

with CIDA continuing to co-finance such work regardless of the country in which it may occur (instrument (a) above).

Second, the Canada Fund, financed by CIDA, has proven to be a remarkably flexible and speedy means to address a wide range of grass-roots needs and Canadian interests (instrument (b) above). It delivers a solid local development impact. It is an excellent "flag-raiser" and satisfies a desire for a global presence.

Third, the Zone 1 countries are in a desperate state and require a focussed government-to-government commitment from donors. Their economies are by-and-large stagnant and political and economic management is weak to dysfunctional. Their ability to attract financial resources from the private sector is poor. Inevitably and regrettably, this will result in a need for emergency relief to cope with crises, man-made and natural ((c) above). But it is also essential to tackle longer term development needs. Such engagement seeks to avert the political and economic catastrophes that lead to much greater expenditures in emergency relief, peacekeeping and rehabilitation and reconstruction, and to lay the framework for future development. This must be undertaken in full recognition of the institutional and resource incapacities of such countries to sustain development efforts on their own and of Canada's financial resource restraints. Canada has the largest number of recipients of any DAC donor. To assist most effectively, CIDA should focus its mandate to concentrate even more sharply on a limited number of Zone 1 countries, and primarily on basic human needs development and on strengthened grass-roots civil and political practices needed to underpin our development assistance investments ((d) above). Since poverty is widespread, the number of potential recipient countries large and fiscal resources diminished, 10 to 15 countries might be selected. The substantial challenge clearly calls for a concerted and coordinated multilateral and bilateral donor effort. Bilateral interventions would supplement the greater efforts of the multilateral financial institutions.²⁴ This approach would strengthen CIDA's expertise (it would no longer have to try to be all things to all people) and should simplify and likely reduce administrative overhead. This re-focussed CIDA would continue to report to the Minister of Foreign Affairs.²⁵

²⁴ Some institutional and private sector partnership activity bilaterally may also occasionally be useful and could also be encouraged indirectly through the programmes of multilateral financial institutions including the World Bank and the regional development banks. But such cooperation should not be the central focus of assistance to Zone 1 countries.

²⁵ This approach would be consistent with one central theme in the Government's 1995 Statement on Canada's foreign policy, with its emphasis on poverty reduction and low-income countries (with Africa continuing to receive the "highest share of resources in keeping with the immense challenges facing that