

further strengthen our contribution to the reconstruction and long-term economic development of the area. The Government accepts the Committee's recommendation that \$100 million, in addition to currently planned expenditures, be allocated to assist Central America reconstruction and economic development efforts at this critical period in the region's history. Although an increase of this magnitude cannot be accommodated over a 5-year period as suggested by the Committee, we will make such commitment for the 6-year period 1988-1994. The full implementation of this commitment could, of course, be affected by developments in the peace process. This undertaking, given within current budget projections, will represent substantially more than a doubling of bilateral assistance to the region over that of the previous 5-year period, which in turn represented a tripling of bilateral assistance over the preceding five years.

In addition, we will continue to work actively in multilateral fora such as the UN and the World Bank to promote more effective coordination and prioritization of development assistance to the region. We are now thoroughly reviewing our aid programming strategies in the five Central American countries to ensure that our aid programs are targeted to the highest priority sectors and groups. This review takes fully into account the priorities established in Canada's new aid strategy, particularly poverty alleviation, the priorities identified in the UN Special Plan, the individual countries' structural adjustment programs, and the role of regional institutions in the reconstruction effort.

By this autumn we will have opened aid offices in Tegucigalpa, Managua and San Salvador. These offices, in conjunction with our Embassies in San Jose and Guatemala, will ensure that our aid program will have a physical presence in all countries in the region. Further, as outlined in the new aid strategy, over the next few years a number of CIDA programs will be decentralized to the field. The Central America aid program is one of the programs which will be decentralized in fiscal year 1989/90. These steps should substantially enhance the timeliness and effectiveness of our economic cooperation programs.

Finally, we would agree with the committee on the need to strengthen diplomatic representation in the region, and measures have been taken in some areas to this end. In addition to the aid offices mentioned above, new Honorary Consuls have recently been approved for Tegucigalpa and Managua, and a recommendation has been made for an Honorary Consul in San Salvador. The recommendation to open mini-posts in Managua, San Salvador and Tegucigalpa, however, cannot be endorsed at this time in view of