

procurement in Canada. We must do something about this. In the world-wide discussions about how best to untie aid in a concerted and controlled way, a good deal of agreement is gathering around what is often called the "Dutch proposal"; this is simply a proposal that all the lenders to a particular development bank who agree to untie their aid in it may compete openly for procurement among themselves and with any producers in these developing countries. Funds may well move faster, and projects be implemented more swiftly, as a result. If agreement is reached on some such proposals in the regional banks, it may serve as a model for larger untying moves with the rest of bilateral loans.

A blurring of the lines between bilateral and multilateral aid is starting, in fact, as more and more of our bilateral assistance is offered on untied terms. To measure the effect from the procurement end, there is not much difference either. Under the guidelines of the foreign policy review, we now tie about 50 per cent of our bilateral assistance to procurement in Canada. Meanwhile, we have recently been receiving back in the value of contracts made by IDA borrowers the equivalent of about 50 per cent of the funds we contribute on untied terms to that pool. CIDA and Industry, Trade and Commerce are making a special effort to improve Canadian suppliers to win a fair share of the contracts awarded by multilateral institutions. Bread thrown on the waters does return to you, and not necessarily after many days. This is surely evidence that, even in considering the short term, Canadian interests and local interests are not irreconcilable.

(3) Putting greater impetus behind assistance to *francophone* Africa and Latin America

We have a particular opportunity, which I wish to take, to put into effect in our most recently launched programs the considerations about which I have just been speaking: a heightened concern about social and local impacts and an eagerness to make use of the new flexibility we enjoy with more liberal terms of aid. Our programs in Asia, Commonwealth Africa and the Commonwealth Caribbean are becoming mature and well-rounded programs; these considerations will equally apply to them, but it is in the two newest areas of work that these considerations can most immediately shape the development of our assistance plans. This is one substantive reason why I intend to put stress upon the programs in *francophone* Africa and Latin America. Let me speak about each of these programs in turn.

CIDA's program in *francophone* Africa has until now been strongly oriented towards providing technical assistance. But a start has been made in implementing plans to support more innovative development projects. We need to put more impetus behind the delivery of capital assistance to the *francophone* African states. From our figures of commitments of grants and loans, it is clear the impetus is beginning to build up; but again there is more to do. Our growing association with these countries is valuable in several ways. Through the association, we link ourselves as friends and partners with an important sector of the human family in Africa; through it we can use the great range of knowledge, experience and expertise that lie within the French-speaking communities across Canada for the benefit of the developing countries; and through it the *francophone* African states can go