

gram for commodities, which has as its main focus stabilization of prices and improvement of conditions of trade for 18 commodities of particular export interest to the developing countries. The *International natural rubber agreement* which entered into force provisionally on October 23, 1980 was an important achievement in this area. Canada signed the agreement on November 7, 1980 and it now awaits ratification. There were also extensive discussions on a variety of individual commodities. Some, including those on tin and cocoa (the latter of which resulted in November 1980 in an agreed upon text), were directed more particularly toward negotiation of agreements containing economic provisions. Other discussions still ongoing, including most notably those on jute and jute products, were aimed at reaching arrangements suitable for funding from the Common Fund second account.

Food and agriculture

Food and agricultural issues were discussed in a number of forums during 1980, including the UN Food and Agricultural Organization (FAO), the World Food Council (WFC) and the International Wheat Council. Developing countries continued to emphasize their problems with respect to increasing domestic food production and obtaining sufficient imports to meet their needs through trade and food aid. Although no final settlement was reached on a new international wheat agreement to stabilize world trade in this commodity, a number of alternatives, including the establishment of voluntary food reserves were examined in a special committee set up by the International Wheat Council. A new food aid convention came into force on July 1, 1980 which increased the minimum guaranteed level of grain delivered annually as food aid to the developing countries from 4.8 to 7.7 million tonnes, with Canada's commitment increasing from 485,000 to 600,000 tonnes annually. Canada participated in various international meetings throughout the year in the FAO, WFC, etc., where attention was focused on the importance of increasing production through the use of adequate incentives to producers in developing countries, the establishment of better storage and transportation infrastructures and the need for a greater percentage of aid allocated to the agricultural sector in the development assistance programs of the developed countries. While no significant breakthroughs took place during the year, efforts to improve the existing system of world food security continued.

Official development assistance

Canada's net official development assistance (ODA) disbursements in 1979/80 were \$1.24 billion. Of this, the bilateral share was \$598.79 million, allocated principally to the poorest developing countries; the multilateral share was \$500.50 million; funding of the International Development Research Centre (IDRC) and support for the activities of non-governmental organizations (NGOs) accounted for most of the balance. In September 1980, at the eleventh special session of the UN General Assembly, Canada announced its intention to increase its ODA to 0.5 per cent of its gross national product (GNP) by 1985 and to apply its best endeavours to achieving

the UN target of 0.7 per cent of GNP by 1990. It was also decided to arrest a trend towards an increasing share of multi-lateral aid in the aid budget and to give greater priority in the bilateral program to the Commonwealth Caribbean. In addition, the Minister of Finance announced an advance payment by Canada of \$165 million to the International Development Agency (IDA) as part of a bridging mechanism to keep the IDA in operation pending contributions from all major donors.

In 1980, Canada participated actively in the Southern Africa development co-ordination conference held in Maputo; in preparations for the September 1981 UN conference on the least developed countries; and in regular and special meetings of multilateral organizations and financial institutions devoted to development assistance, including those of the Commonwealth and La Francophonie, the IBRD and the IDA and regional development banks.

Energy

The energy dimension of North-South relations acquired increased importance in 1980. The economic condition of many oil-importing developing countries was adversely affected by the sharp increase in the price of imported oil and, as a result, many developing countries faced increasingly serious balance-of-payments problems. A number of steps were taken both by the international community and by Canada on its own to help address this extremely serious problem. The importance of energy issues was reflected by their being included among the main planned subject areas in the proposed global negotiations. The preparations for the UN Conference on New and Renewable Sources of Energy, to be held in Nairobi in August 1981, continued during 1980 with active Canadian support. The Conference will elaborate measures designed to promote the development and utilization of new and renewable sources of energy, paying special attention to the needs of developing countries where the energy sources studied could make a valued contribution to meeting their energy requirements. Following consideration of the concept at the Venice Economic Summit, discussion continued internationally on a proposal for the creation of an energy affiliate of the World Bank to increase the funds available for energy exploration in developing countries. In Canada, the government announced in October the allocation of \$250 million to finance a new corporation, Petro-Canada International, as part of the NEP. It will be designed to help developing countries reduce or eliminate their dependence on imported oil through exploration for hydro-carbon resources. In addition to co-operating with foreign state-owned companies, the new corporation will draw on technology, expertise and equipment from the Canadian private sector. Its efforts will contribute to over-all Canadian official development assistance.

United Nations Industrial Development Organization

The third general conference of the UN Industrial Development Organization (UNIDO) was held in New Delhi from