
Responses to the Recommendations of the Report of the Standing Committee on External Affairs and International Trade (SCEAIT)

CHAPTER II

Recommendation

There should be a legislated framework and floor for CIDA funding and provision that ODA funds be used solely to benefit the needy in developing countries.

Response

The Government continues to believe it is not appropriate to legislate a framework or funding floor for the Canadian aid program. The strategy "Sharing our Future," issued in 1988, clearly states that the primary purpose of Canadian development assistance is to help the poorest nations and people of the world. This commitment has not changed.

Recommendation

Canada should seek support of other governments for an international conference on debt and sustainable global adjustment which would seek negotiated commitments to policy reforms by all countries.

Response

The issues raised by the debt problem and the need for international economic co-operation is addressed in the spring and fall meetings of the IMF's Interim Committee (chaired by the Minister of Finance) and the joint IMF and World Bank Development Committee. As well there have been extensive discussions in UN fora such as the General Assembly, the recent UN Conference on the Least Developed Countries, the UN Conference on Trade and Development (UNCTAD) and the preparatory meetings for the 1992 UN Conference on Environment and Development. The issues of debt and development will also be discussed at the Commonwealth and Francophone Heads of Government meetings and the annual Commonwealth Finance Ministers' Meeting. These occasions provide ample opportunity for leaders to meet and take the necessary, concerted action.

The Government has emphasized consistently the need for pragmatic decisions on economic and debt problems. While there is broad consensus on the types of policies to be pursued and the need for external support, adjustment programs must be individually designed according to each country's circumstances.