

Canada will be active in supporting multilateral efforts to coordinate necessary assistance to the region, and will explore what bilateral development assistance might be appropriate.

Front Line States

The Front Line States may need continued economic support in the post war period in order to re-ignite development and growth in their countries. To date, concern has focused on Egypt, Jordan and Turkey, but the range of countries thus affected may expand as the war is prolonged. While donor countries have marshalled some \$14 billion dollars for these countries in 1990 and 1991, the full impact of the war has yet to be measured and an assessment of their new economic needs developed.

Canada has committed over \$57 million from the \$77.5 million package of assistance to these three countries, in addition to development assistance programming already in place. Canada will examine what further assistance may be appropriate a consequence of the war. The priority for Canadian development assistance will continue to be the poorest people and countries.

Oil Importing Developing Countries

The situation in the Gulf is also affecting countries much further afield which have had to re-integrate workers who fled Iraq and Kuwait, and which have also had to adapt to fluctuations in oil prices. The recent drop in oil prices is welcome relief to many oil importing developing countries, but the final impact will depend on whether prices again rise.

Canada is monitoring closely the impact on many oil importing developing countries. Already, measures are in place in the World Bank and International Monetary Fund to ensure that countries have access to necessary financing under more flexible conditions. The regional development banks are also examining their programming to enable them to respond to essential needs. Canada will review its bilateral development assistance programs as appropriate to meet new priorities of affected countries.