

developing countries are to realize the full benefits of development assistance and economic growth. Accordingly, Canada has made good governance, democratic development, and sound and transparent economic management key elements of our development assistance policy. Canada has also given increased weight to human rights in its decisions on funding for development assistance.

QUALITY OF AID

In an era of resource constraint in the industrialized countries, the quality of aid becomes more important. Among G-7 countries, Canada ranks first in humanitarian aid as a percentage of total aid expenditures, and second in aid to least-developed countries as a percentage of total aid. Canada is also the second most generous G-7 country in per capita provision of official development assistance (ODA) and in grants as a percentage of bilateral assistance. Canada is taking steps to make its aid more effective, to promote donor co-ordination and to ensure that resources have maximum impact.

DEBTS OF DEVELOPING COUNTRIES

Economic summits have contributed to the development of strategies to relieve the debt burden of developing countries. Canada has provided considerable debt relief to the poorer developing countries, and has forgiven all of its official development assistance loans to the least-developed countries, to the francophone and Commonwealth countries of Sub-Saharan Africa, and to the Commonwealth countries of the Caribbean. The total value of the loans forgiven is \$1.2 billion.

Canada played a key role in achieving consensus on debt concessions at the 1988 Toronto Summit. The adoption of "enhanced Toronto terms" by major creditors in 1991 improved the debt rescheduling terms available for low-income developing countries. The 1992 Munich Summit called for extending similar concessions to certain "lower middle-income" countries. Although the return to economic growth and renewed private investment have reduced the debt burden for some middle-income countries, especially those in Latin America, international debt remains a major obstacle to development in Africa.