Canadian International Development Agency Agence canadienne de développement international

Performance Report

for the period ending March 31, 2002

Canada

ESTIMATES

Canadian International Development Agency

Performance Report

For the period ending
March 31, 2002

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The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

Foreword

In the spring of 2000, the President of the Treasury Board tabled in Parliament the document "Results for Canadians: A Management Framework for the Government of Canada". This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a "citizen focus" shapes all activities, programs and services. This vision commits the Government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Departments and agencies are encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on outcomes - benefits to Canadians and Canadian society - and describes the contribution the organisation has made toward those outcomes. It sets the department's performance in context and discusses risks and challenges faced by the organisation in delivering its commitments. The report also associates performance with earlier commitments as well as achievements realised in partnership with other governmental and non-governmental organisations. Supporting the need for responsible spending, it links resources to results. Finally, the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments and agencies strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organisation according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:
http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp

Comments or questions can be directed to:

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Canadian International Development Agency

Departmental Performance Report 2002

For the
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Minister for International Cooperation

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Acronyms and Abbreviations

ADB	Asian Development Bank
AfDB	African Development Bank
AMEB	Africa and Middle East Branch
BHN	Basic Human Needs
CDF	Comprehensive Development Framework
CDPF	Country Development Programming Framework
CEAA	Canadian Environmental Assessment Act
CEE	Central and Eastern Europe
CFLI	Canada Fund for Local Initiatives
CIDA	Canadian International Development Agency
CIT	Countries in Transition
CPB	Canadian Partnership Branch
CTPL	Canadian Centre for Trade Policy and Law
CWY	Canada World Youth
DAC	Development Assistance Committee (of OECD)
DFAIT	Department of Foreign Affairs and International Trade
DPR	Departmental Performance Report
FCM	Federation of Canadian Municipalities
FDI	Foreign Direct Investment
FOCAL	Canadian Foundation for the Americas
GAIN	Global Alliance for Improved Nutrition
GE	Gender Equality
GNP	Gross National Product
GoB	Government of Bangladesh
GOL	Government on Line
HIPC	Highly Indebted Poor Country
HRDC	Human Resources Development Canada
HRDGG	Human Rights, Democracy, Good Governance
IACD	Inter-American Agency for Co-operation and Development
IAE	International Assistance Envelope
ICHRDD	International Centre for Human Rights and Democratic Development
IDB	Inter-American Development Bank
IFIs	International Financial Institutions
ILO	International Labour Organization
IMF	International Monetary Fund
INC	Industrial Co-operation Division
KARs	Key Agency Results
KRC	Key Results Commitments
MDG	Millennium Development Goals
MPB	Multilateral Programs Branch
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
OA	Official Assistance
OAS	Organization of American States
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
PABRA	Pan-Africa Bean Research Alliance
PAHMD	Program Against Hunger, Malnutrition and Disease
PLWHA	Persons Living With HIV/AIDS

PRSPs	Poverty Reduction Strategy Papers
PSD	Private-Sector Development
PSUs	Program Support Units
RBM	Results-Based Management
RCMP	Royal Canadian Mounted Police
RMAF	Results-based Management Accountability Framework
RPP	Report on Plans and Priorities
SDP	Social Development Priorities
SDS	Sustainable Development Strategy
SEAFILD	Southeast Asian Fund for Institutional and Legal Development
SEAGEP	Southeast Asia Gender Equity Project
SWAps	Sector-Wide Approaches
TI	Transparency International
UNAIDS	United Nations Programme on HIV/AIDS
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
WTO	World Trade Organization

Section I - Messages

Susan Whelan
Minister for International Cooperation

1.1 Minister's Message

Over the past 50 years, the global community has learned a great deal about effective approaches to development. I see unprecedented agreement among both developed and developing countries, as well as among major development institutions, on goals relating to poverty reduction, basic education, gender equality, reductions in maternal and infant mortality, the provision of reproductive health services, and sustainable development strategies. These are exciting times in which to be involved in international development.

Canadians believe that helping disadvantaged people in other countries is the right thing, the Canadian thing, to do. We know it isn't right that millions of men, women, and children around the globe should be living in poverty, lacking access to safe drinking water, health care, and education, and suffering or dying from treatable or preventable diseases.

This Departmental Performance Report reflects these exciting and challenging times. It elaborates on the many important steps that the Canadian International Development Agency has taken to remain at the forefront of this new development thinking and to make the most of this turning point in the history of international development.

In the last few years, CIDA has made concerted efforts to increase the impact of its development programming. This past year, CIDA has continued the efforts started in 2000 to refocus, and increase its programming on four key social development priorities: basic education, health and nutrition, HIV/AIDS, and child protection, with gender equality being a consideration in all these areas. Investments in these focal areas pay off in terms of poverty reduction. I recently launched CIDA's Action Plan on Basic Education, which will serve as our road map for reaching the goal of Education For All set in 2001 in Dakar, Senegal. Our efforts will focus on universal access to, and completion of, primary education of good quality; gender equality at both primary and secondary levels; and improvement in the quality of basic education for learners of all ages.

Our next step is to review our agricultural, water and environmental policies, as well as to embark on a new private sector development policy. Poverty reduction and sustainable development require a balanced social, economical and environmental plan.

Over this past year, we have also consulted with Canadians across the country about aid effectiveness. We have explored a range of issues, including new programming approaches, geographic and sectoral concentration, tied aid and policy coherence. The results of the consultations were announced in September, 2002, and this report describes some of the changes we are already making.

At the heart of the new development philosophy and of the concept of more effective aid is a fundamental redefinition of our relationships with developing countries. In March, at the UN Conference on Financing for Development in Monterrey, Mexico, we saw an affirmation of our engagement in this new development partnership. This new partnership asks for a long-term commitment from all parties and an acceptance of mutual obligations.

Donor countries must pay greater attention to the priorities and concerns of developing countries. Countries like Canada have a responsibility to ensure that our policies toward developing countries -- such as the promotion of trade and debt forgiveness, not just aid -- work together to reduce poverty. We have a responsibility to help developing nations build their capacity to participate more fully in the global economy.

In Monterrey, Prime Minister Chrétien committed Canada to increasing its international aid by at least eight percent per year for each of the coming years. While visiting Ethiopia in April, he added that this increase is projected to double Canada's current nominal aid level in eight or nine years, and in June, at Kananaskis, he announced that half of the increase will be for Africa — the only continent where poverty is now increasing.

The new development approach, also requires developing countries to take responsibility for leading their own development. They must create in their countries the conditions that promote growth, attract investment, and allow aid resources to be used effectively.

The New Partnership for Africa's Development (NEPAD), is both a result of, and a contribution to, this major shift in global thinking about development. It's a remarkable new initiative that calls for a renewed partnership between African leaders and their people, among Africans, and between Africans and their global neighbours. At its foundation, NEPAD is based on achieving good governance and respecting human rights.

As host of this year's G8 Summit in Kananaskis, the Prime Minister made and fulfilled a personal commitment to keep Africa high on the Summit's agenda. In fact, Canada was the first country to support the development of a G8 Africa Action Plan, with a commitment of $500 million.

I am reminded of the words of an African leader I spoke with in Monterrey: "If you're coming to help us, stay home; if you're coming to work with us, you are welcome." Canada is committed to working in truly new partnerships so all members of the global community can have better futures. The report before you is intended to bring you up-to-date on some of the ways in which CIDA, as the lead agency in Canada's international-assistance endeavours, is helping to give meaning to that commitment.

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Minister for International Cooperation

1.2 Executive Summary

Throughout three decades of supporting sustainable development in developing countries, CIDA has played a major role in some astonishing global changes. These include marked improvement in all the main indicators of human well-being -- life expectancy, child health and education. Through partnerships with developing countries, countries in transition[1], multilateral institutions and Canadian organizations, CIDA has established a reputation for excellence and leadership in areas such as gender and development; the involvement of non-governmental organizations; and the integration of environmental concerns into development endeavours. Yet major challenges remain: persistent poverty, which is the greatest single development challenge of the 21st century; the gap between rich and poor; high debt burdens, which continue to constrain economic growth; continuing gender inequality; the HIV/AIDS pandemic; and the disparity in information resources, often called the "digital divide".

These are global challenges, which require global solutions and true co-operation between developed and developing countries. CIDA has helped further those mutually beneficial partnerships through its involvement in such international initiatives this year as the New Partnership for Africa's Development (NEPAD); the World Trade Organization's Ministerial Conference in Doha, Qatar, which was focussed on developing-country needs; and the UN Conference on Financing in Monterrey, Mexico, where the commitment to increase development assistance to the goal of 0.7% of GDP was renewed.

Over the past year, CIDA has also embarked on a comprehensive process of rebuilding and revitalizing itself, with the aim of delivering on a stronger international development agenda. The Agency is taking steps to regain its leadership on development issues through more focussed development programming and by ensuring that resources are used where they can be most effective in reducing poverty. Specific initiatives undertaken during the year include the Agency's *Strengthening Aid Effectiveness* policy document; continued progress in meeting CIDA's *Social Development Priorities* (SDP) -- basic education, basic health and nutrition, HIV/AIDS, and child protection; the streamlining of the management of the Agency's processes and systems; and a new federal commitment to increase aid funding. The Agency's ongoing work is guided by its business plan -- *Sustainable Development Strategy 2001-2003: An Agenda for Change (SDS)* -- which also outlines CIDA's comprehensive approach to sustainable development.

This Departmental Performance Report (DPR) signals a positive change in the way the Agency reports. The Agency is now reporting on the basis of strategic outcomes rather than on its business lines. CIDA's strategic outcomes are delivered in four core areas: (1) economic well-being; (2) social development; (3) environmental sustainability and regeneration; and (4) governance. CIDA is also reporting on progress in implementing

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[1] The countries in transition are those in Central and Eastern Europe and the former Soviet Union which receive Official Assistance (OA) to support democratic development and economic liberalization.

the Enabling Strategies and Management Tools which, in turn, contribute towards developmental results or strategic outcomes for the beneficiaries and the Canadian public.

Another major shift in the way the Agency does business, one that is consistent with the aid effectiveness principles discussed above, is the movement from a project-based approach to more programmatic approaches. This DPR represents progress in shifting from project-level reporting to reporting at country, regional and institutional levels.

Under Strategic Outcome 1, Economic Well-being, CIDA invested $576.55 million, almost 30% of its 2001-02 official development assistance (ODA) and official assistance (OA), to support equitable economic growth and improved standards of living for the poor. An example of community-level results under this strategic outcome is the Pan-African Bean Research Alliance Program, which is helping to produce strong nutritional and income benefits for 15 million small-scale farmers (mostly women) in many of the poorest countries in Africa. This report also highlights CIDA's development programming in China where, despite some differences between the Chinese and Canadian approaches, perseverance and strategic program design have contributed to changes in national economic policies, rural incomes and environmental sustainability.

Strategic Outcome 2, Social Development, involved, in the past fiscal year, an investment of $848.98 million, or 44% of ODA and OA expenditures, to improve the quality of life for the poor through enhanced social services; management of the social impact of reform; and progress towards gender equality, which remains a crosscutting theme for all development results. The report highlights the Agency's work in Senegal where CIDA's programming in education has contributed to a 2% increase per year in the literacy rate in the past five years and programming in micro-finance has directly benefited 300,000 people through access to small business loans. Other successes in Social Development include the Program Against Hunger, Malnutrition and Disease (PAHMD), which has been instrumental in creating the Global Fund to fight AIDS, improved the lives of people suffering in emergencies, and contributed to food security in many countries.

Under Strategic Outcome 3, Environmental Sustainability and Regeneration, CIDA invested $187.93 million (or 9.7% of ODA and OA expenditures) in 2001-02. Such investments have allowed CIDA to support actions on climate change and to build partners' capacity in environmental management. The CIDA-backed Nile River Basin project, for example, supported important research and helped lead to a shared vision among the Nile's 10 riparian states on its joint management, development and conservation.

Strategic Outcome 4, Governance, involved investments of $311.5 million, or 16.2% of ODA and OA expenditures, last year. The Agency has supported improved governance structures and institutional capacity in partner countries; strengthened civil society; and enhanced respect for rights and democratic principles. The report highlights CIDA's contributions to the consolidation of democracy in the Balkans, partly through an improved sense of personal security resulting from such initiatives as the Canadian Police

Arrangement project in Kosovo and the regional Mine Action Program. CIDA's partnership with the Federation of Canadian Municipalities has also helped strengthen local governance and the democratic process, build municipal capacity, and improve service delivery in municipalities in 30 countries in Africa, Asia and Latin America.

CIDA has learned several overarching lessons that apply to the four strategic outcomes and that will help the Agency improve the impact of its programming. As CIDA seeks to increase its aid effectiveness, it remains aware that unpredictable and often uncontrollable external factors make international development risky, regardless of the quality of planning and preparation accompanying development initiatives. The Agency has improved its ability to assess and manage risks and is implementing its Integrated Risk Management Framework.

Canada's international development program is based not only on Canadian values but also on the overwhelming support of Canadians for development and humanitarian assistance. However, that support is predicated upon the effective use of development assistance investments. The Enabling Strategies represent the Agency's approach to achieving an appropriately allocated and effective portfolio of international programs for development co-operation. This report highlights CIDA's development programming in Bolivia, where the Agency made a conscious effort to align the Bolivia Country Development Programming Framework for 2003-2007 with the country's own priorities and poverty-reduction strategies. CIDA has also made significant progress in reducing the number of sectors in which it operates and is on target in its commitment of greater resources to the Social Development Priorities, as set out in the five-year investment plan announced in 2000.

A number of Management Tools are required to make these enabling strategies possible. They include human resources, strategic planning, and the rationalization of processes. As part of its commitment to implementing Government on Line, CIDA further developed three streams: e-Business, e-Collaborative, and e-Human Resources Transformation. At the same time, the Agency continued to develop and sharpen the tools to assess the effectiveness of its development initiatives, including performance measurement frameworks at the agency, program and project levels; evaluation of development programs; and internal audits.

Section II - Agency Overview

For more than three decades, the Canadian International Development Agency[2] (CIDA) has pursued a development mandate in countries in Africa and the Middle East[3], the Americas[4], and Asia[5]. In 1995, CIDA also assumed responsibility for assistance programs in the countries of Central and Eastern Europe and the former Soviet Union — Countries in Transition[6]. CIDA provides assistance to more than 120 countries through a range of program instruments including more than 3,000 projects.

During its more than 30 years of work, CIDA has established a reputation for excellence in a number of areas, and has been viewed by other donors as one of the more progressive aid agencies. It has been recognized for its continuing leadership on gender and development; for involving non-governmental organizations; and for being an early advocate of the incorporation of environmental dimensions into development programming.

CIDA's ongoing work is guided by the *Sustainable Development Strategy 2001-2003: An Agenda for Change* (SDS)[7], which promotes the integration of sustainable development principles into the Agency's work. This Strategy is the Agency's business plan.

2.1 Mandate and Objectives

The three goals of Canadian foreign policy, as outlined in the 1995 Government Statement *Canada in the World*[8], are the promotion of prosperity, the protection of Canadian and global security, and the projection of Canadian values. Within this foreign policy context, CIDA's mandate is to support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. CIDA also has a mandate to support democratic development and economic liberalization in the Countries in Transition.

In support of its mission, CIDA seeks to attain the following twofold objective[9]:

- to facilitate the efforts of the peoples of developing countries and Countries in Transition to achieve sustainable economic and social development in accordance with their needs and environments, by co-operating with them in development activities; and

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[2] http://www.acdi-cida.gc.ca
[3] http://www.acdi-cida.gc.ca/africa-e.htm
[4] http://www.acdi-cida.gc.ca/americ-e.htm
[5] http://www.acdi-cida.gc.ca/asia-e.htm
[6] http://www.acdi-cida.gc.ca/europe-e.htm
[7] http://www.acdi-cida.gc.ca/sds
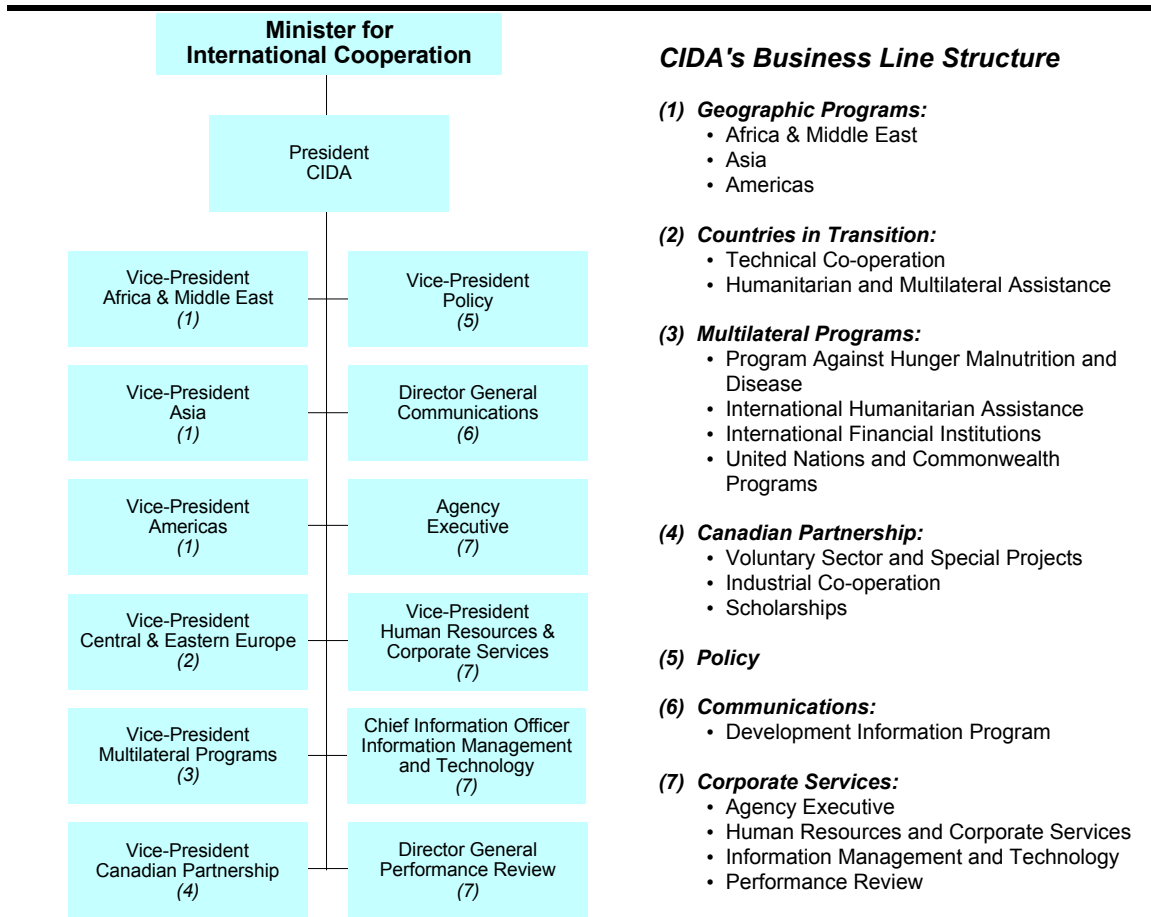[8] http://www.dfait-maeci.gc.ca/english/foreignp/cnd-world/menu.htm
[9] 2000-2001 Estimates: Part I and II, pages 9 and 10.

- to provide humanitarian assistance thereby contributing to Canada's political and economic interests abroad in promoting social justice, international stability and long-term economic relationships, for the benefit of the global community.

CIDA's organization chart and lines of business are presented in Chart 1.

Chart 1: CIDA Organization Chart and Business Lines Structure

Minister for International Cooperation

President CIDA

Vice-President Africa & Middle East (1)

Vice-President Asia (1)

Vice-President Americas (1)

Vice-President Central & Eastern Europe (2)

Vice-President Multilateral Programs (3)

Vice-President Canadian Partnership (4)

Vice-President Policy (5)

Director General Communications (6)

Agency Executive (7)

Vice-President Human Resources & Corporate Services (7)

Chief Information Officer Information Management and Technology (7)

Director General Performance Review (7)

CIDA's Business Line Structure

(1) Geographic Programs:
- Africa & Middle East
- Asia
- Americas

(2) Countries in Transition:
- Technical Co-operation
- Humanitarian and Multilateral Assistance

(3) Multilateral Programs:
- Program Against Hunger Malnutrition and Disease
- International Humanitarian Assistance
- International Financial Institutions
- United Nations and Commonwealth Programs

(4) Canadian Partnership:
- Voluntary Sector and Special Projects
- Industrial Co-operation
- Scholarships

(5) Policy

(6) Communications:
- Development Information Program

(7) Corporate Services:
- Agency Executive
- Human Resources and Corporate Services
- Information Management and Technology
- Performance Review

2.2 Results for Canadians

Canada's support for development is built on a genuine desire to play our part as one of the wealthier members of the global community. This strong conviction, our generosity and our compassion are defining elements of what it means to be Canadian. Our aid program testifies to the desire of Canadians to help the less fortunate, and to their concern for social justice. The aid program effectively helps to project these values throughout the world. At the same time, the realities of globalization and growing international interdependence lend increasing weight to a rationale for development cooperation that

builds on mutually beneficial partnerships. Interdependence, in this context, means mutual responsibility, partnerships in action, and collaborative approaches. All of these lead to a convergence of interests among states around a wide array of issues, including the environment, peace and security, health and the suppression of disease, agriculture and food security, economic and financial stability, migration, and fighting transnational crime. This rationale recognizes that a more secure, equitable and prosperous world is a prerequisite for a more secure, equitable and prosperous Canada.

The work of CIDA helps translate into action the Canadian values mentioned above. That an overwhelming majority of Canadians continue to show strong support for international development assistance is reflected below (See Box 1: Public Opinion - Canadians Support Development Assistance). Canadians are willing to spend on foreign aid as long as they believe that their money is being invested effectively and is making a difference. This performance report outlines how CIDA is attempting to meet such Canadian development assistance expectations.

Box 1: Public Opinion - Canadians Support Development Assistance

Canadians believe in aid. In a recent opinion poll, more than 85% of Canadians interviewed indicated support for development and humanitarian assistance. When Canadians were asked their opinion of the most effective ways to assist people in poorer countries, their top five answers were: education and training, feeding those who are hungry, encouraging self-sufficiency instead of dependency, ensuring basic health needs are met, and helping developing countries strengthen their economies or improve their ability to trade. All five of these are part of CIDA's ODA programming. At the same time, Canadians have expressed concern about the effectiveness of aid and want to ensure that it reaches those most in need[10].

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[10] Environics poll, March 2002.

Section III - The Development Context

3.1 Development Challenges

During the past 30 years of Canada's involvement in international development, the state of the world's population has improved. The past three decades have seen astonishing change. People are living longer and enjoying better health. Life expectancy at birth increased from 59.9 to 66.9 years between 1970 and 2000. During that same period the global infant mortality rate was almost halved from 96 per 1,000 to 56 per 1,000[11]. Since 1990, the primary school enrolment rate has risen from 80% to 84%, and in the past 25 years literacy in low human development countries has doubled[12]. All the main indicators of human well-being — life expectancy, child health and education — show marked improvement. There is good reason to believe that progress will continue over the next decade. Canada's involvement in this positive shift in human well-being has been significant. However, despite the global community's many accomplishments, numerous development challenges persist.

Attacking endemic poverty in low and middle-income countries is the greatest single challenge facing the global community as the world moves firmly into the 21st century. The proportion of the world's population living on less than $1 per day — a broadly accepted measure of dire poverty — fell from 29% in 1990 to 23% in 1999[13]. But the combination of slow economic growth and population expansion over the period has meant that there has been little change in the total number of poor people — nearly 1.2 billion continue to live in deep deprivation. In regional terms, numbers have fallen substantially in East Asia but have risen in other parts of the developing world, more than doubling in the transition economies of Europe and Central Asia, and rising significantly in sub-Saharan Africa[14].

The **gap between rich and poor** has also grown. Today the richest fifth of the world's population receive 85% of total world income, while the poorest fifth receive just 1.4% of the total. The Americas has the greatest disparities in wealth in the world. Although this region has seen a return to growth after the "lost decade" of the 1980s, it has not experienced growth with equity.

The gap between rich and poor is also reflected in the new information economy. A **digital divide** — the name given to the disparity in information resources — is emerging between North and South. Information technology is an increasingly powerful tool for participating in global markets; promoting political accountability; improving the delivery of basic services; and enhancing local development opportunities. However,

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[11] http://www.undp.org/hdr2002/
[12] http://www.undp.org/hdr2002/
[13] http://www.undp.org/hdr2002/
[14] Poverty Reduction and the World Bank: Progress in Operationalizing the WDR 2000/01
   http://www.worldbank.org/poverty/library/progr/2000-01/execsum.htm

without innovative policies on information technology, many people in developing countries — especially the poor — will be left behind.

High **debt burdens** continue to constrain growth and investment, impede progress with regard to social and environmental problems and limit access to international capital markets, particularly for countries in sub-Saharan Africa. The benefits of development have also been shared unevenly across the developing world. During the 1990s **foreign direct investment** (FDI) grew faster than other financial flows to developing countries, from 0.9% of GDP in 1990 to 2.5% in 2000. However, developing countries — especially the poorest countries, e.g. in sub-Saharan Africa — still receive only a tiny fraction of total FDI[15]. The economies of both Asia and the Americas also continue to remain vulnerable to economic setbacks as evident in the recent financial crises of the late 1990s and 2002.

Continuing **gender inequality** means that most of the world's poorest people are women. Gender discrimination slows development, economic growth and poverty reduction. Evidence demonstrates that when women and men have relatively equal opportunities, economies grow faster, the poor escape poverty more quickly, and the well-being of men, women and children is enhanced.

The **HIV/AIDS** pandemic is affecting the developing world disproportionately, with the highest toll being paid by countries in Africa, such as Botswana, Uganda, and Zimbabwe. By the end of 2000, almost 22 million people had died from HIV/AIDS, and 40 million people were still living with the virus — 90% of them in developing countries, 75% in sub-Saharan Africa[16]. In the coming decade, the total number of children **orphaned** because of the AIDS-related deaths of their parents will reach 20 million.

Global **environmental management** has improved over the past decade but challenges remain. National sustainable development strategies numbered 50 in 1999, an increase from fewer than 25 in 1990, but implementation continues to be weak[17]. Unsafe water from environmental pollution has health implications: 80% of all diseases in the developing world are caused by unsafe water, resulting in five million deaths a year. Carbon dioxide emissions, which are part of greenhouse gases linked to climate change, continue to rise world-wide.

There are more democratically elected governments across the world than ever before, enabling organizations such as CIDA to engage with confidence with an increasing number of national governments. However, as the most recent Transparency International[18] report notes, **corruption** remains a major global problem and the world's poorest are the greatest victims of this problem. While some Countries in Transition have made good progress in shifting to more democratic forms of government, the former Yugoslavia, for example, remains a flash point for **conflict**. Progress towards resolving

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[15] http://www.undp.org/hdr2002/
[16] http://www.undp.org/hdr2002/
[17] The Millennium Development Goals call for the implementation of national strategies for sustainable development in all countries by 2005.
[18] http://www.transparency.org

development challenges in Africa and the Americas is being hindered by an often fragile commitment to democracy. In Asia, the destabilizing effects of international terrorism have heightened existing regional conflicts and inter-communal violence.

3.2 Responding to the Challenges: The Role of International Cooperation

The world looks to international cooperation to ensure the benefits and opportunities of living in a global community are equitably shared, while threats are reduced. The beginning of the new millennium marks an unprecedented degree of agreement and understanding among donor and developing countries and within the multilateral development institutions, on the key elements of an effective and sustainable response to the enormous challenge of global poverty. Canada has been at the forefront of this new thinking.

Underpinning this powerful, new international development focus are a series of **principles of aid effectiveness**, which are elaborated in the Organization for Economic Co-operation and Development (OECD)'s *Shaping the 21st Century: Contribution of Development Co-operation*[19]. These principles reflect lessons learned by the international community over the past 50 years. CIDA, which has played an important role in defining these principles and in encouraging partner countries and institutions to build them into programming strategies, has actively embraced the principles and is integrating them into its own development programming. These key principles are:

Local Ownership — CIDA is engaged in supporting local ownership, that is, the creation of development strategies by recipient countries — their governments and people — which reflect their priorities, rather than the priorities of donors. This principle is being integrated into policy initiatives, development programming and delivery mechanisms at all levels of the Agency. CIDA has sponsored focal point meetings involving the World Bank, national officials and numerous NGOs with the aim of building this principle into new development approaches.

Donor Co-ordination — The Agency has contributed to improved donor co-ordination through the sharing of resources, knowledge and effort -- with other bilateral donors, multilateral institutions, and recipient countries. CIDA is working actively in multilateral and bilateral fora such as the OECD, the G-8, and UN conferences to promote greater collaboration and harmonization of policies and practices.

Stronger Partnerships — CIDA has also focused on strengthening partnerships with developing countries through support for significant compacts, such as the New Partnership for Africa's Development (NEPAD), that identify the responsibilities of

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[19] http://www.oecd.org/pdf/M00003000/M00003334.pdf

developing countries and their partners and formulate a common approach to development challenges.

Results-Based Approach — CIDA formally adopted Results-based Management (RBM) as its main management tool in May 1996. The Agency has continued to integrate a more comprehensive, results-based approach into its development programming, by including RBM in its planning, resource-allocation, monitoring and reporting systems. The progressive implementation of RBM has assisted CIDA in its efforts towards continuous improvement in results-orientation, focus, efficiency and accountability. As a result of CIDA's efforts, the Inter-American Development Bank (IDB), the African Development Bank (AfDB) and UNICEF, for example, have taken major steps towards putting in place a performance-based allocation, management and monitoring system. CIDA's good reputation in RBM has also been recognized by the OECD Development Assistance Committee (DAC)[20].

Greater Coherence — Finally, CIDA is fostering greater policy coherence between its aid and "non-aid" policies in the areas of trade, investment and technology transfer. Greater policy coherence among industrial countries is expected to have a profound and positive effect on the developing world. The results of international meetings in Doha and Monterrey are evidence of the progress being made in these areas.

For more details on how CIDA is increasing its aid effectiveness, see Section 4.4 Enabling Strategies.

Over the past year some key international events illustrate how the international development community is moving towards a consensus about the direction of development assistance. Following are some examples.

Millennium Development Goals — In September 2001, in follow up to the 2000 UN Millennium Summit in New York[21], an event attended by the Prime Minister and 146 other world leaders, the UN issued the Millennium Development Goals (MDG's). (See Box 2: Millennium Development Goals). These goals articulate the commitment of the world's leaders to broad and sustained efforts to create a shared future that ensures globalization be made fully inclusive and equitable. They are at once a coordinating framework, a powerful political and communications tool, and a means of measuring accountability for development results. In the past year, Canada has actively supported the MDG's and is exploring new approaches to sharing accountability with other nations for the achievement of these Goals. Canada undertakes this exploration while recognizing that pursuing the MDG's will require mobilization of significant levels of resources from all sources: domestic savings, foreign direct investment, and international assistance.

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[20] OECD/DAC *Development Co-operation Review Series 1998 No. 26.*
[21] http://www.un.org/millennium/summit.htm

Box 2: Millennium Development Goals[22]

Eradicate poverty and hunger: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day; halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Achieve universal primary education: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Promote gender equality and empower women: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

Reduce child mortality: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

Improve maternal health: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

Combat HIV/AIDS, malaria and other diseases: Halt by 2015, and begin to reverse, the spread of HIV/AIDS. Halt by 2015, and begin to reverse, the incidence of malaria and other major diseases.

Ensure environmental sustainability: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. Halve, by 2015, the proportion of people without sustainable access to safe drinking water. By 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers.

Develop a Global Partnership for Development: Develop further an open, rule-based predictable, non-discriminatory trading and financial system. Address the special needs of the least developed countries. Address the special needs of landlocked countries and small island developing states. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term. In co-operation with developing countries, design and implement strategies to create decent and productive work for youth. In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries. In co-operation with the private sector, make available the benefits of new technologies, especially in information and communications.

Doha — The November 2001 World Trade Organization (WTO) Ministerial Conference in Doha, Qatar[23], was a significant step forward for the global community in the sense that the Conference reflected this new trend towards international partnership. It was the first time that developing country needs and interests were placed at the centre of the agenda, as documented in the ***Doha Declaration***. This demonstrated concrete efforts to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with their need for economic development.

Monterrey Conference — The March 2002 UN Monterrey Conference on Financing for Development[24] was an opportunity for donors to indicate their intensified efforts to make real progress towards reaching the goal of contributing 0.7% of the gross national product (GNP) to ODA. The Prime Minister announced Canada's plan to increase our aid budget

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[22] http://www.developmentgoals.org
[23] http://www.wto.org/english/thewto_e/minist_e/min01_e/min01_e.htm
[24] http://www.un.org/esa/ffd

by 8% annually, charting a new path to growth. The Monterrey Consensus formalized a shift to an unprecedented, new partnership between developing countries and donor countries. This fundamental redefinition of relationships is based on mutual obligations: principles of country ownership, responsibility of developing countries for good governance, accountability, and policy reforms.

New Partnership for Africa's Development (NEPAD)[25] — NEPAD was launched by African leaders in 2001, clearly signaling a strong commitment to change. NEPAD exemplifies how development partnerships are changing. It is a comprehensive development plan, initiated and promoted by African leaders, which identifies responsible governance as a precondition for development in Africa. It advances a more mature partnership between African leaders and the people of Africa and between Africa and the international community.

3.3 Managing Risk

There are inherent risks to the delivery and achievement of CIDA's mandate. These risks include conflict, humanitarian and natural disasters, political and economic instability, and corruption. (See Box 3: Mitigating Risks in Haiti). Owing to these unpredictable and uncontrollable factors, the business of international development is, as CIDA has always noted, inherently risky, regardless of the quality of planning and preparation of development initiatives. Nevertheless, through the sharing of knowledge and lessons learned, the international development community, including CIDA, has been able to improve its ability to assess risks and develop risk management strategies.

A three-tier risk assessment strategy is being put in place to manage these and other risks effectively and to ensure program integrity. These risk assessments, along with the ongoing environmental scanning, are part of the building blocks of the Agency's **Integrated Risk Management Framework**. The three tiers are:

* The Country Program Risk Assessment Methodology, developed to identify and assess the risk potential of countries. This model is currently being implemented into some of CIDA's country programming, in particular, for countries where conditions are considered high risk. It assesses risk by examining a country's economic, political, institutional, security, social, cultural, and environmental situation. Results are used in the design of the Country Development Framework and/or as input to decisions as to the appropriateness of specific types of projects. The model has been tested and considered by the Treasury Board of Canada as a government-wide best practice;

* Country Development Programming Frameworks and project approval documents, which include a risk strategy, and must be approved by senior management at the branch and corporate level. The status of risks identified in this way are monitored and

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[25] http://www.nepad.org/

reported on in the Annual Program/Project Performance Reports and, where necessary, mitigation strategies are adjusted;

- The Legal Risk Assessment Process, developed to identify and assess potential legal risks and trends on an ongoing basis, and to determine the appropriateness of actions taken.

CIDA, under its Integrated Risk Management Framework, also monitors the financial, management and institutional risks of its multilateral partner institutions. Multilateral Branch has begun to develop Institutional Frameworks for some of its partner institutions including: the United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Development Programme (UNDP), UNICEF and the Asian Development Bank (ADB). Risk assessment will be an integral component of each of these Frameworks.

Box 3: Mitigating Risks in Haiti illustrates how CIDA is dealing with risks in its programming in a politically unstable country.

Box 3: Mitigating Risks in Haiti

The political crisis in Haiti, the worsening of the country's socio-economic situation and the growing systems of corruption have created a challenging environment for development assistance.

In order to mitigate the consequences of political instability, the Haiti Program applied key risk management strategies. The Haiti Program adopted a flexible approach to strategic planning and management in the governance sector, which allowed for a quick and appropriate reaction to the crisis. In particular, the Program modified its work plan by adopting a selective programming approach to make (i) greater strategic use of the local fund mechanisms and (ii) alliances with multilateral institutions to deliver projects where the risk of a direct bilateral relationship would be too high. In addition, the Haiti Program focused on maintaining a political dialogue with Haitian authorities, coordinating efforts with partners, and encouraging a participatory approach to development programing.

Despite the consequences of the crisis, the mitigation strategies of the Haiti program allowed for expected results to be achieved and, in some cases, even surpassed. For example, social development disbursements exceeded the 50% target by 10% this year to a total of $7.8 million, principally in the areas of education and health. The Haiti Program also managed to dramatically improve its analytical and strategic planning capacity, especially in the field. One of the key lessons learned from the Haitian experience, which will be applied to future programming in countries where structural political instability and serious governance deficiencies have an impact on aid effectiveness, is the necessity for greater management flexibility and a budgetary allocation for managing potential risks.

Section IV Departmental Performance by Strategic Outcome

4.1 How CIDA Reports

In the 2002-03 *Report on Plans and Priorities* (RPP)[26], CIDA shifted from presenting its plans on the basis of business lines to doing so on the basis of Strategic Outcomes. Over the last year, CIDA has begun to apply this new approach into its planning and reporting systems. As a result, CIDA will be reporting on its current departmental performance according to these Strategic Outcomes. This signals a positive change in the way the Agency reports.

CIDA's Strategic Outcomes are delivered in four core areas, the four pillars of sustainable development: **economic well-being; social development; environmental sustainability and regeneration;** and **governance**. These Strategic Outcomes constitute the Development Results of the Agency. They are the key "drivers" for CIDA in delivering on its mandate of promoting sustainable development and reducing poverty. They are consistent with the Millennium Development Goals and additionally reflect the special and specific nature of Canada's development co-operation efforts. They will be achieved with the assistance of enabling strategies and management tools, which, together with the strategic outcomes, form CIDA's "Key Agency Results Framework".   This "Key Agency Results Framework", which is the Agency's Strategic Outcome model, is provided in Chart 2.

There is an important connection among the three key result areas identified in the chart. *Efficient* management tools support *effective* enabling strategies which, in turn, contribute towards *developmental results* or Strategic Outcomes for the beneficiaries and the Canadian public.

Another major new development for CIDA is the shift from a project-based approach to more programmatic forms of support for development which are more coherent and which are in keeping with the internationally accepted principles of aid effectiveness. In this DPR, CIDA has made progress in moving from reporting on its performance at the project level, to reporting at the country, regional or institutional level. As part of this new approach, the particular performance achievements of a geographic, multilateral or partnership program are featured under each of the four Strategic Outcomes.

4.2 Sustainable Development Strategy

CIDA's Sustainable Development Strategy (SDS) 2001-2003: An Agenda for Change,[27] tabled in 2001, is based on a comprehensive approach to sustainable development. It is

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[26] http://www.tbs-sct.gc.ca/tb/estimate/20022003/rCIDA__e.pdf
[27] http://www.acdi-cida.gc.ca/sds

the "evergreen" business plan of the Agency. It provides the means to align the Agency's work more explicitly with its mandate and lays out a framework for allocating resources and accountability. The Key Agency Results (KARs) represent core elements and commitments from the SDS and provide a framework that is more oriented to Results-Based Management. Being the business plan for the Agency, the SDS is updated annually through CIDA's Report on Plans and Priorities on the basis of the continuous learning that takes place through the planning and reporting cycle. This *Departmental Performance Report* (DPR) is CIDA's second report on its SDS commitments, though it is the first within the Key Agency Results framework. CIDA will continue to make annual performance reports on the SDS through the DPR. Additionally, the status of each of the SDS targets is explained in detail in a progress report available on the Agency's web site at www.acdi-cida.gc.ca.

4.3 Major Achievements of 2001-2002

Over the past year CIDA has embarked on a comprehensive process of rebuilding and revitalizing itself as an institution with the aim of delivering on a stronger international-development agenda. CIDA is taking steps to regain its leadership on development issues through more focused development programming and by ensuring that resources are used where they can be most effective in reducing poverty. Specific initiatives undertaken over the past year include the Agency's *Strengthening Aid Effectiveness* policy document, increased progress in meeting CIDA's *Social Development Priorities* (SDP), a new federal commitment to increasing aid funding, the integration of new approaches to aid that improve the mitigation of risks, and the streamlining of the Agency's management processes and systems.

In September 2001, CIDA engaged in extensive public consultations on its major policy document, *Strengthening Aid Effectiveness: New Approaches to Canada's International Co-operation Program*[28]. On the basis of these consultations, CIDA has outlined an **aid effectiveness** strategy to better achieve sustainable development in developing countries through improvements to the effectiveness of Canada's development program. This strategy reflects the principles of aid effectiveness and the lessons learned by the international community over the past 50 years. These approaches will ensure that CIDA programs and projects are coherent with the poverty reduction plans developed by recipient countries. Also these approaches place a premium on results, rather than inputs, as well as on donor co-ordination and harmonization.

CIDA's Social Development Priorities: A Framework for Action[29] announced in September 2000, is another significant initiative that has brought greater focus to CIDA's programming. This past year, CIDA has moved actively forward in strengthening assistance in the four priority areas: basic health and nutrition; basic education; HIV/AIDS; and child protection. There is strong evidence that investments in these basic social sectors bring greater returns than investments in other areas. Progress has been

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[28] http://www.acdi-cida.gc.ca/aideffectiveness
[29] http://www.acdi-cida.gc.ca/socialdevelopment

good with the Agency exceeding its disbursement targets in 2000-01, the first fiscal year of the SDS framework, and figures indicate that the 2001-02 targets are likely to be met. CIDA is on track to deliver on its long-term commitment to more than double investments in these four areas by 2005.

Given the enormity of the problem of poverty, donor countries are increasingly recognizing that higher levels of development assistance are necessary, if development goals are to be met. The Prime Minister has taken a series of positive steps to increase both Canada's aid and the country's influence in development policy worldwide. The 2001 Speech from the Throne[30] committed the Government to "increase Canada's official development assistance and use these new investments to advance efforts to reduce international poverty and to strengthen democracy, justice and social stability worldwide." At the UN Monterrey Conference on Financing for Development, in March 2002 the Prime Minister announced Canada's plan to increase the aid budget by 8% annually, an increase that is projected to double Canada's current aid level in eight or nine years. These steps are charting a new path to growth.

The new approaches to aid are being implemented in an international development context that is by no means static. As already noted, international development is inherently risky. The impact of conflict, humanitarian and natural disasters, political instability, corruption and terrorism on the delivery of Canada's international development was evidenced in the wake of the tragic events of September 11th. In the past year, CIDA has demonstrated its ability to act quickly and effectively, co-ordinating a unified Canadian international-development response to this major international incident. (See Box 4: Responding to the Aftermath of September 11, 2001).

Box 4 : Responding to the Aftermath of September 11, 2001

The tragedy of September 11, 2001 has had far-reaching global effects. The humanitarian situation in and around Afghanistan was by far the most visible crisis of 2001-02. CIDA's response was quick and multi-faceted: Canada disbursed $46.5 million to support emergency relief and reconstruction in Afghanistan from September 11 to the end of the fiscal year, including the first $30 million of the $100 million additional allocation for humanitarian and reconstruction assistance for Afghanistan announced in the December, 2001 Federal Budget.

CIDA was part of co-ordinated international efforts to assist the people of Afghanistan, focussing on giving support to refugees and internally displaced persons, as well as providing health assistance, food aid, and landmine assistance and protection. Approximately 99,800 beneficiaries received assistance from Canadian NGOs operating with support from CIDA. CIDA also provided support to CARE Canada[31] to continue a community-based education project. This project is targeting 30,400 students (40% of whom are girls) to receive high-quality primary education in the coming years. CIDA provided support, inter alia, to initiatives in the areas of women's rights, media freedom, and community development.

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[30] http://www.sft-ddt.gc.ca/sftddt_e.htm
[31] http://care.ca/

Finally, the Agency has improved its own planning and management systems and processes, as it responds to the complex and diverse problems of development. At the corporate level, CIDA has created the Results-based Management Accountability Framework (RMAF)[32] for the purpose of strengthening and integrating its planning, reporting, and accountability. This framework was approved by the Treasury Board of Canada[33] in early 2002. Other achievements include:

- enhancing CIDA's scientific and technical capability at the strategic, policy and programming levels;

- improving CIDA's policy and analysis function, as well as its ability to collaborate with other government departments;

- better integrating results-based management into Agency planning, budgeting and reporting;

- strengthening field presence; and

- implementing the three-tier risk-management approach, involving the identification of country-program risks, risk-management strategies for development frameworks and projects under consideration, and a formal Legal Risk Assessment Process.

Taken together these measures provide the assurance that CIDA will be able to move forward to position itself and its programs more firmly within the emerging global consensus on development effectiveness.

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[32] http://www.tbs-sct.gc.ca/eval/tools_outils/rmaf_crgar_e.asp
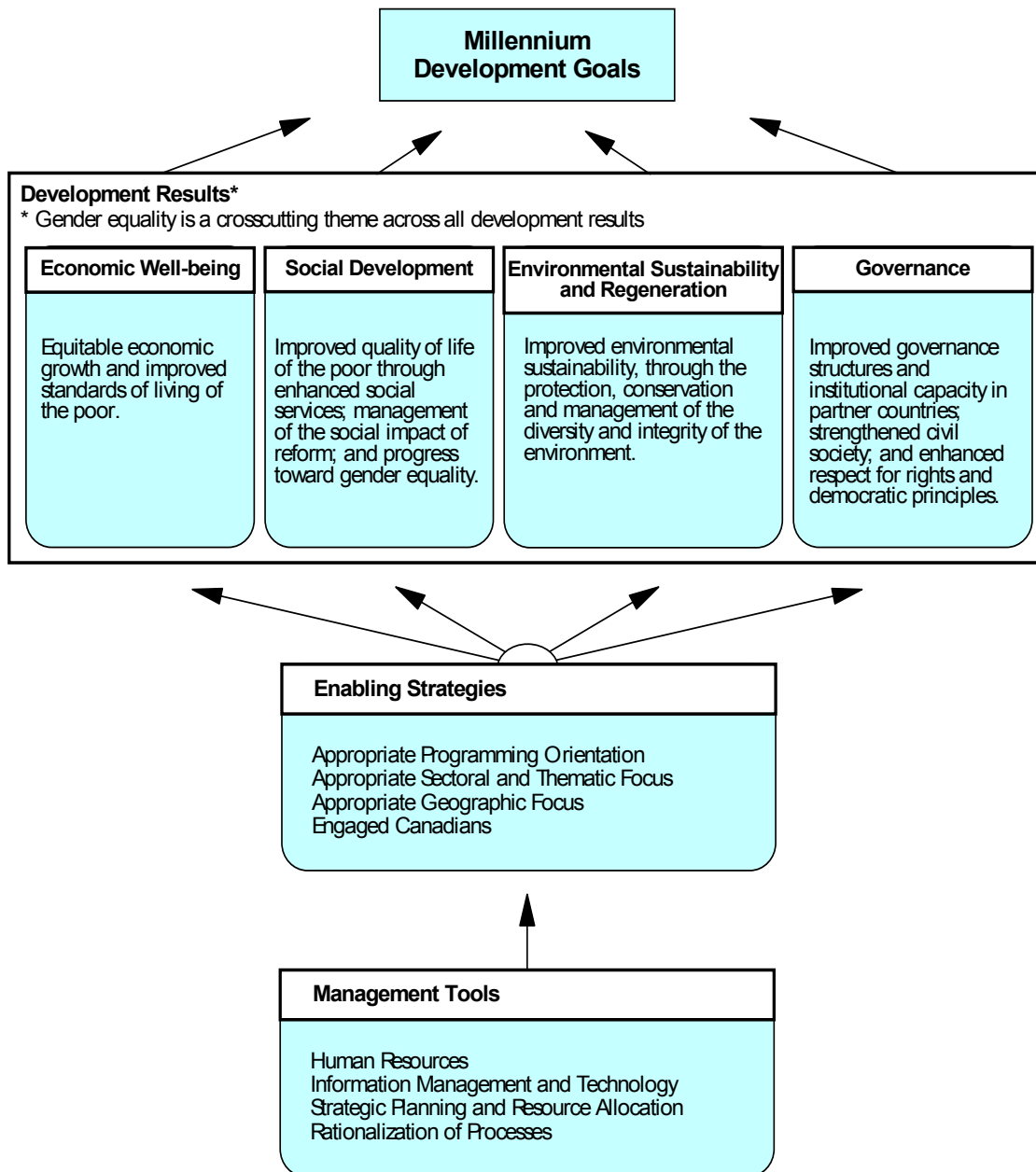[33] http://www.tbs-sct.gc.ca/
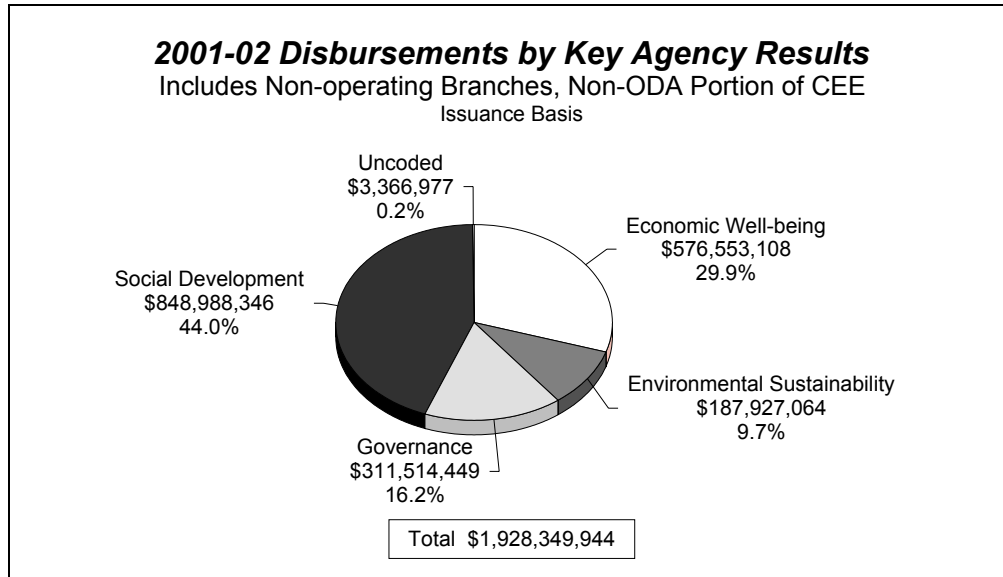
4.4 Strategic Outcomes

CIDA's Strategic Outcomes or Development Results have been delivered in four core areas: (i) economic well-being, (ii) social development, (iii) environmental sustainability and regeneration and (iv) governance. These Strategic Outcomes or Development Results broadly reflect CIDA's work in international development.

Chart 2: CIDA's Strategic Outcomes

CIDA's Key Agency Results

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                          ┌─────────────────────┐
                          │     Millennium      │
                          │ Development Goals   │
                          └─────────────────────┘

┌──────────────────────────────────────────────────────────────────────────────┐
│ Development Results*                                                            │
│ * Gender equality is a crosscutting theme across all development results        │
│                                                                                 │
│  ┌───────────────┐ ┌───────────────┐ ┌───────────────────┐ ┌───────────────┐  │
│  │ Economic      │ │ Social        │ │ Environmental     │ │ Governance    │  │
│  │ Well-being    │ │ Development   │ │ Sustainability    │ │               │  │
│  │               │ │               │ │ and Regeneration  │ │               │  │
│  │ Equitable     │ │ Improved      │ │ Improved          │ │ Improved      │  │
│  │ economic      │ │ quality of    │ │ environmental     │ │ governance    │  │
│  │ growth and    │ │ life of the   │ │ sustainability,   │ │ structures    │  │
│  │ improved      │ │ poor through  │ │ through the       │ │ and           │  │
│  │ standards of  │ │ enhanced      │ │ protection,       │ │ institutional │  │
│  │ living of     │ │ social        │ │ conservation      │ │ capacity in   │  │
│  │ the poor.     │ │ services;     │ │ and management    │ │ partner       │  │
│  │               │ │ management    │ │ of the            │ │ countries;    │  │
│  │               │ │ of the social │ │ diversity and     │ │ strengthened  │  │
│  │               │ │ impact of     │ │ integrity of the  │ │ civil         │  │
│  │               │ │ reform; and   │ │ environment.      │ │ society; and  │  │
│  │               │ │ progress      │ │                   │ │ enhanced      │  │
│  │               │ │ toward gender │ │                   │ │ respect for   │  │
│  │               │ │ equality.     │ │                   │ │ rights and    │  │
│  │               │ │               │ │                   │ │ democratic    │  │
│  │               │ │               │ │                   │ │ principles.   │  │
│  └───────────────┘ └───────────────┘ └───────────────────┘ └───────────────┘  │
└──────────────────────────────────────────────────────────────────────────────┘

              ┌────────────────────────────────────────┐
              │ Enabling Strategies                     │
              │                                         │
              │ Appropriate Programming Orientation     │
              │ Appropriate Sectoral and Thematic Focus │
              │ Appropriate Geographic Focus            │
              │ Engaged Canadians                       │
              └────────────────────────────────────────┘

              ┌────────────────────────────────────────┐
              │ Management Tools                        │
              │                                         │
              │ Human Resources                         │
              │ Information Management and Technology    │
              │ Strategic Planning and Resource Allocation│
              │ Rationalization of Processes            │
              └────────────────────────────────────────┘
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In 2001-02, CIDA disbursed $1,928 million in Official Development Assistance (ODA) and Official Assistance (OA). Of this amount 30%, or about $577 million, was allocated to Economic Well-being; 44% (some $849 million) went to Social Development; 9.7% (about $188 million), was spent on Environmental Sustainability: and 16.2% ($312 million) went to Governance.

2001-02 Disbursements by Key Agency Results
Includes Non-operating Branches, Non-ODA Portion of CEE
Issuance Basis

Uncoded
$3,366,977
0.2%

Economic Well-being
$576,553,108
29.9%

Social Development
$848,988,346
44.0%

Environmental Sustainability
$187,927,064
9.7%

Governance
$311,514,449
16.2%

Total $1,928,349,944

4.4.1 Economic Well-being

Strategic Outcome 1: Economic Well-being: $576.55M of CIDA's 2001-02 ODA/OA expenditures
(30%).

CIDA supported **equitable economic growth and improved standards of living of the poor** by, for
example:
- Supporting the reform of public- and private-sector institutions
- Building capacity for strong trade partnerships and agreements
- Creating the right environment for economic growth

Context, problématique and risks

Supporting equitable economic growth and improved standards of living of the poor is
fundamental to CIDA's mandate. Economic growth is essential for job creation and
improved income opportunities. However, growth alone will not be sufficient to make a
major impact on poverty. Unless the benefits of growth are more equitably distributed,
the standards of living of poor people in the developing world will not improve.

Assisting in the creation of an enabling environment for economic growth with equity
involves a number of critical challenges. These include: creating sound policy
environments; developing a vibrant private sector; expanding participation in
international trade; attracting investment; strengthening the capacity of financial and
regulatory institutions; increasing legislative capacity; and reducing corruption.

In 2001-02, CIDA disbursed $576.55 million, or close to 30% of its ODA and OA on
Economic Well-Being. The Multilateral Programs Branch was responsible for 41.5% of
this spending, or approximately $229.5 million. Canadian Partnership Branch disbursed
almost $133.8 million (20.6%); Asia Branch more than $72.8 million (13.2%); Africa
and Middle East Branch close to $66.2 million (12%); Central and Eastern Europe
Branch some $38.8 million (7%); and the Americas Branch over $31.8 million (5.8%).

Economic Well Being
Disbursements by Operating Branch

Americas Branch
$31,812,162
5.8%

Africa & Middle East Branch
$66,195,575
12.0%

Asia Branch
$72,829,580
13.2%

Central & Eastern Europe Branch
$38,782,146
7.0%

Multilateral Branch
$229,462,445
41.5%

Canadian Partnership Branch
$113,784,183
20.6%

Total $576,553,108
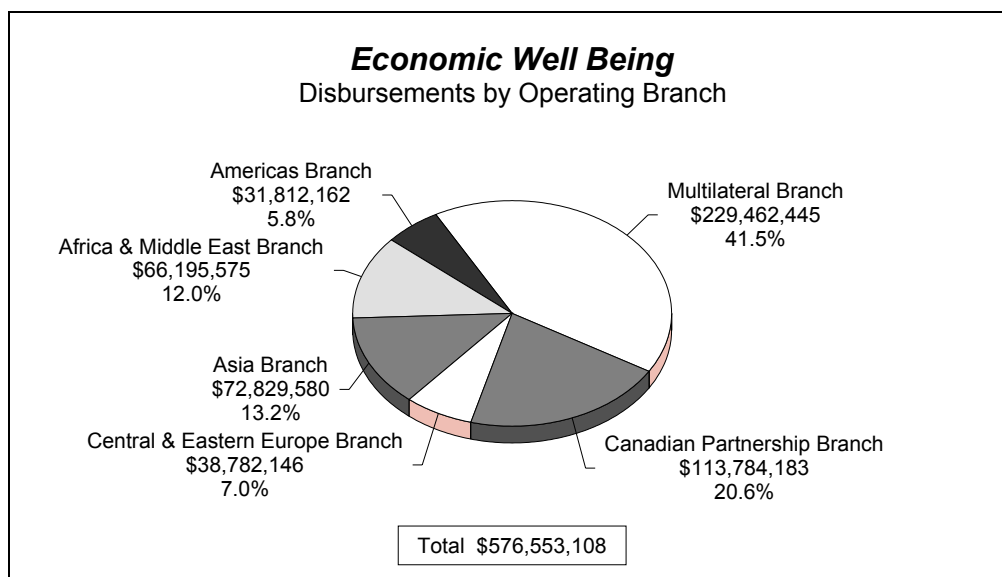
Performance and achievements

Under economic well-being, a major objective is to promote an enabling environment for economic growth and reform. To do this, CIDA has worked closely with partner countries to strengthen economic policies and institutions and to deliver programs that benefit household-level activities, agricultural production, and income generation for the rural poor. These local programs help create employment, build local economies and promote more equitable economic growth — all of which make significant contributions to poverty reduction. An excellent example of CIDA achievements in **strengthening economic well-being at the household level** is the Pan-Africa Bean Research Alliance Program[34]. (See Box 5: The Pan-Africa Bean Research Alliance Program.) This program is being delivered in many of the poorest countries in Africa.

Box 5: The Pan-Africa Bean Research Alliance Program

CIDA, along with other donors, supported the Pan-Africa Bean Research Alliance (PABRA)[35] in 2001-02. This support helped produce strong nutritional and income benefits for small-scale farmers (mostly women) throughout East, Central and Southern Africa. In terms of economic well-being, in Rwanda alone the introduction of new varieties resulted in an increased yield worth $18 million amongst 480,000-500,000 households. In Uganda, a project survey found that the majority of increased revenue from bean sales was spent on goods and services benefiting the household including food, medical services and education. Faster-cooking bean varieties are also reducing household expenditures on firewood.   This program also led to enhanced social development through improved nutrition as a result of the higher iron and zinc content of the beans for approximately 15 million Africans, of whom 11.25 million are female. In addition, PABRA provided gender and stakeholder analysis training as part of its programming activities. Approximately 24% of researchers receiving skill training were women. Within the PABRA project, mechanisms have been found to link community-based organizations with national research institutions, strengthening the ability of both to demand performance from the research programs, thereby contributing to enhanced governance.

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[34] http://www.acdi-cida.gc.ca/CIDAWEB/webcountry.nsf/vLUDocEn/05609B249D7210B585256BE30056B146?OpenDocument#9
[35] http://www.gm-unccd.org/FIELD/Projects/Donors/Canada/Africa/PanAfrican.htm

Another CIDA program that promotes the economic well-being of the poor, again in some of the poorest countries in Africa, is the **micro-credit** program in West Africa. (See Box 6: The Private Sector and Micro-credit Policy Development in West-Africa.)

Box 6: The Private Sector and Micro-credit Policy Development in West-Africa

CIDA has been involved in micro-finance in West Africa for over 30 years. Over this period, it has supported the Banque Centrale d'États de l'Afrique de l'Ouest in its efforts to put in place a legal framework (the PARMEC law) to regulate all the credit unions operating in the West-African monetary zone. Although the program encountered setbacks during its 30-year time frame, it demonstrated significant achievements in 2001-02. An organization called OHADA (l'Organisation pour l'harmonisation du droit des affaires), the goal of which is the harmonization of the legal frameworks related to business in Africa, has indicated its intention to adopt a single legal framework for all the co-operatives in its 16 member countries. Concerns were expressed by credit unions that some of the proposed modifications would compromise the functioning of existing institutions. Therefore, in order to allow the members of the credit union networks to consult with each other, to agree on a common position, and to formulate their agreement in clear legal terms, CIDA provided funds to the Centre d'Innovation Financière (CIF), a grouping of six of the most important members of the credit-union network. These funds allowed the CIF to hire African and international legal experts to prepare a solid consensus position for OHADA and resulted in the development of greater private-sector capacity in policy formation and lobbying. These new developments mark a significant step forward in the consolidation of the work of this program.

An example of a CIDA country program contributing effectively to promoting sustainable economic growth is CIDA's China program. This program achieved solid results in 2001-02 by strategically targeting economic needs while at the same time complementing Chinese national development priorities and **promoting integration into the global economy**. (See Box 7: CIDA's Development Programming in China.)

Country Programming Profile for Economic Well-being

Box 7: CIDA's Development Programming in China

In 2001-02, despite a global economic slowdown, China was able to maintain a high rate of economic growth and a commitment to trade liberalization. CIDA contributed approximately $43.8 million to the China program in this fiscal year through programs that strengthened national policy making and implementation capacity in areas related to economic well-being, social development, the environment, and governance. These four areas are closely linked in the national development process and CIDA has been careful to design programs in which they complement one another. Although the Chinese approach to national development is often at odds with the Canadian methods, perseverance and strategic program design have had a significant impact. For example, the Public Policy Options Project assisted the State Economic and Trade Commission[36] in developing new regulations for the establishment of a small- and medium-enterprise credit-guarantee program in support of private-sector development. The China program was also able to influence high-level decisions on national policies such as taxation, foreign investment, and state-owned-enterprise reform in 2001-02.

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[36] http://www.chinacp.com/eng/cporg/cporg_setc.html

CIDA's work in targeting equitable economic growth also involves the **promotion of sound economic policy frameworks and legislation**. An example of linking policy and legislative reform with sustainable economic growth is the CIDA oil and gas sectoral support project in Bolivia. (See Box 8: The Oil and Gas Sector in Bolivia.)

As part of **building an enabling environment** for economic well-being, CIDA established the Industrial Cooperation Program (CIDA-INC)[37] in the Partnership Branch in 1979. CIDA-INC's objective is to stimulate private-sector development and investment in developing countries, create jobs, and strengthen local economies. CIDA INC's disbursements for fiscal year 2001-02 were approximately $50.6 million. An

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[37] http://www.acdi-cida.gc.ca/inc

example of an innovative and award winning CIDA-INC project which demonstrates the responsible contribution that can be made by Canada's private sector is Placer Dome's South Africa project[38]. (See Box 9: Placer Dome Western Areas Joint Venture: The Care Project.)

Box 9: Placer Dome Western Areas Joint Venture: The Care Project

In April 1999, Placer Dome Inc. purchased 50% of the South Deep Mine in South Africa's Witwaterstrand Basin and formed the Placer Dome Western Areas Joint Venture[39]. This venture represented the first major international partnership in the South African gold-mining industry. The impact of HIV/AIDS and poor economic conditions made this a challenging investment. As well, the project required ongoing consultation to ensure that all stakeholders understood the implications of combining economic investment with equitable social development.

Ensuring the project's viability as a productive entity and vital employer in South Africa's mining sector required substantial technological modernization and other investments in efficiency. The changes necessitated reducing the workforce at South Deep and there was a retrenchment of 2560 workers. The conventional retrenchment practice in South Africa was to provide a small cash severance plus a 3-month training period, but few employees took advantage of such training. Instead, the Placer Dome Venture developed the Care Project. Using approximately $258,000 of CIDA-INC assistance the Project launched an effective program of support for retrenched employees and their families. Recently, Placer Dome and its local partner were awarded the World Bank's prestigious Development Marketplace Innovation Award[40] for their AIDS Campaign Team Mining project, which grew out of this community-based development program.

Through CIDA's contributions to and involvement with the system of multilateral organizations, the Agency seeks to promote economic growth, poverty reduction and improve the economic well-being of individual developing countries. One example of this effort is the Toronto International Leadership Centre for Financial-Sector Supervision. (See Box 10: The Toronto Centre Helps Strengthen Financial Systems.)

Box 10: The Toronto Centre Helps Strengthen Financial Systems

The Toronto International Leadership Centre for Financial-Sector Supervision (Toronto Centre) was founded in 1997 through collaborative funding from CIDA, the World Bank[41], the International Monetary Fund (IMF)[42] and the Bank for International Settlements[43]. The Centre is housed at the Schulich School of Business[44] at York University. The Centre was established to provide leadership and executive development programs for senior regulators and supervisors in banking, securities and insurance sectors from across the developing world.

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[38]
  http://www.acdi-cida.gc.ca/cida_ind.nsf/85256290006554928525625100813677/f928bbaa577a468385256b510063e867?OpenDocument
[39] http://www.placerdome.com/properties/africa.html
[40] http://www.developmentmarketplace.org/
[41] http://www.worldbank.org/
[42] http://www.imf.org/
[43] http://www.bis.org/
[44] http://www.schulich.yorku.ca/ssb-extra/ssb.nsf?open

Economic crises, stemming largely from financial-sector weaknesses, in Asia, as well as in Brazil, Russia, and most recently Argentina, have seriously affected once robust economies and, more broadly, have had devastating effects across the developing world. Decades of development progress and advances in economic well-being can be undermined in a matter of months or indeed weeks. The poor are often the hardest hit with significant increases in the numbers living in poverty. The Toronto Centre addresses a high-priority need, providing effective leadership training for key players involved in the regulation, supervision and oversight of the increasingly interconnected global financial system. The Centre has a world-class reputation for the quality of its programs, its ability to motivate and energize financial leaders and executives, and its effectiveness in building links, connections and mutual-support systems among financial-sector regulatory and supervisory agencies and institutions in different countries.

Some testimonies from participants from developing countries who have benefited from its programs:

"One of the most effective programs I have attended in my 30 years as a central banker. The Toronto Centre combines theory and practice to achieve maximum effect in reinforcing critical concepts and ideas." Emmanuel Asiedu-Mante, Director, Bank of Ghana.

"A valuable experience to have attended a course with first-class program leaders and participants. This excellent program could have an important impact on the quality of financial supervision world wide." Lydia Chan, Head, Banking Supervision Department, Hong Kong Monetary Authority.

International trade has been recognized as a key pillar of economic growth, particularly for developing countries. Trade provides export income, employment opportunities, and contributes to a strong diversified economy. A country's economic well-being and ability to reduce poverty are directly tied to its ability to develop its national economy. However, developing countries need assistance to engage in international trade fora and negotiate trade agreements. Equally important is the need for donor countries to ensure that their aid and trade policies stimulate trade with developing countries and not hinder it. Canada, together with other developed countries, has committed to work toward duty-free and quota-free market access for least developed countries. During the 2001-02 fiscal year, Canada continued to improve market access for these countries, in keeping with commitments made during the Uruguay Round of the WTO.

CIDA supports the integration of developing countries with the international trading system through contributions to the International Trade Centre[45], which deals specifically with the operational aspects of trade promotion and export development to provide support to developing and transition economies, and particularly their business sectors. CIDA also supports the Commonwealth Trade and Investment Access Facility[46], which provides technical assistance and training services to help developing countries to identify and manage potential economic and social impacts of liberalized trade and investment.

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[45] http://www.intracen.org/
[46] http://www.dfait-maeci.gc.ca/foreign_policy/commonwealth/tiaf-en.asp

Two CIDA projects on trade programming in the Commonwealth Caribbean region are (1) institutional support to the Organization of Eastern Caribbean States (OECS)[47] and (2) support to the CARICOM Secretariat[48] for initiatives with the Regional Negotiating Machinery. These projects work with the common market and single currency and have a special trade policy responsive fund for civil society that allows greater inclusiveness and public discussion about trade issues.

In Central and Eastern Europe (CEE), CIDA recently commissioned an evaluation of its World Trade Organization (WTO)[49] related projects that were underway or recently completed. The report concluded that trade-related technical assistance and capacity-building programming is relevant and appropriate for continued support in CEE, and noted that five projects assessed already exhibited notable achievements. An excellent example is the work of the Canadian Centre for Trade Policy and Law (CTPL)[50]. CEE disbursed $537,850 to the Centre's program in Russia in 2001-02. The funding enabled CTPL to work with a Russian counterpart and succeeded in establishing a strong local capacity to provide advice to the Russian government as Russia moves forward with negotiations to join the WTO.

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[47] http://www.oecs.org
[48] http://www.caricom.org/
[49] http://www.wto.org/
[50] http://www.carleton.ca/ctpl/

4.4.2 Social Development

Strategic Outcome 2: Social Development: $ 848.98M of CIDA's 2001-02 ODA/OA expenditures (44%).

CIDA has sought **improved quality of life for the poor through enhanced social services; the management of the social impact of reform; and progress toward gender equality**[51] by, for example:
  • Building capacity for improved social development
  • Investing to meet the targets of the Social Development Priorities
  • Promoting gender equality with partners

Context, problématique and risks

Healthy and educated people are an essential precondition for sustainable and equitable economic growth and for stable states. Without investments by developing countries in the area of social development, economic growth will not reduce poverty, and many hundreds of millions of people will continue to be left behind.

The challenges inherent in social development programming include factors such as insufficient policy and financial commitment by countries to social development; insufficient capacity to deliver services where they are needed most, such as in rural and isolated areas; delivery of services in the context of increasing decentralization; and quality-of-service issues.

CIDA has learned that investments in social sectors have significant developmental impacts and offer multiplier benefits that leverage investments in other areas. In September 2000, CIDA announced its Social Development Priorities Framework that expanded and strengthened programming in four fields: **basic education; basic health and nutrition; HIV/AIDS;** and **child protection**. Action Plans[52] for each of the Social Development Priority areas have been prepared and the Agency has incorporated social development programming as a critical focus of its work.

Gender equality remains a crosscutting priority for all of CIDA's programming and an important element in the new Social Development Priorities. Promoting equality between women and men is an integral part of sustainable development, whether at the local or national level. The World Bank has estimated that for each additional year of schooling, a woman's income increases by 10-20%, agricultural productivity increases by 10%, infant mortality drops by 10%, and the return on investment in deferred health care expenses is 25%. CIDA supported investments in gender equality in all branches in 2001-02.
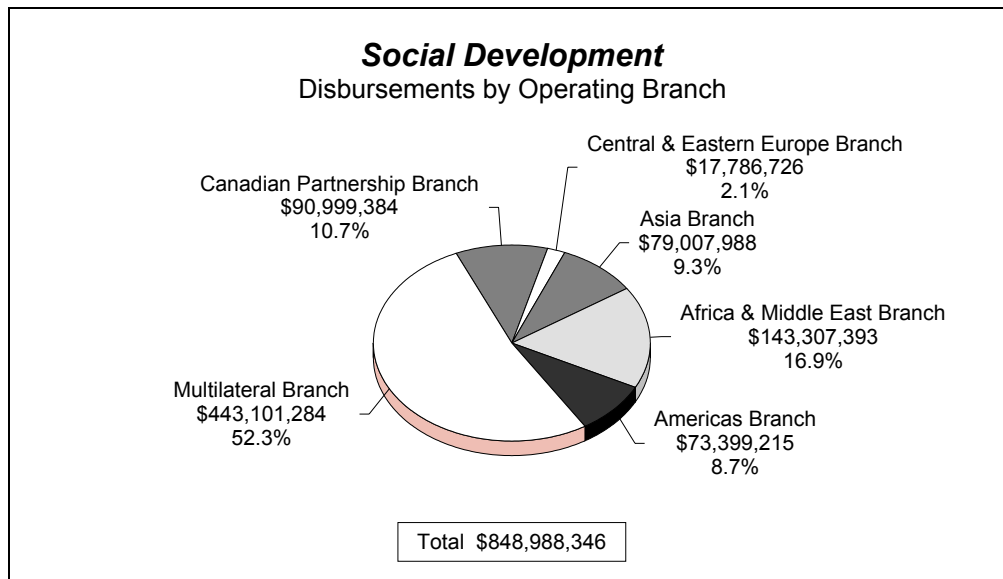
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[51] Gender equality is a crosscutting theme across all Development Results.
[52] http://www.acdi-cida.gc.ca/publications-e.htm

As noted earlier, CIDA disbursed 44% of its ODA and OA in the area of Social Development in 2001-02, for a total of nearly $849 million, making Social Development the Agency's largest single development area. The Multilateral Programs Branch was responsible for the largest contribution, spending some $443 million, or 52.3% of all disbursements. Africa and Middle East Branch spent $143.3 million (16.9%); Canadian Partnership Branch $91 million (10.7%); Asia Branch $79 million (9.3%); Americas Branch $73.4 million (8.7%); and Central and Eastern Europe Branch $17.8 million (2.1%).

Social Development
Disbursements by Operating Branch

Central & Eastern Europe Branch
$17,786,726
2.1%

Asia Branch
$79,007,988
9.3%

Africa & Middle East Branch
$143,307,393
16.9%

Americas Branch
$73,399,215
8.7%

Canadian Partnership Branch
$90,999,384
10.7%

Multilateral Branch
$443,101,284
52.3%

Total $848,988,346

Performance and achievements

Major achievements in meeting the Social Development Priorities have been recorded across the Agency. CIDA's Africa and Middle East Branch is playing a central role in delivering on social development programming. For example, the program in Senegal reflects a strong commitment to social development with basic education as a critical target area in the country. (See Box 11: CIDA's Development Programming in Senegal.)

Box 11: CIDA's Development Programming in Senegal

Senegal is undertaking significant reforms both in terms of governance and economic management. Senegal has successfully contained its government budget deficit to between one and two per cent, allocates 34% of expenditures to education, and has a poverty reduction strategy in place which sets the target of reducing poverty by half by the year 2015, in keeping with the Millennium Development Goals. Canada has been in the vanguard of development co-operation in Senegal, which, at $10.7 million in 2001-02, is one of the major recipients of Canadian bilateral development assistance in Africa.

A key outcome of the past year was the approval of a new Country Development Programming Framework (CDPF) for Senegal, developed by CIDA in a participatory process in which Senegal itself played a leading role. This CDPF, developed after an evaluation process involving over 200 representatives of Senegalese and Canadian civil society as well as government partners, has a clear focus on education and micro-finance.

CIDA's Senegal program has yielded measurable development results in several areas of social development, as well as in economic well-being. In the education sector, CIDA is the principal donor supporting literacy programming, having expended $16.5 million over the past six years, including $2.5 million in the last fiscal year. With a literacy rate of only 30%, improving literacy, and particularly girls' literacy, is the most important challenge facing education in Senegal. CIDA's programming in this sector contributed to a two-percent increase per year in the literacy rate over the past five years. In more concrete terms, this programming has helped some 140,000 children, of whom more than 75% are girls, become literate. In the past, it has been clearly demonstrated that education, and particularly the education of girls, is the best possible development investment. CIDA has acquired a strong profile in Senegal due to its innovative ideas and its willingness to follow through on programming.

The effort to target Senegal's poor extends to CIDA's micro-finance programming in Senegal. Through micro-finance, the working poor, who do not have access to banks, are able to receive small loans with which to start small businesses. CIDA programming in micro-finance in Senegal, which accounted for $2 million in 2001-02, reaches more than 80,000 clients and directly benefits some 300,000 people. Approximately 60% of the clientele are women. While the micro-finance program contributes to economic well-being, it also supports improved governance as it nurtures democratic practices in the co-operative management of savings.

At the policy level, achievements in the last year include the implementation of CIDA's Action Plan on Basic Education[53]. The Plan recognizes education as a human right crucial to individual, community and national development and linked to other sectors, including HIV/AIDS, child protection, health and nutrition, gender equality, and human rights. Another undertaking was the work done by CIDA's President as the Chairperson of the Education Task Force[54] for the G8 to assist countries in meeting the goals of the Dakar Framework of Action on Education for All[55]. This Task Force will present its findings and recommendations at the G-8 Meeting in Kananaskis, Canada in June 2002.

CIDA programming attained valuable results in the area of **basic health and nutrition** in 2001-02. A major multilateral program in delivering on the Social Development

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[53] http://www.acdi-cida.gc.ca/education-e/plan
[54] http://www.g8.gc.ca/kan_docs/etfr-e.asp
[55] http://www.unesco.org/education/efa/ed_for_all/framework.shtml

Priorities in this area is CIDA's Program Against Hunger, Malnutrition and Diseases (PAHMD) with disbursements of $213 million in fiscal year 2001-02. (See Box 12: Canadian Leadership in the Fight Against Hunger, Malnutrition and Disease.)

Box 12: Canadian Leadership in the Fight Against Hunger, Malnutrition and Disease

The CIDA Program Against Hunger, Malnutrition and Disease (PAHMD) aims to reduce malnutrition and save as many lives as possible with available resources. Last year, the program improved the lives of people suffering in emergencies (e.g. Afghanistan, Angola, Democratic Republic of Congo, etc.) by providing food and nutritional support as well as lifesaving basic health services. The program also supported longer-term food security projects in countries such as Bangladesh, Ethiopia and Ghana.

PAHMD was instrumental in the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria[56] and is the lead program in ensuring that Canada's principles of development effectiveness are promoted in the Fund's management. In addition to chairing the Global Stop TB Coordinating Board, PAHMD last year helped finance the cures of an additional 500,000 TB cases in developing countries. The Global TB Drug Facility[57] -- to which PAHMD became the first donor two years ago -- is now receiving contributions from other donors. The leverage created by this pooling of funds has reduced the cost of TB treatment from US$15 to US$10 per person. PAHMD was also a key player -- with others like the Bill and Melinda Gates Foundation[58] -- in the creation of the Global Alliance for Improved Nutrition (GAIN)[59]. GAIN will give a major push to the fortification of foods with essential vitamins and minerals in developing countries.

Over the past decade, through the work of PAHMD, Canada has emerged as a credible leader in the effort to eliminate vitamin A and iodine deficiencies in developing countries. The number of children who received vitamin A last year increased significantly as a result of PAHMD's programs. The greatest strides were achieved in India, where 40 million children received vitamin A twice last year through a UNICEF[60] program supported by PAHMD. Vitamin A supplementation costs only a few cents per child and has been scientifically proven to reduce child deaths in developing countries by 23%. PAHMD also supported some highly strategic research that will have far-reaching impacts on the lives of poor people in developing countries. In order to address anemia, a complex nutritional problem which affects 3.5 billion people, mostly women, PAHMD supported the development of technology to fortify salt with iron in addition to iodine. PAHMD is also supporting research on the effect that cooking foods in iron pots has on anemia. PAHMD was also the first donor to support operational research into the use of the drug Nevirapine, which is now widely supported by other donors to reduce mother-to-child transmission of HIV.

PAHMD is a key partner with UNICEF in their Flagship Child Survival program in West Africa. This program, which addresses the leading causes of child deaths in developing countries, is expected to serve as a model for the rest of the developing world. It has been described by UNICEF's Chief of Health as "a health revolution for developing countries".

Another outstanding example of a basic health and nutrition project that shows how perseverance and collective action pay off in the long-run is the Onchocerciasis Control Program. Results from the 28-year multi-partner pan-African program to control onchocerciasis (river blindness) demonstrate that CIDA's contribution of $32 million

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[56] http://www.globalfundatm.org/
[57] http://www.stoptb.org/GDF/
[58] http://www.gatesfoundation.org/
[59] http://www.gainhealth.org/
[60] http://www.unicef.org/

since 1974 has assisted in halting transmission of this disease. (See Box 13: Long-term Investment for Long-term Gain.)

Box 13: Long-term Investment for Long-term Gain

African governments and communities, the international donor community, including CIDA, and the private sector have had a sustained collaboration on the Onchocerciasis Control Program, which has halted transmission, and virtually eliminated the prevalence, of river blindness in an endemic region of 35 million people. Nearly 600,000 cases of river blindness have been prevented and approximately 16 million children born in this region since control efforts began in 1974 have been spared the risk of contracting this disease. Approximately five million person years of productive labour and an estimated 25 million hectares of land have been added to the economies of the 11 countries, which have participated in the Onchocerciasis Control Program. This program will end in 2002 owing to its success in controlling the disease.

HIV/AIDS is a critical target area of CIDA assistance. CIDA's Action Plan on HIV/AIDS[61] (July 2000) emphasizes that universal access to reproductive health services is an important health issue and a critical factor in slowing the spread of HIV/AIDS. Programming for HIV/AIDS must address the health and education aspects of the disease in an integrated and multi-faceted manner. In the Balkans, CIDA supported HIV/AIDS public awareness campaigns by disbursing $1,286,394 in 2001-02 to UNICEF and its partner, the Canadian Public Health Association, whose activities helped to increase the number of people seeking and gaining access to medical services. In the Southern Europe HIV/AIDS program in Romania, Bulgaria and Moldova, youth peer counsellors, clinic volunteers, NGOs and student groups gave their time and efforts to promote safe-sex messages, to dramatize the consequences of HIV/AIDS on young people especially, and to help organize media blitzes, rock concerts, and TV and radio spots to educate youth about the disease. In Malawi, CIDA is working with a range of donors in a comprehensive program that has reached a large number of people. Another example of CIDA's approach is its successful HIV/AIDS program in Cambodia. (See Box 14: CIDA's Strategic AIDS Reduction Program in Cambodia.)

Box 14: CIDA's Strategic AIDS-Reduction Program in Cambodia

The Cambodia program's Strategic AIDS Reduction has been successful in building the capacity of local stakeholders to implement and manage HIV/AIDS programs. Nearly 2000 peer educators have been trained. These included uniformed personnel, youth and factory workers. An overall awareness campaign reached at least 36,000 persons (with estimates as high as a million). Persons Living With HIV/AIDS (PLWHA) have begun to demonstrate changed behaviors. Furthermore, it is suggested that at least 25% of targeted PLWHA's have been able to gain access to health services provided by the community and home-care teams.

Child Protection is a development issue that was increasingly integrated into CIDA's Social Development programming in 2001-02. In this fiscal year, CIDA also consulted closely with the children's rights community in Canada to develop the Child Protection Development Action Plan[62] launched in June 2001. CIDA also worked with

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[61] http://www.acdi-cida.gc.ca/cida_ind.nsf/b2a5f300880e7192852567450078b4cb/61e4364421dcbfc685256918006292ea?OpenDocument

[62] http://www.acdi-cida.gc.ca/cida_ind.nsf/B2A5F300880E7192852567450078B4CB/27EF2168F8B919278525697D0061E372?OpenDocument

Peacebridges to develop and deliver a unique workshop for personnel engaged on projects impacting children in conflict zones. Multilaterally, the Agency engaged in a range of successful child protection initiatives in 2001-02. (See Box 15: CIDA and Child Protection Around the World.)

Box 15: CIDA and Child Protection Around the World

CIDA, working with Human Resources Development Canada (HRDC), supported the International Labour Organization (ILO)[63] and UNICEF in the rapid ratification of ILO Convention 182[64] on the elimination of the worst forms of child labour and a number of related programs in 1999. In 2001, UNICEF used education as a preventive strategy against child labour in 30 countries. For example, in Bangladesh, non-formal educational opportunities were provided to 164,000 working children in six cities. In terms of policy, UNICEF assisted in the development of national plans of action on child labour and in the organization of national fora. The ILO/UNICEF partnership, supported by CIDA and HRDC, assisted the launch of national programs in response to Convention 182 in El Salvador, Nepal and the United Republic of Tanzania, and helped to upgrade the Child Labour Unit in Kenya. This initiative is estimated at $15 million over four years. CIDA also supported projects aimed at reintegrating child soldiers into their communities in countries such as Somalia and Sierra Leone. Work in this area has proven difficult, because it requires a great deal of political commitment and sustained effort from a range of Canadian stakeholders. While the process is challenging, these initial results are encouraging and CIDA remains committed to child protection programming.

Gender Equality programming has also demonstrated some notable results in the past year. For example, in Asia the Vietnam-Canada Women's Economic Development Project was successful in improving the business knowledge and skill base of 1,693 women entrepreneurs, increasing the number and success of new enterprises, and assisting in the network and institutional development of six Businesswomen's Clubs. In neighbouring Cambodia, CIDA's Civil Society Initiative Fund has contributed to increased representation of women in positions of influence and decision-making. Of the 5,527 women participants in the "Empowerment of Women in Politics", 3,371 became candidates in the Commune Election in February 2002. Of these, 933 were elected to commune councils. In Africa, work with Parliamentary Committees in Ethiopia resulted in gender equality issues being taken more seriously in the development of legislation with an impact on social development. In Brazil, CIDA has supported the establishment of an active gender equality committee to raise awareness of the status of women in the labour market.

Multilaterally, CIDA supports UNICEF's efforts to fight discrimination against girls through an African Girls' Education Initiative aimed at increasing girls' enrolment, improving educational systems, and enhancing the relevance and gender sensitivity of the curriculum. Launched in 15 countries in 1995, the initiative now covers 34 states. Results include the development of gender-sensitive curricula, the upgrading of sanitation facilities, campaigns to stop violence against girls in school, emphasis on gender issues in teacher education, life skills, problems of sexual abuse, and the promotion of learning achievement.

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[63] http://www.ilo.org/
[64] http://www.ilo.org/public/english/standards/ipec/index.htm

4.4.3 Environmental Sustainability and Regeneration

Strategic Outcome 3: Environmental Sustainability and Regeneration: $187.93M of 2001-02
ODA/OA expenditures (9.7%).

CIDA has **improved environmental sustainability, through the protection, conservation and
management of the diversity and integrity of the environment**, by:
  • Supporting actions on climate change
  • Building partner's capacity in environmental management

Context, problématique and risks

CIDA's programming approach to environmental sustainability and regeneration seeks to
build capacity in developing countries through the creation of national environmental
action plans and by assisting partners to address global and regional environmental
issues. These issues include biodiversity, ecological conservation, integrated ecosystems
management, and the sustainable use of natural resources. CIDA itself over the past year
has actively participated in international fora on issues such as desertification and climate
change, and in Canadian preparations for events such as the World Summit on
Sustainable Development,[65] held in Johannesburg in August 2002.

Factors which present risks in environmental programming include: underdeveloped
institutional and technological capacities; inadequate opportunities for people to
participate meaningfully in the development process; inappropriate or narrow economic
and social policies; and inadequate incentives for environmentally sound behaviour.
CIDA is currently in the process of updating its 1992 Policy for Environmental
Sustainability[66] to reflect the collective progress (national and international) of the last
decade.

In 2001-02, CIDA disbursed $187.9 million, 9.7% of total ODA and OA spending, on
Environment activities. Of this amount, close to $91.2 million (48.6%) was spent by the
Multilateral Programs Branch. Just over $33.4 million (17.9%) was spent by Asia
Branch; Africa and Middle East Branch spent $22.9 million (12.2%); Canadian
Partnership Branch disbursed just under $18.3 million (9.7%); the Americas Branch
spent $15.9 million (8.5%); and the Central and Eastern Europe Branch spent about $5.8
million (3.1%).

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[65] http://www.johannesburgsummit.org
[66] http://www.acdi-cida.gc.ca/cida_ind.nsf/vLUallDocByIDEn/8D822748C6F30B31852565450065E876?OpenDocument

Environmental Sustainability
Disbursements by Operating Branch

Central & Eastern Europe Branch
$5,767,468
3.1%

Canadian Partnership Branch
$18,264,222
9.7%

Asia Branch
$33,477,033
17.9%

Africa & Middle East Branch
$22,913,934
12.2%

Americas Branch
$15,932,188
8.5%

Multilateral Branch
$91,164,065
48.6%

Total $187,927,064
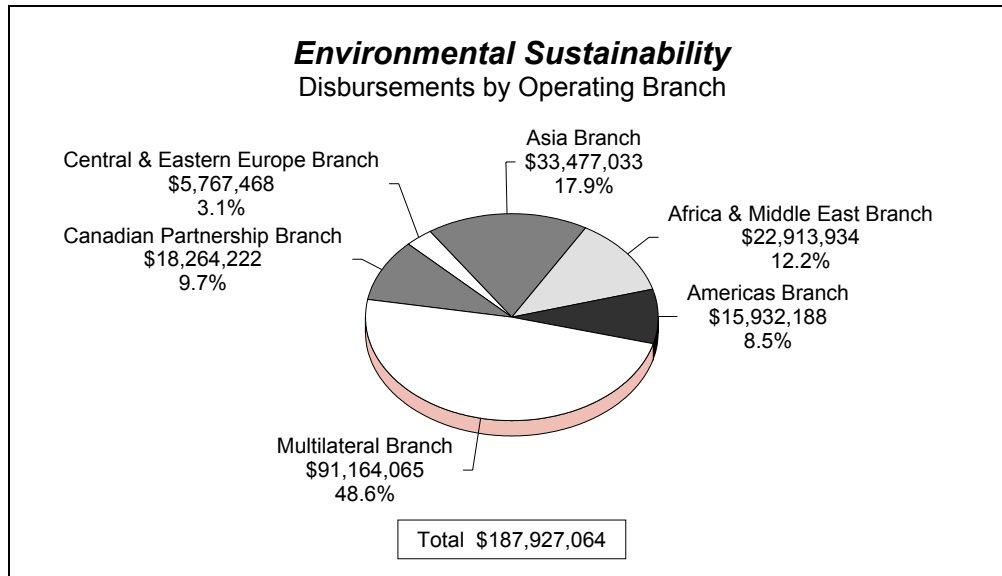
Performance and achievements

CIDA focusses its environmental sustainability and regeneration programming on support for capacity development at the **national environmental planning** and policy levels. This approach underlies CIDA's contributions to the Global Environment Facility[67] and the Multilateral Fund for the Montreal Protocol[68]. Bilaterally, this approach is well illustrated in three program countries from three different continents — Africa, Asia, and the Americas. (See Box 16: CIDA Support for Environmental Sustainability — Examples from Three Programs.)

Box 16: CIDA Support for Environmental Sustainability — Examples from Three Programs

In Africa, in the Nile River Basin, several CIDA initiatives reached important milestones in 2001-02. An environmental information systems project finished collecting two years' worth of high quality data on water quality for the entire length of the Nile River within Egypt to improve environmental management. A shared vision for the joint management, development and conservation of the Nile Basin was approved by the ten riparian countries of the Nile Basin Initiative, and an intergovernmental authority was created to implement this vision co-operatively. CIDA contributed $9 million to the Nile Basin Initiative in fiscal year 2001-02.

In Asia, environmental sustainability has been a pillar of CIDA's program in Nepal over the past decade owing to the strategic importance of natural resources to Nepal's development prospects. Canada has developed a recognized niche among donors in this area, particularly in terms of water resource management. CIDA has contributed $9.5 million to this programming, 93% of which has been disbursed since 1995, and funding will continue until 2003. Initiatives have focused on the sustainable development and management of natural resources and capacity building at the institutional and national policy levels. CIDA has had to work in a difficult political climate that includes political instability and Maoist insurgencies. Nevertheless, the Agency has been instrumental in strengthening Nepal's Water and Energy Commission Secretariat[69].

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[67] http://www.gefweb.org/
[68] http://www.unmfs.org/
[69] http://www.wecs.gov.np/

With increased government support and a more efficient management structure, the Secretariat has become more operationally sustainable, has increased its credibility, and has succeeded in diversifying its funding sources.

In the Americas, the Caribbean Regional Programme supported programs across the region that recognize the need for cross-border cooperation to help ensure environmental sustainability. The Adapting to Climate Change project in the Caribbean, to which CIDA has contributed $992,096, has created and strengthened sustainable public- and private-sector institutional capacities to respond to climate change in the region. The Eastern Caribbean Environmental Capacity Development project addressed coastal and marine resource management issues identified by the Organization of Eastern Caribbean States, and responds to the 1999 UN agreement for implementation of SIDS-POA (Small Island Developing States-Plan of Action). The St. Georges Declaration of Principles for Environmental Sustainability in the OECS[70] has now been signed by seven OECS Member States. In addition, the international donor community has stated its intention to frame future environmental management initiatives in the OECS region on the basis of the St. George's Declaration. CIDA-supported capacity-development initiatives at the OECS level and at the level of the Member States have been successful and have contributed to environmentally sustainable policies.

In the Central and Eastern Europe (CEE) Branch, other specific achievements in 2001-02 were in Central Asia, where CIDA's work with the Interstate Co-ordination Water Commission[71] has demonstrated a range of new, rules-based, peaceful approaches to trans-boundary water-management issues. This project also promoted greater openness and consultation with water end-users, all the while working strategically with young, future decision-makers. Also, in a unique project, the Kazakhstan program of the CEE Branch successfully employed high-end Canadian satellite technology to demonstrate more cost-efficient, environmentally sound locust control practices.

Integrating environmental concerns into programming as a cross-cutting theme requires ongoing **environmental education** for CIDA personnel. A significant step forward this past year in this regard is the development of a primer on Multilateral Environmental Agreements for CIDA project officers. CIDA has also designed specific training tools to facilitate continuous learning about environmental issues. (See Box 17: The Desertification Tool-Kit.)

Box 17: The Desertification Tool-Kit

The Desertification Tool-Kit was created to assist programming officers in CIDA in integrating desertification and the United Nations Convention to Combat Desertification (UNCCD)[72] into their initiatives with a coherent policy approach. Conceived as a "one-stop shop" for information on desertification, it contains basic information about the issues. It maps the linkages between desertification and major development priorities. It also contains a series of practical steps to take in order to integrate desertification and the UNCCD into planned or ongoing initiatives, from research and analysis to project coding, including basic country data and key people to contact for additional advice. The Tool-Kit was conceived as an evolving tool, to be updated according to the changing needs and priorities of the Agency. It will be released as an internal document, first as an interactive web-based tool, then as a booklet for wider internal and external distribution.

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[70] http://www.oecsnrmu.org/index.html
[71] http://www.sicicwc.8m.com/
[72] http://www.unccd.int/main.php

4.4.4 Governance

Strategic Outcome 4: Governance: $311.5M of CIDA's 2001-02 ODA/OA expenditures (16.2%).

CIDA supported **improved governance structures and institutional capacity in partner countries; strengthened civil society; and enhanced respect for rights and democratic principles** by:
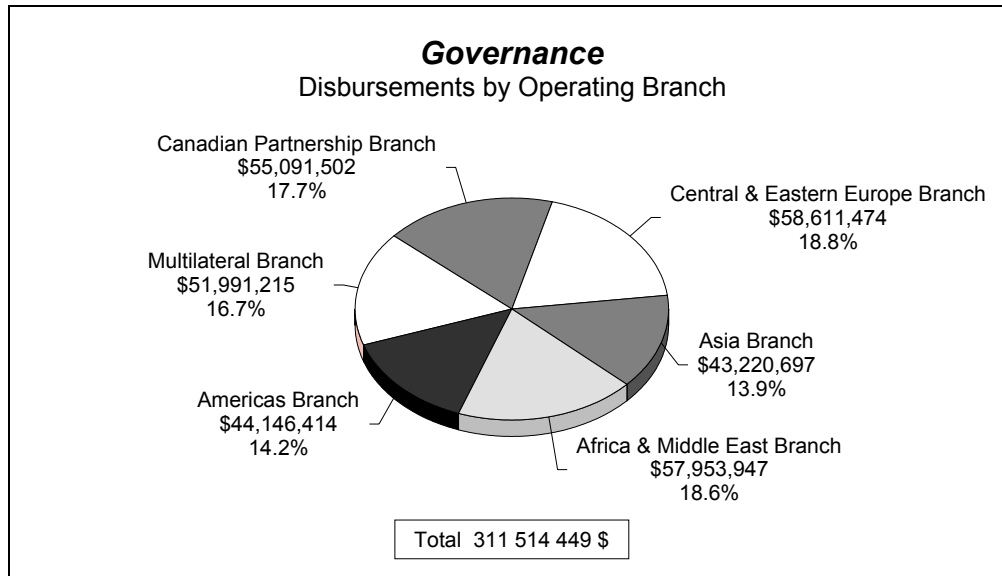- Promoting human rights programming through partners and supporting governments in their ability to affect reform
- Supporting the reform of Countries in Transition

Context, problématique and risks

For many countries, long-term development success lies in ensuring stable governance and the equitable treatment of citizens. Fragile democracies, weak regulatory regimes and governance structures as well as social upheaval can reduce or negate previous development gains. Good governance, human rights and democratic accountability have received increasing attention through Canada's ODA over the last decade.

Governance is complex, and definitions vary. Even when dealing with public government, one must take into account complex bureaucracies, cultures, legal systems, political systems, and civil society including the interactions of each of these with each other. While governance programming is challenging, CIDA has embraced it in a variety of ways targeted to the needs and opportunities of its partners across all geographic programs.

Governance was CIDA's third largest core development area, in terms of funds disbursed. In 2001-02 the Agency contributed over $311.5 million or 16.2% of the Agency's ODA and OA to programs related to improving governance. Funding of this development result was split very evenly among all the program branches. Central and Eastern Europe Branch was responsible for the largest disbursements in this area -- $58.6 million (18.8%); Africa and Middle East spent a similar amount, $57.9 million (18.6%). Canadian Partnership Branch spent $55 million (17.7%); Multilateral Programs Branch some $51.9 million (16.7%); Americas Branch $44.1 million (14.2%); and Asia Branch $43.2 million (13.9%).

Governance
Disbursements by Operating Branch

Canadian Partnership Branch
$55,091,502
17.7%

Central & Eastern Europe Branch
$58,611,474
18.8%

Multilateral Branch
$51,991,215
16.7%

Asia Branch
$43,220,697
13.9%

Americas Branch
$44,146,414
14.2%

Africa & Middle East Branch
$57,953,947
18.6%

Total 311 514 449 $

Performance and achievements

In the Eastern Adriatic, CIDA has been engaged in an effective governance program that targets **local, national, and regional governance** in a variety of areas. (See Box 18: CIDA's Development Programming in the Eastern Adriatic.)

Regional Programming Profile for Governance

Box 18: CIDA's Development Programming in the Eastern Adriatic

To expect the achievement of significant governance results in the short-term is unrealistic. However, early indications point to CIDA's program in the Balkans having contributed, albeit modestly, to the consolidation of democracy in the region. The Eastern Adriatic program disbursed $24.4m on governance-related initiatives over 2001-02. An essential precondition for democracy is personal security. Where people do not feel safe, they are less likely to be active participants in the political process.

By increasing people's personal sense of security, the regional Mine Action Program, with a budget of $4.8 million in 2001-02, has had a real impact on the lives of the people in the Balkans. This contribution to the international community's effort has resulted in the destruction of a significant number of lethal devices, and the clearance of over 19.84 billion acres of land in Bosnia and Herzegovina and Kosovo. It has also provided victims of land mines with the opportunity to be active and productive members of their communities.

The Canadian Police Arrangement project in Kosovo, with a budget of $9 million (2001-02), also had a direct impact on increasing Kosovar's sense of personal security. The deployment of Canadian police to Kosovo has contributed to increased confidence among all residents of Kosovo in the delivery of services provided by international and Kosovar police services and to significant progress towards the establishment of the rule of law and a safer environment for all ethnic groups.

The $10-million Civilian Deployment Program is a timely and flexible programming mechanism that allows Canada to deploy experts to the Balkans region on short- and long-term capacity building/technical assistance assignments. Through the Civilian Deployment Program, Canada has played an important role in the region's transition process including: (i) the negotiation of a secession agreement for the countries of the former Yugoslavia; (ii) the successful management of an acute energy crisis in the newly democratic Republic of Serbia; and (iii) the organization of the first free and fair municipal and presidential elections in Kosovo in over a decade, held on October 8, 2000, and November 17, 2001, respectively. The Civilian Deployment Program has proven to be a highly successful means of helping to strengthen the region's governance structures, and of promoting Canadian values such as respect for human rights and democratic principles.

CIDA's work on **legal reform** issues has become a key feature of governance programming. The nature of the work varies by branch and country depending on the local conditions. Following are a few examples of country programming in this area. In Ethiopia, the former Speaker of Canada's House of Commons is working to strengthen the Ethiopian legislature. Projects in Ghana and Jamaica aim to make the Government more effective, by strengthening the machinery of cabinet governance. A wide-ranging program in China supports the establishment of the rule of law and also seeks to develop civil society and enhance participatory approaches in governance.

In 2001-02 CIDA's Mali program contributed $1.3 million to support the implementation of a judicial reform program. CIDA assisted the Ministry of Justice of Mali to develop a ten-year comprehensive reform program to rehabilitate the justice sector in the eyes of the civil society. CIDA's Mali program also supported the training of judges, the construction of four courtroom facilities, and the undertaking of an institutional audit of the Ministry of Justice. CIDA is now recognized by Malian authorities as the lead donor in the judicial-reform sector and is well positioned to participate in the reforms, which have begun to be implemented.

With the help of CIDA's bilateral and multilateral support, the United Nations Development Program (UNDP)[73] successfully supported historic elections in East Timor and Sierra Leone, drawing on the Agency's growing global expertise in this area, its network of partners, and country-level expertise to tailor assistance to local needs.

Governance programming can be controversial and projects must often be developed with a regional theme in order to develop cross-country solidarity and support, particularly in areas such as the **promotion of human rights** and **gender equality**. The examples below from Southeast Asia provide testimony to this. (See Box 19: Promoting Human Rights and Gender Equality in Southeast Asia.)

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[73] http://www.undp.org/

> **Box 19: Promoting Human Rights and Gender Equality in Southeast Asia**
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> CIDA's Southeast Asia Regional program has reported a greater appreciation by NGOs and government organizations of the value of international human rights instruments through its Southeast Asia Gender Equity Project (SEAGEP). For example, organizations in the Philippines have been able to use their SEAGEP training in documenting human rights violations and have influenced domestic policy development and the adoption of rape legislation. As a result of a separate initiative under the Southeast Asian Fund for Institutional and Legal Development (SEAFILD), "Legal Protection for Asian Women Migrant Workers," a group of labour attachés from the Philippines, Indonesia, and Thailand have actively promoted women's human rights programming in the region. Since 1995 CIDA has contributed $5 million toward SEAGEP. SEAFILD has also worked on anti-corruption initiatives with parliamentarians in the region, helped establish the Thai Ombudsman Office, and provided support to national human rights commissions in Indonesia, the Philippines, and Thailand.

As governments around the world increasingly decentralize power and as problems related to the fast and uncontrolled growth of urban centres in developing countries increase, CIDA has responded by funding programs designed to **strengthen local governance capacity**. Decentralization has been shown to provide increased representation for the poor and marginalized groups in CIDA's partner countries. This representation, in turn, has facilitated greater participation by these groups in decision making with respect to economic and social well-being. CIDA has played a central role in delivering programs in this area through its partnership with the Federation of Canadian Municipalities (FCM)[74]. (See box 20: Supporting Decentralization, Democracy, and Development.)

> **Box 20: Supporting Decentralization, Democracy, and Development**
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> The Federation of Canadian Municipalities works in Africa, Asia and the Americas to strengthen local governance and the democratic process, build municipal capacity, and improve service delivery in municipalities in 30 countries. It does so with the ultimate goal of improving the quality of life and sustainability of local communities. Political changes at the local, national or regional level, and the deterioration in the economic situation, which affects central governments' ability to transfer resources to local governments, are all major risks in working in the municipal context. For this reason , FCM chooses to work with countries that are seriously committed to decentralization and to shifting the focus to local issues, which do not require excessive resources. The "unique flexibility" of FCM's approach also allows for early appropriation of the projects by the local community and various elected members of local Councils; thus, reducing the risks associated with having only one elected official as champion of the project.   An example of a CIDA-funded project was the establishment in 2001-02 of more than 700 rural municipalities and a new commune in Mali through national decentralization processes. The commune was formally recognized by the Malian authorities as a model for the strengthening of civil society.

Peacebuilding is a complex but critical area of programming where CIDA relies on Canadian expertise from a number of departments and agencies, as well as multilateral partners and international NGOs. The goal of peacebuilding is to enhance a society's capacity to manage conflict without violence and to create a sustainable environment for human security. These goals are seen as the conditions under which a country can implement social, political, and economic development. Peacebuilding involves

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[74] http://www.fcm.ca/

enhancing the rule of law and promoting participation in the democratic process as part of every phase of the conflict. (See Box 21: Peacebuilding and Horizontal Canadian Interdepartmental Co-operation.)

Box 21: Peacebuilding and Horizontal Canadian Interdepartmental Co-operation

Realizing the value of peacebuilding and the need to mobilize Canadian expertise from several departments, Canada launched the Canadian Peacebuilding Initiative[75] in 1996. This is a joint undertaking between the Department of Foreign Affairs and International Trade (DFAIT)[76] and CIDA. The objectives of the Initiative are to: 1) assist countries in conflict in their efforts towards peace and stability; and 2) promote Canadian peacebuilding capacity and participation in international peacebuilding activities. The Canadian Peacebuilding Initiative includes the Canadian Peacebuilding Fund[77] ($10 million, administered by CIDA) and the Human Security Program (administered by DFAIT). In the wake of this initiative, Canada also created the Civilian Police Arrangement ($10 million, administered by CIDA, DFAIT and the Solicitor General of Canada[78]), to allow rapid deployment of the Royal Canadian Mounted Police (RCMP)[79] and other police officers to multilateral peacekeeping missions. In 2001-02, CIDA engaged in 36 successful peacebuilding projects in 13 Countries in Asia, Africa, the Americas, and Central and Eastern Europe, and disbursed more than $15.5 million.

A key element in governance programming in developing countries and countries in transition is the area of **public-service capacity building and reform**. Successful governance programming and horizontal co-operation between government departments is illustrated through *The Partnership for International Co-operation in Governance and Public-Sector Management*[80]. (See Box 22: Partnership for International Co-operation in Governance and Public Sector Management.) The Canadian federal public service is well-recognized for values-based public-sector management and its capacity in the fields of political and economic governance. As a result, international demand for access to Canadian public-sector expertise has grown significantly in recent years.

Box 22: Partnership for International Co-operation in Governance and Public-Sector Management.

The "Partnership for International Co-operation" was created in 2000, with a secretariat at the Canadian Centre for Management Development, to bring strategic focus to the international activities of federal institutions and to public-sector management; to build the capacity of the public sector in developing countries and establish relationships between the public service of Canada and the developing world; and to globalize the Canadian public service to better serve Canadians in the knowledge age. The Partnership represents 44 federal departments and agencies, including CIDA and DFAIT, tribunals, and parliamentary institutions. It has links to the non-governmental and private sectors. With CIDA's assistance, the Partnership has worked with numerous developing countries in Africa, the Americas, Asia, and Eastern Europe. CIDA's Central and Eastern Europe Branch had great success employing Canadian public sector expertise in its Ukraine program in 2001-02.

Corruption has traditionally been seen as an inevitable part of doing business in developing nations. The last few years, however, have witnessed a change in attitudes

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[75] http://www.acdi-cida.gc.ca/cida_ind.nsf/d86cbc87319a898c8525677e0072d6f8/0768203c4ecc3ea68525698b006bf62c?OpenDocument
[76] http://www.dfait-maeci.gc.ca/
[77] http://www.acdi-cida.gc.ca/cida_ind.nsf/d86cbc87319a898c8525677e0072d6f8/06bd41e79fa247768525698a007700f3?OpenDocument
[78] http://www.sgc.gc.ca/
[79] http://www.rcmp-grc.gc.ca/
[80] http://www.international.gc.ca/

among international organizations, governments, and business. Corruption is no longer accepted as a necessary evil, but as a phenomenon with tremendous economic, political, and social costs to all parties involved, including the constituency which CIDA exists to serve: the people of developing countries. In recent years, CIDA has increased financial support to organizations engaged in combating corruption, and has supported initiatives related to build the capacity of parliamentarians and the judicial system to deal with corruption. In particular, CIDA has contributed $360,000 to Transparency International (TI)[81] since 1999, and $390,000 to the International Development Law Institute[82] since 2000.

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[81] http://www.transparency.org/
[82] http://www.idli.org/

4.4.5 Lessons Learned

CIDA is an organization that strives to learn from its experiences and to promote continuous learning. It uses information from its own monitoring, evaluation and performance reporting, as well as from best practices and lessons learned at the international level, to improve its programming and management effectiveness. The Agency continues to look for new ways to acquire lessons learned, to assess their implications, and to enhance their application at various levels throughout the organization.

The Agency also contributes its lessons learned to international discussions of donor best practices and has played an important part in defining the principles of aid effectiveness which are now widely accepted by the international development community. CIDA has applied these international lessons learned in areas such as local ownership, new programming approaches, policy coherence and enhanced partnerships (see Section 4.5).

Several overarching lessons learned which apply to all CIDA's four strategic outcomes have been highlighted this year:

- The need to develop carefully a program that is finely tailored to the specific needs of a country is of primary importance. CIDA has incorporated this lesson into its Country Development Programming Frameworks (CDPFs) in order to achieve a proper balance of programming in the four strategic outcome areas and ensure that programs complement each other at the local, national, and regional levels. Examples include the programing frameworks developed over the past year for Bolivia, Egypt, Pakistan, Senegal and Ukraine, as well as the Pan African Program, which are now being operationalized.

- Developing and integrating the private sector into the national economy involves the development of programs that create an enabling environment for the private sector. This includes improving national capacity development in the legislative, regulatory, and policy areas while at the same time developing the private sector's own capacity to produce, diversify, and grow.

- Increased levels of training and information are required for CIDA project officers in technical areas of strategic-outcome programming. For example, officers must be able to understand how their projects and programs impact economic well-being, social development, environmental sustainability and regeneration, and governance no matter which of these areas a project explicitly targets.

- Working with CIDA's multilateral partners to sharpen their programming focus, strengthen their performance-based management, and increase collaboration and co-ordination among institutions, is essential in order to optimize our collective development impact.

- The shift in reporting from project- to program-level results will allow the Agency to define results expectations at a higher level and to measure and evaluate performance at the program rather than the project level.

Some examples of lessons learned that apply to specific strategic outcomes include:

- One of the most important lessons learned in **economic well-being** programming is to ensure that both the macro- and micro-level policies affecting economic well-being are strategically targeted by all donors. In the 1980s and 1990s there was significant emphasis on micro-credit programs for the poor. Through the 1990s it became evident that these programs also needed to target small- and medium-size enterprises. More recently, the need to help create national-level policy and regulatory frameworks that support micro-credit schemes and small- and medium-enterprise development has been identified as a necessary complement to sub-national-level initiatives. CIDA is applying this lesson in its programming in all geographic branches and in the Multilateral Programs Branch.

- One unique **social development** programming lesson is that there are particular difficulties surrounding programming in the context of societies deeply affected by the HIV/AIDS pandemic. For instance, failure to recognize the serious impact of HIV/AIDS on the institutional capacities of CIDA partners can seriously impede the attainment of project and program results. Many partners recognize the impact of HIV/AIDS on their projects, but have difficulty understanding how the epidemic may be impeding their performance by negatively affecting their personnel and productivity. While this lesson was learned in Africa, the rapidly increasing HIV/AIDS incidence rates in South and Southeast Asia and the Caribbean make it one that can be applied elsewhere by CIDA.

- A critical lesson learned in the area of **environmental sustainability and regeneration** is the need to develop regionally based environmental programming. Environmental issues tend to cross national boundaries and close co-operation on these issues must be nurtured and developed into bilateral and multilateral agreements that promote sustainable development.

- One of the most important lessons learned in **governance** programming is the need to develop programs that reflect the pace of reform in each country and region. Each program must be developed with significant consideration for national and regional histories, political systems, and cultures. Governance programming can be controversial. It must therefore be very sensitive to partner realities.

- **Governance** programming can often suffer setbacks due to elections, political upheaval, fractured diplomatic relations, and other factors. CIDA has learned that it is crucial to take a long term perspective in its governance programming and to tolerate short-term setbacks in the interest of long-term gains.

4.5 Enabling Strategies

CIDA's Enabling Strategies represent the Agency's approach to achieving an appropriately allocated and effective portfolio of international programs for development co-operation, and therefore guide decision-making in crucial program and management areas.

Appropriate Programming Orientation

Appropriate balance between directed and responsive programming — CIDA has a long tradition of responsive programming with its Canadian and developing-country partners. Responsive programming relies on partner organizations to conceive, design and/or implement programs within CIDA guidelines, whereas directed programming implies the direct involvement of CIDA in the design and management of initiatives. The challenge has been to strike the right balance between the two approaches. In Africa, responsive funds are being used to build local capacity, while directed programming is being designed to support national or regional programs. In countries in Asia, such as Bangladesh and Thailand, where large numbers of NGOs are active and well-established, responsive funds have been instrumental in supporting civil society organizations. In the Americas, the Commonwealth Caribbean has indicated that a high level of responsive programming is most appropriate where there is sufficient local capacity within government and an effective civil society and private sector to manage programs and projects. These lessons are being incorporated into CIDA's approach.

Consensual and collaborative partnerships established between CIDA and its partners — these partnerships are critical to creating the enabling environment for effective and sustainable development. CIDA's partners include country governments, civil society (such as NGOs, civil society organizations, academic and research organizations, and the private sector), regional and multilateral institutions, other bilateral donors, and other Canadian government departments.

CIDA has been working more closely with DAC[83] and with other bilateral donors to improve policy coherence, develop new financing approaches, share technical expertise, and help reduce the burden placed on developing countries by the varying administrative demands of donors. In the DAC, donors gather to articulate good practices for promoting development and monitor each other's progress on their implementation, working in partnership to achieve poverty reduction. At the country level, CIDA has been engaged in an increasing amount of joint strategic analysis and co-funding of programs/projects with other bilateral donors over the past year, for example in South Asia and Southeast Asia, particularly with regard to the development of country programming frameworks.

CIDA's support for partnership with African countries has been particularly visible over the past year, in the lead-up to the G8 meeting in Kananaskis[84] in June 2002 and in the

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[83] http://www.oecd.org/dac/
[84] http://www.g8.gc.ca/

development of Canada's response to the New Partnership for Africa's Development (NEPAD)[85]. CIDA has also played a key role in donor co-ordination in Africa by convening donor groups in diverse sectors, such as decentralization in Ghana, microfinance in Senegal, and new financing approaches and justice reform in Mali.

CIDA's partnerships with multilateral organizations, such as the United Nations[86], and international financial institutions (IFI's), such as the World Bank[87] and the International Monetary Fund (IMF)[88], have continued to move forward. Today, Canada delivers about one-third of its total development assistance through multilateral channels and multilateral disbursements account for one-quarter of CIDA's budget. This past year, for example, Canada, working with other states, has been instrumental in securing further progress in the area of enhanced co-operation between the UN system and international financial institutions. As a result, there has been a significant increase in participation by the UN in the Poverty Reduction Strategy Paper (PRSP)[89] process and Heavily Indebted Poor Country (HIPC)[90] programs, as well as unprecedented collaboration among the UN organizations and the IFI's at the International Conference on Financing for Development[91].

New programming approaches — CIDA, like other donors, has been shifting from traditional project-based approaches toward more programmatic forms of development co-operation which ensure that projects are better integrated into comprehensive strategies. These new approaches emphasize policy dialogue and strategic aid investment, as well as donor coordination. Key new programming instruments are the World Bank's Comprehensive Development Framework (CDF)[92] and the related PRSP. The CDF is an approach by which countries can achieve more effective poverty reduction by emphasizing the interdependence of all elements of development, including social, structural, human, governance, environmental and financial. The PRSP describes a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as that country's external financing needs. (For more on PRSPs, see paragraph below on Local Ownership.)

Supporting these programming instruments are joint donor funding arrangements such as Sector-Wide Approaches (SWAps), which are a method of working between recipient countries and other donors whereby all significant funding for the sector supports a single policy and a single expenditure program. By the end of the last fiscal year, CIDA was involved in 10 SWAps in eight African countries[93], and two SWAps in Asia, all of which are related to the health, HIV/AIDs, or education sectors. In Bolivia, CIDA is the largest donor and an active participant in a multi-donor basket funding effort in support of the

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[85] http://www.nepad.org/
[86] http://www.un.org/
[87] http://www.worldbank.org
[88] http://www.imf.org/
[89] http://www.worldbank.org/poverty/strategies/index.htm
[90] http://www.worldbank.org/hipc/
[91] http://www.un.org/esa/ffd/
[92] http://www.worldbank.org/cdf/
[93] Health SWAps: Mali, Zambia, Bangladesh, India; Education SWAps: Burkina Faso, Mali, Mozambique, Niger, Senegal, Uganda, Zambia; HIV/AIDs SWAp: Malawi.

Human Rights Ombudsman's Office. The Bolivian Country Program is also currently planning the development of a comprehensive health program which will have SWAP-like characteristics and involve several other donors. CIDA is currently considering participation in several other SWAps or similar pooled funding initiatives, including a comprehensive health program in Bolivia.

The Bangladesh SWAp (see Box 23: Sector-Wide Approach to Health in Bangladesh) provides an example of the effectiveness of donor co-ordination in a single sector.

Box 23: Sector-Wide Approach to Health in Bangladesh

Since 1976, in co-operation with the Government of Bangladesh, the World Bank, a consortium including Germany, the Netherlands, Sweden, the UK, the European Commission, and several other multilateral and bilateral donors, CIDA has provided uninterrupted support to the world's largest maternal health and family planning program. In 1998, at the end of the fourth phase of the program, it was decided that subsequent phases would follow a results-based Sector-Wide Approach (SWAp) to ensure more coherent implementation, less duplication and greater cost-efficiency. The goal of the first phase of the SWAp (1998-2003) is to assist the Government of Bangladesh (GoB) to reduce fertility, reduce morbidity and mortality of mothers and children under five, and strengthen the capacity of the Ministry of Health and Family Welfare of Bangladesh to improve health and family planning service delivery. The budget for the Health Sector and Population Program is US$2.9 billion, of which $2 billion is financed by the GoB and $0.89 billion by development partners, including Canada. CIDA's current contribution to the HPSP is $28 million.

Following are some recent results from the SWAp:
- Bangladesh has the lowest annual population growth rate of any of the poorest countries (1.6% between 1995-2000);
- There has been a reduction in the mortality rate of children under 5 from 115.7 to 94 deaths per 1000 live births;
- Life expectancy has increased from 60.7 to 68 years for men and from 60.5 to 69 years for women; and,
- Polio is likely to be eradicated in Bangladesh.

CIDA is piloting a series of six initiatives which demonstrate a variety of new programming approaches. The pilots will allow the Agency to test the aid delivery approaches and draw out lessons learned. The Agency will be reporting on these initiatives in subsequent DPRs.

Policy coherence and corresponding policy-based programming - have become central elements of CIDA's new programming orientation. The principle of ensuring that government policies work together for the common objective of poverty reduction is internationally accepted. Policy coherence applies not only to aid and non-aid policies within a given country, but to the linkages among states and among public-policy issues.

While the OECD has identified a range of issues for enhanced policy coherence, trade is a particularly important area. The policies of industrialized countries on issues such as market access and agricultural subsidies cost developing countries more in lost export sales than they receive in development assistance. In the past year, Canada has been making progress towards greater coherence between aid and trade with developing

countries. For example, CIDA maintained its involvement in inter-departmental fora within Canada where trade negotiations, such as those leading to the Free Trade Area of the Americas, are discussed, to ensure that developing-country interests are considered. CIDA was a major player during the negotiations at the Doha WTO Ministerial Conference in Doha, Qatar in November 2001, and voiced strong support for greater recognition of the role of trade and investment in the development process. As noted above in 4.4.1, Canada continues to work toward duty-free and quota-free market access for least-developed countries. Canada was preparing to announce, in June 2002 at Kananaskis, the elimination of most of these barriers by January 2003.

Policy coherence among countries can also be enhanced by strengthening regional multilateral institutions. (See Box 24: Strengthening Institutional Policy Coherence in the Americas.)

Box 24: Strengthening Institutional Policy Coherence in the Americas

In 2001, in following up to the Summit of the Americas[94], CIDA's Inter-American Program began working with the Inter-American Agency for Co-operation and Development (IACD)[95] of the Organization of American States (OAS)[96] to plan initiatives in support of the new programming approaches of the IACD. The aim of these new approaches is to promote horizontal co-operation among member states and to leverage traditional and non-traditional sources of financing. Although programming has yet to start, CIDA's efforts within IACD have already reinforced the importance of the modernization of technical assistance that is underway. Civil society also plays an importance role in institutional reform: CIDA's work with the Canadian Foundation for the Americas (FOCAL)[97], a Canadian NGO that works on Latin American and Caribbean policy issues, has been refocused to enhance FOCAL's capacity to engage in policy dialogue with various governmental and civil-society organizations in the Americas and to promote policy and program development regarding current issues and challenges while taking into account CIDA's mandate and Knowledge for Development orientation. This project was complemented by 19 other projects with civil society organizations assisting them to network, analyze and promote economic and social integration issues across the Americas.

At the country level, the Teacher Training Program in Kosovo (see Box 25: The Teacher-Training Program in Kosovo) provides an example of how CIDA is promoting policy coherence in the education sector.

Box 25: The Teacher-Training Program in Kosovo

CIDA's Teacher-Training Program in Kosovo was designed to contribute to the development of a learner-centered, pluralistic and gender-sensitive education system. CIDA's role as the lead agency in international development efforts in the teacher-training sector in Kosovo has allowed Canada to co-ordinate donor activities and leverage funds. Canada was also able to define the strategic orientation of donor activities in the areas of teacher training and primary education reform, and contribute to policy coherence between programs and reforms in the education sector. The project has experienced modest success in promoting tolerance among certain ethnic groups; however, involvement of the Serb community remains a challenge.

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[94] http://www.summit-americas.org/default.htm
[95] http://www.iacd.oas.org/
[96] http://www.oas.org/
[97] http://www.focal.ca/

Local ownership is a fundamental tenet of aid effectiveness. Through local ownership, development strategies must be designed by developing-country partners — their governments and people — and must reflect their priorities, rather than the priorities of donors. Building on national poverty plans and priorities such as PRSPs is an effective way of strengthening local ownership. PRSPs are prepared by governments through a participatory process involving civil society and development partners, including the World Bank, the International Monetary Fund, and bilateral donors such as CIDA. As of March 2002, 42 least developed countries had produced interim Poverty Reduction Strategy Papers, 11 had produced full PRSPs, and three had prepared PRSP Progress Reports.

CIDA's achievements in supporting the PRSP process at the country level are highlighted in Box 26: CIDA's Development Programming in Bolivia.

Country Programming Profile for Enabling Strategies

Box 26: CIDA's Development Programming in Bolivia

Bolivia is one of the poorest countries in South America. In 1999, 63% of Bolivians lived below the national poverty line, a significantly higher percentage than the regional average of 36%. However, the country has made major strides in the past 20 years, including a successful democratic transition in 1982, improved economic growth rates, and increased spending in the social sectors in the 1990s. After broad consultation, in June 2001 Bolivia became the first country in Latin America to produce a full PRSP, and hence, meet the conditions for enhanced HIPC debt relief. The Bolivian PRSP sets out the key development principles, institutional reforms and spending priorities which will guide Bolivian poverty-reduction efforts during the next 15 years. It also builds on the Government of Bolivia's previous General Economic and Social Development Plan (1997) (a.k.a. the "Four Pillars") and the efforts of the New Framework for Government-Donor Cooperation (1999) (a.k.a. the "Nuevo Marco") to improve donor rationalization and the integration of international co-operation with national development priorities.

CIDA's bilateral Country Program in Bolivia started adapting its programming to respond to Bolivian development priorities in the 1980s and 1990s. In 2000-01, Canada's ODA to Bolivia was $22.62 million. In 2002, CIDA drafted a new Country Development Programming Framework (CDPF) for 2003-2007, in consultation with the Government of Bolivia. CIDA made a conscious effort in this CDPF to align its bilateral program to the new Bolivian PRSP as well as to the principles of the Nuevo Marco, and CIDA's own Strengthening Aid Effectiveness agenda. As such, the new CDPF is built around three key fundamentals: i) a significant reduction in the sectors covered by the Bolivian Country Program from eight sectors down to three (health, water and sanitation and modernization of the state); ii) a shift away from stand-alone projects in favour of more comprehensive, programmatic, and demand-led development approaches; and iii) an explicit alignment of CIDA's Bolivia Country Program with the goals, priority sectors, cross-cutting themes, and impact indicators of the Bolivian PRSP. These various changes are enabling CIDA to reduce its transaction costs, increase its leverage in select sectors and participate more actively in well chosen efforts at donor co-ordination and policy dialogue in Bolivia.

At the international level, CIDA actively contributed to the World Bank/IMF Comprehensive Review of the PRSP Process[98] by seconding a CIDA officer to the World

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[98] http://www.imf.org/external/np/prspgen/review/2001/index.htm

Bank to work on the review team and by providing support to the Africa Regional Forum. CIDA also hosted focal-point consultations with civil society of the North (across Canada) and South (Nicaragua, Honduras, Vietnam, Senegal and Burkina Faso) on the participatory aspects of the PRSP process. The results of these consultations were presented and discussed at the Comprehensive PRSP Review Conference in January 2002. In addition, the Agency supported efforts to address the gender dimensions of the PRSP process.

Untying ODA is internationally accepted as an important factor contributing to increased aid effectiveness. The practice of tying aid to suppliers in donor countries is considered to work against effective partnerships between developed and developing countries, and reduces the likelihood that developing countries will be able to take responsibility for their own development planning. In April 2001, Canada endorsed the adoption by the DAC of the Recommendations on Untying ODA to the Least Developed Countries. This endorsement supports the Prime Minister's commitment at the 2000 G-8 Summit in Okinawa to implement these recommendations and to work towards greater untying. Over the past year, CIDA has carried out the preparatory work to implement the recommendations, including the elaboration of operational guidelines to meet the Agency's international commitments.

Appropriate Sectoral and Thematic Focus

CIDA has made significant progress in **reducing the number of sectors in which it operates** to improve its effectiveness, and in **focussing on the Social Development Priorities** (SDPs) since they were announced in 2000. Action plans to guide implementation in each of the four areas -- basic education, health and nutrition, HIV/AIDs and child protection -- have now been developed, and are integrated into CIDA's results-based management and reporting processes. The Agency is on target in its commitment of greater resources to the SDPs, as set out in the five-year investment plan announced in 2000. This will result in a doubling of expenditures in the health and nutrition area and a quadrupling of spending in the other three areas by 2005. The Agency has also increased the number of experts both in headquarters and in the field in the four priority areas as well as in agriculture and in private sector development and has undertaken training and awareness initiatives.

Appropriate Geographic Focus

CIDA recognizes that **focusing its development assistance on a selected number of the world's poorest countries** is an important factor in aid effectiveness and is currently examining options for moving in that direction. CIDA has also moved towards a greater geographic focus within partner countries by focussing on the poorest regions. For example, Vietnam implements programming in only two provinces, and programming in Brazil is focussed on the Northeast states and in "favelas" where poverty is the highest.

The Agency continued to develop a more structured approach towards working with mature countries to help effectively **"graduate" them from ODA** into new, mutually beneficial relationships with Canada. For instance, CIDA is working with the eight Central and Eastern European countries expected to accede to the European Union in 2004-05, after which they will no longer be eligible for funding. CIDA is helping some of these countries create their own international development agencies. (See Box 27: Official Development Assistance in Central Europe).

Box 27: Official Development Assistance in Central Europe

The Official Development Assistance in Central Europe (ODACE) project supports the four graduating Visegrad countries of Poland, Hungary, Czech Republic and Slovakia in developing their own ODA programs and strengthening their role as aid donors; NGO's and civil society are involved as working partners. ODACE is also seen as a vehicle for transforming Canada's relationship with these countries as they graduate from Canadian assistance. As such, there is an important provision in the ODACE project for trilateral co-operation. By working with the Visegrad countries to help out other less advanced countries — possibly the Balkans and Central Asia — CIDA is capitalizing on the experience of these former Soviet bloc countries in making the transition to a free market. It is also taking advantage of the cultural and linguistic affinities that unite the Visegrad with the other countries of the region. Poles, Hungarians, Czechs and Slovaks have an impressive expertise which could be tapped by various Canadian partners in the future.

Engaging Canadians

Improved perception of the value, efficiency and effectiveness of ODA and OA Programs is an important part of the enabling environment for the delivery of Canadian aid. Over this past year, CIDA has continued to implement its *Public Engagement Strategy and Action Plan[99], 1999-2003*. The strategy is designed to gain greater public understanding and increased support for Canada's international assistance programs and to move Canadians from a state of basic awareness of international co-operation issues to informed action. About 75% of the public-engagement activities in the strategy have been implemented and efforts appear to be paying off: public opinion poll results from March 2002 show greater support for Canadian development assistance (83%, up eight points since 1998) and humanitarian assistance (85%, up five points since 1998).

Consultations on the *Strengthening Aid Effectiveness* draft policy in the Fall of 2001 also led to greater public awareness of CIDA's aid program. About 1,000 individuals participated in the meetings across Canada, while an additional 6,000 participated by posting comments on the CIDA website, making this one of the most successful website consultations to date[100].

A unique example of engaging young Canadians on international development issues is the Canada World Youth (CWY)[101] program supported through the NGO Division of CIDA's Canadian Partnership Branch. This program not only engages Canadian youth, it

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[99] http://www.acdi-cida.gc.ca/cida_ind.nsf/b2a637b3ebb3f4e68525677e0071f3e1/3bad6678bc3ca37485256a5f006d1dbf?OpenDocument
[100]http://www.acdi-cida.gc.ca/extranet/policy/aidecons.nsf/vWebCategoryEn?OpenView
[101]http://www.cwy-jcm.org/

uses these young development ambassadors as educators promoting the value of development assistance to Canadians across the country. (See Box 28: Engaging Youth - Securing the Future.)

Box 28: Engaging Youth - Securing the Future

Canada World Youth (CWY) provides opportunities for young Canadians aged 17-29 to become involved in international development issues in Canada and in over 600 communities in 60 countries around the world. While in partner countries, participants work on development projects and gain valuable knowledge and apprenticeship skills. Perhaps more importantly, the experience shapes their attitudes and values about international development and about how Canadians can make valuable contributions to the lives of others.

The program is a cost-sharing one with CWY participants raising almost 50% of program expenses from their communities. Upon returning from their international experiences, participants then act as development educators by sharing their experiences with their communities. Since 1998 over 3,000 youth from across Canada have participated in the program. One-half of them were women. CWY participants have gone on to work in the Canadian Foreign Service; as journalists, teachers, and public servants; and in a range of other vocations.

Greater public involvement in development co-operation can only strengthen Canada's aid efforts. New developments in the last year include the launch of the Global Classroom Initiative, which supports projects that deliver effective school-based global education resources, and the Journalists and Development Initiative, which builds the capacity of Canadian journalists to cover international development stories with greater depth and analysis. CIDA has also broadened its Speakers Program to include all CIDA staff, encouraging them to identify opportunities to speak to their fellow Canadians about Canada's aid program, whether to high schools, university classes, service clubs, or chambers of commerce.

In terms of supporting the public-engagement initiatives of its Canadian partners, CIDA launched a Public Engagement website in June 2001 to improve information-sharing about public engagement and to facilitate networking among Canadian organizations. The central content of the web site is a "Public Engagement Directory"[102] in which organizations can profile their public-engagement activities.

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[102]http://www.acdi-cida.gc.ca/cida_ind.nsf/eff12ba4cbb097c1852566ce00644c8a/a49a5fcbd03fb09c85256a0e00788c3b?OpenDocument

4.6 Management Tools

The modernization of management tools enables CIDA to deliver more effectively on its development commitments. Tools include human resources, information management and technology, strategic planning and resource allocation, and rationalization of processes.

Human Resources

CIDA's *Corporate Strategy for Managing its People 2001-2004* was completed in 2000-01. The Strategy is now being implemented. The Strategy has three main priorities, which mirror those set for the public service as a whole, namely: strengthening CIDA as a knowledge-based, continuous learning organization; increasing retention through workplace well-being; and promoting renewal through ongoing recruitment.

During the past fiscal year, the Agency has made commitments to **strengthening the policy and analytical capacity** of personnel at Headquarters and in the field. For instance, the China, India, Nepal, Sri Lanka, and Vietnam Programs engaged broad-based staff support in the development of the new Country Development Programming Frameworks through the preparation of background documents. The process required the program staff to sharpen their analytical capabilities and to increase their knowledge of the development context.

Experience in 2001-02 underscored the importance of access to **appropriate scientific and technical expertise**. For example, the Pan-Africa Program has seen that the value of partnerships is increased through the effective presence of CIDA scientific and technical resources at key institutional meetings. Their presence has allowed CIDA to deepen the technical quality of its interventions, to facilitate networking with other technical representatives generally, and to demonstrate the seriousness with which CIDA views the successful delivery of the partner's mandate. The intensive participation of environment, gender-equality and health specialists has proven to be extremely valuable in the development of two sectoral strategies for the Gulf of Guinea Program, as has the participation of education-sector expertise in Mali. Responding to this increased need for scientific and technical expertise, CIDA's S&T Hiring Initiative created and staffed 13 new Specialist positions in the areas of Environment, Health, and Education during the past year .

Strengthened field presence has been highlighted as an area of critical need for CIDA to meet its programming objectives. Technically well-qualified and senior-level field staff greatly enhance the quality and speed of program delivery. A Corporate Centre for Program Support Units (PSUs) was created in the Human Resources and Corporate Services branch to deal exclusively with administrative and legal issues facing PSUs in developing countries. This initiative has enjoyed significant results, including providing new training for PSUs on reporting, financial, and results-based management issues, as

well as the production of a consolidated financial analysis of the annual financial reports of the PSU project.

A **knowledgeable, highly motivated and more representative workforce** is the cornerstone of the Agency's *Corporate Strategy for Managing its People 2001-2004*. CIDA participates in a number of recruitment and development programs such as the Career Assignment Program, the Financial Officer/Internal Audit Recruitment and Development Program, the Management Trainee Program, the Accelerated Executive Development Program, the Personnel Administration Program and the Agency's own New Development Officer Program, as well as other omnibus recruitment campaigns to offset the greying of the Agency. During 2001-02, the Agency recruited over 200 new employees in 17 occupational groups. This recruitment included strong representation from employment equity groups. In terms of overall representation, CIDA has achieved and/or surpassed the level of labour market availability for all four employment equity designated groups as of March 31, 2001. With respect to the *Embracing Change Report*[103] recommendations, in December, 2001, CIDA was recognized as the number one department for external recruitment for visible minorities for the period 2000-01. The Agency's *Employment Equity Action Plan 1999-2003* has been updated and integrated with the findings of two Task Forces: Participation of Visible Minorities in the Public Service of Canada and Inclusiveness in the Federal Public Service.

CIDA continues to promote a bilingual workplace and commitment to official languages. As of March 31, 2002, 88% of CIDA's executives meet the language requirements of their positions which is clearly above the average in the Public Service.

Information Management and Technology

CIDA has made significant progress towards achieving its vision for on-line service - to strengthen CIDA as a knowledge-based organization by facilitating collaborative work with strategic partners and leveraging CIDA's expertise and project experience, while streamlining and electronically enabling program deliver. CIDA continued to build on previous years' results and to strengthen its capacity to both meet corporate operational needs and support changes occurring within the Agency. This included further developed and delivery of the three core Government on Line streams: e-Business, e-Collaborative, and e-Human Resources Transformation. Government On Line is on track at CIDA and is fully integrated with plans for other system improvements that include upgrades to the corporate resources planning system, SAP, and the delivery of the Enterprise Data and Records Management initiative. In pursuit of better sharing of knowledge, CIDA increased the number of extranets it is hosting, including sites devoted to topics such as trade and development, water, child protection and human rights, democratization and good governance. Greater business value from investment in IM/IT was also derived from the Corporate Reports Access Facility which provided, *inter alia*, tailored reports on CIDA's programmes based on both new and legacy IT systems.

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[103]http://www.tbs-sct.gc.ca/Pubs_pol/hrpubs/TB_852/ecfps_e.html

Strategic Planning and Resource Allocation

As was indicated in the 2001-02 Report on Plans and Priorities, CIDA is transforming its corporate planning, budgeting and reporting processes, with the goal of ensuring that **resources are allocated to strategic priorities**.

Over the past fiscal year, work towards the **incorporation of a continual improvement management approach**, such as the modernization of CIDA's financial management practices, continued. An Internal Budget Review Committee representing different interests throughout the Agency was put in place to undertake a rigorous review of the budgetary requirements and pressures, as well as to develop a strategy for allocations. Additionally, the establishment of a Modern Comptrollership Office[104] was recently completed. The Office has the task of co-ordinating a Capacity Assessment exercise to identify gaps in management practices and to develop an Action Plan to address those gaps.

Rationalization of Processes

Transparent, consistent and cost-effective business processes are key to the Agency's rationalization of processes. CIDA had previously used 34 business processes to deliver its programs. However, after an intensive review from July to September 2001, which included mapping all 34 processes against a single-model project cycle, the Agency was able to reduce the number of processes to three. The Agency also completed several other initiatives during the past fiscal year, including the launch of a dispute-resolution mechanism for contractual issues, the simplification and standardization of contribution agreements, and the publication of a guide on the management of contribution agreements. Finally, in its continuing efforts to be more transparent, the Agency is evaluating ways to share individual Branch-level plans and performance reports with the public through the CIDA web-site.

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[104]http://www.tbs-sct.gc.ca/cmo_mfc/

4.7 Review: Performance Measurement, Evaluation and Internal Audit

Assessing the effectiveness of its development initiatives is a key element of CIDA's transformation into a more accountable, results-oriented, continuous-learning organization. Both internal and external reviews help the Agency meet its mandate and objectives and demonstrate its achievements to Canadians.

Consistent with the principles of modern comptrollership, the Agency uses three internal review instruments as part of its overall performance management and reporting approach. These are performance measurement, evaluation, and internal audit, and are elaborated on in CIDA's *Results-Based Management and Accountability Framework* (RMAF)[105]. In addition to these internal reviews, there are periodic independent Agency-level reviews conducted by external bodies such as the Office of the Auditor General of Canada[106] and the DAC[107].

CIDA's Performance Review Branch is responsible for Internal Audit, Evaluation and Results-based Management, while the branches are responsible for performance measurement. Performance information is used to develop and adjust CIDA's policies and programming as noted in Box 29 while assurance information is used to improve management practices and internal controls (see Box 30). In an effort to make better use of its assessments, the Branch has begun to establish a "sharing of knowledge and experience" initiative through the preparation of a series of Lessons Learned Papers.

4.7.1 Performance Measurement Frameworks

Performance measurement is a vital component of the results-based management approach. It focuses on tracking financial and non-financial resources, risks and progress towards intended results. Performance measurement frameworks are measurement strategies that identify performance indicators and help to ensure that useful information is collected on a regular and timely basis.

At the **Agency level**, a revised set of performance indicators is being developed based on the Key Agency Results (described in Section 4.1 above). The strategy for measuring performance with respect to Strategic Outcomes or Development Results, as well as for strengthening "Enabling Strategies" is to use information generated from program-level monitoring and evaluations, supplemented by information that is readily available from international sources, such as the World Bank World Development Report[108], the UNDP Human Development Report[109], the Development Assistance Committee indicators[110],

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[105]http://www.tbs-sct.gc.ca/eval/pubs/RMAF-CGRR/rmaf-cgrr-01-e.asp
[106]http://www.oag-bvg.gc.ca/
[107]http://www.oecd.org/dac/
[108]http://econ.worldbank.org/wdr/
[109]http://hdr.undp.org/
[110]http://www1.oecd.org/dac/indicators/

recipient-country and collaborative donor-country information to demonstrate progress towards the achievement of results. Assessing the progress will involve continuous tracking by line managers to ensure that activities and funding have been carried out in accordance with the planned results as well as within established policies, procedures and resources.

At the **program level**, performance measurement frameworks are being developed and improved upon to establish linkages among results at the project, program, and agency levels. Developing these frameworks is complex because it can only be achieved through discussion with partners and recipient governments to reflect developing-country priorities and needs. These performance measurement frameworks aim to facilitate the tracking, collection and aggregation of project and non-project information that enables the assessment of progress towards the achievement of intended program results as well as their contribution to the broader Agency results. As CIDA makes the shift from project to program orientation, the Agency is beginning to integrate performance measurement frameworks in selected country programming, such as in Senegal. (See Box 11: CIDA's Development Programming in Senegal.)

At the **project level**, an elaborate monitoring and reporting system is already in place as part of the Agency's results-based management approach. This system includes extensive training of staff and partners on results-based management, an information management system to link financial resources with results, and tools and approaches to assist managers in preparing project-level performance measurement frameworks, such as a more results-oriented Logical Framework Analysis[111] and the *Framework of Results and Key Success Factors*[112]. Project-level monitoring and evaluation, and quarterly reporting by Canadian partners and Executing Agencies, contribute to the preparation of Annual Project Performance Reports. These reports form the foundation for program and corporate-level reporting documents such as the Departmental Performance Report and reports to the DAC. Operational branches conduct an average of 90 assessments per year, of projects and institutional arrangements with partners. This information is used to make adjustments on the planning, design and implementation of projects so as to bring about the anticipated development results while ensuring the project's sustainability.

4.7.2 Evaluation

The value of evaluation at CIDA is learning about the results and benefits being achieved by individual development programs. Evaluation also demonstrates how these results and benefits are contributing to the Agency's overall goals and objectives and why initiatives have been successful or not.

The focus of evaluation work in the recent past has been at two levels: the agency level and the project level. The current strategy is to shift the focus of evaluation work towards the **program level**, on country programs and major institutional partners to

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[111]http://www.acdi-cida.gc.ca/cida_ind.nsf/vLUallDocByIDEn/42753CFCF219904B85256AF80009BD2B?OpenDocument
[112]http://www.acdi-cida.gc.ca/cida_ind.nsf/vLUallDocByIDEn/75727485FF0E7E0F852568C40060B7C1?OpenDocument

ensure that investments and initiatives have an actual impact on the populations of the countries we are dealing with. Such a shift has involved working more closely in partnership with recipient countries and other donor agencies (both bilateral and multilateral) on joint evaluations, and enables the Agency to better assess issues such as co-ordination of assistance among donors. This is being accomplished with the intention of providing better coverage of the Agency's achievements at the Strategic Outcome level, lines of business and transfer payments programs.

The evaluation focus at the program level places the emphasis on evaluating major components of Geographic, Multilateral and Canadian Partnership Program Branches, which together account for 90% of CIDA's transfer payments. An example of an Agency-level evaluation completed in fiscal year 2001-02 is the Agency-wide Infrastructure Services Performance Review[113]. (See Box 29: Agency-wide Infrastructure Services Performance Review.)

Box 29: *Agency-wide Infrastructure Services Performance Review*

CIDA undertook an Agency-wide Infrastructure Services Performance Review, which assessed the performance of 43 projects with a value of $660 million, in 13 countries and four sectors (energy, transportation, information/communication technology and water/sanitation). The Review provides an indication of how some of the Agency's infrastructure services investments have performed in delivering services such as clean and accessible water, efficient transport systems, reliable and affordable energy, and accessible information and communication. The evaluation provides conclusions and recommendations as well as summarizes the lessons learned that will be used to improve the Agency's infrastructure programming. Some of these include:

- CIDA has made major contributions to the building of local technical capacity and relevant appropriate physical installations, while working in partnership with recipient countries and other donors, that continue to generate benefits long after CIDA's involvement has ended.
- The provision of equitable access to infrastructure services and the measurement of poverty reduction benefits for the poor remain major challenges.
- Sufficient time is needed to build personal trust and political connections, which can prevent the loss of partnerships and policy dialogue after CIDA's involvement has ended.
- Focusing on the poor often requires participatory approaches and longer implementation periods so that local capacity can be built to ensure sustainability.

4.7.3 Internal Audit

Internal audit provides assurances relative to the soundness of risk management, management controls and information for decision-making/reporting and thereby contributes to the Agency's continuous management and improvement of programs, successful delivery of services and accountability for results.

In fiscal year 2001-02, CIDA completed 13 audits[114] on diverse initiatives such as the Yeltsin Democracy Fellowship Fund, Reducing Child Poverty in Haiti, Participatory

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[113]http://www.acdi-cida.gc.ca/cida_ind.nsf/49d9f10330ed2bb48525677e00735812/7619f4fc2e2a58e185256a3a0069ebb2?OpenDocument

[114]

http://www.acdi-cida.gc.ca/cida_ind.nsf/8949395286e4d3a58525641300568be1/b466d3e71af99c6d85256a1f004981fd?OpenDocumen
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Decentralized School Management in Mali, the Community Health Development Project in Nepal, etc. (See Box 30: Internal Audit of the Canada Fund for local initiatives in Brazil). These audits made recommendations, which were accepted by program managers, on various aspects of management controls, accountability and reporting structures.

Box 30: Internal Audit of the Canada Fund for Local Initiatives in Brazil[115]

The Canada Fund for Local Initiatives (CFLI) complements CIDA's bilateral and multilateral activities through support to development projects initiated by community groups and voluntary organizations, many of which are located in very remote areas of the country. The CFLI in Brazil focuses on children and adolescents, with basic education, health care and nutrition, and human rights being the principal programming areas. The CFLI also encourages active participation of the local population and seeks to improve the performance of local non-governmental organizations.

 The findings of the internal audit of CFLI in Brazil in 2001 are representative of the good results being achieved by these audit mechanisms and also illustrate some of the problems. Overall, the audit found that the CFLI in Brazil is being well administered and has successfully adapted to Brazil's specific circumstances. The Canada Fund was 100% compliant with the Canadian Environmental Assessment Act (CEAA) where it applied. Although projects are widely dispersed, the CFLI co-ordinator has taken steps to ensure that each approved project will be visited at least once per year. Some opportunities for improvement have been noted by the auditor, particularly in the area of reporting. The CFLI did not have a formalized procedure for the evaluation of proposed projects for funding. Such a procedure is necessary for the justification of project selection and rejection. CFLI management has taken measures to address this and other issues raised in the internal audit.

Annex I - Financial Performance

Financial Summary Tables

The summary financial information provided in the following tables is intended to show:

- what the plan was at the beginning of the year;
- what additional spending Parliament has approved through Supplementary Estimates to reflect changing priorities and unforeseen events (Total Authorities); and
- what was actually spent (2001-02 Actuals as presented in Public Accounts).

Table 1: Summary of Voted Appropriations

Vote	(thousands of dollars)	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
	Canadian International Development Agency			
	Budgetary			
20b	Operating expenditures	138,423	159,068	156,868
25b	Grants and contributions	1,523,098	1,709,609	1,707,898
(S)	Minister for International Co-operation - Salary and motor car allowances	52	68	68
(S)	Payments to the International Financial Institution Fund Accounts	151,800	199,834	199,834
(S)	Contributions to employee benefit plans	16,026	16,488	16,488
(S)	Spending of proceeds from the disposal of surplus Crown assets	0	22	0
(S)	Loss for Revaluation year end	0	876	876
(S)	Collection Agency fees	0	5	5
	Total Budgetary	1,829,399	2,085,971	2,082,038
	Non-budgetary			
L30b	Issuance of notes to the International Financial Institution Fund Accounts	0	226,112	226,112
L35b	Payment and issuance of notes to International Financial Institutions - Capital Subscriptions	4,500	4,500	4,486
(S)	Payments to International Financial Institutions - Capital Subscriptions	0	8,340	7,675
	Total Non-budgetary	4,500	238,952	238,273
	Total Agency	1,833,899	2,324,923	2,320,311

Table 2: Comparison of Total Planned to Actual Spending in 2001-02

(millions of dollars)	FTEs	Operating	Capital	Voted Grants & Contributions	Subtotal: Gross Voted Expenditures	Other Transfer Payments	Total Gross Expenditures	Less: Respendable Revenue (1)	Total Net Expenditures
Business Lines									
Geographic Programs	550	47.5	0.0	799.2	846.7	0.0	846.7	0.0	846.7
(Total Authorities)	*550*	*53.4*	*0.0*	*712.5*	*765.9*	*0.0*	*765.9*	*0.0*	*765.9*
(Actuals)	**544**	**53.0**	**0.0**	**710.9**	**763.9**	**0.0**	**763.9**	**0.0**	**763.9**
Multilateral Programs	66	5.6	0.0	327.9	333.5	151.8	485.3	0.0	485.3
(Total Authorities)	*66*	*7.7*	*0.0*	*593.1*	*600.8*	*199.8*	*800.6*	*0.0*	*800.6*
(Actuals)	**66**	**7.7**	**0.0**	**593.1**	**600.8**	**199.8**	*800.6*	**0.0**	**800.6**
Canadian Partnership	151	12.3	0.0	263.4	275.7	0.0	275.7	0.0	275.7
(Total Authorities)	*151*	*13.4*	*0.0*	*278.5*	*291.9*	*0.0*	*291.9*	*0.0*	*291.9*
(Actuals)	**150**	**13.4**	**0.0**	**278.5**	**291.9**	**0.0**	**291.9**	**0.0**	**291.9**
Countries in Transition	96	7.7	0.0	127.8	135.5	0.0	135.5	0.0	135.5
(Total Authorities)	*96*	*9.9*	*0.0*	*121.7*	*131.6*	*0.0*	*131.6*	*0.0*	*131.6*
(Actuals)	**94**	**9.9**	**0.0**	**121.7**	**131.6**	**0.0**	**131.6**	**0.0**	**131.6**
Communications	49	6.8	0.0	4.9	11.6	0.0	11.6	0.0	11.6
(Total Authorities)	*49*	*7.9*	*0.0*	*3.8*	*11.6*	*0.0*	*11.6*	*0.0*	*11.6*
(Actuals)	**48**	**7.9**	**0.0**	**3.8**	**11.6**	**0.0**	**11.6**	**0.0**	**11.6**
Policy	131	12.3	0.0	0.0	12.3	0.0	12.3	0.0	12.3
(Total Authorities)	*131*	*13.6*	*0.0*	*0.0*	*13.6*	*0.0*	*13.6*	*0.0*	*13.6*
(Actuals)	**129**	**13.5**	**0.0**	**0.0**	**13.5**	**0.0**	**13.5**	**0.0**	**13.5**
Corporate Services	360	62.3	0.0	0.0	62.3	0.0	62.3	0.0	62.3
(Total Authorities)	*360*	*70.7*	*0.0*	*0.0*	*70.7*	*0.0*	*70.7*	*0.0*	*70.7*
(Actuals)	**362**	**68.9**	**0.0**	**0.0**	**68.9**	**0.0**	**68.9**	**0.0**	**68.9**
Total (Budgetary)	1,403	154.5	0.0	1,523.1	1,677.6	151.8	1,829.4	0.0	1,829.4
(Total Authorities)	*1,403*	*176.5*	*0.0*	*1,709.6*	*1,886.1*	*199.8*	*2,086.0*	*0.0*	*2,086.0*
(Actuals)	**1,393**	**174.3**	**0.0**	**1,707.9**	**1,882.2**	**199.8**	**2,082.0**	**0.0**	**2,082.0**
Other Revenues and Expenditures									
Non-Respendable Revenues (2)									0.0
(Total Authorities)									*0.0*
(Actuals)									**38.5**
Cost of services provided by other departments									17.3
(Total Authorities)									*18.7*
(Actuals)									**18.7**
Net Cost of Program									1,846.7
(Total Authorities)									*2,104.7*
(Actuals)									**2,139.2**

1. These revenues were formerly called "Revenues Credited to the Vote".
2. These revenues were formerly called "Revenues Credited to the Consolidated Revenue Fund".

Table 3: Historical Comparison of Total Planned to Actual Spending

(millions of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Budgetary					
Geographic Programs	711.1	680.7	846.7	765.9	763.9
Multilateral Programs	665.3	947.4	485.3	800.6	800.6
Canadian Partnership	283.9	289.3	275.7	291.9	291.9
Countries in Transition	124.3	137.2	135.5	131.6	131.6
Communications	12.0	10.5	11.6	11.6	11.6
Policy	8.9	10.3	12.3	13.6	13.5
Corporate Services	56.9	65.3	62.3	70.7	68.9
Total Budgetary	1,862.4	2,140.6	1,829.4	2,086.0	2,082.0
Non-budgetary					
Multilateral Programs (1)	10.6	8.4	4.5	12.8	12.2
Total Agency	1,873.0	2,149.0	1,833.9	2,098.8	2,094.2

1. Includes payments to International Financial Institutions - Capital Subscriptions only.

Table 4: Resource Requirements by Organization and Business Line in 2001-02

(millions of dollars)	Geographic Programs	Multilateral Programs*	Canadian Partnership	Countries in Transition	Commu-nications	Policy	Corporate Services	Total
CIDA								
VP Africa & Middle East	418.5							418.5
(Total Authorities)	*325.3*							*325.3*
(Actuals)	**324.4**							**324.4**
VP Asia	254.8							254.8
(Total Authorities)	*255.8*							*255.8*
(Actuals)	**255.0**							**255.0**
VP Americas	173.4							173.4
(Total Authorities)	*184.8*							*184.8*
(Actuals)	**184.5**							**184.5**
VP Multilateral Programs		485.3						485.3
(Total Authorities)		*800.6*						*800.6*
(Actuals)		**800.6**						**800.6**
VP Canadian Partnership			275.7					275.7
(Total Authorities)			*291.9*					*291.9*
(Actuals)			**291.9**					**291.9**
VP Central and Eastern Europe				135.5				135.5
(Total Authorities)				*131.6*				*131.6*
(Actuals)				**131.6**				**131.6**
DG Communications					11.6			11.6
(Total Authorities)					*11.6*			*11.6*
(Actuals)					**11.6**			**11.6**
VP Policy						12.3		12.3
(Total Authorities)						*13.6*		*13.6*
(Actuals)						**13.5**		**13.5**
Agency Executive							4.9	4.9
(Total Authorities)							*5.7*	*5.7*
(Actuals)							**5.7**	**5.7**
VP Human Resources and Corporate Services							36.0	36.0
(Total Authorities)							*35.2*	*35.2*
(Actuals)							**33.6**	**33.6**
CIO Information Management & Technology							19.1	19.1
(Total Authorities)							*27.4*	*27.4*
(Actuals)							**27.4**	**27.4**
DG Performance Review							2.3	2.3
(Total Authorities)							*2.3*	*2.3*
(Actuals)							**2.3**	**2.3**
Total	846.7	485.3	275.7	135.5	11.6	12.3	62.3	1,829.4
(Total Authorities)	*765.9*	*800.6*	*291.9*	*131.6*	*11.6*	*13.6*	*70.6*	*2,086.0*
(Actuals)	**763.9**	**800.6**	**291.9**	**131.6**	**11.6**	**13.5**	**68.9**	**2,082.0**
% of Total (Actuals)	**36.7%**	**38.5%**	**14.0%**	**6.3%**	**0.6%**	**0.6%**	**3.3%**	**100.0%**

* The non-budgetary portion of the Multilateral Programs is not included.

Table 5: Non-Respendable Revenues[1]

(millions of dollars)	Actual 1999-00	Actual 2000-01	Actual 2001-02
Unplanned	13.7	95.4	38.5

1. These revenues were formerly called "Revenues Credited to the Consolidated Revenue Fund".

Table 6: Statutory Payments

(millions of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Multilateral Programs	247.4	412.1	151.8	199.8	199.8

Table 7a: Transfer Payments by Class of Grants and Contributions

CIDA grants, contributions and other transfer payments of $1,907.7 million account for 91.6% of CIDA's total expenditures. Further information is given below.

Details of Transfer Payments

(thousands of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Grants					
Grants for co-operation with countries in transition in Central and Eastern Europe and the former Soviet Union	0	0	250	0	0
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions and for special program and project expenses directly related thereto	100,207	224,902	46,332	223,102	222,992
Programming against hunger and malnutrition through international development and nutritional institutions, international non-governmental organizations or the International Development Research Centre for the benefit of recipients in developing countries and for special program and project expenses directly related thereto	77,133	107,341	95,578	208,351	208,349
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities and appeals and for special program and project expenses directly related thereto	122,755	113,052	88,366	134,897	134,897
Grants to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities and for special program and project expenses directly related thereto	61,234	45,193	78,687	30,922	30,922
Development assistance as education and training for individuals and for special program and project expenses directly related thereto	8,451	7,720	8,080	8,079	8,079
Grant to Jamaica	0	0	0	20,000	20,000
Y2K International Initiatives	305	0	0	0	0
Total Grants	370,085	498,208	317,293	625,351	625,239

Details of Transfer Payments (cont'd)

(thousands of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Contributions					
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to developing countries and their agencies and institutions in such countries and contributions to Canadian, international and regional institutions, organizations and agencies, to provincial governments, their organizations and agencies, and to Canadian private-sector firms in support of regional and country-specific projects, programs and activities, and for special program and project expenses directly related thereto	642,999	613,285	789,703	630,280	628,692
Contributions for co-operation with countries in transition in Central and Eastern Europe and the former Soviet Union	113,381	126,579	127,509	119,739	119,735
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions and for special program and project expenses directly related thereto	837	739	100	245	241
Programming against hunger and malnutrition through international development institutions, international non-governmental organizations or the International Development Research Centre for the benefit of recipients in developing countries and for special program and project expenses directly related thereto	35,423	37,622	100	20,896	20,895
Contribution to the Inter-American Development Bank	1,426	1,233	1,300	1,280	1,280
Programming against hunger and malnutrition through developing countries, their agencies and persons in such countries, Canadian non-governmental organizations or development institutions for the benefit of recipients in developing countries and for special program and project expenses directly related thereto	79,112	51,422	105,522	60,094	60,094
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities, and appeals and for special program and project expenses directly related thereto	6,304	9,464	100	8,462	8,462
Contributions to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities and for special program and project expenses directly related thereto	155,653	179,468	118,030	186,593	186,592

Details of Transfer Payments (cont'd)

(thousands of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Incentives to Canadian, international and developing-country private investors, institutions, organizations, and governments in support of industrial co-operation programs, projects and activities as well as special program and project expenses directly related thereto	43,206	47,142	58,585	53,535	53,535
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor governments and institutions in support of the development information program involving the production and dissemination of development information, educational materials and related activities	4,627	3,308	4,856	3,134	3,134
Total Contributions	1,082,968	1,070,262	1,205,805	1,084,258	1,082,660

Other Transfer Payments

(S) Encashment of notes issued to the development assistance funds of the international financial institutions in accordance with the *International Development (Financial Institutions) Assistance Act*	247,355	412,060	151,800	199,834	199,834
Total Other Transfer Payments	247,355	412,060	151,800	199,834	199,834

Items not Required

Grant to the International Centre for Human Rights and Democratic Development (ICHRDD)	4,359	0	0	0	0
Total Items not Required	4,359	0	0	0	0
Total	1,704,767	1,980,530	1,674,898	1,909,443	1,907,733

Table 7b: Transfer Payments by Activity

(millions of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Grants:					
Geographic Programs	6.7	14.4	9.5	78.5	78.4
Multilateral Programs	293.7	430.3	220.8	507.2	507.2
Canadian Partnership	74.0	53.3	86.8	39.4	39.4
Countries in Transition	0.0	0.3	0.3	0.3	0.3
Corporate Services	0.0	0.0	0.0	0.0	0.0
Total Grants	374.4	498.2	317.3	625.4	625.2
Contributions:					
Geographic Programs	645.0	618.2	789.7	634.1	632.5
Multilateral Programs	118.7	95.9	107.1	85.9	85.9
Canadian Partnership	197.7	224.1	176.6	239.1	239.1
Countries in Transition	116.4	128.4	127.5	121.4	121.4
Communications	5.1	3.8	4.9	3.8	3.8
Total Contributions	1,082.9	1,070.3	1,205.8	1,084.3	1,082.7
Other Transfer Payments:					
(S) Multilateral Programs	247.4	412.1	151.8	199.8	199.8
Total Other Transfer Payments	247.4	412.1	151.8	199.8	199.8
Total Transfer Payments	1,704.7	1,980.5	1,674.9	1,909.4	1,907.7

Table 8: Capital Spending by Business Line

(millions of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Corporate Services:					
New Informatic System (S-EPA)	19.8	0.0	0.0	0.0	0.0

Table 9: Loans, Investments and Advances

(millions of dollars)	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Multilateral Programs:					
Payments to International Financial Institutions - Capital Subscriptions (L35)	4.6	4.5	4.5	4.5	4.5

Table 10: Contingent Liabilities

(thousands of dollars)	Amount of Contingent Liability		
	March 31 2000	March 31 2001	Current as of March 31 2002
Claims for damages			
- Perera R.	2,800	3,000	
Claims for breach of contract			
- Canadian Ocean Research Associates (CORA)		2,950	40
- Jangor Corporation		164	164
Claim for general average			
- Prekookeanska Plovidba	749		
Claim for negligence and breach of fiduciary duties			
- L. Larose and P. Hurd and D. Pankhurst	1,200		
Total Contingent Liabilities	4,749	6,114	204

Annex II - Consolidated Reporting

Procurement and Contracting

1. Role played by procurement and contracting in delivering programs.

Procurement and contracting play an important role in helping to fulfil CIDA's mandate as the lead federal government agency responsible for delivering Canada's Official Development Assistance. The mandate is to support sustainable development in developing countries in order to reduce poverty and to contribute to a secure, prosperous and equitable world. There are two main programming mechanisms used to deliver assistance: the directive mechanism initiated by CIDA and the responsive mechanism initiated by development partners. Assistance is provided in the form of goods delivered to developing countries through contracts and in the form of services provided through contribution and grant agreements and through contracts.

2. Department's audits and evaluations of procurement practices.

CIDA's Internal Audit Division conducted a follow-up audit on ACAN and sole sourced contracts to the audit conducted in 2000 by the Office of the Auditor General. The CIDA audit is planned to be completed in the fall of 2002. Preliminary results indicate positive improvements with compliance with Treasury Board policy.

3. Progress and new initiatives enabling effective and efficient procurement practices.

- Completed initial training of the Agency groups who participated in the Contracting Dispute Resolution Pilot Project;

- Continued participation in the Government-on-Line project "Electronic Supply Chain" which seeks to provide an electronic goods and services procurement mechanism; and

- Completed the introduction of a standardized model contribution agreement for the Geographic Program.

- Prepared a guide on the use of contribution agreements.

4. Internet links and/or Web site addresses.

The following Internet addresses provide further information about CIDA's procurement and contracting regime:

- Your Guide to Working with CIDA (http://www.acdi-cida.gc.ca/contractinginfo.htm) assists in the identification of opportunities to work with CIDA. It also provides an

overview and useful links relating to CIDA's contracting regime, as well as information on CIDA's unsolicited proposal mechanism and funding programs such as the Industrial Co-operation Program and the Renaissance Program, Central and Eastern Europe. Also included is information on access to opportunities from multilateral organizations. Specific links for contracting are as follows:

i. Contracting Information (http://www.acdi-cida.gc.ca/contractinginfo.htm) on CIDA's procurement and contract management policies and processes.

ii. Current Opportunities (http://www.acdi-cida.gc.ca/currentopportunities.htm) for contracting. Information provided includes:

   a. Projects at the planning stage ("pipeline") - advance information on projects at the concept stage for which most likely proposals will be called;

   b. link to MERX - where contracting opportunities will be posted;

   c. a guide to Standing Offer Arrangement; and

   d. the annual document, "Service Contracts and Lines of Credit" - a listing and short description of projects, contact points of contractors and percentage of undisbursed funds. These are useful in the exploration of subcontracting opportunities.

Annex III - Other information

Web Sites and Contacts for Further Information

For additional information about CIDA's programs, activities and operations, please visit our Internet site at the following address: **http://www.acdi-cida.gc.ca/index.htm**

or contact:

Public Inquiries
Canadian International Development Agency
Communications Branch, 5th Floor
200 Promenade du Portage
Hull, Quebec
Canada K1A 0G4

Telephone: 1-819-997-5006
Toll free: *1-800-230-6349*

Telecommunications Device for the Hearing and Speech Impaired: 1-819-953-5023
Toll free: *1-800-331-5018*

Fax: 1-819-953-6088

E-mail: . . . . info@acdi-cida.gc.ca

Legislation Administered

CIDA is designated as a department for the purposes of the *Financial Administration Act* by *Order-in-Council P.C. 1968-923* of May 8, 1968 and *P.C. 1968-1760* of September 12, 1968. The authority for the CIDA program and related purposes is found in the *Department of Foreign Affairs and International Trade Act*, in the *Annual Appropriations Act* and in the *International Development (Financial Institutions) Assistance Act*. CIDA is the lead government organization responsible for Canada's ODA.