

A MORE STRATEGIC FOCUS

To increase the effectiveness of Canadian assistance, the Government will ensure that Canada's aid policies and practices are well aligned with the priorities of developing countries and properly harmonized among all donors. This begins with aligning our own planning processes with the MDGs as part of a broader, coordinated international effort. Under appropriate conditions and safeguards, and in coordination with other donors we will provide greater budgetary support to general and thematic programming linked directly to the goals and priorities set by our developing-country partners.

Better targeting of Canada's aid dollars is essential to strengthening the impact and effectiveness of development cooperation. This goal means focusing our efforts and resources in fewer sectors and countries. In addition to pursuing a strategic focus within bilateral programming, the Government will seek an optimal balance both within and among various delivery channels and instruments.

GREATER SECTORAL FOCUS

Canada's development assistance takes many forms, ranging from urgent disaster relief to the provision of constitutional advice. More specialization among donors will make our combined development efforts more effective.

While continuing to come in a variety of forms, Canadian assistance will target and concentrate programming in five sectors directly related to achieving the MDGs, specifically: good governance, health (with a focus on HIV/AIDS), basic education, private sector development, and environmental sustainability. Gender equality will be a crosscutting theme, to be addressed systematically in all of our programming in these five sectors in direct support of the MDGs. Gender equality as a theme will also help us to further focus as we select and shape specific initiatives. Within each of the five sectors, Canadian programming will focus on specific areas chosen in light of

CRITERIA FOR SECTORAL FOCUS

The following criteria were used in designating five programming sectors and one crosscutting theme as the main areas of focus for Canadian development cooperation:

- **Potential for advancing the achievement of the Millennium Development Goals.** Greatest importance was attached to identifying potential programming areas that would make the strongest contribution to achieving the MDGs. Halving the proportion of people living in extreme poverty cannot be realized without durable, sustainable and broadly based economic growth, which depends on a vibrant private sector and on environmental stewardship. Health and basic education, in addition to relating directly to specific MDGs, are also critical preconditions for sustained economic growth. At the same time, experience has shown that durable economic and social development does not happen in societies that are poorly governed—hence the focus on governance to help build the capacity of public institutions. Experience has also shown that for development initiatives to succeed in addressing larger goals, gender equality must be designed into all programs and projects.
- **Developing countries' expressed needs and priorities.** Potential programming areas were mapped against local priorities, as expressed in the national poverty reduction strategies of a large number of Canada's main partner developing countries. They were also reviewed in light of country needs expressed in ongoing dialogues between developing-country representatives (including civil society) and CIDA field staff. For the sectors and themes proposed above, a strong convergence was found with developing-country needs and priorities. These are areas that are important to people in developing countries and in which they look to Canada as a cooperation partner.
- **Potential for Canada and Canadians to add value.** In order to maximize effectiveness and coordinate the efforts of different players, programming should be concentrated in sectors in which Canada has some comparative advantage and has the capacity to play a useful role relative to local needs and harmonized with the contributions of other donors. Specific examples of these Canadian niches are described in the sections on each of the proposed sectors and themes.