

# A MORE STRATEGIC FOCUS

Middle-income countries will be supported through targeted interventions during a transition period (durations will differ by circumstances), which will assist the bilateral relationship with Canada to graduate from one based on development assistance to one that reflects broader Canadian interests and engagement, based on trade, investment, culture, tourism, a shared history or other factors. The future of these relationships will depend on the engagement of relevant parts of government and Canadian society, based on shared interests.

## Other ODA-Eligible Countries

In a number of poor countries (those with per capita annual incomes below US\$1,000), where there is only a very modest Canadian presence, or limited capacity to use Canadian assistance effectively, Canada will wind down bilateral assistance programs. These countries will continue to be eligible to receive humanitarian assistance and ongoing Canadian support through multilateral channels such as UN agencies, the World Bank, and regional development banks, which are increasingly focused on the poorest countries. They will also be eligible to receive support through CIDA's voluntary and private sector programs. This approach represents the most effective use of Canadian aid resources in these countries.

## Transition to Greater Focus: Implications

In the longer term, targeting Canadian aid dollars more effectively will mean reallocating bilateral program resources toward Development Partner countries. The result will be that the overall country program picture of the future will look different from that of today. In terms of full-scale country programs, increased bilateral resources will be focused on a smaller number of countries than is the case today, mainly in Africa, and these programs will require greater attention on poverty reduction, on average, than Canada's current top cooperation partners.

In the course of this transition, the Government will honour Canada's existing contractual commitments in all countries. It is also important to note that programs involving support for Canadian partners will be increasingly concerned overall with addressing the MDGs in the poorest countries, including those in which a full bilateral program is not practical for Canada. Furthermore, our contributions to multilateral institutions will continue to respond to the needs of a wide variety of developing countries. For example:

### COUNTRY CATEGORIES FOR FUTURE BILATERAL PROGRAMMING

#### Summary

**Development partners.** Full-scale poverty reduction programs in these countries are to be allocated at least two-thirds of bilateral resources by 2010.

**Other ongoing bilateral relationships.** Some continuing, targeted bilateral programming, based on relationships with Canada, to be funded within the remaining one-third of bilateral resources.

**Failed and fragile states.** Some bilateral programming, and multilateral assistance based on Canadian and international strategic interests, also to be funded within the remaining one-third of bilateral resources.

**Graduating middle-income countries.** Bilateral programming to wind down over a transitional period.

**Other ODA-eligible countries.** Bilateral programming to wind down, with future assistance available through other channels.