

numerous proposals, nonetheless remains a serious issue. We tend to agree that the best use should be made of existing institutions before time and energy is consumed adding new ones. At the same time, improved coordination of international efforts to reduce the debt overhang and to reverse negative net North-South flows is imperative. We note in this regard the suggestion of the Schmidt independent expert group that:

This process might be achieved most efficiently through the creation of a new facility sponsored by the World Bank and the IMF. This facility should aim to mobilize substantially greater funds than those now flowing to the developing countries. Such funds, in addition to those provided by the IMF and the World Bank, would be furnished by voluntary contributions from OECD countries, with Japan playing the major role.

In time, it might be desirable for this facility to assume an institutional structure, to raise equity and to borrow from the markets. It could immediately become a focus for leadership in the negotiation and coordination of effective debt relief consistent with development.<sup>(31)</sup>

Another recommendation of the Schmidt group is that the OECD donor countries establish a \$1 billion endowment fund through the African Development Bank to build up professional and managerial skills and institutional capacities in Sub-Saharan Africa. It is critical that the debt crisis be solved in ways that overcome rather than entrench neocolonial dependency. So we take note as well of the important work being financed by Canada's IDRC on technical assistance to developing countries for debt negotiations and debt management. The results of the first phase of this project have been published and were presented to a British parliamentary Committee.<sup>(32)</sup> The goal, as a UNDP report on the subject put it, is that eventually "each debtor country should be able to reach a satisfactorily sustainable level of external debt management on the basis of its own national resources."<sup>(33)</sup>

There are other initiatives that merit consideration and support by Canada. One of these is UNICEF's "Debt Relief for Child Development" program to channel savings from debt reduction into concrete assistance to children in poverty and other vulnerable groups who have suffered so much from the ongoing debt crisis. UNICEF is also working

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(31) *Facing One World*, p. 26.

(32) See Stephany Griffith-Jones, ed., *Managing World Debt*, New York, Wheatsheaf and St. Martin's Press, 1988.

(33) *Debt Management and the Developing Countries*, A Report to the United Nations Development Programme by an Independent Group of Experts, New York, July 1989, p. 59.