Canadian Co-operation in International Development

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When, in 1975, Canada published its *Strategy for Co-operation in International Development*, covering the second half of the current decade, the Secretary of State for External Affairs emphasized that this action plan was based on lessons learnt in 25 years of Canadian intervention on behalf of the social and economic regeneration of the Third World.

It was, in fact, in 1950 that Canada committed itself to this immense international enterprise by agreeing to participate in the implementation of the Colombo Plan.

At that time, no one dreamt of employing the word "aid" to characterize this Canadian gesture of solidarity with three newly-independent countries of Southeast Asia: India, Pakistan and Ceylon (now Sri Lanka), all members of the Commonwealth. As the title of the 1975 document indicated, the word "co-operation" had been more freely, and accurately, used for some time than "aid" or even "assistance", the latter two words having more often been reserved for particular forms of co-operation (public aid, food aid, technical assistance, etc.).

In fact, these semantic distinctions represented the profound changes, both quantitative and qualitative, that had occurred in the relations between nations over a quarter of a century, particularly during the present decade. There are now 27 countries associated with the structure of the Colombo Plan. Canadian public aid, in one form or another, has reached a total of \$6 billion(1) over 25 years, and today extends to some 70 developing countries, of which about 40 account for more than one and a half billion human beings regarded by the United Nations as the most deprived in the world and often, during recent years, the most seriously affected by economic, food and other crises.

(1) Amounts of money are expressed in Canadian dollars. Weights are expressed in metric tons (tonnes).

"Global" Co-operation

Links of that sort, which are being multiplied between countries, have given a much more concrete meaning than before to what is called the "international community". As a result, the world is being transformed so rapidly these days that it is often spoken of as the "global village". Looked at in this way, the international relations of Canada, as of all other industrialized countries, appear in a new light — for example, "aid" can no longer be viewed as "a one-way street". Since 1974, important international discussions have been making it increasingly obvious that solutions to the many problems of the wealthy countries — from oil-supplies to essential foodstuffs, and even the keeping of peace — can be found only in collaboration with developing countries. "Love, or die together — there is no other resort," said Albert Camus concerning human destiny. Co-operation, like the context in which it operates, cannot be other than "global". This is the first point in the Canadian Co-operation Strategy for 1975-1980. The involvement of Canada in international development is defined as a co-ordinated use of all the country's appropriate and available resources, whether they be public or private, industrial, commercial or agricultural. The Departments of Industry, Trade and Commerce, of Agriculture and of National Health and Welfare, to mention no more, besides their constant concern for improvement in their respective activities, are seeing to it that they contribute, to the greatest possible extent, to the success of the efforts being made by the countries of the Third World to emerge from under-development.

It may well be necessary to arrive at such a "multidimensional approach". After a decade and a half devoted by the United Nations to international development, it is absolutely established that the transfer of resources on preferential terms from rich countries to poor countries — what is called aid in the strict sense of the term — has not prevented the gap between the former and the latter from growing. From 1970 to 1975, the Third World as a whole suffered a drop in its purchasing power of about $14 billion. The developing countries did not await this statement by the World Bank to complain about the deterioration of exchange-rates, so far as they themselves were affected, on world markets. In 1973, one African country, Zambia, calculated that the Government of Canada, in its "Strategy 1975-1980", advocated a comprehensive approach to co-operation in development and the employment of diverse means in the areas of trade, international monetary affairs and others.

In fact, the Government has created an Interdepartmental Committee on Economic Relations with Developing Countries, which is responsible for recommending appropriate action to ensure the harmonization of Canadian external and domestic policies towards those countries. Faced with the new challenges presented by urgent and repeated pleas for solidarity between the industrialized North and the developing South, Canada has been one of the few wealthy countries to pledge itself openly to a genuine strategy of co-operation and then to act on this pledge.

The co-ordination and orientation of all the policies of a country in favour of development is not a small matter. Such an effort is all the more meritorious when, as has been decided in Canada, it is principally a matter of dispensing its aid to the poorest countries and for the benefit of their most-deprived inhabitants, who run the greatest risk of remaining on the fringe of the progress that is being made. These countries, where the average income is less than $200 a year, are the ones that have the greatest difficulty "absorbing" foreign aid and using it for the benefit of their rural populations and for the unemployed in their towns. The first obstacle to be overcome is the inadequacy of the physical infrastructure and of the administrative and technical establishment.

Why "aid"?

The very poor countries would themselves justify the continuation of aid as one of a number of means of struggling against underdevelopment. Poverty and a precarious solvency make it difficult for them to gain access to the ordinary sources of financing for economic growth. Only transfers on preferential terms (subsidies, interest-free or low-interest loans) enable them to procure the material and technical resources they need to make a start, without major disruptions or "estrangements", on the creation of modern societies, and to enable their inhabitants to undertake, with some chance of success, the fight against sickness and malnutrition, ignorance and underemployment.

Even if their consciences would tolerate it, would the score or so of industrialized and well-provided countries that control two-thirds of the riches of the earth, would the 640 million very comfortable or relatively comfortable people who inhabit them, permit themselves, in their own interest, to abandon nearly two billion human beings to their miserable lot, with the choice of resigning themselves to despair or of turning to revolt?

Leaving aside the humanitarian considerations that still animate Canadians in their support for the voluntary organizations providing aid to the Third World, powerful political and economic motives would prompt Canada to help relieve the underdevelopment of the majority of the world's countries — about a 120 nations that are represented in the UN and in numerous other international organizations.

Canada can congratulate itself that, in all the world forums where matters of vital interest to it are discussed, the spirit of co-operation it has shown for many years merits consideration, including its frequent support for a group of countries whose total population makes up half of humanity. Canada has other affinities with these countries, of which many Canadians are only dimly aware. It was not so long ago that Canada became a sovereign country; the Statute of Westminster(2) dates from 1931. Furthermore, like most of the Third World countries, Canada is an exporter of raw materials and relies for its industrial development on the contribution of foreign capital as much as on access to foreign markets.

Comparable circumstances and similar interests create conditions of mutual sympathy between the Third World countries and Canada. The co-chairmanship entrusted to Canada, with Venezuela, during the Conference on International Economic Co-operation ("North-South dialogue"), held in Paris in 1976 and 1977, was testimony both to the special position Canada enjoyed in the international community and to the convergence that brought together the Canadian "multidimensional co-operation" and the "new international economic order" called for by the Third World.

This convergence reflects a "mutuality of interests" between rich and poor countries, in which President Boumédienne of Algeria says he already sees a guarantee of the validity of co-operation agreements. Contrary to what is believed by many people in the industrialized world, there is no donor country that does not derive some benefit from its public aid, even if this is only the ability to continue such

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(2) The Statute of Westminster translated into law the decisions of the Imperial Conference of 1926 and established that the legislative powers of the Dominion parliaments equalled those of the Parliament at Westminster.

assistance. In Canada during 1976 and 1977, out of a development co-operation budget of $1.2 billion, more than $600 million was used directly or otherwise to pay for Canadian goods and services, providing employment for several thousand workers and experts of all kinds. Thanks to the liberality that characterizes public aid and the initiative retained by Third World countries in selecting donor countries, the former have already done much to show that the "mutuality of interests" in fact guarantees the value and qualitative expansion of assistance to international development. More and more recipients are presenting themselves as full partners in the industrial markets of the world and in great international affairs. This is not to depreciate Canadian co-operation but to show its political and economic advantages. The transformation of developing countries into authentic commercial partners is something those countries desire as much as Canada.

Experience certainly reveals that, to reach that point, aid is not enough. But for some of the recipients, for the poorest countries, it remains indispensable. Aid is still necessary, in co-ordination with other means (financial, commercial, etc.), to ensure the rapid development of other, more-advanced, Third World countries before the economies of the North and the South alike come to a standstill as the result of damaging instead of helping one another.

Canada therefore provides its aid in the assurance not only that it is necessary for the socio-economic promotion desired by the Third World but also that it is compatible with this country's own national aims and complies with what Canada said was to be expected in the 1970 *Foreign Policy for Canadians*.

The Federal Government entrusts to the Canadian International Development Agency the responsibility for preparing, submitting for its approval and executing its programs for co-operation in the development of the Third World. The President of CIDA is directly responsible to the Secretary of State for External Affairs, who speaks in Parliament on the employment of the funds voted for Canadian public aid.

How much "aid"?

For more than 15 years the UN has been asking the industrialized countries to devote 1 per cent of their gross national product to the development of the Third World, of which 0.3 per cent would be "non-public". Those that have achieved this can be counted on the fingers of one hand. Some of them still benefit from the fact that former industrial and commercial installations have survived decolonization. This kind of situation naturally enables a country to rely on a non-public contribution that improves its final score.

Certainly, Canada itself disposes of the resources of North American technology, and can even enable the French-speaking peoples of the Third World to benefit from them just as much of those who are English-speaking. It was necessary, however, for Canada to broaden its diplomatic and political relations with many new countries (which was done quickly), as well as its trade relations (which is being fairly rapidly accomplished). In 1972, Canada had already reached the point of directing 0.98 per cent of its GNP to the Third World, if one counts government export credits and private transfers of resources to public aid.

Since then, the amount of *expenditure* by Canada on public aid has been exactly tripled. For the fiscal year 1976-1977, it was raised to $963 million, keeping Canada in seventh place among the member countries of the Development Assistance Committee. The amount of the *funds* voted by Parliament was even larger, exceeding the peak of $1 billion or 4.8 per cent of the GNP. Part of these credits was later allocated to another department for a loan to Jamaica. In other respects, the difficulty of absorbing aid experienced by the poorest countries, as well as the difficulty of mobilizing Canadian material and human resources for such aid, impose limits on generosity. The growth of Canadian public aid is at present about 10 per cent a year. An honourable performance, taking into account the international economic circumstances.

Aid methods

Even when it is a matter of co-operation in international development, there is no doubt that the manner of giving is nearly as important as what is given. It happens, however, that international usage leaves hardly any choice regarding the manner of dispensing aid to the Third World.

Such assistance usually takes one of three forms: bilateral aid, multilateral aid and aid to non-governmental organizations. The first is subject to attack because it is "tied"; the third, which is unanimously praised, has the valuable and reassuring merit of being based on the good will of citizens, on voluntary organizations. To these main channels of public aid, which lead to the more diverse forms of development, there may be added other routes towards particular objectives. This is the case with food aid, aid for the purchase of basic products, lines-of-credit (an arrangement that eliminates a large number of formalities), emergency assistance and programs encouraging preinvestment.

Bilateral aid

Bilateral aid results from agreements between two governments. The implementation of specific projects and programs constitutes its principal component, but it also includes food aid and aid in basic products and lines-of-credit, concerning which it is preferable to explain the particular purposes and mechanisms separately.

In any event, such was the case in 1976-1977, as in previous years, when the bulk of the funds for bilateral aid was devoted to the implementation of projects and programs, with more than $263 million actually paid out. Total disbursements for bilateral aid — which every year absorbs more money than the other forms of Canadian assistance — amounted to $477.73 million in 1976-1977.

To speak of the implementation of projects and programs does not refer to financing alone but also to the provision of equipment, products, technology and services or, as it is called, "technical assistance".

It was not Canada's idea to "tie" bilateral aid to an obligation to procure from the donor a specified proportion of the goods and services necessary for the execution of a bilateral-assistance agreement. This is one of the cases — in fact, the most manifest one — in which international usage has long determined the method of giving. The economy of a donor country may recover a large part of any assistance provided in this form, in addition to which the donor is enabled to display its resources in foreign markets. There is no doubt that it is thus easier to persuade public opinion in a developed country to devote larger and larger credits to public aid. It may happen, on the other hand, that a developing country feels itself to be the captive of "tied" bilateral aid: could the $1,000 that must be spent in the donor country for an article procure two of them in another country? Yes! But in what other country? Another developed country?

The business is so confused that it is only since 1975 that agreements has begun to be established among the rich countries on the "tying" of bilateral aid.

Canada, in its "co-operation strategy" for 1975-1980, confirms its desire to liberalize the terms of this assistance and notably envisages extending to developing countries the right to call for tenders for certain contracts financed by its development-assistance loans. A committee is preparing the administrative setting for such a liberalization.

Meanwhile, the goods and services procured by bilateral aid must continue to have a fixed "Canadian content", either of personnel or products. For the latter, the normal minimum is 66⅔ per cent of Canadian value added. The Canadian Government, however, careful to maintain the greatest possible flexibility in its bilateral aid and to take account of the circumstances of its Third World partners, has adopted two important measures. The first authorizes CIDA to "untie" up to 20 per cent of bilateral aid. When circumstances justify it, a poor country may thus benefit under a form of "untied" assistance from what other programs have allowed to accumulate in "surplus Canadian content" — if it may be so expressed in relation to the general standard. The second measure permits CIDA to pay all shipping costs. As Canada has no merchant fleet, this in fact still makes it possible to "untie" 15 per cent of bilateral aid. As regards its financing, Canada has always ensured that the "gift element" largely predominates. In 1975-1976, this form of assistance was financed by subsidies and $184 million in loans. These loans are on such liberal terms that they are almost subsidies. Most of them have a term of 50 years, bear no interest and benefit from a ten-year amortization period. Other Canadian loans for bilateral aid are granted on conditions almost as generous: 3 per cent interest, seven-year amortization period, and a term of 30 years. The 30-year loans granted to countries nearer to "emergence", or that benefit from economic circumstances, are rarer (three in 1976), inasmuch as Canada directs its co-operation primarily to the socio-economic regeneration of the more-disadvantaged countries and peoples. The various crises of recent years have had more victims than beneficiaries among the countries with which Canada maintains bilateral-assistance relations in the Third World.

Of those countries, there were, in 1977, 12 among the less-developed that benefited from interest-free loans from CIDA. At the

"North-South dialogue", Canada announced that these debts had been remitted to a total of some $254 million. This global decision followed the line of the UNCTAD (United Nations Conference on Trade and Development) solutions to the problem of Third World indebtedness ($225 billion in 1977). Canada had already granted remissions of debt to India, Bangladesh and Pakistan.

As a general rule, loans are used to finance the purchase of goods and equipment for the implementation of a project, while subsidies are used for technical co-operation — to pay the salaries of teachers and advisers or to finance profitability studies —, as well as for food aid. Canada, faithful to the 1975-1980 co-operation strategy, at present directs the greater part of its bilateral aid to countries in which the annual *per capita* income is less than $200, and has substantially increased its activities of social significance. Among the countries concerned with Canadian bilateral aid, preference is given to those that rely first of all on their own efforts to emerge from under-development and struggle against the segregation of rural or other sections of their populations.

Disbursements for Canadian bilateral aid in 1966-1977 were regionally distributed as follows:

- Asia (23 countries and some regional programs): $237 million, or nearly 50 per cent of all disbursements;
- Africa (41 countries and some regional programs): $182 million, or 38 per cent of disbursements, of which $89 million was for 21 French-speaking countries and $93 million for African Commonwealth and neighbouring countries;
- Commonwealth West Indies: $23 million;
- Latin America: $26 million.

Multilateral aid

In a dozen years, from 1965-1966 to 1976-1977, the share of Canadian public aid routed through multilateral channels (that is to say, through the medium of institutions or programs in which the participants were states) rose from some $30 million to $417 million. The latter amount therefore represents more than 43 per cent of Canada's disbursements for co-operation in international development.

One part of Canada's food aid has always been forwarded through international agencies or programs; it was 19 per cent in 1974-1975. During the World Food Conference in Rome in 1974, Canada promised emergency assistance of 1 million tonnes of cereals a year from 1975-1976 to 1977-1987, and routed at least 20 per cent of its food aid through the medium of international agencies.

These measures increased the proportion of Canadian co-operation funds assigned to multilateral aid. In any case, in 1975 Canada resolved, however favourable the international circumstances might be, to earmark 25 to 30 per cent of its public aid for this purpose. This decision responded to the wishes of the developing countries for at least two reasons: on the one hand, multilateral aid is almost completely "untied"; on the other, these countries are members of the institutions that dispense multilateral aid, within which they can promote the development plans and projects they judge to be most appropriate for reducing their economic dependence.

Canada, too, is a member of these institutions, in which the importance of its financial, technical and food contributions enables it to play an active part both in the determination of major international policies for the elimination of underdevelopment and in the implementation of such policies. In both cases, Canada exercises its influence in favour of the socio-economic regeneration of the poorest countries and populations, which are also seeking its aid bilaterally. This relates to an urgency emphasized in the 1975-1980 strategy, the priority character of which is the subject of increasing agreement in the international and national circles in which co-operation in development is determined and implemented.

The orientation in this regard is discussed and decided principally in the General Assembly of the United Nations, in the United Nations Economic and Social Council (ECOSOC), in the United Nations Conference on Trade and Development, and also in the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD). In these surroundings, Canada takes a position on matters as important as the establishment of a new international economic order, the indebtedness of the Third World and the transfer of technology and the ethical ideas of the multinational societies. In the DAC, some 20 non-Communist industrialized countries strive to harmonize their co-operation in development.

In the context of multilateral co-operation, the Third World asks much more from the industrialized countries than good resolutions. It is also a fact that Canada, through its contributions to the international agencies for the financing and implementation of development programs, must respond to the expectations of the disadvantaged countries. In 1976-1977, loans and advances to these international financial institutions represented three-fifths of Canadian disbursements for multilateral aid, $264.9 million.

The greater part of these funds is divided among the World Bank Group, the activities of which extend to the whole of the developing world, and four regional institutions: the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the Asiatic Development Bank (ADB), and the African Development Bank, of which only African countries may be members. Canada has also contributed its share to a new multilateral assistance agency, the International Agricultural Development Fund (IADF), which is financed jointly by OPEC (Organization of Petroleum-Exporting Countries) and the OECD.

The World Bank Group, because of its scale of operations, plays a major part in financing development in the Third World. The Group includes the International Bank for Reconstruction and Development (IBRD), often called the World Bank, the International Development Association (IDA), and the International Finance Corporation (IFC). Canada's contributions rank it in sixth place among the states that finance the first two of these institutions, and in seventh place for the third.

As a general rule, the World Bank grants loans for major infrastructure projects on terms comparable to those of the market; in 1975-1976, however, it opened a "third window" to grant more advantageous terms to the countries suffering most severely from shortages of food and energy. Canada supported this initiative with a special contribution of $20 million. The IDA is, to some extent, a permanent "fourth window" for the countries that, even in the absence of crises, are able to borrow only at interest-rates lower than those of the market. As these are the countries for which economic regeneration is most urgent, Canada takes a special interest in the activities of the IDA and participates generously in the periodic reconstitution of the funds of that member of the World Bank Group. In 1976-1977, this participation took the form of disbursements amounting to $140.4 million. The purpose of the IFC is to assist the private sector of the Third World in developing itself. As soon as an undertaking it has financed is going well, the IFC withdraws and devotes its resources to the benefit of another.

A number of financing institutions, with more limited purposes than those of the World Bank Group, have benefited from Canadian funds over the years. Mention may be made of a subsidy account in the International Monetary Fund for the countries most seriously affected by the oil crisis, and the Andean Development Corporation. The latter case falls within the context of a continuing policy of support for regional-development institutions. From 1971-1972 to 1976-1977 inclusive, these have received $345.5 million in loans and advances from Canada.

Because these institutions recognize the problems of the countries they comprise and encourage co-operation between them, Canada supports them not only financially but also technically. Thus, broad programs of technical co-operation are established, involving, it is true, the services of expert advisers but also growing assistance from Canadian businesses.

Programs of co-operation, when added to the contributions to the financial institutions for development, correspond to an increasingly close co-ordination between those institutions and the international agencies that work on the implementation of projects of multilateral aid to the Third World, which are as numerous as they are diverse. The most important of these organizations are creations of the United Nations. Thus the United Nations Development Program (UNDP) is incontestably the largest world organization for technical co-operation and finances the greater part of the development activities of the Specialized Agencies. The World Bank more and more frequently relies on it for preliminary studies of projects it is thinking of financing. Canada, one of the founding members of the UNDP when this program was established in 1976, has every reason in the world, therefore, to maintain its support. This was demonstrated in 1976-1977 by the disbursement of a subsidy of $29.25 million. In the preceding year, Canada contributed to the financing of a special UNDP program intended for the 25 least-developed countries in the Third World (LDCs).

The contribution of Canada to the World Food Program (WFP) in cereals, various foods and money amounted in value in 1976-1977 to $83.8 million. What is always interesting, in Canadian eyes, about the WFP is that it principally uses the food resources entrusted to it for the implementation of projects appropriate to relieving the condition of the poorer, underemployed, underfed and vulnerable populations. The foodstuffs are used as remuneration for work. It is estimated that Canadian foodstuffs figure in nine-tenths of the WFP assistance projects.

In the long term, obviously, it is important to seek the greatest possible self-sufficiency for the Third World, especially with regard to food.

Hence the assistance that Canada provides for the efforts of the largest international agency devoted to development of the agricultural sector, the United Nations Food and Agriculture Organization (FAO). Canada, a member of the FAO Council, is associated with it, as opportunity offers, in the implementation of what are called "multi-bilateral" projects, that is to say, the addition to multilateral aid of a bilateral-aid contribution from one country (Canada has acquired experience in this type of co-operation, notably with the International Bank). It participates in the FAO Experts Program and contributes to the financing of the FAO program entitled "World Campaign against Hunger/Action for Development" ($200,000 in 1976-1977).

In addition to contributing to the International Agricultural Development Fund (IADF), Canada participates in the World Food Council (WFC) and the Food Production and Investment Advisory Group (FPIAG), two United Nations agencies created following the World Food Conference. In addition, Canada subsidizes various agricultural-research centres.

Aid to non-government organizations

Canada is the first industrialized country whose co-operation agency, CIDA, has created a special support program intended for non-government organizations. Several other governments and the European Economic Community have followed this lead and consulted Canada in doing so. More and more Canadian non-government organizations are co-operating in Third World development. There were only about 20 in 1963; there are 20 times that number today. Some were set up to come to the aid of poor countries; others were developed within churches, unions and co-operative movements, humanitation associations, etc. In 1976-77, responding to the subscription campaigns of these organizations, Canadians contributed directly to the financing of about 100 projects in some 80 countries in Asia, the Pacific, Africa and America.

The private contributions of Canadians to these projects amounted to more than $90 million — a considerable sum. In addition, the voluntary bodies quite often made it possible to avoid the slow constraints on public aid at state level, and the relative modesty of their budgets held the interventions to "ground level". Together, these two qualities guaranteed an eminently desirable orientation — also desired in the co-operation strategy for 1975-1980 — towards the satisfaction of the most urgent needs of the poorest populations. In short, this type of assistance is a potent means of making Canadians aware of all the development problems of the Third World.

In order to encourage co-operation of this sort without changing its character, CIDA has since 1968 been given increasingly large resources for making grants-in-aid to Canadian non-governmental organizations that submit projects favouring development in fields CIDA itself considers important. These grants may be as much as double the contributions of Canadian private donors. Thus it was not only $90 million but in fact $128 million that Canadian non-government organizations were able to devote in 1976-1977 to some 700 assistance projects in developing countries.

Since 1974, CIDA has also been providing assistance ($1.5 million in 1976-1977) to certain international non-government organizations for activities useful to the Third World but for which the national organizations would not themselves be able to ensure the necessary world co-ordination. This is the case, for example, with the International Adult Education Council (IAEC), an international organization with headquarters in Canada, with World University Mutual Aid, and with the World Scout Office.

The Canadian Government has shown its confidence in Canadian and international non-government organizations by envisaging, in its co-operation strategy for 1975-1980, an increase in the share of CIDA resources allocated to their support. This share, already reaching 4 per cent in 1976-1977, may in the future represent from 6 to 10 per cent of the budget of the Canadian International Development Agency. It should be said, moreover, that more and more Canadians are responding with increasing generosity to the appeals of the non-government organizations on behalf of the Third World.

CIDA has a special program to encourage Canadian donors, with the help of non-government organizations themselves; in 1976-1977, these organizations shared a subsidy of $1.5 million for their activities in arousing the interest of the Canadian public. The four Western Canadian provinces have adopted policies for grants to non-governmental organizations in accordance with a formula very similar to that of CIDA.

Thanks to the funds thus mobilized, hundreds of volunteers of all kinds are working in the Third World each year for the success of the projects of non-governmental organizations, most often in areas (public health, rural development, etc.) that are covered only with difficulty through public and multilateral aid.

The Canadian University Service Overseas (CUSO) alone had more than 800 workers in 1975: teachers, doctors, technicians and other experts. CUSO has been in existence for more than 15 years. Its experience in development is substantial, and the quality of its services is highly appreciated throughout the Third World. Most of the countries that accept its help pay the salaries of its volunteers, at local rates.

Canadian Executive Service Overseas (CESO), created in 1968, sends out, on short missions, senior managers who have retired or are lent by their employers. These volunteers have already accomplished more than 1,200 missions at the request of developing countries. A third organization, Canada World Youth, enables young people from 16 to 20 years of age, both from Canada and from the Third World, to work together for nine months in Canada or in Latin America, Africa or Asia.

Technical assistance

This body of Canadian volunteers in the developing world is all the more valuable because technical assistance is an essential component of international co-operation; it is by this means that the Third World obtains, at low cost, the technological transfers it needs for self-development. It would otherwise be necessary to go into the market for what is called "industrial property", where prices are high both for the acquisition of technology and for training its users.

To assist the developing countries in obtaining the staff and technicians necessary in a modern society, CIDA itself sends abroad numerous Canadian technical helpers. In 1976, there were 1,600 of these experts in education, social services, health, agriculture, trade and banking activities, tourism, industry, mines and handicrafts, energy, transport and communications, administration and planning.

This form of assistance is completed by a fellowship program that enables Third World students and trainees to complete their professional training in Canada or, whenever possible, in the developing countries nearest to their own. In 1976, Canada received 1,020 fellow and sent 648 to appropriate establishments in their regions.

Canadian technical assistance is offered in other ways, such as the Commonwealth Technical Co-operation Program or a more recent program of the same kind connected with the French-speaking countries' Agency for Cultural and Technical Co-operation. Canada participates in the financing of special funds for these programs, and provides, in addition, some experts to various international co-operation agencies, besides receiving holders of bursaries from them.

Undoubtedly one of the most remarkable Canadian contributions to the search for technological self-sufficiency in the Third World was the creation, in 1970, of the International Development Research Centre (IDRC), a body distinct from but working in collaboration with CIDA whenever this is required for the smooth progress of their respective programs, especially in the field of agricultural research.

In tackling a major cause of international technological disparity, IDRC assists developing regions in undertaking scientific research and in acquiring the innovative techniques and institutions necessary for the solution of their problems. The 21-member Board of Directors includes ten who are not Canadians, of whom six are from developing countries. The Centre has established five regional offices in Singapore, Bogota, Dakar, Cairo and Nairobi. In June 1976, five years after its creation, the Centre had agreed to support 375 projects, involving total expenditures of \$69.8 million. The funds voted by Parliament for the IDRC amounted to \$29.7 million for 1976-1977 — \$2.7 million more than for the preceding year. The Centre, by playing a co-ordinating role and financing preliminary studies, has succeeded in promoting co-operation in research among 70 developing countries, integrating the resources of Canadian institutions into the context of the projects on which Third World researchers are working.

Food aid

The reason why the Canadian International Development Agency collaborates particularly closely with the IDRC in the agricultural field is the sure knowledge that the ideal to be sought is food self-sufficiency in the Third World. But CIDA also knows, like the rest of the world, that food aid is likely to remain useful, and sometimes indispensable, until 1980, and probably later. The cereal deficit was 45 million tonnes in the critical year 1974-1975; according to the International Food Policy Research Institute, it might be 100 million tonnes in 1985-1986. Canada consumes nearly half the cereals it produces. It is natural that it should export cereals (in 1976, it was one of only four net exporters of grain in the world, the others being the United States, Australia and New Zealand). It is also natural that food aid should play an important part in Canadian co-operation in international development. Food aid, constituting a substantial element, as has been seen, of Canadian co-operation through multilateral channels, comes immediately after economic assistance in the allocation of funds assigned to bilateral aid. In 1976-1977, CIDA spent $149.44 million to provide food aid to 22 countries and two regions, one in Southeast Asia and the other in Africa's Sahel. The first purpose of this assistance is to combat the chronic underfeeding and malnutrition of particularly vulnerable groups, such as young children, mothers and aged and indigent persons. As it is, in the vast majority of cases, a matter of gifts, this form of aid also contributes to protecting the balance of payments of the countries that benefit from it and to husbanding their foreign-currency reserves.

In order to avoid disturbing agricultural production or, worse still, creating conditions of dependence just where the search for self-sufficiency should be encouraged, the food given is not distributed free. The recipient government sells it. The money it collects constitutes counterpart funds, separately accounted for, and is used to finance national-development projects approved by Canada. It was in this way, for example, that the afforestation programs in Algeria were financed. When opportunity offers, the counterpart funds are unblocked to increase the general development budget of the beneficiary country.

In 1975-1976, the bulk of the food aid dispensed under the CIDA bilateral-aid program was again routed to Southeast Asia, especially India ($61.6 million) and Bangladesh ($25.81 million). In

Africa, expenditure under this head amounted to $5.63 million for the Sahel.

Aid to purchase basic products

Aid for the purchase of basic products is a bilateral form that enables developing countries to procure primary materials, unprocessed or semi-processed, and fertilizer from Canada for their infant industries and agriculture. The nature of the products (fertilizer, copper, nickel, asbestos, etc.) is determined by agreements between the Canadian and beneficiary governments. This assistance is generally financed by loans on easy terms; sometimes there may be subsidies[3]. In a country like Pakistan, for example, this form of aid promotes the development of the secondary sector, which has already begun, as well as the creation of jobs. In 1976-1977, CIDA expenditures on this type of assistance amounted to about $52.5 million.

Lines-of-credit

Lines-of-credit opened by CIDA, on the same favourable terms as aid for the purchase of basic products, are not subject to so many administrative formalities. They are like credit cards valid for a predetermined amount. They offer the recipient country the greatest possible freedom in the expansion of its imports of Canadian products, at the same time providing support for its balance of payments. The agreements concerning lines-of-credit are often restricted to specifying what they may *not* be used for: the purchase of luxury goods, for example, or goods not carrying the Canadian value added required for bilateral aid, or that could be used for military purposes, etc.

Within the limits established by CIDA, Canadian exporters can sell very diversified products to the public or private sectors of developing countries. CIDA settles with the Canadian supplier, and the buyer in the recipient country pays his government in local currency.

This form of assistance, offered to countries whose development is well planned and efficiently pursued, entailed expenditure of a little more than $27 million in 1976-1977.

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(3) This assistance is subject to administrative controls and procedures similar to those that govern the use of development loans.

The formula is not unlike that of the Export Development Corporation (EDC) — except, naturally, for the element of liberality inherent in the CIDA formula. The multidimensional approach advocated in the "strategy" for 1975-1980 is facilitated by this similarity. For different reasons (involving economics in one case and compliance with development standards in the other), EDC and CIDA have concluded parallel agreements for the benefit of developing countries such as Algeria, Indonesia and Ivory Coast. This co-financing is well suited to the participation of the Canadian, or even the foreign, private sector.

Encouragement of preinvestment and industrial co-operation

In recognition of the importance of investments and industrial co-operation in Third World development, CIDA created a branch in 1970 that strives to facilitate and encourage the participation of Canadian private industry in the progress of productive economies in countries that desire the co-operation of Canada. First of all, an investment-promotion program was established so that Canadian businessmen and industrialists could make exploratory and feasibility studies in the Third World. The costs of an exploratory visit are met by CIDA up to an amount of $2,500.

For more thorough feasibility studies, CIDA pays the lesser of two amounts: either 50 per cent of the cost of the study or $25,000.

In 1976, the Business and Industry Division of CIDA extended its activities by launching the Experimental Industrial Co-operation Program. The services of expert advisers were retained to define specific industrial projects in nine developing countries: Algeria, Barbados, Colombia, Indonesia, Jamaica, Malaysia, Peru, the Philippines and Tunisia. On their return to Canada, the expert adviser teams submitted projects to Canadian private industry. After examination, 40 projects were identified, for which the responsible Canadian businessmen had met, or were soon to meet, their Third World counterparts. The forms of collaboration envisaged included participation in joint undertakings, licence agreements, and technical or commercial assistance.

The Business and Industry Division of CIDA, by holding conferences and various other means, informs Canadian business and industrial circles of the possibilities of extending their activities in developing countries and of the conditions under which this can be done. Third World countries themselves can obtain information on Canadian companies that show interest in them. In six years, CIDA has promoted investments of $3.8 million in various developing countries.

Emergency relief

Emergency relief is a form of public aid everyone would like to be able to do without. Unfortunately, it is called for every year as the result of natural or man-made disasters, which create sudden and crucial need for medicine, food, shelter and many other things. The scale and urgency of intervention make state aid indispensable in addition to that provided by voluntary organizations. There are, for example, the planes of the Canadian Armed Forces, which often enable CIDA to supply food or other produce rapidly to disaster victims to whom delay in delivery would mean death. The role of CIDA itself relates to two facts brought cruelly into focus by disasters: first, that those who are normally the most deprived are also the ones who suffer most from disasters when they occur in underdeveloped countries and, secondly, that emergency relief in such countries must often be integrated not only with rehabilitation programs but also with socio-economic development programs. In 1976-1977, CIDA devoted $4 million to emergency relief, of which $2 million went to the UN program for aid to the victims of the civil war in Angola.

Conclusion

These, therefore, are the many and diverse means used by Canada to co-operate in the development of the Third World and to contribute its rich human and material resources to this vast enterprise. In conformity with the co-operation strategy for 1975-1980, the Canadian International Development Agency strives to promote the socio-economic regeneration of the most-disadvantaged countries and population.

Canadian public aid is obviously provided only to the countries that ask for it. Among the projects submitted, Canada and its co-operation agency maintain preference for those that promote self-sufficiency and the satisfaction of essential human needs. These objectives and priorities, which are the subject of an international consensus, make Canadian co-operation not only an effective and concrete contribution to the development of the Third World but also a contribution to North-South reconciliation.

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