

## **Challenges and Next Steps**

While Canadian governments look for new and more-effective tools to respond to domestic poverty issues within the constraints imposed by reduced resources, poverty in developing countries is also becoming a clearer priority for action.

In June 1995, CIDA announced its Poverty Reduction Policy, which commits the agency to a number of specific activities designed to improve Canada's response to poverty in the developing world. For example, poverty profiles and reduction strategies will be integrated into the country and regional policy frameworks that guide CIDA's activities in specific countries and regions. A key objective of this activity is to ensure that CIDA's strategies are complementary to those of recipient countries.

More generally, the new policy commits CIDA to ensuring that its programming is consistent with the Canadian foreign policy goal of poverty reduction. CIDA will be concentrating its programming on sectors where it has a comparative advantage, including both poverty-focused projects and policy-level interventions. In the implementation of the new policy, the main challenge will be to work effectively with developing countries to support sustainable solutions to the problem of poverty within the limited resources now available for development assistance programming.