

Under Canada's new aid strategy, the untying authority has been increased to 50 per cent for sub-Saharan African and other least-developed countries. This new policy gives greater flexibility to allow for local cost financing and local procurement, in particular, for agricultural, grass roots and community projects. It will also make it easier to draw on skilled personnel from within developing countries. This increased flexibility is intended specifically to allow developing countries to rely more on their own resources for the goods and services they need for their development.

The decentralization of Canada's development assistance program to the field is another major step in Canadian efforts to improve the responsiveness of our aid program to the needs and conditions of each country. The transfer of a large number of aid personnel from headquarters to field offices in recipient countries will simplify the decision making process and speed up the implementation of programs and projects. As well, four new regional field offices will be opened - two of them in Africa, one for the countries of the Southern Africa Development Coordination Conference and one for the Sahel.

b) Improvement in the External Environment

The impact of the global economic environment on national economies is of concern to developed and developing nations alike. And conversely, the economic well-being of each country contributes to global prosperity. Ours is an interdependent world. At the Economic Summit held in Toronto in June 1988, leaders of the seven Summit countries including Canada renewed their commitment to work towards continued non-inflationary growth for the benefit of industrialized and developing countries alike.

The international trading environment is a critical factor in African economic recovery and development. In particular, protectionism and subsidies have created distortions in world agricultural trade that have had a serious impact on the agricultural sectors of African countries. Canada too is negatively affected by the current situation and is working to achieve greater liberalization of agricultural trade and to improve trading rules through the current round of multilateral trade negotiations. In the long term, liberalization will stimulate production and economic activity in Africa and enable African countries to profit from their comparative advantage in agriculture.