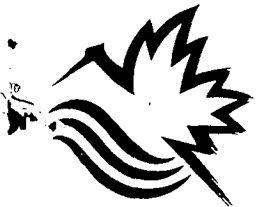




Canada 1997



CANADA'S YEAR
OF ASIA PACIFIC
1997 L'ANNÉE
CANADIENNE DE
L'ASIE-PACIFIQUE

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APEC AND DEVELOPMENT COOPERATION

The Asia-Pacific region is the world's most populous region, and encompasses the world's fastest growing economies. GDP growth in the region is twice that of the OECD countries, and the region now accounts for 40 per cent of total world trade.

The development framework for the region has become more complex and diverse, accompanied by a major shift in financing sources for developing countries. The flow of private investment now vastly outweighs Official Development Assistance (ODA) funds, which are highly concentrated in 12 developing economies, five of which are APEC members: China, Malaysia, Indonesia, Mexico, and Thailand. While social indicators show that progress has been made in narrowing the gap between rich and poor, there are continuing challenges with respect to economic growth and social development in the APEC region, both within and among economies.

The international community is examining more closely the role of assistance in global cooperation, including how to improve aid effectiveness and build broader support for these efforts. The Halifax and Lyon G-7 summits, for example, addressed such issues as development effectiveness, partnership and enhanced cooperation among IFIs and the UN system.

In November 1996, APEC Leaders endorsed a Declaration on Strengthening Economic Cooperation and Development in APEC. The Declaration assigns high priority to six areas for economic and technical cooperation activities, as a means of making concrete steps towards sustainable growth and equitable development:

- developing human capital;
- fostering safe and efficient capital markets;
- strengthening economic infrastructure;
- harnessing technologies of the future;
- promoting environmentally sustainable growth; and
- encouraging the growth of small and medium enterprises.

Within this framework, APEC developed and developing economies work together as partners on the basis of mutual respect and shared benefits, rather than according to the traditional donor-recipient relationship. Henceforth, APEC's work on economic and technical cooperation issues will be guided by these six priority objectives, with a focus on producing measurable results and tangible benefits to the people of the region.

