead agency" for Canada in the World Bank, in consultation with CIDA on policy and program matters. Contributions to these institutions account for about 35 per cent of Canada's total Official Development Assistance.

A detailed description of the functions of each of these institutions and the way in which they disburse their funds, which will be of interest to Canadian firms, is outlined in Section II of this booklet.

Industrial Cooperation Program

CIDA also administers the Industrial Cooperation Program, which disbursed \$58.6 million for the 1989-90 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-up 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 cooperation with developing-country counterparts.

2. National Initiatives Program

Bilateral Program

Canada, through CIDA's bilateral program, provides development assistance to individual developing countries on a direct basis. Bilateral assistance, which accounts for about 40 per cent of CIDA's total disbursements, is focused on about 30 less-developed countries. The program can take any of several forms, as outlined below.

Project Aid

Assistance can be focused on specific projects involving engineering services, technical assistance and training, and equipment supply for the construction of an integral capital facility. Project equipment and services are largely provided by Canadian firms which are chosen through a competitive process in Canada. Such projects undertaken by CIDA cover many sectors, including agriculture, energy, transportation, human resources and training, forestry, health, communications and mining.

Program Aid and Lines of Credit

Assistance can also be less focused, covering program aid and lines of credit. Program aid provides the government of a recipient country with commodities which support a number of projects of a developmental nature. A general line of credit enables recipient countries to purchase a broad range of equipment and services, within their developmental priorities, from Canadian suppliers. CIDA also supports the financial institutions of selected developing countries by providing loans for on-lending to development finance companies. These funds are passed on to private sector borrowers, usually for medium-scale investment projects, on commercial terms.

Sector-Specific Programs

Sector aid provides equipment and services in areas of Canadian expertise such as agriculture, transporta-