

A WHOLE-OF-GOVERNMENT APPROACH TO DEVELOPMENT

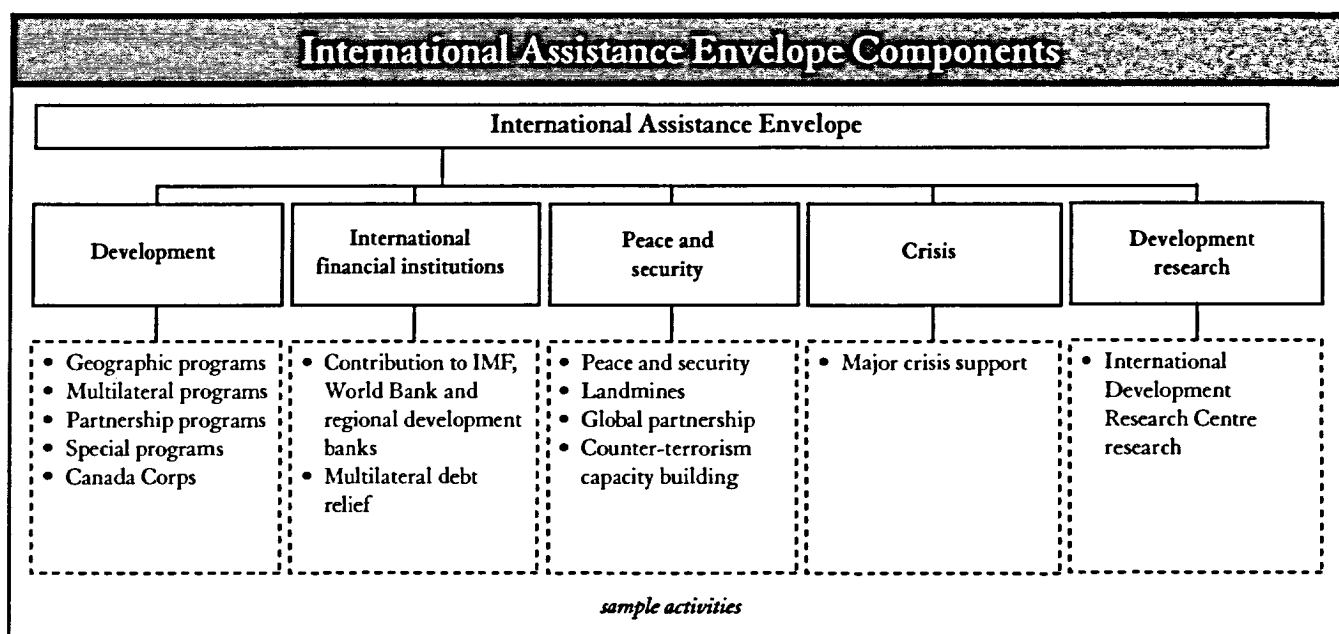
While development cooperation contributes to prosperity and security through long-term development which reduces poverty, it also provides support directly aimed at immediate needs for peace and security. As it has done in Haiti, Afghanistan and elsewhere, development cooperation will continue to be an integral part of the Government's response to crisis situations.

Different tools, however, are required for the Government to respond to its development and peace and security priorities. Long-term development requires a predictable and stable source of funding to be effective. Supporting countries in crisis requires flexible and quick-disbursing funding mechanisms.

To address such needs, Budget 2005 restructures the International Assistance Envelope into five distinct

pools, devoted to development, international financial institutions, peace and security, crises, and development research. The bulk of resources will be dedicated to a development pool.

This management framework is designed to provide a coordinated and flexible approach to Canada's international assistance and introduces a transparent process for the allocation of new resources. By recognizing that effective international assistance involves long-term relationships with development partners, this management framework also provides for greater predictability in budgeting and stability in programming while enabling Canada to respond to unforeseen crisis events such as the Indian Ocean tsunami.



Source: *The Budget Plan 2005*, Department of Finance Canada