

# MAKING A DIFFERENCE GLOBALLY

recognition of broader mutual interests. Where we are not directly engaged, Canada will continue to offer support through multilateral institutions, working through the World Bank, regional development banks and specialized UN agencies. But our priority will be results over process. We will focus greater support on those institutions that are most effective in promoting global governance and contributing to poverty reduction.

The need to act selectively to achieve greater impact applies equally to the sectors in which Canada seeks to make a difference. The United Nations has established eight Millennium Development Goals, with specific targets to be achieved by 2015. The MDGs are the world's agreed-upon benchmarks for faster, measurable progress in reducing poverty. A very wide range of interventions and programs could contribute to these broad goals. But Canada's assets and modest share of global development assistance call for greater focus. We will tailor our distinctive contribution by targeting five areas: governance, private sector development, health, basic education and environmental sustainability. These five will help us advance all eight MDGs, which are the keys to reducing poverty in developing countries.

The rationale for sector concentration is threefold. First, consistent with the core objective of reducing poverty, these five areas are critical to the achievement of a number of other MDGs. Second, these sectors have been identified by our long-term development partners (governments and civil society groups) as their highest priorities. Thus, elevating them in our development strategy honours the principle of local ownership—a key ingredient in aid effectiveness. And third, these are the sectors in which Canada can add greatest value in the form of appreciable Canadian expertise.

Canada is especially well poised to offer governance assistance. Our experience with human rights yields valuable insights for those seeking to build pluralistic societies, and Canadian experts have played a productive role in the establishment of human rights commissions and legal frameworks abroad. The formation of Canada Corps extends this model further by creating new partnerships between government, civil society and the private sector.

Canada possesses large reserves of skills and knowledge necessary for effective governance. Canada Corps will

combine this experience from the private, public and not-for-profit sectors with the energy, enthusiasm and new ideas of younger generations to promote good governance at two levels. The first is at the level of statehood: governments, courts and elections. But beneath these formal institutions and processes lie the less formal but critical elements of any successful society: a human rights culture, a thriving civil society and sound public sector management. Working at both these levels, Canada Corps initiatives will mobilize Canadians of all ages and backgrounds, providing new opportunities for individuals to contribute to capacity building in the developing world. By combining the dynamism of youth and the experience of professionals, it will prepare the next generation while passing on the wisdom of the present.

We are also at the forefront of new approaches to private sector development. The Report of the UN Commission on the Private Sector and Development, *Unleashing Entrepreneurship*, sets out a new case for private sector-led growth, arguing that markets only work for the poor when the right conditions are established. It is here that governance and private sector development intersect. Effective public institutions, private organizations and property law all form part of an enabling environment that encourages the poor to lift themselves from destitution through entrepreneurship.

Even where these are present, however, many will often require direct assistance if they are to emerge from a sustained condition of poverty. Innovative microfinance schemes and progressive capital funds can provide these resources, extending credit and loans to those previously unable to hold a bank account. By focusing on these strategies, Canada can help foster local growth, giving the poor the tools they need to generate income and make their own development choices.

Improvements in basic health and education work together with better governance and economic opportunity as key foundations of development and good development cooperation. They are essential in enabling poor people to participate in the political and economic life of their communities and countries, and are crucial in themselves to meeting the Millennium Development Goals.

The health and education sectors rank high in all the priority requests to Canada for assistance from