

nologically sound energy policies which are directly relevant to the host country's needs. The program would stress the use of indigenous resources in solving local energy problems. The impact of the program would be felt principally in least developed countries.

As a further new initiative, Canada is establishing a program with initial capital of \$5 million, to encourage private companies to adapt new energy technologies to development needs. Many of our most imaginative and innovative companies are too small to do the job on their own and we want to increase their capacity to transfer technology to developing countries.

Aid to Africa

I am pleased to announce that Canada will also contribute \$25 million toward the alleviation of a particular need of African countries, especially in the Sahel region. This amount will be in addition to funds already projected for bilateral assistance.

The need to which I refer arises from the constant spread of the desert into areas of previously arable land. The resulting decrease in food production, and increase in the level of imported food, has curtailed the financial capacity of these countries to import needed energy. Without sufficient energy for agricultural production, more land is lost to the desert, and the vicious circle continues. Canada's contribution is designed to help those countries develop their energy resources, to grow more food, to hold back the encroaching desert, and to retard the depletion of scarce forest resources being used for fuel.

Planning and financial resources essential

I mentioned a few moments ago the fact that many countries lack a sound energy strategy. Canada believes that, without proper planning, the investment which we and other countries are prepared to make in energy projects in developing countries cannot achieve its full potential. In the past, Canada has been a leader in providing funds and expertise to developing countries that have sought help in the preparation of national energy plans. I am pleased to inform you that we will make additional efforts to assist those countries which want to develop such plans.

On the multilateral front, there is a need for structural adaptation to the requirements of developing countries. To meet their energy needs, those countries must have access to greater financial resources. At the Ottawa Summit there was agreement about the need for the World Bank to strengthen its role in energy lending. There are obviously a number of ways to accomplish this: Canada has joined with many other countries in calling for the creation of an Energy Affiliate to the Bank for that purpose and we are prepared to support such an Affiliate financially if it can be set up.

In the meantime, there is much that can be done bilaterally, and within our own countries. On the bilateral level, I am happy to report that, in Canada, the legal and financial foundations have been approved for the creation of Petro-Canada International, a subsidiary of our national oil company. Its purpose will be to assist oil-importing developing countries to exploit their own energy resources, particularly hydrocarbons. This new company will provide development assistance directly to Third World countries, and will also be available as an executing agent for other institutions, such as the World Bank.