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October 9, 1968.

MEMORANDUM TO CABINET

INTERNATIONAL DEVELOPMENT CENTRE

OBJECT

The object of this Memorandum is to seek approval by Cabinet for the establishment of a proposed International Development Centre and to seek the guidance of Cabinet as to ways in which its capabilities would be established as an independent Canadian entity to serve the following purposes:

(a) to initiate, conduct, and support studies, projects and programmes which will utilize the talents of Canadian and other natural and social scientists and technologists to help meet the fundamental needs of the less developed regions of the world;

(b) to assist the less developed regions of the world to develop the scientific and technological capabilities required to meet their needs and aspirations;

(c) to make available to government in Canada facilities for helping them to deal more effectively with domestic socio-economic problems.

2. The Centre will initiate, develop and support especially those programmes which utilize and encourage the development of Canadian capabilities and insights conducive to economic and social growth and in particular will be an expression of the bilingual and bicultural character of Canada. Its primary purpose will be to help meet the needs of the less developed nations, but its capabilities will also be available to meet Canadian needs for a multi-disciplinary approach to solving important problems which confront governments at various levels in Canada. An important part of its work will be directed to research of the kind which may be utilized by decision-makers in the formulation and implementation of policies and programmes for action.

BACKGROUND

3. On August 11, 1967, Cabinet established a Steering Committee to consider a proposal from the External Aid Office that an International Development Centre be founded. The Steering Committee was made up of senior members of the public service and it was empowered to enlist assistance from a Task Force. It was not taken for granted that the proposed Canadian Centre was really needed, considering all the bodies, national or international, that were already playing some role in the development field.

4. The Steering Committee appointed Mr. A. F. W. Plumptre (formerly of the Departments of Finance and External Affairs and an Executive Director of the World Bank and now Principal of Scarborough College, University of Toronto) to head up the Task Force which included experts in a number of the principal fields with which the Centre would be

concerned. Opinions of a wide variety of representative persons and institutions in Canada and internationally were obtained and, in particular, an attempt was made to discover whether their collaboration and support would be forthcoming. The reaction was highly favourable. The work of the Task Force was recently documented, and this forms the principal basis for the appended report of the Steering Committee.

FACTORS

5. It is proposed that the International Development Centre be established by a special Act of Parliament as an independent corporation or agency.

6. While the focus of the work of the Centre will be on the development problems of the so-called "under-developed countries", the problems selected for study and investigation will be, particularly in the early years, those to whose solution Canadian expertise and Canadian experience can make some special and distinctive contribution. The work of the Centre will be clearly "action-oriented" rather than purely theoretical.

7. It is proposed that the Head Office of the Centre will be in the Ottawa-Hull area. Initially, the headquarters would be housed in a conventional office building, but it is possible that a separate structure especially designed to meet the needs of the Centre will become necessary.

8. The Centre's policy research activities will bring to bear, in a coordinated solution-oriented manner, the resources of both specialists and generalists in the assimilation and analysis of data related to particular issues, the development and evaluation of various policy options and their presentation in usable form to the decision-makers.

9. The Centre will be headed by a Board of Governors, the majority of which would be Canadian, although a number of international personalities would be included. There will be a Managing Director, Executive Directors, and an Advisory Council.

10. The core of the Centre's professional staff will be a group of people possessing the special skills and experience required to manage and direct the kind of multi-disciplinary research directly related to problem-solving and policy formulation.

11. The Centre will be empowered to conduct its business by employing people directly; by secondment arrangements with government departments and agencies; and by means of contracting with individuals and institutions. The Centre's proposed organizational arrangements will provide that projects or programmes of study or research should take place in the most suitable geographic or institutional location, both within Canada and abroad.

12. The Centre will have authority to enter into various forms of working agreements, including contracts, with international agencies and foreign governments with respect to research and development.

13. The Centre will have a close relationship with Canadian universities. The Centre will also keep in touch with, and as appropriate draw on, Canadian industrial and other private research capabilities. They will provide a major resource on which the Centre will draw by contracting with them to undertake specific projects on its behalf. Thus the Centre will, for example, assist universities to offer extended opportunities for study and research in Canada and overseas.

14. The Centre will have data bank and library facilities to enable the cataloguing of all principal sources of data on each of its special fields of interest. Such facilities will be carefully established to avoid duplication with other information centres including those of federal government departments. The Centre's data bank and library facilities will be linked to other institutions, including Canadian universities, through arrangements for reciprocal access to and exchange of information.

15. The Centre will also be capable of organizing special meetings, conferences and symposia related to its purposes, any place in Canada and in other countries.

16. The foregoing illustrates in general terms the principal elements envisaged in carrying out the Centre's operations. A great many variations are possible, indeed are inevitable, as the leadership of the Centre develops its own style of operation. But it should be basic to its concept that the Centre's operations should flow from policy research to programme development to project implementation - with provision for feedback to the policy research group at every stage and for the widest possible dissemination of results to ensure maximum utility.

17. The facilities the Centre will have to have in order to perform its functions in the international field - the capability of managing policy research, the links with other institutions in Canada and abroad, the data bank, the professional staff - represent a resource which can be useful in helping Canadian governments to deal with domestic socio-economic problems. There are several ways in which this resource might be made available for domestic purposes:

(i) by incorporating into the organization of the International Development Centre itself a separate staff unit specifically charged with responsibility for the utilization of the Centre's capabilities for domestic purposes. This means that federal, provincial and municipal governments could contract directly with the Centre for the performance of specific services. This is the approach contemplated in the report of the Steering Committee;

(ii) by establishing, on the initiative of the federal government, a separate independent body with exclusive responsibility for undertaking research in respect of domestic needs. This organization would have, in addition to its own resources, access to the capabilities and facilities of the International Development Centre. Thus, federal, provincial and municipal governments, by contracting for the services of this organization, would also indirectly have available to them the resources of the International Development Centre;

(iii) by establishing within the federal government an organization which would have the capability of managing and undertaking research assignments for federal departments and agencies. This organization could, of course, also have access to the International Development Centre as an additional resource. It would not, however, likely be in a position to undertake assignments for provincial and municipal governments as it would be an integral part of the federal government machinery.

CONCLUSIONS

18. The International Development Centre should improve substantially the quality and effectiveness of Canada's external aid programme and in the wider sense make a significant contribution to the entire international development community.

19. The Canadian experience in nation-building and Canada's wide acceptance in the international community place us in a specially favoured position to make a positive and distinctive contribution to the solution of development problems on a world basis. This is particularly true of this country's experience of bilingualism, biculturalism, multi-racialism and federalism, which gives Canadians an insight into many problems facing developing countries. The establishment of the International Development Centre in Canada could be regarded as a new and important expression of Canada's world role.

20. The Centre could also help fill the need in Canada for the kind of sophisticated capabilities required to carry out research for the purpose of policy-formulation and problem-solving to assist governments in dealing with the complex domestic issues which confront them.

21. It should be entirely feasible to make the Centre's capabilities available for domestic purposes in a manner which would not overshadow or impair its primary role in the international field. Indeed its involvement in one area could complement and reinforce the other.

22. If it is deemed to be desirable to consider creation of a separate organization to perform the domestic research role, a further study might be carried out as to the best means of doing this.

FINANCIAL CONSIDERATIONS

23. The Centre's international activities will be funded from an allocation from "External Aid" funds. Its Parliamentary Vote will be under the general category of "External Aid" and can be expected to count towards Canada's aid target of 1% of national income.

24. Measures must be taken to ensure, particularly in the first five years, the continuity of the Centre's operation. An appropriate method of achieving this objective might be for Government to approve, initially, funds to cover a five-year programme. In each subsequent year additional funds could be approved to extend the programme by one year or to enlarge it if this seemed desirable.

25. It is anticipated that, after an initial growth period of four or five years, the international programme expenditures could be running at something like $20 to $30 million a year, of which only a small part would be applicable to the headquarters operation.

26. The incorporation of the domestic role into the Centre's activities would require that an appropriate share of its on-going budget be provided out of "domestic" funds. This share would be based on the extent to which the operating costs of the Centre might reasonably be attributable to its domestic role. Any specific contract assignments undertaken by the Centre on behalf of governments would be paid for by the department or agency for which the work is carried out.

27. While it is clearly not feasible at this stage to produce a definitive budget, the following schedule sets out some preliminary estimates as to the expected order of magnitude of expenditures during the first five years of the Centre's operation and the division of those expenditures between headquarters and international programme operations.

Year	Dollars Million	Approximate Allocation: Headquarters	Approximate Allocation: International Research Programmes
1	5.	.75	4.25
2	7.5	1.	6.5
3	10.	1.5	8.5
4	17.5	2.	15.5
5	25.	2.	23.
	65.	7.25	57.75

28. The extent to which actual expenditures will reach these levels will depend to a great degree on the amount of experimentation, as distinct from policy research, which is carried out by the Centre in its early years. Some forms of experimentation, particularly pilot projects in developing countries, can involve considerable amounts of money.

FEDERAL-PROVINCIAL RELATIONS CONSIDERATIONS

29. The Centre's capabilities in the multi-disciplinary approach to problem-solving, research and world wide information gathering will be available for application to Canadian socio-economic problems.

30. If it is decided that the Centre will make these capabilities available directly to federal, provincial and municipal governments for domestic purposes, its legislation would provide specifically that it could perform such services on a contractual basis.

31. The Centre or any other organization designed to perform research services for federal, provincial and municipal bodies, would have to establish and maintain the highest reputation for independence, objectivity and professional integrity. To perform this role effectively it could not be seen solely, or even primarily, as an instrument of the federal government or it would not be used by other levels of government. In fact, its usefulness to the federal government would likely be substantially greater if it could acquire the confidence and trust of provincial and municipal governments, institutions and universities.

RECOMMENDATIONS

Accordingly, I recommend that Cabinet:

(a) accept in principle the report of the Steering Committee, reserving, if Cabinet considers it desirable to do so, a decision on the question as to the best means of making the capabilities and facilities of the International Development Centre available for domestic purposes;

(b) approve the founding and funding of an International Development Centre in accordance with the proposals outlined in this memorandum and the Steering Committee report, subject only to the reservation referred to in (a) above;

(c) if Cabinet deems it desirable to give further consideration as to the best means of meeting domestic and research needs and of making the capabilities and facilities available for this purpose, arrange for Privy Council to carry out a study of this matter and make recommendations to Cabinet before legislation in respect to the International Development Centre goes forward;

(d) subject to the foregoing, designate and authorize the Canadian International Development Agency to take, in consultation with the other Departments and Agencies concerned, the necessary steps leading to establishment of the Centre and to provide the necessary administrative services until the organization of the Centre itself is in a position to assume full responsibility.

Signed by: **Mitchell Sharp,**
Secretary of State
For External Affairs

PRIVY COUNCIL OFFICE BUREAU DU CONSEIL PRIVÉ

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The Cabinet Committee On External Policy And Defence

RECORD OF COMMITTEE DECISION

Meeting of December 6th, 1968'.

International Development Center

The Committee agreed that:

(a) approval in principle be given for the establishment of an International Development Center subject to detailed examination of the legislation in respect to this Center;

(b) the administrative structure of the International Development Center be set out in the proposed legislation in general terms and as simply as possible;

(c) the study of a domestic counterpart of the International Development Center, being undertaken by Mr. Ronald Ritchie, should be taken into consideration in framing the proposed legislation; and,

(d) the Canadian International Development Agency should consult with Treasury Board concerning the funding of special administrative expenses being incurred for the International Development Center during the planning period,

CONFIRMED BY THE CABINET ON DECEMBER 17TH, 1968

D.J. Leach,
Supervisor of Cabinet Documents.

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