

development. It will provide a blueprint for actions that developing countries can take to create conditions conducive to financing their development and outline how the international community can support these actions.

Canada and financing for development

Canada has traditionally supported development in a number of ways, including official development assistance, debt relief, and trade-related technical assistance and capacity building to help countries benefit from trade liberalization.

Official Development Assistance

Canada's official development assistance spending in 2000–01 amounts to \$2.59 billion. Since 1999, the Government of Canada has increased its budget for international assistance by \$2.4 billion. This includes \$500 million to support the objectives of the New Partnership for Africa's Development, a proposal by African leaders for the renewal of their continent, through implementation of the G8 Action Plan. The action plan is being developed for the G8 Summit in Kananaskis, Alberta, in June 2002.

The Government of Canada is also targeting the spending of development assistance funds to focus more specifically on social development. The Canadian International Development Agency recently reviewed its social development priorities and will target \$2.8 billion over the next five years to four key areas: health, education, child protection and HIV/AIDS. As a result, the budget over five years for health will double from \$152 million to \$305 million; education will quadruple from \$41 million to \$164 million; child protection will quadruple from \$9 million to \$36 million and HIV/AIDS will quadruple from \$20 million to \$80 million.

Debt Relief

Canada has been a strong supporter of the Heavily Indebted Poor Countries (HIPC) debt relief program initiated by the G8 in 1996 and administered by the IMF and the World Bank. The HIPC program aims to reduce the external debt of the world's poorest, most heavily indebted countries to sustainable levels. It provides substantial debt relief to poor, heavily indebted countries that undertake to implement critical social and economic reforms and use the benefits of debt relief to reduce poverty. Canada was one of the architects of the 1999 enhancements to the HIPC initiative, which allowed for faster, broader, and deeper debt relief.

- Canada has forgiven \$1.3 billion in ODA debts owed by 46 developing countries since 1978. This includes \$900 million in ODA debt owed by 22 HIPC countries.