

132. These non-official channels of development cooperation, if properly undertaken, have a number of very important advantages in the Subcommittee's view. On a practical plane, perhaps the first merit is that this aid is virtually all offered on a grant (rather than loan) basis. Perhaps the most important virtue of these channels, however, is that they provide considerable scope for close people-to-people contact, in contrast to official programmes which sometimes tend to be impersonal and over-institutionalized. Another asset of these non-governmental programmes is their freedom to operate in fields (such as population, until recently) where governments are unwilling or unable to act. Similarly, in countries where the Canadian government, for various political reasons, could not effectively mount programmes of official development assistance, non-governmental agencies may be able to provide important channels of relief and social aid.

133. The overseas personnel of the voluntary agencies are heavily concentrated in two major professional fields of service: education (56 per cent); and medical work (19 per cent). In these two areas, of course, these agencies have particular experience and are well established. The remaining quarter of the personnel are spread over a number of broad fields: technological (9 per cent); community development (8 per cent); administration (4 per cent); agriculture (2 per cent); and other fields (2 per cent). The geographical distribution of Canadian volunteers shows concentration in Africa (44 per cent) and Asia (27 per cent), with 15 per cent in Latin America, 11 per cent in the Caribbean, and 3 per cent in the Middle East.

(ii) Official cooperation and encouragement

134. In many respects, then, the activities of the non-governmental organizations tend to reinforce and complement official aid programmes. This fact has been recognized by the Canadian Government, and CIDA has established a Special Programs Division (now renamed the Non-governmental Organizations Divisions) to direct supporting assistance to their overseas projects. CIDA grants are normally made on a "matching" basis to the national or parent body of a Canadian organization, which provides one-half to two-thirds of the project's support. In 1968-69, CIDA's expenditure for this programme was \$6.4 million. In 1970-71 the forecast grew to \$8.5 million, and the proposed estimate for 1971-72 is \$11.9 million. The size of these allocations, and their very rapid expansion, indicate that a high priority is being placed on this channel of development cooperation.

135. CIDA's matching grants, it should be stressed, are related strictly to projects of a developmental character. The organizations assisted, apart from the voluntary agencies concerned mainly with development, can include churches, universities, technical institutions, industrial

and labour organizations, cooperatives, professional societies, etc. The Subcommittee recognizes the basic validity of the "matching grant" system but recommends that it be applied flexibly so that CIDA could supply a much larger proportion of the costs of projects showing exceptional promise.

136. The "matching-grant" system also requires liberalization in another important respect. At present, the value of the contribution by the non-governmental organization, which CIDA will then "match", is almost always calculated on the basis of the dollar input to the project from the organization in Canada. This system may have highly undesirable side-effects. It tends to favour projects which are already relatively well supported from outside, while inadvertently discriminating against smaller projects which may have a much greater element of local participation (i.e. support within the developing country). The latter type of projects, of course, are by far the most durable and worthwhile from all points of view. Examination of the one major exception to this system bears out the criticism above. For purposes of "matching grant" calculations, the contribution of the Canadian University Service Overseas (CUSO) is taken to include the salaries paid to CUSO personnel by their local employers. By all reckoning, this arrangement has worked very well for CUSO and the Subcommittee recommends that similar standards should be applied to other agencies.

137. The local contribution may not always be as readily measurable as local salaries paid to CUSO personnel, but it is essential, in the Subcommittee's view, to devise some standard for giving particular recognition and support to those projects which are carried out by Canadian agencies in the closest partnership with local people and communities. In reality this amounts to no more than "untying" this form of aid, and to demonstrating confidence in the capacities of local people and of Canadian agencies with proven records of achievement.

138. In 1970, by far the largest single grant made under this plan was one of \$4.5 million to CUSO. The Subcommittee heard representatives of CUSO at its meeting of 8 April, 1970, and there have been numerous references to CUSO's work in other hearings. The organization, which now has more than 1100 "co-operants", serving in 44 countries, has had a tremendous impact in those countries and in Canada itself. Apart from the considerable contribution represented by the actual work of its personnel, CUSO has served as a very important vehicle for expanded mutual awareness between large numbers of Canadians and people of developing countries. Because of its familiarity and the dimensions (both human and financial) of its involvement, the testimony received on CUSO, in the Subcommittee's view, illustrates a number of important points about the changing role of non-governmental organizations in the development field.