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ADDRESS BY THE TEMPORARY ALTERNATE GOVERNOR FOR CANADA
AT THE SECOND PLENARY SESSION

Maria Minna

1. For nearly three decades now, Canada has been a strong supporter of our hemisphere's leading development institution, the Inter-American Development Bank. Last June, we hosted the OAS General Assembly meeting in Windsor. In two weeks, my home city of Toronto will welcome the Finance Ministers of the Americas to discuss the pressing economic issues of our hemisphere. And next month, we will welcome the leaders of the hemisphere at the Third Summit of the Americas, in Quebec City.
2. Canada is truly integrated into our region, our part of the world — economically, politically, and socially.
3. In the Americas, as around the world, we are part of a growing consensus — about policies, priorities and values. Today, we all agree that our true goal must be nothing less than poverty reduction, which we endeavor to achieve by focussing on the international development targets that form the basis of this consensus. Such a focus on poverty reduction keeps us close to the needs of real people, and, as Prime Minister Chrétien said last month to the OAS Council, "We must adopt an agenda that puts people first."
4. This agenda for the 21st Century is diverse, but increasingly firm, and it is integrated and unified by this central focus on people. It includes free markets and free societies, social progress, democracy and human rights, security of the person and inclusion of all people.
5. When we think of progress, we think of growth throughout the Americas. While our hemisphere is home to the greatest disparities between rich and the poor, we are eager to see our countries pursue the benefits of economic liberalization by moving confidently

ahead to create the Free Trade Area of the Americas. Furthermore, efficient markets create prosperity but we must remember that prosperity must be shared and equitable.

6. In order to have a peaceful society, resources, employment opportunities, and wealth must be shared among all.
7. If countries can harness and manage globalization — which is an irrefutable fact of life in this century — they can seize the means to lift themselves and their citizens out of poverty.
8. Our investments must achieve a balance between economic and social priorities, because healthy, educated people and effective governments that respect human rights make globalization work for their citizens.
9. These are objectives that will be pursued at the Summit of the Americas in April.
10. As the leading development institution in the Americas, the IDB can support the Summit process and the Action Plan in many different ways. We encourage the IDB to review thoroughly summit initiatives and Action Plan items which correspond to the Bank's own priorities.
11. The Bank must advance the development consensus by working even harder to put developing countries in the driver's seat of cooperation efforts, so that a heightened sense of ownership will put new energy into development initiatives. The Bank has to work more effectively with others to support countries' own poverty reduction strategies.
12. To do so, the Bank will need to continuously sharpen the focus of its work on behalf of the poor. To be increasingly valuable as an agent of change in the Americas, it must spur economic growth in all the countries of the hemisphere, in support of social progress.
13. It is time to revisit the 15% limit on policy-based lending and bring it into line with reality. If that limit is to rise however, we believe there must be a trade-off... we must insist on better quality of lending, sharper focus of IDB interventions, and better monitoring. Increases in policy-based lending must be justified by effective policy influence and higher impact, especially for sector programs. Flexible lending must mean positive benefits for the poor.
14. Likewise, we want to see continued and accelerated progress on the various reform initiatives endorsed last year in the Bank's corporate strategy.
15. We also want to be sure that increased private-sector lending is indeed generating growth and having an impact on poverty. Such lending is valid if it attracts additional private resources — but not if it displaces private financing, or is unrelated to a country's poverty reduction goals. IDB lending to the private sector can and should play a

fundamental role in increasing employment, economic opportunities and services for the poor.

16. In the Bank's activities, it is vital to ensure inclusion and equity. This is why Canada supports membership by the countries of the Organization of Eastern Caribbean States, because smallness should not be a barrier. This is also why Canada is providing, under the renewed Canadian trust fund, a specific component to spark the participation of indigenous people in development cooperation.

17. Economic growth is vital, yes, we must pursue it vigorously — but the benefits of growth must be broad-based and must help the people of the Americas to overcome poverty and realize their full human potential. This vision includes all the people of the Americas, especially the poor, the powerless, minorities, women, indigenous people and the disabled. We must remember, as we design policies or make decisions, that these people are the engines as well as beneficiaries of economic growth. The IDB has a special role to play in giving voice to the needs and aspirations of the region's poor, because in Prime Minister Chrétien's words, "the Summit Action Plan goes beyond economic relations between countries to questions of equal opportunity, social responsibility, and equity."