

MAKING A DIFFERENCE GLOBALLY

health care and comprehensive social welfare programs as integral features of our society. And as individual Canadians have experienced structural changes in our economy, the Canadian model has come into its own, sharing the risk involved and supporting those who experience short-term dislocation. Yet these safety nets are notably absent at the international level.

For many countries, market-led growth has proven elusive or insufficient, making it difficult to build and maintain adequate welfare systems. Too often the poor bear a disproportionate burden for the lack of economic progress. Better conditions for domestic and international commerce will be decisive if developing countries are to generate sufficient resources to lift themselves from poverty. The reduction of poverty is one of the most difficult challenges the global community confronts over the next decade. But it is a challenge all nations must commit to meet. In addition to our efforts at the WTO, there is much Canada can do unilaterally. Improving access to Canadian markets for goods and services from developing countries will help foster entrepreneurship. In turn, offering advice and assistance to potential exporters will enable them to take advantage of new commercial opportunities. Similarly, extending research and development partnerships to poor countries will facilitate the transfer of technical skills and technology, building their capacity to compete in the global marketplace.

Helping to create the economic foundations for private sector growth is an essential step. For some countries, however, the challenge is even greater, as they lack the basic resources necessary to participate in international commerce. In this context, debt relief can form a crucial part of the solution. Relieving the debts of the world's poorest countries will allow them much needed respite from the crushing financial burdens that currently hamper their development. While Canada has recently granted unilateral debt relief to Ethiopia, Ghana and Senegal, bringing the total forgiven under the Canadian Debt Initiative to over \$1 billion, the global effort needed is still falling short. In this context, the Government of Canada has advocated within the G8 for a more ambitious debt servicing relief scheme, beginning with a core group of countries but with the possibility of expansion to others. It will also press for greater participation in debt relief by international financial institutions (such as the World Bank and International Monetary Fund), without jeopardizing the viability of these institutions or world markets.

Canada is a testament to the belief that institutions can bring disparate interests together in a common cause. Governing such a large and diverse territory has been an ongoing challenge for our political leaders, but they have responded with solutions that reaffirm the values of individual freedom and collective responsibility. Canada's Parliament and provincial legislatures,

PRIORITY FOR THE GOVERNMENT OF CANADA

Refocus Canadian development assistance to target states with the greatest need and greatest potential for successful intervention

KEY INITIATIVES

- Double international assistance by 2010 from its 2001 level
- Restructure the International Assistance Envelope to ensure greater coherence between aid and non-aid policies
- Establish long-term programming with a limited number of "Development Partners" chosen on the basis of greatest need, demonstrated ability to use aid effectively, and current level of Canadian involvement
- Concentrate at least two-thirds of Canada's bilateral aid budget on Development Partner countries by 2010
- Double aid to Africa by 2008-09 from its 2003-04 level
- Maintain increases beyond 2010, and accelerate the projected rate of growth in international assistance as Canada's fiscal position continues to improve