

DEVELOPING COUNTRIES FACE A VERY DIFFICULT SITUATION. IMPROVED ECONOMIC PERFORMANCE IN DEVELOPING COUNTRIES DEPENDS HEAVILY ON SATISFACTORY GROWTH RATES IN THE OECD. GOOD PROSPECTS AND ENHANCED COOPERATION GIVE US THE OPPORTUNITY AND THE MEANS TO ADDRESS THESE PROBLEMS.

- CANADA VALUES HIGHLY THE OECD AS AN INSTITUTION FOSTERING COOPERATION ON ECONOMIC MATTERS. IT IS A UNIQUE PLACE TO ADDRESS OUR RELATIONS WITH DEVELOPING COUNTRIES, AND THE PROBLEMS WE ALL SHARE IN AN INTERDEPENDENT WORLD. THE DEVELOPING COUNTRIES FACE AN ENORMOUS CHALLENGE IN DEALING WITH DEBT AND ADJUSTMENT PROBLEMS IN A DIFFICULT EXTERNAL ECONOMIC ENVIRONMENT. THE STRAINS OF THE LAST THREE YEARS ARE SHOWING IN MANY OF THESE COUNTRIES. WE MUST ENSURE THAT OUR ECONOMIC, TRADE AND DEVELOPMENT ASSISTANCE POLICIES HELP THEM TO DEAL WITH THEIR PROBLEMS AND RESUME ECONOMIC GROWTH.
- THE GOVERNMENTS OF INDUSTRIALISED COUNTRIES HAVE A PARTICULAR RESPONSIBILITY TO IMPROVE THE PROSPECTS FOR FINANCIAL FLOWS TO THE POORER DEVELOPING COUNTRIES WHICH DEPEND ON OFFICIAL FLOWS. IN THIS CONNECTION, WE MUST STRENGTHEN THE CAPACITY OF EXISTING INTERNATIONAL INSTITUTIONS TO PLAY AN EFFECTIVE ROLE.
- WITH REGARD TO THE POOREST COUNTRIES IN AFRICA AND ELSEWHERE, WE WELCOME THE AGREEMENT TO RECYCLE THE IMF TRUST FUND REFLOWS IN A NEW STRUCTURAL ADJUSTMENT FACILITY, WHICH WILL PUT SOME \$2.7 BILLION BACK ON THE TABLE. WE HOPE THAT DISCUSSIONS WILL SUCCEED IN FINDING WAYS TO SUPPLEMENT THESE FUNDS FROM OTHER SOURCES.
- WE SUPPORT PROCEEDING WITH AN EIGHTH REPLENISHMENT OF THE IDA AT A LEVEL OF \$12 BILLION. EVEN THIS LEVEL WILL ALLOW US TO RECAPTURE ONLY SOME OF THE GROUND LOST THROUGH THE DIFFICULTIES ENCOUNTERED DURING IDA VII. OF THIS \$12 BILLION AT LEAST \$1.5 BILLION SHOULD BE USED IN CONJUNCTION WITH THE NEW IMF STRUCTURAL ADJUSTMENT FACILITY. THIS WOULD GET THAT PART OF THE BAKER INITIATIVE CONCERNED WITH POORER COUNTRIES OFF TO A GOOD START. COMBINED WITH THE IMF FACILITY AND THE IBRD SPECIAL AFRICAN FUND, THE INTERNATIONAL COMMUNITY WILL HAVE POWERFUL TOOLS TO PROMOTE GROWTH ORIENTED ADJUSTMENT IN AFRICA.