

A MORE STRATEGIC FOCUS

- for middle-income countries: financing for development through the World Bank and regional development banks, as countries make the transition from aid to market-based financing;
- for stable but poor countries: development financing through the grant and concessional-loan facilities of the World Bank and regional banks; and
- for failed and fragile states: support from the specialized UN agencies and regional organizations involved in peace and security, targeted capacity building and humanitarian assistance.

projects. In recent years, funding has been provided through embassies for programs in about 120 countries. These programs have a development mandate, and enable Canadian representatives abroad to engage directly with local communities. Foreign Affairs will strategically manage a refocused CFLI program to support Canada's local presence in countries where this is important to Canadian foreign policy interests. This could include some countries where substantial bilateral programs will be wound down.

Canada Fund for Local Initiatives

The Canada Fund for Local Initiatives (CFLI) is a flexible and responsive aid mechanism for Canadian embassies and high commissions to make direct contributions to local organizations for small-scale development