

Canada set to restrict assistance to 20 or 30 countries

# Shakeup on aid

**Fewer countries will get development money from Canada  
Minister to unveil strategy to improve funding effectiveness**

ANDREW MILLS  
OTTAWA BUREAU

OTTAWA—Canada is set to spread its total aid over fewer countries in a bid to make its overseas dollars go further.

The bulk of the aid will be focused on 20 to 30 nations, rath-

er than being spread over 155, according to a government official.

The more targeted approach will be signalled today in a major speech by International Co-operation Minister Aileen Carroll.

"If we are to effectively reduce

— and ultimately eliminate — global poverty, we must better co-ordinate and focus our effort," Carroll is set to say in the speech this afternoon, obtained by the *Star*. "For Canada, that means not doing everything and not being everywhere. It means

making tough choices."

Right now the Canadian International Development Agency (CIDA) has the most dispersed aid program in the world. Aid totalled \$2.6 billion in 2003-2004, but almost 90 countries get an annual amount of less than \$5 million each.

This makes it difficult for the agency to develop country-specific expertise, Carroll says. It's

also difficult for the recipient countries to co-ordinate lots of small-scale projects.

Under the new policy, CIDA will give a lot more — \$50 million a year or so, according to the CIDA official, who wouldn't be named — to a lot fewer countries. The agency hopes this new focus will make Canada's dollars

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# CIDA to revamp aid strategy

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more effective overseas.

CIDA has not yet decided which countries will qualify for aid under this new approach, the official said, only what criteria will be used.

It is not known whether countries considered not to be poor, such as China, will continue to get Canadian aid.

The details of this new approach won't be outlined until the long-awaited review of Canada's foreign policy is released. This document, expected soon, will lay down the future directions of Canada's foreign policy.

What is known is that the government intends to take a more activist foreign policy. Having a sense of global citizenship, where Canadian values are reflected abroad, was identified in last month's budget as a priority.

But this afternoon, before an Ottawa meeting of the Global Economic Governance Programme, a group at Oxford Uni-

versity that investigates how best to serve developing countries, Carroll will reveal some of those details. Chiefly, she will explain parts of the criteria that will govern how CIDA will choose its recipient countries.

"So why certain countries and not others?" she says. "The answer, in a word, is good governance."

That means recipients of Canada's help will have a "strong civil service, good laws enforced by an independent judiciary, a respect for human rights and an aversion to corruption."

Another important criteria will be the amount of poverty a given country experiences.

CIDA hasn't pinned down the core group of countries Canada will support, but the list includes Ethiopia, Ghana, Mozambique and Tanzania. It won't include Zimbabwe, the official said.

CIDA will channel support into programs in four key sectors: health, education, expansion of

the private sector and support of good governance. The agency will shift the focus away from traditional areas like infrastructure and agriculture.

Carroll says the new approach does not mean CIDA is abandoning people in countries that are poorly governed.

On top of directly funding programs in the well-governed core countries, to a lesser extent, the agency will support programs in failed and failing states run by multilateral organizations like the United Nations and by other non-governmental organizations, the official said.

But the fact Canada won't be funding their development programs anymore will be difficult news for some countries.

"Tough choices come when you say you're not going to do something anymore," the official said. "We're going to put our aid somewhere else, but we think we've got to do it because we think it's going to ultimately help more people in the end."

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