

The review concluded that our aid should be an integral part of our foreign policy and should be directed to the economic and social development needs of developing countries. In this way, our aid programmes reflect both Canadian national interests and the interests of the countries receiving aid. This is well illustrated by some of the criteria used in the allocation of bilateral aid such as the economic requirements of the recipient countries; Canada's ability to meet these needs; the performance and development prospects of developing countries; their ability to utilize resources effectively for development purposes and the extent to which Canada can have an impact on the economic performance of the recipient country through the assistance programme.

Another important matter which, as you may recall, we considered in the course of the aid review was how much aid should go through multilateral channels. By making contributions to multilateral institutions, we are able to extend a geographic coverage of our development assistance funds in a much broader way than it would be possible for us to do under our bilateral programmes. We are placing considerable priority on our support to these institutions such as the World Bank, the regional banks and the United Nations development programme. Our contributions to these multilateral institutions currently amount to about 25% of available funds and reach a figure of a little over \$131 million. A particularly important initiative was our decision to seek membership in the Inter-American Development Bank -- a decision which will involve contributions totalling approximately \$100 million over three years. In order to achieve full membership, we had to obtain from the members of the Bank a modification of the bank charter which previously limited membership to the members of the Organization of American States. The agreements between Canada and the Bank are now in the process of ratification by its members. I am confident that this process will be completed soon. We have also played a leading part in the development of a special fund attached to the African Development Bank which should considerably increase the ability of that institution to carry out its task.

Turning to our bilateral programmes, we are entering a new phase in their development. Over the past few years, the funds available for these programmes increased very rapidly. We had to be careful not to allow these funds to remain idle and our pipeline of assistance to developing countries to become unnecessarily large. The creation of effective Canadian mechanisms for the provision of aid put great strain on our administrative resources. These pioneering days are now gradually coming to a close and the solid co-operative base we have created with these countries, our experience and increased resources enable us to achieve a new degree of sophistication in Canadian development assistance. This is