

3) That a high proportion of aid funds should be concentrated in the poorest and most seriously affected countries.

The Government concurs with this recommendation. Canadian aid is already concentrated to a large degree in the poorest and most seriously affected developing countries. Over 70% of the bilateral program assistance goes to the poorest developing countries. This level of support essentially covers all of those developing countries who are most seriously affected by energy price increases and consequent decreases in their terms of trade. Moreover, the bulk of Canada's multilateral ODA programs are concentrated in the poorest countries.

4) That Canadian aid be concentrated in fewer countries, while remaining sensitive to humanitarian and foreign policy considerations. That the Government strengthen the administration of aid programmes in the field.

The Government is supportive of this recommendation. The majority of bilateral resources are already allocated to a limited number of countries and it is the Government's intention to strengthen the policy of concentration and to improve the effectiveness of the administration of aid programs by devoting more resources to the field.

5) That procurement for aid projects be consistent with development assistance objectives. Although a significant proportion should be procured in Canada, CIDA should be freed from any fixed percentage rule.

A more flexible approach to the tying regulations for Official Development Assistance would seem to have some merit and is being studied further, although it has been found that existing regulations have not been a major constraint in the selection and implementation of development projects.

6) That the ratio of bilateral to multilateral aid be determined by the objectives of the aid program with priority going to the basic human needs of the poorest people. Both should share in the real growth of the development assistance program.