Canadian International Development Agency
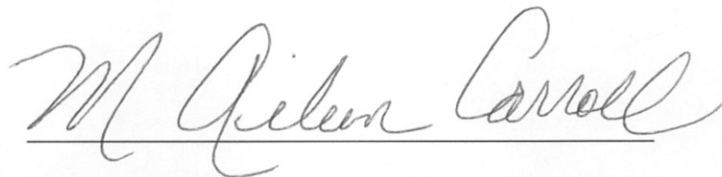
Departmental Performance Report 2004

For the period ending
March 31, 2004

[signature]

Minister of International Cooperation

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Acronyms and Abbreviations

ACAN.................Advanced Contract Award Notice
ACORD ....Agency for Co-operation and Research in Development
AfDB ....African Development Bank
AsDB ....Asian Development Bank
AIDS.................Acquired Immune Deficiency Syndrome
AMEB ....Africa and Middle East Branch
ATA....................Afghan Transitional Authority
AU ....African Union
CAREC...............Caribbean Epidemiology Centre
CARICOM ....Caribbean Community and Common Market
CBO....................Community Based Organization
CCCDF...............Canadian Climate Change Development Fund
CCODP...............Canadian Catholic Organization for Development and Peace
CDPF.................Country Development Programming Frameworks
CEAA ....Canadian Environmental Assessment Act
CEE ....Central and Eastern Europe
CENDUSI..........Centre for Sustainable Development Initiatives
CGF ....Centre des Fonds Locaux
CGIAR...............Consultative Group on International Agricultural Research
CIDA ....Canadian International Development Agency
CMT ....Common Measurement Tool
CPB ....Canadian Partnership Branch
CUSO ....Canadians University Service Overseas
CYP ....Contraceptive Years of Protection
DAC...................Development Assistance Committee (of the OECD)
DDR...................Disarmament, Demobilization and Reintegration
DND ....Department of National Defense
DOTS.................Directly Observed Treatment Short Course
DPR ....Departmental Performance Report
EBRD ....European Bank for Reconstruction and Development
EDC ....Export Development Corporation
EDRMS ....Electronic Document Records Management System
ENCAPD ....Environmental Capacity Development
EFA ....Education for All
ESAC.................Enhanced Support to HIV/AIDS in the Caribbean
EU......................European Union
EX......................Agency Executive
FAC ....Foreign Affairs Canada
FIDELIS ....Fund for Innovative DOTS Expansion through Local Initiatives to Stop TB
GDF ....Global Drug Facility
GEF ....Global Environment Facility
GFATM ....Global Fund to Fight AIDS, Tuberculosis and Malaria
GHD ....Good Humanitarian Donorship
GOL ....Government on Line
HIV....................Human Immunodeficiency Virus
IAVI...................International AIDS Vaccine Initiative
IAE ....International Assistance Envelope
ICRC..................International Committee of the Red Cross
ICTY..................International Criminal Tribunal for the former Yugoslavia
IDRC ....International Development Research Centre
IFI ....International Financial Institution
IM/IT ....Information Management and Information Technology
IMF....................International Monetary Fund

KARs ....Key Agency Results
MARPOL ....International Conventional on Prevention of Marine Pollution
MDBS.................Multi-donor Budgetary Support
MDGs ....Millennium Development Goals
MOPAN.............Multilateral Organizations Performance Assessment Network
MST...................Marie Stopes Tanzania
NAC...................National AIDS Council (Mozambique)
NERICAS...........New Rice for Africa
NGO ....Non-Governmental Organization
OA ....Official Assistance
OAS ....Organization of American States
OCHA................Office for the Coordination of Humanitarian Affairs
ODA ....Official Development Assistance
OECD ....Organisation for Economic Co-operation and Development
OECS.................Organization of Eastern Caribbean States
PACT.................Program for Building African Capacity for Trade
PAHMD.............Program on Hunger, Malnutrition and Disease
PBA ....Program-Based Approach
PDBF ....Palli Daridro Bimochon Foundation
PEDP ....Primary Education Development Programme
PIAP ....Policy Implementation Assistance Project
PMF ....Performance Measurement Framework
PPC....................Pearson Peacekeeping Centre
PPR....................Program Performance Report
PRSP..................Poverty Reduction Strategy Paper
PSD....................Private-Sector Development
PSU....................Program Support Unit
RBAF.................Risk-Based Audit Framework
RBM ....Results-Based Management
RMAF................Results-Based Management and Accountability Framework
RPP....................Report on Plans and Priorities
SAPEF ....Stand-Alone Public Engagement Fund
SARP.................South Asia Regional Program
SARS ....Severe Acute Respiratory Syndrome
SAT ....Southern Africa AIDS Training Program
SCFAIT ....Standing Committee on Foreign Affairs and International Trade
SDRP.................Sustainable Development and Poverty Reduction Programme
SDS-3 ....Sustainable Development Strategy 2004-2006
SEA ....Strategic Environmental Assessment
SEELINE............South Eastern European Women's Legal Initiative
SMEs ....Small and Medium Enterprises
STCU.................Science and Technology Centre in the Ukraine
STI.....................Sexually-Transmitted Infection
SWAP................Sector-Wide Approach
TBS....................Treasury Board Secretariat
UN ....United Nations
UNAIDS............Joint United Nations Programme on HIV/AIDS
UNCCD ....United Nations Convention to Combat Desertification
UNDG ....United Nations Development Group
UNDP ....United Nations Development Programme
UNDPKO ....United Nations Department for Peacekeeping Operations
UNEP.................United Nations Environment Programme
UNESCO ....United Nations Educational, Scientific and Cultural Organization
UNFPA..............United Nations Population Fund
UNHCR ....United Nations High Commissioner for Refugees
UNICEF.............United Nations Children's Fund

UNIFEM.............United Nations Development Fund for Women
UNRWA.............United Nations Relief and Works Agency for Palestine Refugees
USAID................United States Agency for International Development
WFP....................World Food Programme
WHO ....World Health Organization
WSSD.................World Summit on Sustainable Development
WTO...................World Trade Organization

Section I

1.1   Minister's Message

The past year has been immensely challenging for the international community. Poverty continued to blight the lives and limit the futures of millions of people, particularly in Africa and South Asia. Conflict and HIV/AIDS cut a devastating swath through much of sub-Saharan Africa and other affected regions as well. Governments and institutions at all levels struggled with corruption and incapacity, and environmental deterioration threatened life and economic growth. Meanwhile, crises in several countries demanded an immediate response for humanitarian assistance, security, or both.

The connection between many of these trends and the overarching threat of terrorism brought into stark relief the interdependence of developing and industrialized countries, and underlined the importance of cooperation and collaboration in the international community.

I am pleased that the Canadian International Development Agency (CIDA) worked so effectively over the past year to address the immediate needs of countries as diverse as Afghanistan, Iraq, Haiti, and Sudan. In rapidly changing environments, CIDA collaborated with other government departments and agencies on an integrated approach to defence, diplomacy, and development. At the same time, the Agency worked closely with its development partners, ranging from other donors to non-governmental organizations (NGOs). In both cases, CIDA invested its resources in the most efficient way possible to support the Government of Canada's priorities.

While CIDA responded to emergencies, it also continued working with partners toward the long-term goal of sustainable development with special attention to its nine priority countries, six in Africa.

In September 2000, the countries of the world agreed on a set of objectives, known as the Millennium Development Goals, or MDGs. The MDGs provide specific, time-bound targets and indicators in key areas, including health and education, gender equality, HIV/AIDS, and environmental sustainability. They also set out a new global partnership for development that takes into account issues like debt, a fair global trading system, and access to life-saving medicines and technology.

In 2003–2004, the United Nations (UN) Secretary-General warned us that the world will not attain these critical goals if business continues as usual. But at CIDA, business has *not* continued as usual: for the past several years, the Agency has been undergoing a profound internal transformation to make aid more effective and to increase accountability to Canadians. Our reforms in financial, human resources, and information management, and our progress in aid harmonization, policy coherence, program focus, and enhanced partnership, all came together as we implemented the first permanent increase in the aid budget in more than a decade.

Canada continues to increase its aid budget. In 2004, the Government of Canada provided for an additional eight-percent increase for international assistance in 2005–2006, marking an

important step toward fulfilling Canada's commitment to double our development assistance by the year 2010.

Successful development builds capacity in our developing country partners, enabling them to address their own challenges. Over the year, CIDA continued to make significant progress toward this goal by strengthening our developing country partners in key areas related to governance such as financial management, planning and project management. We identified ten countries to graduate from the aid program by the end of the year—the ultimate goal for all of our developing country partners.

A new Government of Canada initiative—the Canada Corps—will help developing countries address governance challenges, including rule of law issues, by harnessing the knowledge, energy and enthusiasm of young Canadian professionals. This initiative will build on existing programs such as international internships to make it easier for Canadians to make a difference in the developing world.

Child protection is a cornerstone of CIDA's development programming. Through research, humanitarian assistance and project piloting, more than 3,000 youth in Colombia will have developed negotiation, communication, planning, leadership and citizenship skills through training in peacebuilding, thanks to a $1-million CIDA-supported Conflict Resolution for Adolescents project run by Foster Parents Plan of Canada. The project was chosen by UNESCO as an example of a best practice in education, an achievement recently celebrated at the 47th International Conference on Education in Geneva in September 2004.

Other notable achievements included our contributions to the global fight against HIV/AIDS. Canada has responded to the pandemic with strong strategic leadership—including passing groundbreaking legislation to allow the export of generic, low-cost medications to countries in need, a generous financial commitment, and a comprehensive, coordinated approach to HIV/AIDS programming. We continue to work closely with our partners across Canada and in the international community to help halt and reverse the spread of this deadly disease.

We also increased investments in education, agriculture and rural development—key sectors in the fight against poverty. Moreover, we achieved these results while responding rapidly to meet the needs of countries in crisis.

None of this could have been achieved without the hard work and dedication of CIDA staff. Working under tremendous pressure to plan and implement major initiatives involving new programming approaches, new types of partnerships, and new sectors such as security, CIDA's employees charted a course for international development that focuses on developing country ownership, strong international partnerships, and an accelerated push toward the fulfilment of the MDGs.

CIDA is deeply involved in the government's integrated review of its international policies. This review will guide our future international engagements. Canada can make a difference and can carry more than our own weight. We need to work better, to work smarter, in diplomacy, in development, in defence and in international trade.

This Departmental Performance Report highlights CIDA's work in 2003–2004 and, for the first time, includes a "report card" that assesses how well we met commitments outlined in our 2003–2004 Report on Plans and Priorities (RPP). It reflects our work in refining goals, objectives, and indicators for performance, and it illustrates the close relationship between our own program priorities and the MDGs. I invite all Canadians to read this report, and to celebrate with me the successes of the many Canadian organizations and individuals who have contributed to sustainable development throughout the world.

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The Honourable M. Aileen Carroll, P.C. M.P.
Minister of International Cooperation

1.2   Management Representation Statement

I submit, for tabling in Parliament, the 2003–2004 Departmental Performance Report (DPR) for the Canadian International Development Agency.

The preparation of this report has been based on the reporting principles and other requirements in the *2003–2004 Departmental Performance Reports Preparation Guide* and represents, to the best of my knowledge, a comprehensive, balanced, and transparent picture of the organization's performance for the 2003–2004 fiscal year.

Paul Thibault
President, Canadian International Development Agency
September 13, 2004

1.3   Executive Summary

The 2003–2004 fiscal year was a year of both consolidation and growth at the Canadian International Development Agency (CIDA). Wide-ranging internal reforms at all levels began to have an impact on the aid program. At the same time, the first major permanent increase in resources in more than a decade saw an expansion in sustained programming, particularly in Africa—the region in greatest need. Nearly a dozen countries were poised to graduate from the aid program, many of them now positioned to provide aid to other countries. Several others moved toward aid independence, with reduced programs and stronger, more multifaceted relations and partnerships with Canada.

Meanwhile, persistent poverty, the proliferation of HIV/AIDS, continuing environmental deterioration and climate change, human rights violations, and conflict impeded development progress in the developing world. Against this backdrop, the UN Secretary-General sent an urgent message to the global community in his status report on the Millennium Development Goals, warning that these goals will not be met by most of the world if business continues as usual.

CIDA, as the federal department responsible for administering most of Canada's Official Development Assistance (ODA) program, responded to global challenges on a number of levels: strengthened programming in economic and social development, and enhanced investments in security and governance; widespread use of new programming approaches that emphasize the priorities of partner countries, and capacity building among partners; and increased attention to harmonizing Canada's aid practices with those of other donor countries. In addition to helping states in crisis (Afghanistan and Iraq), CIDA's new resources were directed mainly at nine countries of concentration—Bangladesh, Bolivia, Ethiopia, Ghana, Honduras, Mali, Mozambique, Senegal, and Tanzania—based on their need for assistance and their capacity to use it wisely.

The Agency made considerable strides in addressing poverty reduction in 2003–2004. It released its new policy on Private Sector Development (PSD) and increased its investments in agriculture and rural development by 9 percent over the previous year, with 40 percent of these investments concentrated in Africa. For example, in Ghana, a poor and chronically food-insecure country, CIDA supported the government in its implementation of poverty reduction and food and agriculture policies, assisted local governments in developing their own strategies, helped integrate farmers into agricultural markets, and funded the implementation of locally determined initiatives, such as grain storage.

CIDA also continued to implement its action plans related to the social development priorities of basic education, health and nutrition, HIV/AIDS, and child protection. All sectors remained on the path to achieving their targets. CIDA took additional steps to meet the challenge of HIV/AIDS, by nearly doubling Canada's contribution to the Joint United Nations Programme on HIV/AIDS (UNAIDS), the major international organization fighting the pandemic. In addition to supporting prevention, treatment, vaccine research, and capacity building for partners, CIDA also played a key role in developing the recently passed Canadian legislation to make cheaper

generic versions of essential drugs available to developing countries for the treatment of HIV/AIDS, malaria, and tuberculosis.

CIDA continued to advocate strongly in support of environmental sustainability issues with its partners, and often supported such issues through multilateral channels. However, the rise of new challenges, particularly in the area of security, reduced the number of environmental issues that CIDA could support. Regarding security, CIDA increased its presence and delivered humanitarian aid and peacebuilding support in conflict-affected areas (Haiti, Sudan, Sri Lanka, Sierra Leone, the Great Lakes Region of Africa), and also shared its experience in terms of programming undertaken in states in conflict. At the same time, the Agency continued to help governments and institutions to build their capacity to govern and respect human rights in their nations. To cite one example, CIDA's support to the Government of Bolivia's Anti-Corruption Unit, which investigates public complaints, resulted in the laying of charges against several public officials.

The implementation of CIDA's policy statement released in fall 2002, *Canada Making a Difference in the World: A Policy Statement on Strengthening Aid Effectiveness,* went hand in hand with the increase in funding allocated to international cooperation. This allowed Agency planners to integrate new approaches, new funding arrangements, and new partnerships into programs focused on those countries in greatest need. CIDA made vital progress in harmonizing aid practices and policies with its partners in countries such as Ethiopia and Bolivia, and contributed to strengthening multilateral organizations, including those affiliated with the UN.

The implementation of an integrated framework for planning, resourcing, evaluating, and reporting at CIDA played an important role in 2003–2004 in meeting the challenges of integrating new systems and approaches, while at the same time absorbing the additional resources of Budget 2003 into the aid program. However, the increasing and changing workload put significant additional pressures on staff, especially those in the field. Nevertheless, commitment to the Agency's mission remains widespread and strong among staff, and these workload issues are now being resolved.

CIDA's public engagement programs have extended their reach among young people. The work CIDA has done in collaboration with Foreign Affairs Canada (FAC) and the Department of National Defence (DND) has contributed to the high profile of Canada's efforts in Afghanistan. Canada's leadership role in Africa's development efforts has been well documented by the media. Work still remains to be done in communicating the complex message of the strategic importance of development assistance in today's globalized and interconnected world.

Overall, CIDA met the challenges of 2003–2004 with improved systems and program strategies, directly addressing some of the most difficult issues facing the international community today. The Agency is part of a government-wide international policy review, a process that will help harmonize the efforts of all departments involved in relations with other countries. For CIDA, this review will help to better focus the Agency's efforts where they can be most effective and where they can best reflect the values and interests of Canadians.

Section II: Agency Overview

2.1 Introduction

In September 2000, world leaders made a pledge to lift hundreds of millions of people out of extreme poverty by 2015. At the United Nations (UN) General Assembly, they adopted the historic Millennium Declaration and committed themselves to achieving the Millennium Development Goals (MDGs)—a set of clear, measurable targets that address some of the key elements of social and economic development *(see box: The MDGs: Targets by 2015[1] and Annex IV)*. These goals have become a benchmark for human progress and a foundation for the global community's development cooperation programs. This DPR is an overview of Canada's early efforts to contribute toward these goals and an accounting of Canada's contribution to the new vision for human development.

> ***The MDGs: Targets by 2015***
> 1. Reduce poverty and hunger by half
> 2. Ensure universal access to primary education
> 3. Eliminate gender disparity at all levels of education
> 4. Reduce child mortality by two thirds
> 5. Reduce maternal mortality by three quarters
> 6. Halt and reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases
> 7. Integrate environmental sustainability, reverse the loss of resources, reduce by half the number of people without access to safe water
> 8. Build a new partnership for development

2.2 Canada and International Development Cooperation

Canada has supported international cooperation since the founding of the UN, the World Bank and other international organizations in the years immediately following the Second World War. By 1968, Canada's development cooperation program had grown and diversified to the point where a new organization—the Canadian International Development Agency (CIDA)—was established to administer it. For 36 years, CIDA has supported the social and economic development programs of countries and organizations around the world. Going beyond the provision of humanitarian relief and emergency assistance, the Agency has built an international reputation for innovative programming in areas such as gender equality and environmental sustainability, as well as for championing human rights, involving and supporting the work of non-governmental partners, and advocating for greater aid effectiveness.

Canadians have consistently supported development cooperation as an expression of some of their most cherished values: generosity, humanitarianism, peace, fairness, and equality.[2] Their support has been rewarded with results: Canadian tax dollars and Canadian aid workers and volunteers have helped make a real difference in the lives of people in the world's poorest countries. For example, Canada has been a world leader in vitamin A supplementation that, according to an estimate of the United Nations Children's Fund (UNICEF), has saved the lives of more than 1.5 million children. Vitamin A is estimated to reduce child mortality by approximately 23 percent in deficient populations. The Micronutrient Initiative's most recent

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1. http://www.un.org/millenniumgoals
2. In September and December 2003, Environics Group surveyed Canadian public perceptions and attitudes concerning development assistance and reported that a majority (78 percent) support Canada's aid program.

estimate in terms of the coverage and impact of vitamin programs indicates that almost
141 million children are being reached annually with supplements, averting an estimated 330,000
deaths of children under five-years of age.

2.3 CIDA's Mandate and Objectives

> "We want to see greater collaboration among nations to ensure that economic
> policies go hand in hand with stronger social programs to alleviate hunger,
> poverty and disease, and to help raise the standards of living in developing
> countries."
>
> — Speech from the Throne,[3] 2004

Canada's foreign policy objectives are to promote prosperity, protect Canadian and global
security, and project Canadian values. The provision of international assistance plays a vital role
in meeting these objectives. CIDA's mandate, as set out in *Canada in the World* (1995), is as
follows:
- support sustainable development in order to reduce poverty and contribute to a more secure,
  equitable, and prosperous world;
- support democratic development and economic liberalization in countries in transition in
  Eastern Europe and the former Soviet Union; and
- support international efforts to reduce threats to international and Canadian security.

Updating Canada's Foreign Policy

CIDA plays an important role in Canada's presence in the world, along with its colleagues in diplomacy, defence,
trade, finance, immigration, and many other areas. In fact, all of these departments and agencies have been working
closely together to ensure that Canada's policies are consistent and that each participant supports the work of the
others. CIDA has been active in ensuring that government policy initiatives are carefully reviewed for their impact
on developing countries. In December 2003, the Government of Canada announced its plan to undertake a
comprehensive review of the international policy framework, which will have important implications for CIDA. The
policy review will allow those departments involved in international affairs to achieve a more integrated approach,
and to further CIDA's efforts to strategically focus its activities where they can be most effective and where
Canadian interests and values are best served.

CIDA contributes to sustainable development to reduce poverty in the poorest countries,
measured through progress in terms of the following development goals: economic well-being,
social development (basic education, health and nutrition, HIV/AIDS, and child protection, with
gender equality as a crosscutting issue), environmental sustainability, and governance. These
constitute the Key Agency Results (KARs), which guide CIDA's work, and form the strategic
framework for the achievement of CIDA's aid program. *(see Section 4.1, Chart 1: CIDA's
Strategic Outcomes and KARs)* The ultimate goal of CIDA's development results is to contribute
to the achievement of the MDGs, as noted in Table 1.

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3. http://pm.gc.ca/eng/sft-ddt.asp

Table 1: CIDA's Development Priorities: In Support of the MDGs

CIDA Programming Area	MDG Targets
Economic well-being: Strengthen investment in agriculture and rural development; ensure that Private Sector Development (PSD) and trade benefit the poor; strengthen financial institutions that serve the poor	**1.** Reduce by half the proportion of people living on less than a dollar a day, by 2015
Economic well-being: Strengthen investment in agriculture and rural development to increase production and purchasing power Social development: Strengthen programming in health and nutrition, including support to micronutrition and nutritional supplements; provide humanitarian assistance	**1.** Reduce by half the proportion of people who suffer from hunger, by 2015
Social development: Strengthen programming in basic education, including increasing access to and improving quality of education, provide humanitarian assistance	**2.** Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
Social development: Remove barriers to and facilitate equal access and participation in education; integrate gender equality into all programming	**3.** Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education, by 2015
Social development: Implement CIDA's Action Plan on Health and Nutrition and CIDA's Action Plan on Child Protection, including support for immunization; provide humanitarian assistance	**4.** Reduce child mortality by two thirds by 2015
Social development: Implement CIDA's Action Plan on Health and Nutrition, including support for safe motherhood and family planning; integrate gender equality into all programming	**5.** Reduce maternal mortality by three quarters by 2015
Social development: Implement CIDA's Action Plan on HIV/AIDS, including support for prevention, treatment, and research into vaccines	**6.** Halt and reverse the spread of HIV/AIDS
Social development: Implement CIDA's Action Plan on Health and Nutrition, which includes investment in the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)	**6.** Halt and reverse the incidence of malaria and other major diseases
Environmental sustainability: Strengthen government and industry capacity to preserve environmental assets	**7.** Integration of sustainable development into country programs and policies and reversal of the loss of environmental resources
Environmental sustainability: Invest in community water supplies; strengthen the capacity of communities and governments to manage water resources	**7.** Reduce by half of proportion of people without sustainable access to safe drinking water by 2015
Environmental sustainability: Strengthen the capacity of communities and governments to plan urban development and manage resources	**7.** Achieve significant improvement in the lives of at least 100 million slum dwellers by 2020
Implement CIDA's Policy on Strengthening Aid Effectiveness, including measures to untie aid, support local priorities, and harmonize aid practices	**8.** Develop a new partnership for development
Governance: Improve governance structures and institutional capacity in partner countries; strengthen civil society; and enhance respect for rights and democratic principles	**ALL:** Build the capacity of developing countries to achieve the MDGs themselves

The Agency's total budget in 2003–2004 was $2.6 billion,[4] which supported the following types of activities:

- strengthening the capacity of partner countries to address their own development challenges;
- providing technical assistance in a wide variety of fields, from HIV/AIDS prevention, to environmental conservation, to the decentralization of public services;
- responding to humanitarian emergencies;
- generating and disseminating knowledge on all aspects of development;
- engaging in policy dialogue with international partners to promote issues of interest to Canadians; and
- strengthening aid effectiveness and aid organizations.

2.4 CIDA's Partners

CIDA continues to work extensively and effectively with international partners, including members of the UN system[5] and the international financial institutions (IFI),[6] as well as global partnerships and programs such as the Consultative Group on International Agricultural Research (CGIAR), the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (GFATM), and international networks such as the Multilateral Organizations Performance Assessment Network (MOPAN).

CIDA delivers its aid program with the help of partners from government, civil society, and the private sector in Canada and abroad. Among its Canadian government partners are Foreign Affairs Canada (FAC),[7] National Defence (DND),[8] Human Resources and Skills Development Canada (HRSDC),[9] International Trade Canada (ITC),[10] Industry Canada[11] and the Department of Justice Canada (DOJ).[12] The Agency's voluntary sector partners include non-governmental organizations (NGOs) and institutions such as colleges and universities, professional associations, volunteer cooperation agencies, cooperatives, unions, and faith-based organizations. CIDA also calls upon the world-class expertise of Canadian private sector firms and groups in a wide range of fields, from engineering and environmental remediation, to community development and health sector reform.

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4. CIDA's total budget derives from the Canadian government's International Assistance Envelope (IAE). Also known as the aid budget, this includes the areas for which CIDA is responsible: ODA to developing countries and official assistance (OA) to the countries of Central and Eastern Europe. CIDA manages approximately 80 percent of the IAE, which also includes grants, contributions, and transfer payments made by other federal departments, including Foreign Affairs Canada (FAC), the Department of Finance Canada, and the International Development Research Centre (IDRC).
5. The United Nations Development Programme (UNDP), UNICEF, World Food Programme (WFP), World Health Organization (WHO), to name a few.
6. The World Bank, International Monetary Fund (IMF), and regional development banks.
7. http://www.fac-aec.gc.ca/
8. http://www.dnd.ca/
9. http://www.hrsdc.gc.ca/
10. http://www.itcan-cican.gc.ca/
11. http://www.ic.gc.ca/
12. http://canada.justice.gc.ca/

CIDA also works with other donors, such as the United Kingdom's Department for International Development,[13] and with donor groups, such as the Organisation for Economic Co-operation and Development (OECD)-Development Assistance Committee (DAC).[14] In partner countries, CIDA works with government organizations, civil society, and private sector groups. The Agency also works with continental and regional organizations, such as the African Union (AU).

2.5 Results for Canadians

The primary purpose of development assistance, as noted above, is to support sustainable development in developing countries and countries in transition. As developing and industrialized countries become more and more interdependent, supporting social and economic development in developing countries brings a wide range of direct and indirect benefits to Canadians.

Canada's development assistance program:
- *plays an important role in Canada's global reach and influence*
  Our development assistance program enables Canada to engage in dialogue with developing country governments, other donors, and multilateral organizations. Canada has used this access to take a leadership role in many areas, for example, the development of policies, programs, and activities that reflect Canadian values and priorities, such as human rights, environmental standards, support to private sector development, and child protection.[15]

- *provides a concrete expression of values that Canadians cherish*
  Most Canadians feel that Canada, as a rich country, has a moral obligation to help people in need. Canada has been able to help some of the world's poorest people, supporting peacebuilding and reconciliation in conflict zones, HIV/AIDS prevention, basic education for all, disaster relief for refugees, and health services for those whose access is limited, especially mothers and children.

- *builds long-term relationships with some of the fastest-growing economies in the world*
  While economic growth in countries like India and China is mainly the result of their own hard work and wide-ranging government reforms, Canada has been able to play a role in supporting them. Today, these countries are among our trading partners, along with many other emerging economies in Asia, Latin America, the Caribbean, and Africa.

- *helps make the world more secure for Canadians*
  It contributes to the reduction of global threats like terrorism, environmental disaster, and disease by strengthening the ability of all countries to manage their resources sustainably, and supports peace, good governance, and the promotion and protection of human rights.

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13. http://www.dfid.gov.uk/
14. http://www.oecd.org/department/0,2688,en_2649_33721_1_1_1_1_1,00.html
15. Canada's leadership in child protection has increased international attention to issues such as war-affected children. (*See box, "Engaging Canadians: General Dallaire, Special Advisor on War-Affected Children," Section 4.4.4*) Canada has also played an important role in ensuring that the rights of women refugees are respected in humanitarian assistance programs.

> **Partnership for Canadians**
>
> As partners in development, Canadian civil society organizations work with their developing country counterparts in CIDA-funded programs ranging from basic health and education to human rights and environmental conservation. They also share their expertise in dialogue with CIDA, and contribute to policies on a wide range of issues.
>
> These organizations also maintain strong ties with their supporters and members—ordinary Canadians who donate to support their programs overseas. As vehicles for the expression of Canadian values, civil society organizations help create a strong social commitment to the principles of sustainable development among their constituencies and beyond. At the same time, they help increase public awareness and mobilize public support on key issues, such as landmines, sweatshop labour, a fair global trading system, and blood diamonds.

By fostering an increased level of public engagement, civil society organizations shape global citizens who can influence change, both in Canada and abroad. By encouraging and training their developing country counterparts to dialogue, advocate for change, and demand accountability of their governments, they are influencing the democratic process. And by involving ordinary Canadians in the effort, they are increasing their impact and building solidarity among like-minded people everywhere.

2.6 Accountability to Canadians: Renewal and Reform

Although Canadians are strong supporters of development cooperation, they remain concerned about its effectiveness. In fall 2002, CIDA released its policy statement, *Canada Making a Difference in the World: A Policy Statement on Strengthening Aid Effectiveness,*[16] which outlined the Government of Canada's plan to improve the efficiency and effectiveness of its aid program. This policy is now being implemented *(see Section 4.4, Strategies for Delivering Lasting Development Outcomes: Enabling Results, and Annex III)*.

In addition, CIDA has sharpened its performance management and accountability to Canadians. The baseline for CIDA's accountability is its Sustainable Development Strategy (SDS).[17] This document is the Agency's three-year business plan, which covers all aspects of the Agency's work. From this, an annual workplan is established through the Reports on Plans and Priorities (RPP), and CIDA then reports on this plan to Canadians through the Departmental Performance Report (DPR).[18]

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16. http://www.acdi-cida.gc.ca/aideffectiveness

17. http://www.acdi-cida.gc.ca/cida_ind.nsf/AllDocIds/F395F90E46BEEF1285256E3500699F9F?OpenDocumen t#snav

18. Data—both qualitative and quantitative—for the DPR comes from a variety of sources. Statistical data on global development came from the UN or World Bank, both well regarded and widely considered among the best data sources for this kind of information. Financial information on CIDA disbursements came from internal CIDA systems. All financial and disbursement information is coded into an information database according to a number of different variables: sector, country, priority, and so on. Experts in statistical analysis are able to extract analytical and statistical data based on this coding, in order to report CIDA spending according to strategic outcomes and priorities. A third source of information are the reports produced by CIDA staff, namely project, program and branch-level performance reports, which include details of projects, results achieved, and challenges faced.

Tabled in February 2004, CIDA's Sustainable Development Strategy 2004–2006 (SDS3)[19] included highlights of the progress CIDA achieved in the 2001–2003 period *(see box: Management Achievements of the Sustainable Development Strategy, 2001–2003).* These highlights reflect a key element in CIDA's implementation of its Policy on Strengthening Aid Effectiveness: the development of the Results-Based Management and Accountability Framework (RMAF) that forms the basis for all planning, resourcing, monitoring, program implementation, and reporting. This integrated framework helps CIDA to improve the effectiveness with which aid can be brought to bear upon the problems it was targeted to redress, as well as maintain an open, accountable, and results-based program. Regular monitoring and in-depth evaluations and audits throughout the life cycle of projects, programs, partners, and sector themes are the basis for assessing CIDA's performance against this framework *(for details on performance measurement, please refer to Section 5.1, Results-Based Management).* Given the

> *Management Achievements of the Sustainable Development Strategy, 2001–2003*
> - Release of CIDA's Policy on Strengthening Aid Effectiveness
> - Establishment of the RMAF
> - Implementation of action plans for social development priorities
> - Adoption of new policies for agriculture/rural development and Private Sector Development
> - Identification of nine countries of focus
> - Renewed efforts at public engagement
> - Implementation of the new policy on untying aid
> - Focus on policy coherence
> - Increased alignment of country programs with developing country plans and priorities
> - Development of Integrated Risk Management Framework
> - Reduction from 34 to three business processes
> - Implementation of government-wide initiatives such as integrated modern management.

recent tabling of SDS3, the Agency's first report on performance relative to it will be included in next year's DPR (2004–2005).

The SDS highlights reflect another key element of CIDA's renewal—the wide range of initiatives related to management reform. These initiatives have allowed CIDA to adopt a more coherent, horizontal, and whole-of-Agency approach, which emphasizes modern management.

Through its management reforms, CIDA has placed an emphasis on greater fiscal accountability. On this count, the results of the Agency's financial performance in 2003–2004 were noteworthy. CIDA maximized the use of its aid budget to within 0.04 percent of its total and markedly improved control of its operating costs. CIDA also developed a new management regime comprising resource management principles, a corporate governance system, and began in-depth reviews of corporate service functions.

The Agency has transformed in recent years into a more effective, knowledge-based organization by strengthening its policy development and analytical capacities. The Agency has committed to formal and informal knowledge networks in recognition of their important role in and contribution to CIDA's shift to a knowledge-sharing organization. New or revitalized Agency-level committees were established and now better support CIDA's decision-making process in areas such as finance, human resources, policy, and information management and technology.

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19. http://www.acdi-cida.gc.ca/cida_ind.nsf/AllDocIds/F395F90E46BEEF1285256E3500699F9F?OpenDocument# snav

Canada's aid program reflects both Canadian values and interests as well as the goals of the international development community. As the implementing Agency for most of Canada's aid program, CIDA must manage a well-balanced portfolio of activities that meet Government of Canada's requirements for probity, due diligence, transparency, efficiency, and effectiveness. In the sections that follow, the context within which CIDA operates is laid out, and details of CIDA's results illustrate how its internal reforms have benefited the aid program and strengthened its contribution to the MDGs.

Measuring Results

CIDA has improved the linkage between resources and results. In fall 2003, the Agency introduced costed work planning, which attributes costs to activities undertaken as part of projects, programs, operations, and maintenance, and then sums up the total cost of achieving program results, according to each of the Agency's development outcomes.

CIDA has also strengthened the way in which it measures the results associated with these costs and activities. As reported in SDS3, the Agency has refined and clarified outcomes, priorities, and indicators for its results. These indicators, such as school enrolment rates or incidence of disease, are based on data available from internationally accepted sources, such as the WHO or UNICEF; on indicators developed for partner countries' poverty reduction strategies, national development plans, or their equivalents; and on indicators developed for the MDGs.

Section III: The Development Context

3.1 Development Challenges

In September 2003, the Secretary-General of the UN presented the UN General Assembly with an update on the world's progress toward the MDGs. Although the report showed progress in almost every area, it also warned the world that most countries would not reach all of their MDG targets by 2015 unless more resources were devoted to their efforts. According to the UNDP, the region of East Asia and the Pacific, led by China, has nearly halved extreme income poverty, with evidence of real progress toward the other MDG targets as well.[20] The Arab States and the Americas are also in a good position to achieve their MDG targets by 2015. If present trends continue, however, South Asia will achieve only two targets by 2015: accessing clean water and reducing income poverty by half. Sub-Saharan Africa faces the biggest challenges of all if current trends persist: universal primary education will not be achieved before 2129, the reduction of extreme poverty by half will take until 2147, and the reduction of child mortality by two thirds will not be accomplished before 2165.

Although the MDGs in Europe and Central Asia apply to the low- and middle-income countries in the region, the targets are less likely to be achieved in certain regions, within specific ethnic groups, or by gender.[21]

3.1.1 Major MDG and Development Trends in the 1990s [22]
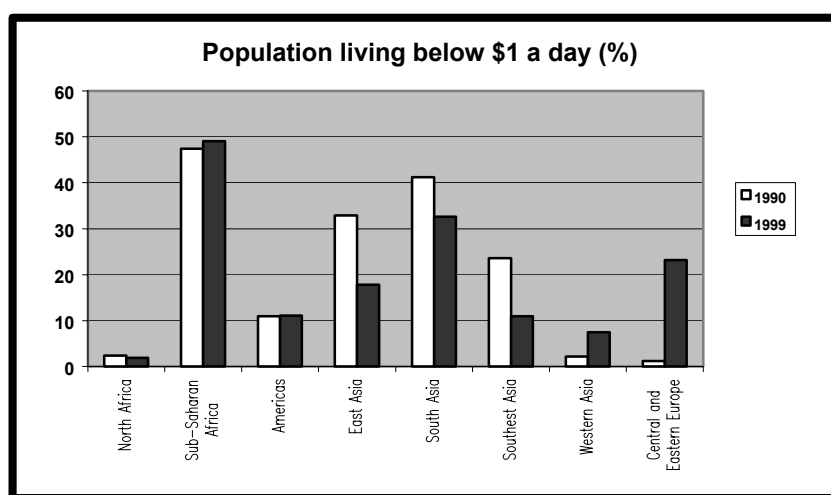
Eradicating Extreme Poverty and Hunger

According to the UNDP,[23] this MDG has already been reached by the Arab States and East Asia and the Pacific. Indications are that the majority of the world may well achieve this goal, due to progress in countries like India and China, where the greatest number of people in poverty live. The proportion of people living in extreme poverty has fallen from 40 percent to 21 percent in the past two decades, meaning that

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20. UNDP, *Human Development Report 2003*
21. Four countries (Georgia, Tajikistan, Bosnia and Herzegovina, and Serbia and Montenegro) are considered low-income and lower-middle-income countries (official development assistance), and two (Russia and Ukraine) are considered to be less advanced among the countries and territories in transition (official assistance). See DAC List of Aid Recipients, January 1, 2003, at: http://www.oecd.org/dataoecd/35/9/2488552.pdf
22. Unless otherwise specified, all data in this section are taken from the Report of the UN Secretary-General.
23. UNDP, *Human Development Report 2003*

there are now 400 million fewer people living in extreme poverty. Nevertheless, more than half of Africa's children live in absolute poverty, and huge gaps remain within countries and in the most vulnerable regions, such as sub-Saharan Africa.

With respect to the target of halving the proportion of people who suffer from hunger, as of 2000, almost half (47 percent) of children under five in South-Central Asia were underweight. In Africa, 31 percent of children were hungry, and recent droughts in Southern Africa and Ethiopia have exacerbated the situation. Thus far, only Central and Eastern Europe has achieved this goal; East Asia and the Pacific is expected to do so by 2015; the Americas, by 2020; and the world as a whole, by 2050. South Asia and sub-Saharan Africa may not reach this goal for 200 more years.

Achieving Universal Access to Primary Education

The regions of the Americas, Central and Eastern Europe, East Asia and the Pacific achieved the goal of universal primary education in 2000. Although this is a laudable achievement, problems of quality and relevance in education persist, particularly in the Americas. The rest of the world lags markedly in this area: it is expected that South Asia will reach universal primary education as late as 2050; for the Arab States and the world overall, by 2100; and for sub-Saharan Africa, only by 2200.

Primary enrolment ratio (%)

Share of women in non-agricultural employment (%)
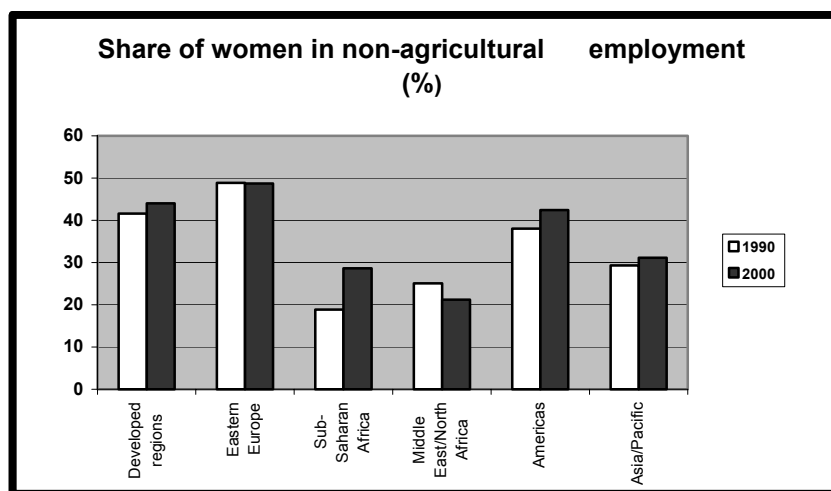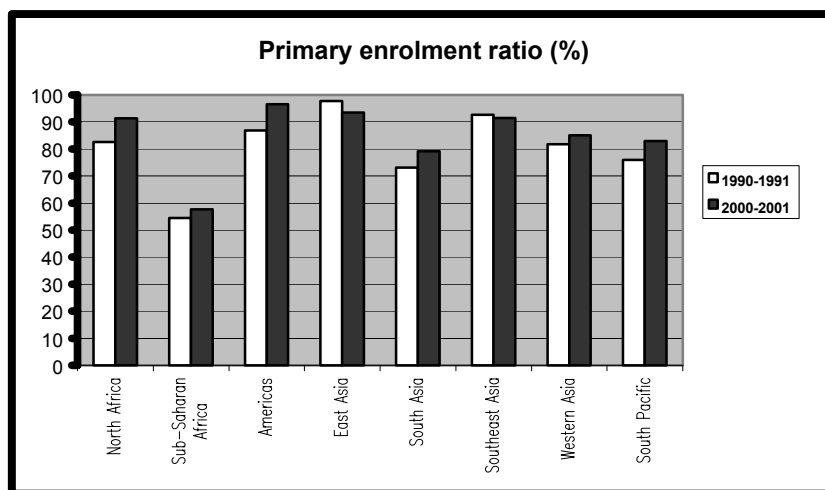
Gender Equality and Empowerment of Women

No developing nation has completely achieved this goal. Women continue to be severely under-represented in decision-making, with women from developing countries filling 13.5 percent of national parliamentary seats, compared with nearly 40 percent in Nordic countries. Women remain under-represented in paid employment, health, education, and many other areas of life. Although the Americas are expected to reach the gender equality MDG by 2015, and East Asia and the

Pacific should achieve this goal by 2020, it will be decades later for the Arab States and South Asia. These areas are expected to reach the gender equality MDG around 2050.

Reducing Child Mortality and Improving Maternal Health

The Americas are expected to reach the target goal of reducing child mortality by two thirds before 2015; and for East Asia and the Pacific, the goal should be reached not long after. However, South Asia and the Arab States will probably not reach it until the world as a whole does, around 2050. Sub-Saharan Africa and Central and Eastern Europe lag far behind, and are not expected to achieve this goal for another two centuries.
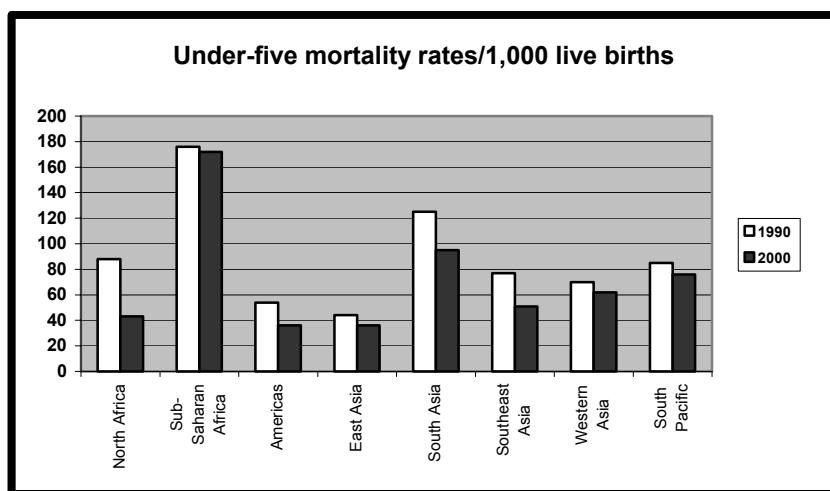
Under-five mortality rates/1,000 live births

Meanwhile, mothers around the world continue to face severe challenges. Despite a nearly 25-percent increase in the number of births with trained attendants during the 1990s, maternal mortality rates continue to take their toll in developing countries, averaging 440 deaths for every 100,000 live births. In comparison with women in developed countries, women in sub-Saharan Africa are 175 times as likely to die while giving birth.

Combating HIV/AIDS

As of December 2003, an estimated 40 million people were living with HIV/AIDS worldwide, and some 2.5 million of these people were under 15 years of age.[24] In 2003, 3 million people died from the disease, and another 5 million people acquired the infection. Although there has been some progress in halting the

AIDS cases worldwide (millions)

spread of HIV/AIDS, including in Thailand, Senegal, Cambodia, and Uganda, the virus continues to move rapidly through almost all regions of the world. Sub-Saharan Africa is the region most affected, with more than two thirds of all infections. By 2010, more than 20 million children worldwide will have lost one or both parents to AIDS.
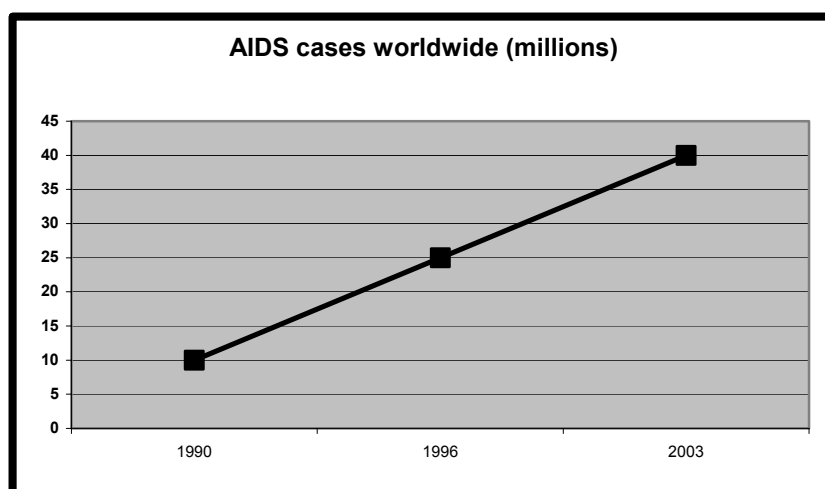
24. UNAIDS, *AIDS Epidemic Update*, December 2003

Conflict and Security

Since the end of the Cold War, the recurrence of violent conflict and its devastating effect on the security and development of much of the world has led the international development community to recognize the importance of addressing conflict and promoting a culture of conflict prevention and peace. Peace- and security-related activities have been part of development strategies for some time, and CIDA's programming reflects this trend as well. Since 1990, peacebuilding activities and governance initiatives have been a focus of international attention, and have included legal/judicial reform, public sector oversight, democratization, human rights, and security sector reform.

Underlying all of the challenges in the world's developing regions is a heightened attention to global security following the events of September 11, 2001, and an awareness that terrorism affects every region of the world.

Update on Afghanistan: The Transition From Emergency to Reconstruction

After the fall of the Taliban in late 2001, the international community and Afghan representatives, through the Bonn Agreement, set the course for reconstruction by establishing an interim government and an action plan for rebuilding the nation. Since then, Afghanistan has made remarkable strides: a new constitution; scheduled presidential and legislative elections; more than 1 million girls enrolled in school; reform underway in defence, justice, and finance; significant progress in de-mining; and the reintegration of nearly 3 million Afghan refugees.

CIDA played an important role in facilitating many of these achievements. From January 2003 to March 31, 2004, CIDA disbursed just over $142 million for both humanitarian assistance and long-term development projects in national security, the rule of law, and livelihoods and social protection. For example, CIDA was involved in the following:

- building the capacity of the Afghan government to assist returning refugees and internally displaced persons;
- supporting local development projects, from emergency relief and rehabilitation to reconstruction, based on the needs of individual communities;
- supporting policing, demobilization, disarmament and the reintegration of former combatants, voter registration, de-mining and civil–military cooperation, together with Canada's DND;
- supporting the civil–military cooperation program, which funds small community development projects identified by the communities and by Canadian peacekeepers in the Kabul region;
- taking a leadership role in supporting gender equality through support for women's radio programming, education for girls, and the provision of credit and training to low-income women entrepreneurs;
- contributing to the Afghan Reconstruction Trust Fund to cover the government's operating expenses, such as salaries for medical personnel, teachers, hospital and school supplies, fuel, and communications equipment.

CIDA's program of assistance supports Afghanistan's National Development Framework and budget, and is guided by a government-led consultative group process to which all donors belong. CIDA also works in close coordination with its Government of Canada partners in Afghanistan (FAC and DND) to plan Canada's focus and interventions in the country. At the end of 2003–2004, CIDA announced a further $250 million for Afghanistan to cover programming in the 2005–2009 period, and to build on the results already achieved.

3.1.2 The Regional Perspective

Africa and the Middle East is one of the most challenging and diverse aid programming areas within CIDA. The world's development challenges are most acute in Africa. Many African

countries have been burdened with slow economic growth, poverty, and conflict. In sub-Saharan Africa, one person in five is affected by conflict, and one in two lives on less than US$1 a day; between 42 million and 52 million African children do not attend school; and 30 million people are HIV-positive, 60 percent of whom are women. In Africa, attempts to resolve these problems are hampered by a lack of human and financial resources, persistent drought, natural disasters, corruption, fragile democratic institutions, conflict and post-conflict environments, and inadequate governmental capacity. Also, in the Middle East, there is a need for humanitarian assistance and reconstruction in a post-conflict Iraq, while issues of equity, democracy, and peacebuilding also drive CIDA's development agenda in the region.

Asia accounts for some 60 percent of the world's poor. More than 2 billion people in Asia, one third of humanity, earn less than US$2 a day. Yet the region also has the greatest potential for continued poverty reduction, with rapid economic growth and improvements in social investments. To realize this potential, Asia must overcome serious challenges that pose risks to the region's economic prospects, particularly trade and investments. These include, terrorism and the possible re-emergence of transborder health risks, such as Severe Acute Respiratory Syndrome (SARS) and avian flu. The region is also politically volatile with an unpredictable situation in Afghanistan and its neighbouring countries, tensions in North Korea, and civil unrest in Indonesia, Nepal, and the Philippines. Afghanistan emerged as a focus area for CIDA in 2002–2003, and will continue to be a major focus in 2004–2005. In contrast, there have been moves to ease tensions between India and Pakistan, and there is hope for the peace process in Sri Lanka. Environmentally, Asia is affected by soil degradation and water depletion, while the transition to more urban-based, industrial, and service-driven economies continues. Corruption and cronyism continue to hinder poverty reduction; issues related to governance, transparency, and participatory processes are also increasing challenges and hindering development progress. Finally, HIV/AIDS has affected 7 million people in Asia, and threatens to further entrench poverty in the region.

Collectively the **Latin America and Caribbean** countries exhibit the largest gap between rich and poor, with the highest levels of social and economic inequality in the world. Economic prospects in most nations of the region are meager in the short term: 44 percent of the population live below national poverty lines, and a fifth of the region's people live in extreme poverty. Such disparities have contributed to rising discontent in a region where, with the exception of Cuba, democratic governments are now the norm. These governments still need to improve their management capacity and accountability, attack corruption and organized crime, and eliminate the abuse of power. In a few countries—with Haiti being the most recently and most seriously affected—a fundamental crisis of governance due to the inability of governments to consolidate legitimacy, address basic needs, and maintain public confidence, has called into question the very sustainability of the democratic process. Volatility and vulnerability (both drug- and poverty-related) remain high, and violence and insecurity have increased in the region—a trend likely to continue. Illegal trade in narcotics and small arms is making inroads and the entire region has been affected by the intensifying conflict in Colombia, following the breakdown of peace talks, recent elections, and increased United States military assistance. It is in this context of instability that CIDA is working in the region to promote equity and extend the benefits of growth, reduce instability and vulnerability, and strengthen human resources and institutions required to address these challenges.

There have been successes in the countries in transition of **Central and Eastern Europe.** On May 1, 2004, 10 countries joined the European Union (EU). Eight of these countries have been recipients of Canadian technical assistance since 1989, and are now poised to "graduate" by April 2005. Russia continues to increase its international stature based on a more stable political and economic climate. Transition is starting in earnest in the Balkans, now that regional, ethnic, and religious conflict is subsiding. These successes aside, significant transition- and development-related challenges remain. Endemic poverty and tenuous human security conditions continue in the Southern Caucasus and Central Asia, where CIDA is responding to the call for Canadian involvement in development programming. In coming years, CIDA will continue to support the transition needs in Russia, Ukraine, and the Balkans. Progress on meeting these and other challenges will be accomplished by the developing countries themselves. Support for their efforts will continue to come from donors like Canada.

3.2 Responding to the Development Challenges

The New "Development Compact"

At the UN International Conference on Financing for Development in 2002, world leaders established a new compact for sustainable development. Known as the "Monterrey Consensus," this partnership is grounded in the understanding that developing countries bear the primary responsibility for their own development, while industrialized countries are committed to providing effective and predictable aid, and removing inconsistencies in their broader economic and trade policies that affect developing countries.

Perhaps the most enduring, and most promising progress toward the MDGs has occurred in terms of the eighth goal of building a "global partnership" for development. In fact, this goal provides the foundation for all the others: based on the new "development compact," it frames an entirely new relationship of mutual benefits and obligations for both industrialized and developing countries. The new partnership commits industrialized countries to open up trade markets to developing countries and provide them with debt relief and improved development financing. Matching commitments to improve governance and institute policy reforms were made by developing countries.

Principles of Aid Effectiveness

Based on 50 years of experience in international cooperation, the developing and industrialized countries of the world have reached a consensus on how to make aid more effective. The basic principles are as follows:
- local ownership;
- improved donor coordination;
- stronger partnerships;
- greater coherence between aid and non-aid policies; and
- a results-based approach.

The global partnership is positioning the entire international community for an accelerated push toward sustainable development by 2015. In order to achieve the MDGs by then, global foreign aid must roughly double its 2003 level of US$60 billion. In recent years, donor countries have reversed the long decline in development spending: the volume of aid has risen by 11 percent over the past two years, and existing pledges will result in a further 25-percent increase by 2006.

3.2.1 Harmonizing and Aligning Aid

The international community is also making clear gains in reforming the international aid system, especially in harmonizing aid operations. Donors fund more than 60,000 aid projects around the world, and each donor has its own processes and schedules. Not aligning with the

partner country's budget cycle or administrative systems creates a tremendous administrative burden on under-resourced developing countries. In February 2003, at the High-Level Forum on Harmonization, held in Rome, the international community agreed on a program of activities to correct these inefficiencies and support local ownership.

A Working Party on Aid Effectiveness and Donor Practices, comprising donor countries and organizations and developing country governments, has been helping countries and donors to implement the Rome Declaration. Based at the OECD-DAC, this group is focusing on harmonization/alignment, public financial management, procurement, aid untying, and managing for development results. It is also helping developing countries to strengthen their own capacity to manage aid so that donors can rely increasingly on local systems and institutions.

3.2.2 Canada's Contribution

"Canada has committed to double our international assistance budget by 2010–2011. Today we are taking an important step toward this goal by increasing this assistance by $248 million for 2005–2006. We have made a commitment to the world's poorest, and we will honour it."
— Budget Speech,[25] March 23, 2004

CIDA is mobilizing both human and financial resources to contribute to the achievement of the MDGs through its aid program, tapping into Canadian expertise in the private, institutional, and volunteer sectors to share knowledge in education and health, Private Sector Development (PSD), governance, and other fields. At the International Conference on Financing for Development in 2002, Canada committed to doubling the aid budget from its 2001–2002 level by 2010. The first increase was announced in the February 2003 federal budget,[26] for the 2002–2003 fiscal year.

In addition to increasing the aid budget, Canada has also removed its share of some of the major barriers that prevent developing countries from moving forward: debt and lack of access to markets. Already, Canada has forgiven most of its ODA-related debt and opened its market to duty-free and quota-free imports of most goods from the poorest developing countries. Canada is also untying its aid program to enable developing countries to access goods and services from the least expensive source, and eventually to develop their own capacity to provide goods and services. Further, legislation was passed to make much-needed HIV/AIDS drugs and other medicines more accessible to those who need them most.[27]

Finally, implementation of CIDA's *Policy on Strengthening Aid Effectiveness* is helping the Agency to improve its own program and strengthen its partners' programs as well. The Agency's major strategies include increasing the use of new programming approaches that align with

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25. http://www.fin.gc.ca/budget04/speech/speeche.htm
26. http://www.fin.gc.ca/budget03/speech/speeche.htm
27. Canada was the first developed country to enact the World Trade Organization (WTO) Decision on Trade-Related Aspects of Intellectual Property Agreement and Public Health, which allows developing member states to import, under compulsory license, generic versions of patented pharmaceutical products to address public health problems. CIDA played a key role in ensuring that development objectives were enshrined in Bill C-9.

developing country strategies and foster local ownership of the development process; increasing concentration of Canada's aid program, both geographically and in the number of sectors in which Canada is involved; adopting a focus on Africa, the region in greatest need; achieving greater coherence among all Government of Canada policies that affect developing countries; working toward better harmonization of aid practices and procedures among donors and partner countries; restructuring CIDA's accountability framework to reflect the MDGs; and undertaking an internal renewal within CIDA to meet the development challenges of the 21st century.

3.2.3 Managing Risk

CIDA works in areas of civil conflict, natural and humanitarian disaster, political and economic instability, and extreme human deprivation. These are the areas of greatest human need, but they are also areas of great risk in terms of both human and financial resources. CIDA's human resources—its staff, contractors, and partners—must often deal with security risks from criminals and terrorists. CIDA's programs also involve risks at several levels: some partner countries struggle with debt, corruption, weak institutions, conflict, or lack of political will; most are affected by international threats like HIV/AIDS, pollution, or terrorism. The changing international climate brings new priorities, such as security, to CIDA's programming. In addition, management issues, lack of harmonization in programming, or inadequate knowledge and information management, also have their impact on how well CIDA can fulfill its program objectives.

CIDA has strengthened its risk management framework to incorporate these considerations through in-depth risk assessments of organizations and situations; better project design that includes risk management strategies; closer alignment between plans and priorities, resources, and results; and stronger partnerships that include well-defined roles and responsibilities. In addition, as CIDA becomes more involved in multi-country programs, joint responsibility not only reduces the risk to individual donors, it also strengthens the management and accountability of the program being supported, and contributes to better and more lasting results.

Managing Risk Through Partnerships

General risks associated with all CIDA programs relate to the potential for political upheaval and short-term chaos. CIDA's partnership programs are delivered in all parts of the world, including countries where the likelihood of undemocratic political change is high. For example, political instability is prevalent in Burundi, but the human rights work being supported by CIDA's partner Primates World Relief and Development Fund continues all the same. Canadian and local partners play a key role when crises erupt in fragile and failed states. While CIDA's government-to-government relationships may be interrupted during times of crisis, CIDA's local partners, almost without exception, remain engaged to support and protect vulnerable groups that may experience distress during such periods. Many of these local partners are used by multilateral agencies as delivery channels to reach the most vulnerable people.

Test Cases for Managing Risk: Budgetary Support

CIDA's support for sector-wide approaches emerged in the late 1990s, responding to international consensus and recognition of the weaknesses of stand-alone development projects. Following the principles of the Policy on Strengthening Aid Effectiveness, this support evolved from coordinated projects aligned with recipient country strategies to joint funding arrangements, and from pooled funding modalities to direct budget support to a country's poverty reduction strategy.

In fact, CIDA's contributions to the Primary Education Pooled Fund in Tanzania and the Multi-Donor Budgetary Support facility in Ghana were test cases for Treasury Board of Canada. Having seen ample demonstration of the extent of analysis, and risk management and risk mitigation mechanisms established by donors prior to engaging in this type of support, and reassured that the appropriate checks and balances were in place, Treasury Board Ministers granted approval to the Agency to engage in budgetary support initiatives.

Canada was part of the donor group that developed the terms and conditions, checks and balances, and the matrix of performance indicators related to budget support to regulate such transfers of funds. CIDA is open to using this modality where considerations of aid effectiveness and fiduciary risk allow. Given the varying levels of security, stability, and governance present in some nations, the Agency is taking a measured approach to each situation. Investments rest on extensive research and thorough risk analysis, complemented by risk mitigation strategies. Many of these analyses are shared among donors. All of this helps decrease fiduciary risk at a time when donors have begun to engage in budgetary support.

Section IV: Departmental Performance

4.1 Introduction

CIDA's Key Agency Results (KARs) are the core of CIDA's Results-Based Management and Accountability Framework (RMAF), the Agency's structure for accountability to Canadians. CIDA's KARs show the relationship between the Agency's mandate, the MDGs, and the principles of aid effectiveness. The three KAR areas are integrated and mutually supportive: efficient management approaches support effective enabling strategies that, in turn, contribute to long-term development results. Together, these provide the conceptual basis for CIDA to plan, resource, implement, monitor, and report.

CIDA's KARs are defined as follows:

- Development results (strategic outcomes) are the long-term impacts CIDA aims to achieve in partner countries in four interconnected areas: economic well-being, social development, environmental sustainability, and governance. Gender equality and environment issues are addressed throughout the program. CIDA's development results reflect the MDG commitments, as well as Canadian contributions to development not explicit in the MDGs, such as in governance. CIDA shares accountability with developing countries and with the development community as a whole in achieving development results. Given that development is a complex, long-term process, the development results have a time horizon between five and 20 years.

- Enabling results are strategies to ensure that timely and appropriate programs are in place to achieve development results. CIDA's strategies are grounded in the principles of development effectiveness, and make for an appropriately allocated and effective portfolio of international programs. CIDA is fully accountable for these results. Enabling results can be demonstrated in the short- to medium-term, and have a time horizon between three and five years.

- Management results are the approaches CIDA will take in areas like human resources, knowledge management, information management, planning, and resource allocation, to support enabling results and achieve development results. Again, CIDA is fully accountable for these results. Management results are achievable in the shorter term, and have a time horizon of about three years.

Chart 1: CIDA's Strategic Outcomes and KARs

Poverty Reduction/Sustainable Development

MDGs

Development Results
* Gender Equality and the Environment are crosscutting themes across all development results

Economic Well-being

Equitable economic growth and improved standards of living of poor women and men, girls and boys

Social Development

Improved quality of life of poor women and men, girls and boys through enhanced social services; management of the social impact of reform; progress toward gender equality; and humanitarian aid

Governance

Improved governance structures and institutional capacity; strenghtened civil society; improved peace and security; and enhanced respect for human rights and democracy

Environmental Sustainability

Improved environmental sustainability, through the protection, conservation and management of the diversity and integrity of the environment

Enabling Results

Appropriate Programming Orientation
Appropriate Sectoral and Thematic Focus
Appropriate Geographic Focus
Engaged Canadians
Institutional Strengthening of CIDA's Partners

Management Results

Strategic Planning and Resource Allocation
People Management
Knowledge Management
Information Management and Information Technology
Management, Processes, Approaches and Support Activities

Chart 2: 2003–2004 CIDA Aid Disbursements by KARs

Environmental Sustainability
$176.0
7.9%

Governance
$345.3
15.4%

Social Development
$981.6
43.8%

Economic Well-Being
$737.4
32.9%

Total: $2,244.1

Disbursements are expressed in $ millions.
Uncoded projects account for $3.8 million.
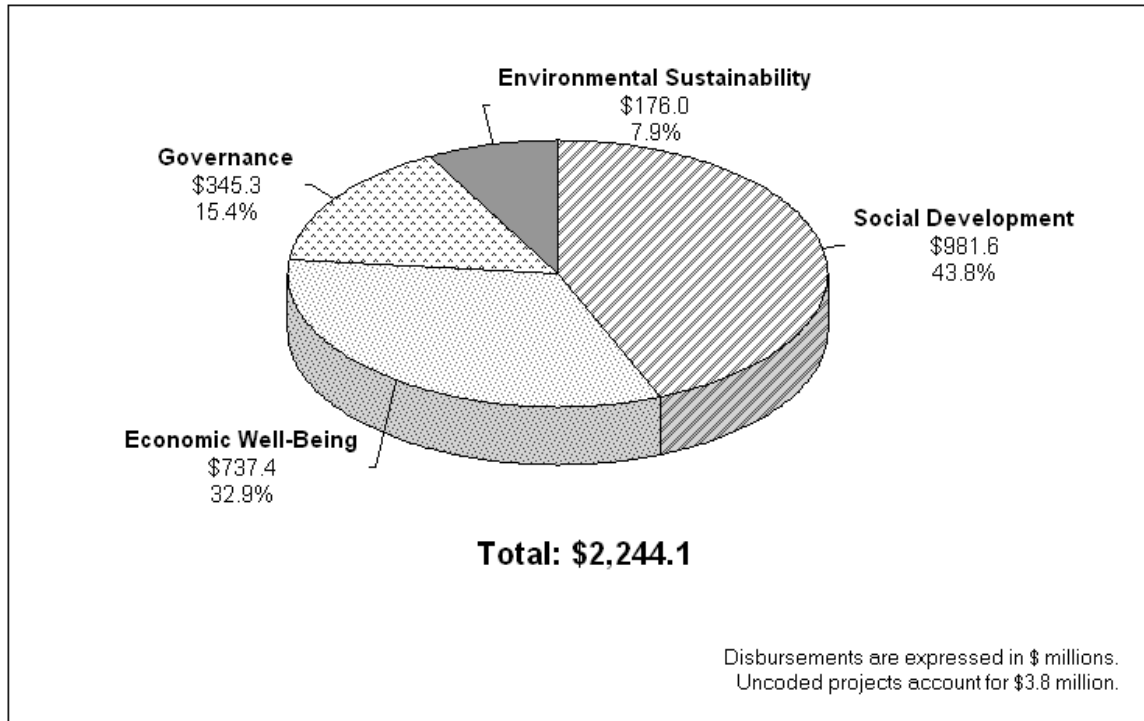
Chart 3: 2003–2004 CIDA Aid Disbursements by Program Branch

Americas Branch
$162.1
7.3%

Central & Eastern Europe Branch
$103.1
4.6%

Canadian Partnership Branch
$280.8
12.6%

Multilateral Program Branch
$849.3
38.1%

Asia
$317.7
14.2%

Africa & Middle East Branch
$517.1
23.2%

Total: $2,244.1

Disbursements are expressed in $ millions.
Policy Branch and Communication Branch together account for $14 million in aid disbursements.
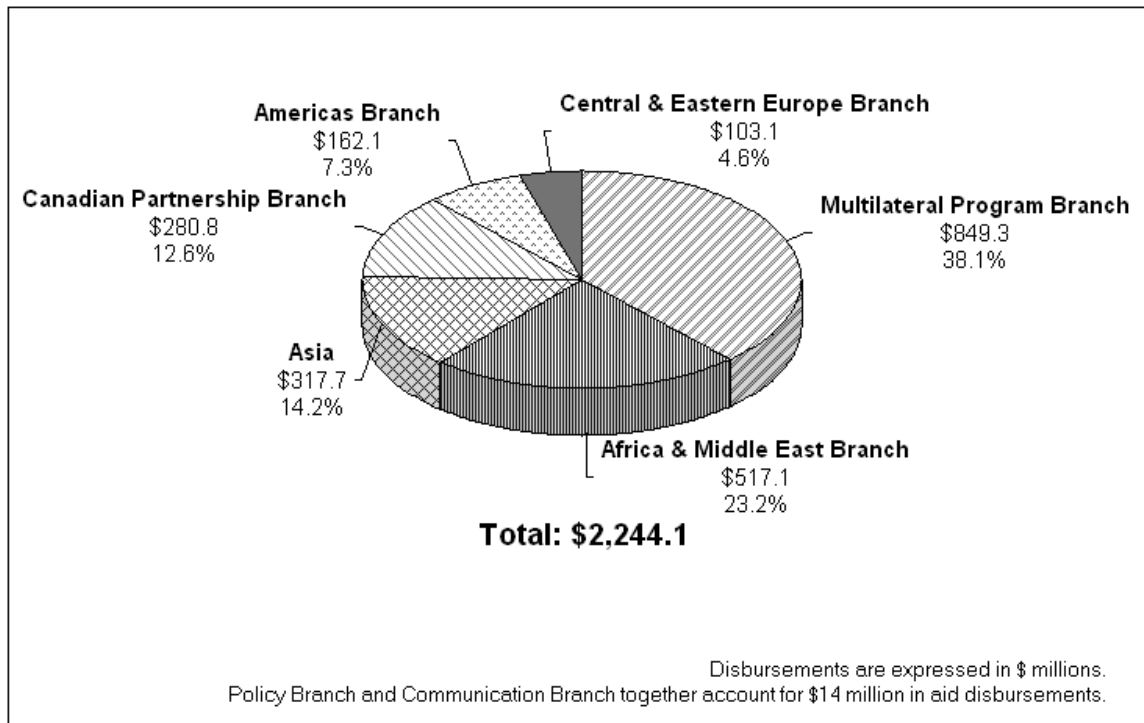
Chart 4: 2003–2004 CIDA Aid Disbursements in KARs by Branch

Social Development

- Canadian Partnership 10.7%
- Americas 6.7%
- Central & Eastern Europe 1.7%
- Africa & Middle East 25.7%
- Asia 10.9%
- Multilateral Program 44.2%

Total = $981.6

Economic Well Being

- Canadian Partnership 15.3%
- Americas 5.6%
- Central & Eastern Europe 4.4%
- Africa & Middle East 22.1%
- Asia 12.8%
- Multilateral Program 39.7%

Total = $737.4

Governance

- Americas 11.9%
- Central & Eastern Europe 14.4%
- Canadian Partnership 13.6%
- Multilateral Program 9.3%
- Africa & Middle East 24.2%
- Asia 26.7%

Total = $345.3

Environmental Sustainability

- Canadian Partnership 10.1%
- Americas 8.5%
- Africa & Middle East 11.8%
- Central & Eastern Europe 2.5%
- Asia 14.9%
- Multilateral Program 52.2%

Total = $176.0

Disbursements are expressed in $ millions.
Uncoded projects account for $3.8 million.

This chart shows similar aid distribution between CIDA's branches for the social development and economic well-being strategic outcomes. The Multilateral Branch (Multi) and the Africa and Middle East Branch (AMEB) accounted for the majority of disbursements for these outcomes. In the governance sector, compared to 2002–2003 figures, there was an increase in disbursements to the Americas Branch (mostly in Caribbean Community and Common Market (CARICOM) countries and in the Andes) and the Central and Eastern Europe (CEE) Branch (mostly in Russia, Ukraine, and the Eastern Adriatic region), while Multilateral Branch had the smallest portion of aid disbursements in governance, compared with its other strategic outcomes. In environmental sustainability, half of CIDA's investments were through Multilateral Branch's funding to certain IFIs, such as the Global Environment Facility and the Montreal Protocol's Multilateral Fund to Assist Developing Countries.

4.2 Progress and Performance Against 2003–2004 RPP Commitments

This is the first year that CIDA has employed a report card to assess its performance against its previous year's commitments as articulated in the 2003–2004 RPP. [28] The Agency is still clarifying its expectations, refining its definitions and establishing its parameters to develop a more rigorous report card methodology. Nevertheless, this first attempt, although largely anecdotal and subjective, was a valuable exercise. The following chart represents an internal assessment, within the limitations described above, of the Agency's performance in 2003–2004.

Table 2: CIDA Report Card

	Exceeded Expectations	Successfully Met Expectations	Not Yet Fully Met Expectations
Development Results			
Economic Well-Being			
• Strengthen investment in agriculture/rural development		✓	
• Support PSD contributing to pro-poor, equitable, economic growth; and improved, sustainable living standards of poor women, men, girls, and boys		✓	
• Build capacity to make trade work for poor women, men, girls, and boys		✓	
• Foster an enabling environment for economic growth and investment		✓	
Social Development			
• Strengthen programming in basic education[29]	✓		

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28. www.tbs-sct.gc.ca/est-pre/20032004/CIDA-ACDI/CIDA-ACDIr34_e.asp

29. *CIDA's Action Plan on Basic Education*, published in 2002, called for increased support and investments for the achievement of Education for All (EFA) goals and the education-related MDGs. In 2003–2004, CIDA exceeded expectations in this area by expanding the proportion of funding for basic education and by integrating new program-based approaches (PBAs) into aid delivery to the education sector (e.g. of 29 PBAs, 12 are in the education sector). CIDA's investments supporting national education sector plans in countries such as Honduras, Mozambique, Tanzania, Bangladesh, and Vietnam speak to CIDA's collaborative efforts to improve completion rates and overall quality of basic education for girls and boys in these countries. CIDA has also actively supported the global partnership of the EFA Fast Track Initiative, a prominent and innovative vehicle designed to support national plans for meeting EFA targets.

•	Strengthen programming regarding HIV/AIDS[30]	✓		
•	Strengthen programming in health and nutrition		✓	
•	Strengthen programming in child protection		✓	
•	Support and promote the integration of gender equality dimensions in all development policies, programs, and projects		✓	
•	Provide humanitarian assistance in times of natural disaster and/or conflict		✓	
Governance				
•	Promote public sector reform and greater use of rules-based systems to govern economic, political, environmental, and social affairs		✓	
•	Build democratic institutions and processes that represent/engage all of society		✓	
•	Support the increased promotion and protection of human rights by institutions, governments, and civil society organizations		✓	
•	Increase attention to conflict prevention, post-conflict reconciliation, peacebuilding, and security		✓	
Environmental Sustainability				
•	Support and promote the integration of environmental considerations in countries' policies, programs, and projects in support of achieving the MDGs[31]			✓
•	Help increase capacities to address environmental issues (e.g. desertification, climate change, water, sanitation) in ways that reflect the priorities and interests of women, men, girls, and boys		✓	
Enabling Results				
Appropriate Programming Orientation				
•	Appropriate balance between directed and responsive programming		✓	

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30. In 2003–2004, Canada nearly doubled its contribution to the Joint United Nations Programme on HIV/AIDS (UNAIDS), increasing it to a total of $10.4 million. CIDA's support to the $8.5-million Caribbean HIV/AIDS Project resulted in 13 member countries completing national HIV/AIDS plans, establishing mother-to-child prevention programs and receiving support from a CIDA partner, the Caribbean Epidemiology Centre (CAREC).
31. Plans for 2003–2004 to update CIDA's 1992 Policy for Environmental Sustainability were not completed, although research and analysis on this advanced well. Furthermore, while the Agency has achieved almost 100% compliance with the *Canadian Environmental Assessment Act (CEAA)*, it has recognized weaknesses in applying Strategic Environmental Assessments, and is developing CIDA-specific guides and training materials.

Result Area			
• Consensual, collaborative partnerships between CIDA and its partners		✓	
• Application of new programming approaches and funding modalities (i.e. program-based approaches)		✓	
• Policy-based programming, and increased policy coherence between CIDA and its partners		✓	
• Facilitation of local ownership[32]	✓		
• Greater untying of Canadian aid		✓	
Appropriate Sectoral and Thematic Focus			
• Increased focus on basic education, HIV/AIDS, child protection, and health and nutrition		✓	
• Increased focus on economic development priorities, including agriculture/rural development and PSD		✓	
Appropriate Geographic Focus			
• Enhanced CIDA presence in a smaller number of countries and institutions		✓	
• Graduation of maturing countries		✓	
Engaged Canadians			
• Improved perception of value, efficiency, and effectiveness of ODA and OA programs		✓	
• Strategic collaboration between CIDA and its partners in engaging the Canadian public, particularly youth, in development		✓	
Institutional Strengthening of CIDA's Partners			
• Enhancement of the capacity and effectiveness of CIDA's partner institutions		✓	

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32. In 2003–2004, expectations were exceeded in this results area, primarily due to CIDA's work in Africa. CIDA's programming in various countries in Africa has increasingly emphasized sector-wide approaches, employed mechanisms such as pooled funding, and included general budgetary support for the implementation of a country's poverty reduction strategy.

Management Results			
Strategic Planning and Resource Allocation (Strategic alignment of planning priorities, reporting, and resource allocation)		✓	
People Management (Resourcing, development, and training, to retain a qualified, representative workforce, including enhanced field presence where necessary)[33]			✓
Knowledge Management (Ensuring CIDA staff have ready access to the expertise and knowledge they need to continuously improve Agency programs and policies)		✓	
Information Management / Information Technology (Information management / information technology approaches and systems help CIDA achieve its priorities, ensure effective interaction with partners, and meet the public's information needs)[34]			✓
Management, Processes, Approaches, Support Activities (Strengthening management approaches and transparent, cost-effective business processes to support conservation and international development assistance objectives)		✓	

33. Sporadic checks indicate that the Agency does not yet consistently use the new competency profile that it was approved for EXs, which includes stewardship of knowledge resources, team work, communication, and building partnerships—all essential elements of sound knowledge management. The Agency does not yet have updated competency profiles for the PM cadre that could include similar elements. Staff are rewarded for collaborative behaviour by exception, rather than systematically.

34. CIDA met 22 of 27 expected results in this area. Of the remaining five, some were slowed down due to strategic reasons, and the remainder have been almost completed. Progress has been made on many of the elements of the Enterprise Document and Records Management System (EDRMS) project. However, the planned business pilot was halted due to several external factors. Although not identified in the 2003–2004 RPP, CIDA proceeded with an Information Management/Information Technology (IM/IT) expenditure review. Several key findings pointed to the need to better address areas of finance (value for IM/IT funding), business engagement and governance process improvement, and information management. Action plans are now being drafted to address the issues raised in the evaluation.

4.3   Performance Highlights: Strategic Outcomes

Each of the following sections—one per strategic outcome or development result as listed in the preceding Report Card—begins with a table (or logic model) that summarizes priorities or intermediate outcomes for each result area, along with examples of indicators or immediate outcomes.

4.3.1 Economic Well-Being

MDG Targets:
Between 1990 and 2015, halve the proportion of people whose income is less than one dollar a day, and the proportion of people who suffer from hunger

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
Equitable economic growth and improved standards of living of poor women, men, girls, and boys	• Strengthen investments in agriculture and rural development. • Support PSD that contributes to pro-poor equitable economic growth and improved and sustainable standards of living of poor women, men, girls, and boys • Build capacity to make trade work for poor women, men, girls, and boys • Foster an enabling environment for economic growth and investment	• Drop in proportion of population making less than one dollar per day • Close of poverty gap ratio (incidence and depth of poverty) • Drop in proportion of population below minimum level of dietary energy consumption • Drop in male-female income gap • Increased trade volumes and market access for developing countries • Improvements in broad indicators of economic performance (i.e. economic growth rates, unemployment rates, and growth in private sector activity) • Improvement in indicators of sound monetary policy (e.g. inflation rates, real interest rates)

Introduction

Economic growth has lifted millions out of poverty in the past decade. However, the benefits of globalization have not been equally shared: more than 1 billion human beings still struggle to survive on less than one dollar a day, and many countries, most of them in Africa, are losing ground in the fight against poverty.

Economic growth is critical to reducing poverty. Most of the world's poor live in rural areas, and support to agriculture and rural development can reap benefits for millions, both in terms of poverty reduction and food security. Investments in the private sector, especially in microenterprises and financial institutions that serve the poor, can also stimulate economic growth and improve the standard of living for millions more.

The IFIs, which represent the largest source of development financing assistance to the world's poorest countries, play the lead role in the multilateral economic development system.

Since the mid-1990's, budgetary and adjustment lending by multilateral development banks to low-income countries evolved on the basis of ongoing policy discussions, and helped develop deeper, wider commitments to national poverty reduction strategies. During this time, to underpin its adjustment lending and help policy talks with clients, the World Bank relied increasingly on core diagnostic reports (e.g. poverty profiles, financial expenditure management, financial accountability, procurement), developed increasingly in consultation with country authorities and other donors. In 2003, the World Bank delivered close to 120 core diagnostic reports. The Bank's related analytical and advisory services added to the impact of development assistance, and the products are being used more and more by other donors in the context of program-based approaches and budget support.

A fair global trading system and the capacity to participate in it, along with strong institutions and supportive economic policies, will create the opportunities to allow all sectors of society to grow and prosper. Finally, the resources that come with economic growth can play vital roles in reducing poverty, provided that they are equitably distributed and strategically invested.

In 2003–2004—CIDA's first year of implementing its new agricultural and rural development policy—investments grew by 9 percent over the previous year, with 40 percent of the total investments concentrated in Africa. CIDA supported agricultural research, technical assistance, and credit to farmers and their organizations to enhance production, and provided assistance to governments to set policy and plan and administer services to the public. The Agency also made substantial progress in addressing food security issues in Ethiopia and Ghana.

Strengthening Investments in Agriculture and Food Security in Ghana

In Ghana, chronic and severe food insecurity and malnutrition affect the poor and vulnerable, especially in northern, rural areas. Northern Ghana's farmers are primarily subsistence farmers, who are poorly organized, have little access to resources, and have little ability to speak for their own interests. In 2003–2004, CIDA designed and approved a series of food security measures to address these challenges. Rapid disbursements were made to provide immediate poverty reduction results, while building the capacity of government institutions to address systemic constraints on reducing poverty.

CIDA played a key role in designing and implementing the Multi-Donor Budgetary Support (MDBS) Programme to support the implementation of the Ghana Poverty Reduction Strategy, in which agriculture is a priority. CIDA received Treasury Board (TB) approval in December 2003 to contribute $93 million over six years in support of the MDBS program met through budgetary support. It made a contribution of $15 million in 2003–2004. A contribution of $85 million over five years to support Ghana's Ministry of Food and Agriculture through direct budgetary support to implement the country's Food and Agriculture Sector Development Policy was also approved, and CIDA made a base payment of $10 million against this.

During 2003–2004, CIDA supported the training of both central and regional officials in Ghana in program monitoring and evaluation. With support from CIDA, each of the 24 northern districts of Ghana also developed their own food security strategies, as did each of the three northern regions. At the same time, CIDA directly supported farmer-based groups in their efforts to increase their involvement in agriculture markets. Through a World Bank project, CIDA also supported agriculture research, management, finance, and administration services in Ghana.

In mid-2003, CIDA launched its policy on PSD, called Expanding Opportunities for the Poor. In March 2004, the UNDP's Commission on the Private Sector and Development, co-chaired by Prime Minister Paul Martin, and the former President of Mexico Ernesto Zedillo, launched its report, *Unleashing Entrepreneurship: Making Business Work for the Poor.* The report sets out a

global agenda for PSD, identifies critical gaps, and proposes facilities and measures to help fill them. A joint Canada-UNDP task force, funded by CIDA, is now being established to examine the scope for an international brokerage initiative. In addition, CIDA is in the process of creating a local enterprise investment centre in Bangladesh. The centre will act as a pilot program for possible replication in other countries.

In 2003–2004, CIDA continued to support microcredit and microenterprise projects, achieving particular success in empowering poor women in countries like Bangladesh, Cameroon, and Egypt. CIDA also helped partner countries such as Russia, Vietnam, and Peru to revise their legislation to support economic competitiveness, modernize financial sectors, and facilitate trade.

Key Targets and Results

Strengthening Investments in Agriculture and Rural Development

- Through the Canada Fund for Africa, CIDA doubled its support to the CGIAR for Africa-specific research on agricultural productivity, concentrating on the needs of small-scale farmers and women producers. This support contributed to the development of New Rices for Africa (NERICAs). The strains are labour-saving; higher yielding than traditional rices (between 25 percent and 250 percent higher); and more tolerant to drought, pests, and weeds. In 2003, NERICAs were planted on 23,000 hectares in Africa. In Guinea alone, NERICAs have saved the country an estimated $13 million in rice imports.

- The Tajikistan Institutional Support Program has made substantial contributions to economic well-being and social development in Tajikistan. Now in its eighth year, the project represents a cumulative CIDA investment of $6.4 million to the Aga Khan Development Network. A 2003 evaluation confirmed impressive outputs and outcomes, and measurable gains in agriculture and education, with increasing food and rural-livelihood security, and the mainstreaming of gender equality across the project's agriculture and education domains. According to reports from the executing agency, which were consistent with CIDA's 2002–2003 evaluation, there have been some impressive outputs and outcomes through institutional strengthening and training. Among them, 46,000 hectares has been brought into sustainable production, through irrigation, terracing, and leveling, while 150 hectares has been reforested. Yield increases in Tajikistan averaged 8 percent for potatoes and 11 percent for wheat in 2003–2004.

- In Ethiopia, CIDA has worked for more than 30 years to support food security. For example, Canadian technical assistance has helped to improve the capacity of local staff in the impoverished Tigray region to develop small-scale water harvesting and irrigation systems, and to provide extension services in irrigated agriculture and soil and water conservation. In 2003–2004, the Government of Ethiopia created a New Coalition for Food Security, an unprecedented new partnership involving government, development partners, civil society, the private sector, and mobilized local communities. CIDA has been a key partner in the coalition since its inception, and is currently collaborating with the Government of Ethiopia, donors, and other stakeholders in developing major initiatives to increase food security in Ethiopia.

> ***Support for the Rural Poor in Mali***
>
> In Mali, CIDA has supported stabilization of, and increases in, household income through mobilizing savings, creating jobs, and increasing the incomes of cereal producers. In 2003–2004, ongoing CIDA projects in Mali achieved the following results:
> - The cereals market was restructured, restoring the national stock level, maintaining food security, and supporting the stability of prices for producers.
> - A community infrastructure fund and a mortgage guarantee fund helped create jobs in the north and increased housing construction in Bamako.
> - The savings and loans operations of the *Reseau Nyesigiso* credit unions in poor communities continued to grow, with membership increasing 10 percent to 111,442, of which 46 percent of members were women.
> - A cereals marketing project helped strengthen two community organizations and consolidate their marketing system, resulting in a 26-percent increase in both membership and cereals marketed.

- Over the past 13 years, the Canada-Ecuador Development Fund has invested $50 million in 131 projects, benefiting more than 42,000 families in the poorest regions of Ecuador. The fund has succeeded in raising living standards, increasing productivity, and strengthening institutions in some of Ecuador's poorest communities. The fund's board of directors and management staff have developed important tools and policies to further productivity and incomes, and to build local capacity. The fund also works closely with governmental and non-governmental institutions with the same goal of raising productivity and incomes.

- According to the March 2003 Operational Review of the Integrated Rural Development Poverty Reduction Project ($5.5 million invested in the 1998–2004 period), there was a significant improvement in household food security in 78 Chinese villages, through increases in average grain yields. Household income was also made more secure through economic diversification. The per capita average farm income in these very poor regions increased overall by 62 percent between 1998 and 2004; non-farm income increased by 177 percent; the number of people below the poverty line decreased by 50 percent; and the net household income increased by 117 percent.

Supporting PSD

- An important part of CIDA's support to PSD is in building the capacity of financial institutions that serve the poor. In Bangladesh, the Foundation for the Elimination of Rural Poverty, or *Palli Daridro Bimochon Fondation* (PDBF, with $14 million invested from 2004 to 2008, 21 percent disbursed), which CIDA has supported since 1984, became a semiautonomous credit and savings institution in 2000. The current project has been designed to support the institutional growth of the PDBF until it reaches self-sufficiency. In 2003–2004, the PDBF increased its productivity by redeploying under-employed staff. It also placed more emphasis on targeting the poorest people in Bangladesh and on improving the quality of services for its clients. In addition, 12,727 of the group's members received skills development and assistance training.

Microcredit: Helping Finance PSD—A Vehicle for Economic Growth

Small and medium-sized businesses in developing countries lack expertise, financing, and access to markets, all of which prevent them from realizing their full potential as participants in the economy. CIDA supports a wide range of microcredit programs, many of them specifically aimed at women, to help these entrepreneurs increase their incomes, while contributing to economic growth in their communities.

- In Serbia, Montenegro, Bosnia–Herzegovina, and Albania, the Promoting Economic Transition projects ($4.7 million invested from 2001 to 2007) improved access to credit for low-income entrepreneurs, half of whom were women, most of whom living in rural areas where access to financial services is severely limited.
- In Senegal, where CIDA has supported the Strengthening the Local Economy project ($4.8 million invested from 1998 to 2006), some 130,000 people–more than half of whom were women–have saved 7.9 billion CFA francs (equivalent to $19.4 million Canadian). Some 7.3 billion CFA francs (equivalent to $17.9 million Canadian) have also been extended as loans, more than two thirds of them to women.
- In Afghanistan, women were the main beneficiaries of the Microfinance Investment and Support Facility, to which CIDA contributed $13.4 million as an earmarked grant through the World Bank's Afghanistan Reconstruction Trust Fund. The facility supports the provision of a range of financial services to low-income people, including loans for income generation and enterprise development, savings services, and consumer loans. As of March 31, 2004, the facility had served 23,000 loan clients; 2,088 lending groups had been formed in the country; and 10,000 loans of less than US$250 had been disbursed, 87 percent of them to women.
- In the Philippines, the Promoting Participation in Sustainable Enterprise project ($8.4 million from 1996 to 2004) benefited 50 groups of organic rice farmers, or about 36,400 farmers. This project successfully lobbied the Philippines government to open a credit window for organic rice farmers, and worked with two marketing groups and one cooperative to more than triple these enterprises' organic rice sales volumes and incomes.

- In Ukraine, the Science and Technology Center in Ukraine (STCU) was designed to facilitate partnerships between Canadian small and medium-sized enterprises (SMEs) and Ukrainian scientists and research institutes. The program supports introductory missions for SMEs to meet potential partners, and co-funds partner projects developed between Canadian and Ukrainian partners. The CIDA mission in October 2003 targeted biosciences and medical technologies, and included 12 SMEs from across Canada.[35] Among the preliminary results from that mission are five agreements in principle and signatures for further collaboration.

Building Capacity to Make Trade Work for the Poor

- Following the 2001 Summit of the Americas, CIDA provided $500,000 from the Post-Summit Fund, to supported the efforts of the Trade Unit of the Organization of American States (OAS) to develop national trade capacity building strategies for Organisation of Eastern Caribbean States member states. In Jamaica, support from the $300,000 Caribbean Trade Issues project enabled the country to develop antidumping legislation and regulations.

- In Africa, work between Canadian NGO Inter Pares' partner—the Agency for Co-operation and Research in Development Sahel 1 and the Africa Trade Network—led to the development of common strategies to address economic and trade issues in West Africa following the September 2003 WTO meeting in Cancun.

- Under the Canada Fund for Africa, the Programme for Building African Capacity for Trade (PACT) provides technical assistance to SMEs to help enhance their competitiveness and increase their capacity to export. In 2003, PACT initiatives led to the signing of a

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35. The CIDA mission of October 2003 was organized by the University of Manitoba, with significant involvement and support from the Industrial Research Assistance Program of the National Research Council Canada.

memorandum of understanding between the National African Federated Chamber of Commerce and Industry and the Canadian Manufacturers and Exporters, allowing them to promote business opportunities and strengthen trade links between their organizations.

- One element of the CARICOM Regional Trade Policy Responsive Fund project (the CARICOM Protocol II: Trade Policy and Facilitation) proceeded slowly. For Protocol II (involving the movement of capital and services) to be effective, member states must amend their legal regimes and administrative practices. While progress has been made in preparing key model legislation, implementation has fallen behind schedule. There have also been delays in efforts to strengthen the business environments by removing restrictive administrative practices, to promote investment opportunities in new services, and to augment the statistical capabilities of member states.

Fostering an Environment that Enables Economic Growth and Investment

- Through its capital markets program, loans from the Asian Development Bank (AsDB) to Bangladesh, India, Pakistan, and the Philippines resulted in legal reforms to increase the oversight and enforcement capabilities of securities and stock exchange regulators. In Azerbaijan and Uzbekistan, the AsDB developed an effective framework for promoting and strengthening agencies that regulate competition, with specific attention to improving the rules governing the functioning of corporations and stock markets, so that they are more open and accountable.

- The Peru Hydrocarbon Assistance Project ($8.7 million invested from 2003 to 2008) provided technical support to the Peruvian government in monitoring the Camisea gas project's field contracts, assessing risks and associated impacts, and developing models and processes to manage similar projects. Both the construction of the Camisea operation (completed in August 2004) and the introduction of natural gas in Peru are expected to produce significant industrial, economic, and developmental benefits for the country.

- Canadians are contributing to Eastern Europe's economic transition toward a new market economy through the Canadian Technical Cooperation Fund at the European Bank for Reconstruction and Development (EBRD). Through the EBRD's Turn Around Management program, Canadian advisors have helped three companies in Russia and Ukraine develop business plans, identify sources of financing, and improve their efficiency, so that they will be better equipped for success in the new economy.

- The Caribbean Development Bank financed the establishment of a legal framework in 2003 for the operation of the Caribbean Single Market and Economy, and approved a new private sector strategy. The strategy allowed the renewal of lines of credit for well-established development finance institutions, and saw new lines of credit committed to fill the financial requirements of SMEs.

4.3.2 Social Development

MDG Targets:

- **Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling;**
- **Eliminate gender disparity, preferably by 2005, in primary and secondary education, and in all levels of education no later than 2015;**
- **Between 1990 and 2015, reduce the under-five mortality rate by two thirds;**
- **Between 1990 and 2015, reduce the maternal mortality ratio by three quarters;**
- **By 2015, halt and begin to reverse the spread of HIV/AIDS; and**
- **By 2015, halt and begin to reverse the incidence of malaria and other major diseases.**

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
Improved quality of life for poor women, men, girls, and boys, through enhanced social services, management of the social impact of reform, progress toward gender equality, and humanitarian assistance	• Strengthen programming in basic education, HIV/AIDS, health, and child protection • Support and promote the integration of gender equality considerations into all development policies, programs, and projects • Provide humanitarian assistance in times of natural disaster and/or conflict	• Increase in the net enrolment ratio in primary education • Increase in the proportion of pupils (male and female) starting Grade 1 who reach Grade 5 • Better balance in the ratio of girls to boys in primary, secondary, and tertiary education • Increase in the percentage of patients (male and female) with sexually transmitted infections (STIs) at health care facilities who are appropriately diagnosed, treated, and counselled • Drop in the infant, under-five, and maternal mortality rates • Decrease in the incidence of malaria and tuberculosis (among both males and females) • Better knowledge and skills among women and women's organizations for advocacy, and greater participation in decision-making • Increase in the number of policies, programs, activities, and plans of partner institutions, governments, and civil society organizations that reflect input received through the meaningful participation of children and youth • Early warning systems put in place in vulnerable countries

Introduction

People are the foundation of sustainable development: men, women, girls, and boys must have the education, health, and equality of opportunity that will enable them to survive, support their families, engage in the larger society, and produce new wealth for the economy. The MDGs reflect this reality, and CIDA's social development priorities, launched in 2000, have put greater emphasis on four key programming areas: health and nutrition, HIV/AIDS, basic education, and child protection, with gender equality being an integral part of all these priorities.

CIDA has provided continued support to partners in order to achieve the goals of the global Education for All (EFA) initiative and the MDGs' education goals. In 2003–2004, CIDA increased its investments in basic education, particularly in Africa, targeting vulnerable groups such as girls, ethnic minorities, children who live in geographically isolated areas, working children, and other children at risk. Over the course of the year, many project areas reported enrolment increases, especially for girls. Responding to the global environment of increased political and financial support for HIV/AIDS, CIDA expanded the focus of HIV/AIDS programming from prevention to care, treatment, and support for people living with HIV/AIDS, and supported research into an AIDS vaccine.

In the health sector, CIDA continued its leadership role in upholding the commitments on sexual and reproductive health agreed to at the UN International Conference on Population and Development held in Cairo in 1994, and in supporting global efforts to accelerate the progress toward the MDGs, such as through the Child Survival Partnership and the Global Fund to Fight AIDS, Tuberculosis and Malaria. CIDA's support included an additional $18 million in support of the Global Polio Eradication Initiative.

CIDA continued its work with the most marginalized children, focusing on working children and children affected by war. In 2003–2004, research generated new analysis and information that helped raise awareness of this issue within the development community. Pilot projects involved girls and boys in identifying, planning, and implementing activities that would benefit them. These projects yielded valuable information and, more importantly, critical skills for youth.

CIDA also continued to support the achievement of gender equality. In policy discussions, CIDA continues to strongly endorse international agreements such as the Beijing Platform for Action, and the Convention on the Elimination of All Forms of Discrimination against Women. The need to address gender inequalities in the HIV/AIDS pandemic is reflected in many CIDA initiatives, including the attention paid to the importance of supporting women's and girls' sexual and reproductive health. CIDA also continues to support the capacity of its partners to integrate gender equality dimensions into all of their work. In 2003–2004, support from CIDA's CEE Branch for gender equality as a crosscutting theme in social development was significantly increased from $1.4 million to $2.5 million, in response to careful analysis of the current and planned project portfolio.

While not all CIDA programs, policies, and projects have integrated gender equality dimensions, there are many good examples of support for gender equality, and Gender Equality Fund projects continue to be effective ways to support gender equality and women-specific initiatives. Many of CIDA's programs have identified gender equality as both a crosscutting theme and a specific objective within its country program framework.

Finally, in 2003–2004, CIDA continued to respond to natural disasters and humanitarian emergencies caused by war and civil conflict. The conflict in Iraq continued to be a primary concern, as was the less visible, but equally serious, humanitarian situation in the Democratic Republic of Congo. While there were continued hopes for peace in Sudan, the crisis in Darfur required a significant increase in CIDA humanitarian assistance to the country, assistance that continues into the current fiscal year 2004–2005. Notwithstanding progress with peace

agreements in Liberia and Angola, serious humanitarian needs in both countries necessitated continued humanitarian support. CIDA provided both financial and in-kind support to those affected by the December 2003 major earthquake in Bam, Iran, which highlighted the continued need to strengthen support for disaster preparedness.

On the policy side, CIDA led a collaborative effort among donor governments to improve the accountability and effectiveness of humanitarian action, through the Good Humanitarian Donorship (GHD) initiative. In the spirit of GHD, CIDA increased its core funding to key humanitarian partners, including the International Committee of the Red Cross (ICRC), the United Nations High Commissioner for Refugees (UNHCR) and the Office for the Coordination of Humanitarian Affairs (OCHA). CIDA also made efforts to provide funding as early in the calendar year as possible.

Key Targets and Results

Strengthen Programming in Basic Education

- CIDA has increased access to education, especially for girls, in a number of countries in Africa where boys traditionally outnumber girl students by a factor of 2:1. In Burkina Faso, various CIDA initiatives, amounting to $10.4 million, have supported the educational program over the past three years, and have contributed to an increase in the enrolment rate from 43 percent in 2001 to 56.5 percent in 2004. In Senegal, CIDA support to NGO education programs contributed to a 4.2-percent increase in enrolment during 2001–2003, with girls leading the way at 4.7 percent, compared with boys at 3.8 percent. Also in Senegal, during 2003, CIDA contributed to the literacy of 36,000 adult students, 75 percent of whom were women.

- As a result of CIDA's support, approximately 13 million textbooks were printed and delivered to Mozambique, enough for every child in primary school. CIDA's support helped to enable the Government of Mozambique to continue leading the overall direction of the education sector, as well as to begin the phased implementation of a new curriculum, which includes a greater integration of gender equality and HIV/AIDS awareness elements in textbooks and teachers' manuals.

- CIDA has increased its investments in basic education in Central America. In Guatemala, a $6.6-million fund is supporting primary education for the indigenous population. In Honduras, an additional $20 million was approved for the country's EFA initiative (2003–2007), which targets disadvantaged children in urban, rural, and indigenous populations, as well as children with special needs. Although these projects are too new to show concrete results yet, implementation is moving quickly: $3 million has supported the purchase of textbooks and the provision of technical assistance in Honduras, and $2.2 million is supporting primary educational programming in Guatemala.

- In Vietnam, CIDA recently invested $15 million in two major initiatives: the new Primary Education for Disadvantaged Children Project, and the Vietnam Basic Education Trust Fund ($1.6 million invested from 2001 to 2004). The trust fund supported both the development of

Vietnam's National EFA action plan and 10 provincial action plans to strengthen planning capacities. The latter will be rolled out to all of Vietnam's 64 provinces. The fund has also supported the development of Grade 5 student performance assessments in mathematics and reading comprehension, which have met international standards of quality and provided a baseline for curriculum design and policy-making in Vietnam.

Continued Progress on Investments: Primary Education in Tanzania

Tanzania is steadily moving toward its goal of universal education and education initiatives are improving, with continued support from CIDA and other bilateral and multilateral aid agencies. Indeed, CIDA and other donors have played a key role in increasing enrolment and access to basic education. The Government of Tanzania's Primary Education Development Programme (PEDP) is the first phase of the Education Sector Development Programme in Tanzania. In 2003–2004, CIDA increased its funding to the PEDP. With continued investment in projects like the PEDP, CIDA has witnessed and realized increasing success over time.

For example, one significant outcome has been that between 2000 and 2003, the net enrolment rate in Tanzania increased from 58.8 percent to 88.5 percent; double classroom shifts have been initiated in many schools to handle this increased enrolment.

Other positive PEDP results:
- Abolishment of mandatory school fees
- An increase in gross enrolment rate to 105.3 percent in 2003
- An improvement in gender parity in enrolment, with girls making up 48.5 percent and boys 51.5 percent; the proportion of girls enrolled in Standard 1 has slightly increased from 48.2 percent in 2001 to 48.5 percent in 2003
- The construction of approximately 37,000 classrooms from 2001 to the end of 2003
- Improvement in the book-to-pupil ratio, from 1:6 in 2001–2002 to 1:4 in 2002–2003
- Improvement in the teacher-pupil ratio, from 1:57 in 2001–2002 to 1:52 in March 2003
- Improvement in the number of pupils who passed their Primary School Leaving Exam:

Year	Number	Percentage
2001	127,351	28.8
2002	133,674	27
2003	196,296	40.1

Yet despite these successes, donors have been concerned about insufficient management capacities at central, district, and school levels; and the growing need to address educational quality. Actions are being taken to address these weaknesses, including the development of a Capacity Development Strategy, a Management Information System and a Logical Framework Analysis for the program. All of this proves that successful development is, indeed a long-term investment.

Strengthen Programming in HIV/AIDS

- In 2003–2004, Canada nearly doubled its contribution to UNAIDS, increasing it to a total of $10.4 million. UNAIDS brings together the efforts and resources of main UN organizations in a joint program to support an expanded response to HIV/AIDS, both within the UN system and with partners from government, civil society, and the private sector. Canada continues to be an important influence in UNAIDS and, as of June 2004, assumed the chair position on the UNAIDS Programme Coordinating Board.

- Canada was the first country to put significant financial support—$100 million dollars— behind the World Health Organization's "3 by 5 Initiative"[36] to get 3 million people with

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36. http://www.who.int/3by5/en/

HIV/AIDS on antiretroviral treatment by the end of 2005.[37] Canada was also the first country to take action on the World Trade Organization's decision to make safe, effective, and less expensive medicines available to developing countries facing public health challenges. And, in support of the G8 Africa Action Plan, Canada demonstrated leadership in supporting AIDS vaccine research.

- CIDA continued to support organizations providing prevention and care services in 2003–2004. Marie Stopes Tanzania (MST) continues to do an excellent job of organizing clinic services and outreach services. In 2003–2004, one new clinic opened, bringing the total number to nine fully equipped and operational, integrated reproductive health clinics, covering 10 districts with 40 outreach sites. The project again generated more Contraceptive Years of Protection (CYP) than its goal, bringing the total percentage of CYPs for the project to 146 percent. MST managed more than 1,000 STI/HIV clients during this fiscal year. During the year, MST saw an improved performance on voluntary counselling and testing across the centres in the project area. Performance has been improving since service fees were removed. Information, education, and communication activities have focused on some of the popular misconceptions about HIV/AIDS, how AIDS affects the human body, and the importance of knowing one's HIV status. In the last quarter, 6,891 clients were counseled and tested, compared with 5,362 in the previous quarter.

- Although CIDA has discontinued direct bilateral funding to Zimbabwe, the Agency continues to support HIV/AIDS efforts through its non-governmental partners. A $2.8-million project with Zvitambo, a local organization, helps prevent mother-to-child transmission through community awareness targeted to women, men, and community opinion leaders. Staff from six Zimbabwe rural mission hospitals had been trained in up-to-date prevention methods by March 2004, and they are now sharing this information with their colleagues. Individualized efforts to offer HIV testing and counselling to mothers before they deliver has been critical; data indicate that overall, 65 percent of new mothers decided to be pre-tested and receive counselling.

- Preventive efforts against HIV/AIDS continued to make a critical difference among high-risk groups. In Cambodia, the STAR 4/5 Strategic AIDS Reduction Project ($1.92 million invested from 1999 to 2005) has contributed to reducing the national HIV rate. This was accomplished by increasing community awareness and through initiatives to reduce HIV transmission in the project's target areas along two of Cambodia's major highways. High-risk behaviours have been significantly reduced as a result, with condom use increasing. Cambodia's HIV rate dropped from 3.9 percent in 1999 to 2.6 percent in 2004.

- CIDA's support to the $8.5-million Caribbean HIV/AIDS Project has resulted in 13 member countries completing national HIV/AIDS plans, establishing mother-to-child prevention programs and receiving support from CIDA's partner organization, the Caribbean Epidemiology Centre (CAREC). CAREC has also taken part in successful negotiations with several pharmaceutical companies, and achieved price reductions in antiretroviral drug prices for the region as a whole.

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37. http://www.pm.gc.ca/eng/news.asp?id=202

> *Africa's Battle Against AIDS Waged on Many Fronts*
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> Recognizing the devastating effects of the disease, CIDA has made HIV/AIDS one of its crosscutting themes for Africa, and has made progress in mainstreaming HIV/AIDS in all its programming. Projects like Tanzania's Agribusiness Entrepreneur Network and Training project provided 168 agents with training on the transmission, prevention, and mitigation of HIV/AIDS. It also provided them with condoms for distribution to customers.
>
> To address the issue head-on, CIDA funded national HIV/AIDS programs in Kenya, South Africa, and Malawi; and more recently in Nigeria, Cameroon, and Mozambique. In light of lessons learned, and the successes of regional efforts, CIDA supported regional strategies to halt the spread of HIV/AIDS in West Africa and East Africa through the Southern Africa AIDS Training Programme (SAT) III and the Regional HIV/AIDS training program. CIDA is also supporting the International AIDS Vaccine Initiative (IAVI) and the African AIDS Vaccine Programme. HIV/AIDS is also an important component of family planning and reproductive health services, which CIDA continues to support in countries such as Malawi, Mali, Tanzania, and Zambia.
>
> The weakness of health systems in Africa, however, compromises efforts to combat the HIV/AIDS pandemic. CIDA, therefore, is contributing to health sector reform in Mozambique, Zambia, and Mali, countries where health was chosen as a sector on which to concentrate. Investments covered the entire spectrum of each health system, including financing, planning, district health, public governance, data collection, and human resource development to strengthen health promotion and prevention strategies.

- Because women and girls are especially vulnerable to HIV/AIDS, CIDA continued to advocate gender equality within its partners' programming activities. CIDA support enabled Mozambique's National AIDS Council (NAC) to engage a Gender Equality Specialist to integrate gender equality into the update and review of the National Strategic Plan to Combat HIV/AIDS and address the gender-related impacts of HIV/AIDS in Mozambique. In Kenya, CIDA co-chaired the Technical Gender and HIV/AIDS Sub-Committee of that country's National AIDS Control Council, and continued to actively promote the critical link between gender and HIV/AIDS among a wide variety of stakeholders.

- In 2003, Canada was the first nation to introduce legislation to facilitate access to anti-HIV/AIDS drugs, as well as other drugs, at low cost to developing countries. The passage of Bill C-9 was considered by many to be a major achievement. The bill gives least-developed and developing countries access to lower-cost generic versions of pharmaceutical products under patent in Canada. CIDA played an active role in ensuring that development objectives were enshrined in the bill. The Act will improve the treatment of major diseases, including HIV/AIDS, malaria, and tuberculosis in developing countries. It also complements CIDA's approach to expanding HIV/AIDS activities to include care, treatment, and support for those living with HIV/AIDS.

Strengthen Programming in Health and Nutrition

- Canada is a major supporter of the GFATM, which has provided free tuberculosis drugs for more than 3 million tuberculosis sufferers. More than 80 percent of those have been cured. In addition, Canada's core contributions to the Global Drug Facility (GDF) have helped more than 1.68 million patients receive free drugs, of whom an estimated 1.38 million patients are expected to be cured. Canada's leadership in establishing the GDF, and the country's continuing support to the fund, are encouraging other public and private donors to support the GDF as well.

- Building community capacity to address major health problems is also critical. In India, CIDA funded CARE Canada to work at the state level to improve the capacity of local NGOs to find and treat tuberculosis cases. To date, CARE has trained 27 NGOs operating in 45 tuberculosis units, and an additional 3,066 patients were successfully treated in 2003. CIDA also created the Fund for Innovative DOTS[38] Expansion through Local Initiatives to Stop TB (FIDELIS), a new initiative to improve tuberculosis control activities that will benefit many countries.

- Canada also continued to support vitamin A supplementation programs in 2003–2004, in partnership with UNICEF and the Micronutrient Initiative. Vitamin A reduces child mortality by an estimated 23 percent in deficient populations. The Micronutrient Initiative most recently estimated that 141 million children are being reached annually with supplements, annually averting 330,000 deaths of children less than five-years old.

- Canada strengthened immunization efforts in a number of countries, including Nigeria, where, through the WHO, 40 million children received oral polio vaccinations. In addition, surveillance capabilities were improved, and social mobilization to incorporate community-based groups in immunization activities was also strengthened. Wild polio reservoirs have been reduced to a limited geographic area in the north, which is now the focus of attention for full eradication in Nigeria.

- CIDA's $3-million support to the Guinea Worm Eradication campaign (2003–2005) saw worm cases reduced by between 81 percent and 41 percent in nine of the 12 African countries where guinea worm is still endemic. Eradication of this disease is on the horizon. In addition to no longer struggling with the pain and suffering associated with guinea worm infestation, target populations in many areas will also reap other benefits of their new, safe water sources, a key element in guinea worm eradication.

- CIDA invests more than $40 million annually in sexual and reproductive health programs around the world. Through these integrated programs, CIDA promotes a comprehensive approach to family planning and sexual and reproductive health and rights. In Bangladesh, the world's largest multi-donor maternal health and family planning program (US$2.9 billion; $28 million from Canada from 1999 to 2004) produced a general decrease in population growth and maternal mortality rates. However, lack of policy reforms in the country slowed the achievement of results.

- Health promotion is an important element in community health programming. The Youth for Health II project in Ukraine ($2.7 million invested from 2003 to 2006) has reached more than twice its target of 1,400 young people. In addition to the six resource centres operating in selected regions in Ukraine, youth and parents from some schools in the Cherkassy region have also established their own school-youth health promotion resource centres, using local funds and human resources. The success of the project led the Ukrainian parliament to recommend drafting a 2005–2010 national health promotion program, and to call for the establishment of a national youth health promotion centre within the Ministry of Ukraine for Family, Children and Youth, ensuring the Youth for Health II sustainability.

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38. Directly Observed Treatment Short-course

- The SARS crisis provoked an immediate international response (which included Canada) that showed genuine teamwork. The WHO led the way, with early support from the AsDB to help with diagnostic work. This allowed the affected Asian countries to mobilize support and strengthen their surveillance and control systems. CIDA's Asia Branch participated by co-financing World Bank efforts to support the strengthening of epidemiological services in China. Health Canada was heavily involved, given the rapid spread of the disease to Canada. The legacy of the crisis is strengthened public health systems that will reduce the threat of future recurrences of SARS, and help contain the spread of future diseases.

Strengthen Programming in Child Protection

- Disbursements to child protection programming totaled about $46 million for 2003–2004, passing the annual Agency target by close to 40 percent. Among the successes for 2003–2004 was a promising new project supported by CIDA's $2-million Child Protection Research Fund. The project's study generated international media attention, and influenced programming of both CIDA's, and its partners (*see the following box*).

Research into Policy and Programming: Where Are the Girls?

The first project supported by CIDA's Child Protection Research Fund has raised global awareness of the militarization of the lives of girls in fighting forces, and the roles that these girls play. Data from research in Northern Uganda, Mozambique, and Sierra Leone revealed that girls in fighting forces are not, and never have been, simply "camp followers." Girls are used in fighting forces far more widely and in more diverse roles than is usually reported. Yet, they are commonly left out of disarmament, demobilization, and reintegration (DDR) programs for soldiers. They also suffer gender-specific health and psychosocial effects from participation in a fighting force, and those returning with children, called "girl mothers," are discriminated against in receiving programming assistance.

Leading international news outlets, including ABC News, Reuters, the Associated Press, and BBC News, covered the release of a book based on the study. The findings have influenced CIDA bilateral and Peacebuilding Fund programming in Colombia and several African countries, and were used by CIDA to influence other donors such as the World Bank, to address the particular needs of girls in their DDR programs. UNICEF, the United Nations Department for Peacekeeping Operations (UNDPKO), and the UNHCR have asked to incorporate the findings into the CD-ROMs they use to train their staff. Others, including USAID and the Save the Children alliance, have also used the data to inform their policy and programming.

- CIDA continued to support active and meaningful participation by girls and boys in decisions that affect their lives. Several CIDA projects (in Sri Lanka, Palestinian Territory, Egypt, the Democratic Republic of Congo, Colombia, and Kosovo) are piloting methodologies for war-affected children and child workers to participate in all stages of the project/program cycle. In   2003–2004, pilot project staff and partners met to take part in CIDA skills-building workshops on child participation methods and Results-Based Management (RBM), to discuss challenges and to present lessons learned to CIDA staff. In addition, two manuals on participatory work with war-affected children were produced through CIDA's Children/ Youth as Peacebuilders Network, and three CIDA-supported case studies[39] were published on children's participation in humanitarian action.

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39. For more information on the case studies see www.intrac.org

- Child protection is one of the cornerstones of development programming in Colombia, where complex political and economic conflicts have threatened children of all ages. Risks to children include internal displacement; family disintegration; removal from school; landmines or injury by armed groups; child labour in difficult and illegal work environments; and pressure or illegal recruitment to join gangs, armies, or the drug business. Through a program approach including research, humanitarian assistance, and project piloting, CIDA has shared lessons on child protection to local and international institutions. For example, between 2003 and 2005, more than 3,000 young people will have been trained in peacebuilding, through a $1-million CIDA-supported Conflict Resolution for Adolescents program run by Foster Parents Plan of Canada. The project was chosen by UNESCO as an example of a best practice in education, an achievement celebrated at the 47th International Conference on Education in Geneva in September 2004.

- CIDA also supports local organizations working on behalf of children. India's Child Worker Opportunities Project ($4.6 million invested from 1999 to 2004) is providing child workers with education, vocational training and alternative support, and is creating income-earning opportunities for the children's families. More than 3,000 children (45 percent of them girls) have been removed from work, and another 1,500 are working significantly fewer hours. The project's vocational training graduates have experienced an improvement in the quality of their working life, and more than 80 percent of children enrolled in the project's non-formal education activities have entered and stayed in the formal education system.

- In Egypt, CIDA support for the Promoting and Protecting the Interests of Children Who Work project ($4.82 million invested from 2002 to 2007) has led to the development, testing, and dissemination of several innovative methodologies for improving the lives of children. The methodologies include new types of loan products and links between SMEs, support organizations, and social development organizations in areas like literacy and participatory methodologies with children. The project also cooperates with the Government of Egypt in its development of a national child labour policy.

Support and Promote the Integration of Gender Equality Considerations in All Development Policies, Programs, and Projects

- Many CIDA governance projects support gender equality. For three years CIDA's South Asia Regional Program (SARP), ($2.5 million invested from 2001 to 2004) focused on issues facing women in local governance, including analysis and collection of information in relevant case studies, and on issues around civil society participation in policy-making and local governance. Results included an increased capacity and awareness among civil society organizations in promoting and supporting women leaders. SARP's work in governance expanded over the course of 2003–2004, with implementation of the Media and Governance Learning Network by the Canadian Institute on Governance, and CIDA's joint funding, with the Japan International Cooperation Agency, to the AsDB's Gender-Focused Regional Technical Assistance project on gender and local governance.

- CIDA's Balkans program has found gender-specific programs very successful in supporting women's empowerment and equality. CIDA provided support to the South Eastern European

Women's Legal Initiative (SEELINE), a network of women's rights activists from the countries of Central and Eastern Europe. SEELINE is making progress in creating a strong lobby of legal professionals promoting gender-sensitive legislation in the region to reduce systematic discrimination against women. SEELINE's research and analysis on anti-violence legislation in Albania was cited in a United Kingdom (UK) appeals court decision on an Albanian woman's asylum case. The design of the SEELINE network has proven effective, and will be replicated in future to address minority women's legal status in the region.

- Canada supports many of its partners in building capacity on gender equality and integrating gender equality into their programs. For example, CIDA introduced a multi-donor Gender and Development Cooperation Fund at the AsDB which helps developing member countries close gender gaps and make progress in achieving the MDGs. The fund also helps the AsDB accelerate implementation of its Gender Action Plan and Gender and Development Policy.

- At national levels, CIDA continues to support strategic interventions by local organizations that improve the status of women. In Kenya, the Gender Equity Support Project ($5 million invested from 2001 to 2008) continues to be praised for its strategic results through innovative planning. The project played a role in helping form a local network on women's property and inheritance rights to prevent Kenyan women from losing their homes, land, and other property due to discriminatory laws and customs.

- CIDA also supports interventions by national organizations at the practical level. In Haiti, a number of local funds support strategic interventions, productive commercial activities, and health care and social services. For example, in 2003–2004, these funds supported the training of 40 women in popular communication, a regional colloquium on gender-based violence, and a workshop on sexuality and reproductive rights for 20 Haitian organizations. The funds also supported emergency assistance, including psychological support for child victims of violence or children who were witnesses to violence. These activities resulted in a better understanding of violence, increased participation of women in decision-making in community organizations, and the strengthening of women's networks.

- In Nepal, the Canada–Nepal Gender in Organizations project ($4.53 million invested from 1999 to 2004) helped governmental organizations and NGOs carry out gender-responsive development. The Government of Nepal is active in developing an enabling policy and regulatory environment. More than 50 percent of the participating NGOs in Nepal have expanded their funding base, and several are delivering programs in collaboration with local government, contributing to prospects for the sustainability of projects once support for them ceases. Communities where these NGOs are active have started reporting results that will help reduce gender discrimination, increase women's participation in their communities, and improve health and quality of life.

Provide Humanitarian Assistance in Times of Natural Disaster and/or Conflict

CIDA's humanitarian assistance program has a mandate to provide timely, effective assistance to victims of conflicts and natural disasters in developing countries. CIDA does this mainly by providing financial support to UN humanitarian agencies, Canadian NGOs, and the International Red Cross and Red Crescent Movement. With FAC, CIDA also promotes and advocates for adherence to international humanitarian laws, standards, and principles, such as the right of people to seek asylum, and the protection of civilians and humanitarian workers. In 2003–2004, CIDA led a collaborative effort among donor governments to improve the accountability and effectiveness of humanitarian actions, through the Good Humanitarian Donorship initiative.

- Canada is a major donor to the WFP, which provided food aid to 104 million people in 81 countries in 2003. Canada's commitment to the WFP more than doubled from $64 million in 2000–2001 to $145 million in 2003–2004. Of this, $48.9 million went toward responding to humanitarian emergencies in Africa, and $25 million was used to fund school feeding programs in five African countries (Ethiopia, Mozambique, Mali, Senegal, and Tanzania).

- In addition to its support for the WFP, CIDA has also provided multi-year program funds since the early 1980s to the Canadian Foodgrains Bank, a partnership of 13 Canadian church agencies. The program improves access to adequate and nutritionally balanced food in both the short and long term. In 2003–2004 CIDA provided $16 million to the Canadian Foodgrains Bank to support development and relief food aid operations in more than 25 countries where it funded food aid projects. CIDA matches donations to the Bank at a 4:1 ratio, up to a maximum of $16 million.

- During the recent crisis in Haiti, CIDA had the opportunity to implement a new strategic approach that was essential in ensuring continuity in the provision of aid. The launch of the *Centre de gestion des fonds locaux*, a new mechanism consolidating all local funds into one locally managed structure, allowed more synergy and flexibility in project management, so

that Canadian assistance to Haiti (including emergency relief) could be maintained throughout the crisis, even following the evacuation of Canadians from Haiti.

- UNHCR provided protection and assistance to the 4 million internally displaced persons and Afghan refugees in neighbouring countries unable to return to their homes. A CIDA contribution of $3 million helped make possible the voluntary and gradual repatriation of 1.2 million refugees and 300,000 internally displaced persons. Basic reintegration assistance included shelter, water, education, health, community services, and cash-for-work initiatives.

- In cooperation with the Canadian Red Cross, CIDA provided expertise to perform an emergency needs assessment of the December 2003 earthquake in Bam, Iran. The Canadian consignment of blankets, plastic sheeting, water pumps and generators responded to the most crucial and immediate health concerns among the affected population.

- CIDA continued its efforts to meet the humanitarian and human development needs of Palestinian refugees. In addition to the Agency's $10-million annual core funding to the UN Relief and Works Agency for Palestine Refugees (UNRWA), CIDA responded to emergency appeals from the UNRWA and the ICRC in the amount of $2.7 million.

- CIDA provided $6.7 million to support humanitarian activities in the Democratic Republic of Congo, assisting 3.4 million internally displaced persons and 250,000 refugees. CIDA worked through its partners, including the ICRC, the UN Office for the Coordination of Humanitarian Affairs, CARE, World Vision International, Action Against Hunger, and Médecins Sans Frontières. The Agency also provided $5.2 million for food aid and measles vaccinations through the WFP and UNICEF.

- CIDA provided close to $10.5 million in food and other emergency assistance for Sudan, including help for victims of the new civil conflict that engulfed Darfur in the western part of the country. The crisis in Darfur remains a key humanitarian concern into 2004–2005. As of the end of August 2004, CIDA has provided close to $25 million in food and non-food humanitarian assistance to Sudan since October 2003, including $14.5 million for internally displaced people in Darfur and Sudanese refugees in Chad.

4.3.3 Governance

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
Improved governance structures and institutional capacity, strengthened civil society, improved peace and security, and enhanced respect for human rights and democracy	• Promote public service reform and greater use of rules-based systems to govern economic, political, and social affairs • Build democratic institutions and processes that represent and engage all members of society • Support the increased promotion and protection of human rights by institutions, governments, and civil society organizations • Increase the amount of attention paid to conflict prevention, post-conflict reconciliation, peacebuilding, and security	• Improvement in the World Bank Institute's composite indicators for rule of law, government effectiveness, control of corruption, regulatory quality • Strengthened compliance among countries with international human rights instruments • A decrease in the number of violent conflicts/threats to security • More balance in proportion of females and males participating in decision-making in peace- and conflict-related institutions, mechanisms, and processes

Introduction

The trend toward democracy and free-market economies in the 1990s has led to rapid growth in democratic national institutions and processes in developing countries. This process often involves profound, complex social and political changes that require long-term effort and commitment. Many countries still struggle with weak institutions, corruption, conflict, and a lack of respect for human rights. There is, however, growing awareness that peace and sound governance by an open, accountable government are critical to economic growth and sustainable development. Improving governance, though, involves a range of issues that overlap each other and other areas of intervention.

CIDA supports governance programming within governments, civil society institutions, private sector organizations, and the voluntary sector. In 2003–2004, CIDA continued to build technical and managerial capacities in partner organizations; and to support peace, democratic processes, and the promotion and protection of human rights. Among the key lessons learned in this complex, volatile sector have been the continued need for flexibility, adaptability, appropriate sequencing, and effective risk management. It is also increasingly evident that governance and its underlying institutions and processes are fundamental to the success of all other areas of development assistance—whether economic, social, environmental, or peace-and-security-related—and to effective implementation of new programming methods, such as those described in Section 4.4 of this report.

The challenge of measuring performance and changes in governance is daunting. CIDA, along with other donors, practitioners, and academics, is pursuing improved methods and data sources to document governance conditions, capacities, and processes.

Key Targets and Results

Promote Public Service Reform and Greater Use of Rules-Based Systems to Govern Economic, Political, and Social Affairs

- CIDA supported a growing number of reform programs designed to prepare partner countries for greater participation in world markets, while at the same time fostering the rule of law. For example, in Vietnam, the Policy Implementation Assistance Project ($10 million invested from 2000 to 2006) is supporting key high-level advisory groups to the prime minister and committees of the National Assembly. The Project is proving effective, with key results including input into the development and implementation of judicial reform ordinances and the competition law, and the holding of extensive workshops on international economics and participation in trade regimes.

- CIDA also continued to support countries' efforts to decentralize their governments by providing technical assistance at the local level. The Philippines' Local Government Support Program ($31.9 million invested from 1998 to 2004) achieved concrete results in the 208 local government units where it worked: more than 50 percent of the units were demonstrating efficient, effective leadership and management (compared to 6 percent in 2000); more than 40 percent were ensuring adequate delivery of essential services to poor and disadvantaged groups (compared to 4 percent in 2000); and nearly 40 percent had achieved effective, equitable civil society participation (compared to 7 percent in 2000). Another major thrust in 2003–2004 was the establishment of several peace zones in conflict-prone areas, focusing on the role of local governments in building peace.

- CIDA's work with the African Development Bank (AfDB) contributed to the completion of guidelines for preventing and combating fraud in bank operations and approval of an inspection fund. CIDA's support has also been particularly strategic in strengthening mechanisms to prevent corruption in Bolivia. CIDA was one of the first donors to fund the Anti-Corruption Unit of Bolivia's Vice President's office ($70,000 invested from March to September 2004). The Unit demonstrated the Bolivian government's political will to address corruption by creating an environment in which corruption will not be tolerated. It has provided a means for public complaints to be processed, investigated, and resolved. Several cases investigated by the Unit have resulted in legal charges laid against public officials.

- CIDA is also working to strengthen its partner countries' capacities in financial management to allow them to take stronger roles in managing their own development. In Ethiopia, support given to the Office of the Auditor General is helping improve transparency, accountability, and efficiency in public service delivery as the Office reinforces fiduciary measures. CIDA is a key partner in the development of the Government of Ethiopia's new, wide-ranging Public Sector Capacity Building Program aimed at improving the scale, efficiency, and responsiveness of public service delivery at the federal, regional, and local levels; empowering citizens to participate more effectively in shaping their own development; and promoting good governance and accountability. Also, as a result of training provided to Senegalese graduates by the Canadian Comprehensive Auditing Foundation, graduates helped modernize and increase the accountability of state institutions by increasing

transparency and using participatory approaches in the public sector. The state inspection board in Senegal, the *Cour des Comptes*, also adopted the Canadian model of comprehensive auditing in the internal inspections of its ministries.

Strengthening Governance Through Aid

In 2003–2004, CIDA provided China access to Canadian expertise and experience to help the nation move ahead with economic, social, and governance reforms. CIDA's efforts have supported China's increased engagement in a rules-based international system, the country's compliance with international covenants, and helped China with its legal, judicial, and legislative reform.

To help strengthen China's capacity to meet its international obligations in 2003–2004, CIDA did the following:
- supported a linkage project with the Supreme People's Court to help with court reforms at national and provincial levels;
- provided environmental policy advice to senior Chinese leadership (the Premier of China) on clean industrial production practices, energy development strategies, the creation of an environmental protection industry, and financing of environmental protection;
- supported the Chinese government in developing improved emissions forecasting; increasing public awareness; and improving the training of government officials on climate change issues;
- supported a WTO capacity-building project to train key officials on the international standards and obligations accompanying China's accession to the WTO; and
- provided policy advice and training in areas such as the codification of China's environmental legislation; employment policy after China's entry into the WTO; and land use and eco-environmental protection.

In support of China's interest in strengthening its domestic governance systems and improving access to and participation in these systems, in 2003–2004 CIDA supported the following:
- a legal aid project with the Chinese Ministry of Justice to heighten public awareness of laws and increase access to and use of legal aid and community legal services by the poor and other disadvantaged groups;
- a project supporting the Canadian Bar Association's work with the All China Lawyers' Association to strengthen the latter's capacity to play an increasing role in China's legal system;
- a legislative cooperation project to improve citizen participation in the legislative process of the National People's Congress;
- a women's law project that contributed to China's latest family law reforms; and
- a responsive program dealing with issues like peasant workers, children's rights, and labour laws.

Developing a legal system that respects international norms is an extremely important part of China's evolution toward a modern, more democratic state. Development assistance is an effective tool to support China in this regard.

Build Democratic Institutions and Processes that Represent and Engage All Members of Society

- CIDA supports empowerment at the grassroots level by building the capacity of both organizations and individuals to participate in their countries' decision-making processes. In Pakistan**,** the NGO Support Programme ($6.08 million invested from 1996 to 2003), implemented by South Asia Partnership-Pakistan, has trained social activists, women workers, peasants, and labourers so they can contribute to local government and influence local agendas in favour of the marginalized.

- CIDA supports the electoral process to ensure fairness, transparency and access for all. In Ukraine, the Democratic Institutions and Practices project ($500,000 invested) contributed to amendments to election laws, and trained independent NGOs to act as domestic observers. The observers identified and registered election law violations in the mayoral elections in Mukacheve, leading to a government inquiry into the legality of electoral results.

Support Increased Promotion and Protection of Human Rights by Institutions, Governments, and Civil Society Organizations

- CIDA supports capacity building in national human rights institutions such as Indonesia's National Human Right Commission, Komnas HAM. The Komnas HAM institutional support project ($2.16 million invested from 1999 to 2003) strengthened organizational development programs, built staff skills, and provided assistance in program development and delivery. In 2003–2004, an evaluation of the project confirmed that Komnas HAM had established a system of classification for human rights violations; that the organization's library and computer systems were functioning well; and that, through training, its staff had become more knowledgeable on human rights issues, documentation, and investigation. CIDA also supported national human rights institutions in Bolivia, India, Nepal, and Peru in 2003–2004.

- In 2003–2004, the UNDP continued to lead in good governance work in developing countries, both through technical cooperation and donor coordination at the country level. Its neutrality and legitimacy allowed the UNDP to question, challenge, and address the effectiveness and accountability of developing countries' governments, issues that may be

too sensitive or difficult for IFIs or bilateral organizations to address directly. Democratic governance accounted for 40 percent of the UNDP's program expenditure, with focus in such areas as strengthening legislatures, electoral systems and processes; decentralization and local governance; access to information; access to justice and human rights; and public administration reform, including combating corruption. Canada provided the UNDP with $56.5 million in core funding in 2003–2004. CIDA also supported the Human Rights Strengthening Programme (HURIST), a joint project of the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the UNDP aimed at implementing the UNDP's Integrating Human Rights with Sustainable Development policy.

- The CIDA-funded International Criminal Tribunal for the former Yugoslavia (ICTY) project reviewed more than 1,000 cases to be tried before the tribunal to ensure allegations were in accordance with international standards. The ICTY Victims and Witnesses section of ICTY's Sarajevo office provided witnesses with information and support before their appearance in front of the tribunal by gathering their depositions and building a strong civil society network and providing witnesses with medical services, housing, and legal services.

- In Lebanon, CIDA supports the strengthening of institutional capacities in juvenile justice, focusing, in particular, on the rehabilitation of minors in conflict with the law, and on judicial protection for minor victims or minors in danger. The project is working to establish a Protection Section at the Youth Department of the Ministry of Justice and judicial protection procedures for minors at risk and minor victims.

Increase the Attention Paid to Conflict Prevention, Post-conflict Reconciliation, Peace-Building, and Security

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CIDA's Response to the Crisis in Iraq

A year ago, CIDA had no program, no partners, and no presence in Iraq, and very little knowledge of the country. A year later, CIDA has pledged up to $300 million in humanitarian and reconstruction assistance for Iraq, committing more than two thirds of this support toward multilateral efforts. CIDA has disbursed more than $121 million and Canada played a lead role in the establishment of a multi-donor trust fund facility for Iraq. Canada's pragmatic approach to the reconstruction efforts, and its initiatives to rally the support of countries that, like Canada, were not part of the military coalition in Iraq, drew praise from both coalition and non-coalition members. CIDA promoted a whole-of-government approach by leading an interdepartmental coordination committee, and ensured a tightly coordinated response through regular meetings of an Agency-wide, senior-level task force. The task force model is a useful example for CIDA's future handling of complex emergencies with major political implications.

- CIDA's support helped build the capacity of civil society organizations in 2003–2004 to continue good governance, even under extremely difficult situations. In Haiti, for example, political violence and lawlessness emerged ahead of President Jean-Bertrand Aristide's flight from the country. However, given the long-term partnerships between Canadian and Haitian NGOs, many of the community-based institutions (such as 70 credit unions, representing 150,000 beneficiaries) continued to operate and were protected by their communities, even at the height of the violence. Not a single credit union was damaged during the recent upheaval, which in Haiti represents a unique exception to looting in a nation all too familiar with it.

- CIDA's support to the OAS's special mission in Haiti contributed to strengthening key institutions, especially in security, justice, human rights, democratic development, and governance. Improved working relations between political leaders and those in NGOs and nongovernmental institutions have provided much-needed support to Haitian interim government as it endeavours to adopt transparent, representative practices.

- Community participation is key to peacebuilding and reconciliation. In the Democratic Republic of Congo, CIDA assistance to the Intercongolese Dialogue (2001–2003) not only supported the work of the UN team helping the transition to peace, but also supported the continued participation of civil society groups in the peace negotiations, and provided a greater role for women in the process.

- Post-conflict security is essential for countries to recover and rebuild. CIDA is active in a number of countries, helping locate and remove landmines and other unexploded ordnance, raising awareness about landmines, and providing assistance for victims. CIDA's Mine Action Unit, along with FAC, continued to encourage and help states in implementing mine-banning treaty conditions, and developing landmine legislation in member countries. Results in 2003–2004 included enabling legislation in Eritrea and Bosnia. Similar legislation is also being prepared in Afghanistan.

- Through the Canadian Peacebuilding Fund, CIDA supported activities to promote peace and security in many conflict-affected countries, including Sierra Leone, Sudan, Angola, Colombia, Nepal, and Sri Lanka. Supported activities served to promote fledgling peace processes in these countries, improve democratic dialogue, and strengthen the capacity of civil society groups to engage in conflict resolution and conflict management. The Fund also enhanced the capacity of youth to promote peace, reintegrated and educated ex-combatants, and reduced the abduction of women and children in conflict zones.

- The Afghanistan program is based on Canada's role as a member of the coalition against terrorism and on the Afghanistan Transitional Authority's own National Development Framework and Budget. CIDA's funds are disbursed in alignment with the Afghanistan interim assistance plan for 2003–2004 and 2004–2005. Canada's presence there is based on a three-dimensional approach—defence, development, and diplomacy—ensuring a coordinated, integrated program, both with other donors and other Canadian departments.

4.3.4 Environmental Sustainability

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

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
Improved environmental sustainability through the protection, conservation, and management of the diversity and integrity of the environment	• Support and promote the integration of environmental considerations in countries' policies, programs, and projects, in support of the achievement of the MDGs • Contribute to increasing capacities to address environmental issues such as desertification, climate change, water, and sanitation in ways that reflect the priorities and interests of poor women, men, girls, and boys	• An increase in the number of country initiatives incorporating sustainable, integrated water-resources-management approaches, which may lead to an increase in the proportions of people with access to safe water and sanitation • A greater number of country policies, programs, and projects addressing climate change, all of which may lead to a decrease in carbon dioxide emissions • More country initiatives integrating sustainable land management approaches—this may lead to increases in the proportion of land covered by forest; the amount of land protected to maintain biological diversity; and the proportion of people with access to secure tenures of land

Introduction

Climate change, deforestation, desertification, and the related natural disasters, such as droughts, floods, fires, sea-level rises, and insect plagues, are undermining the resource bases on which many developing countries depend for economic development, good health, and poverty reduction. At the same time, 20 percent of diseases in developing countries are linked to the environment, resulting in 7 million premature deaths per year that could be avoided with cost-effective environmental solutions. CIDA continued to address these issues in 2003–2004 by integrating environmental considerations into its policies, programs, and projects, and by providing direct investments to environment projects.

In accordance with the Government of Canada's environmental priority setting,[40] CIDA continued to integrate environmental considerations into its decision-making and activities. In support of the MDGs, the Agency relied heavily on project and program environmental assessments, and supported protection, conservation, and management of the diversity and integrity of the environment. Integrating environment considerations in health, agriculture, security, and other programs ensures sustainability in what are often the most cost-effective solutions to development challenges.

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40. As shown by revisions to the CEAA, and the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals (also called the Strategic Environmental Assessment, or SEA)

CIDA has achieved almost 100-percent compliance with the CEAA, and has launched preparations for developing a CIDA-specific regulation under the Act to address development projects in particular. The Agency has recognized weaknesses in the area of Strategic Environmental Assessment (SEA), which deals with policies, plans, and programs. During 2003–2004, the Agency continued to develop SEA guides and training material applicable to CIDA. Although plans for 2003–2004 to update CIDA's 1992 Policy for Environmental Sustainability were not completed, the research and analysis advanced well.

In 2003–2004, CIDA environment programming continued its capacity-building approach, and focused on climate change issues; access to, and management of, water resources; and sustainable natural resources management. CIDA's expenditures on environmental sustainability (7.9 percent) remained at the same level as previous years.[41]

Specific work in support of the KAR on environmental sustainability reflects a shift from environmental programming through bilateral channels to multilateral programming channels, now representing 52 percent of CIDA environmental funding. CIDA achieves results through mechanisms like the Global Environment Facility (GEF), the Montreal Protocol, the Canadian Fund for Persistent Organic Pollutants, and the United Nations Environment Programme. Multilateral channels are the means through which CIDA supports Canada's international environmental commitments under multilateral environmental agreements such as the United Nations Convention to Combat Desertification (UNCCD).

A challenge in meeting the KAR on the environment relates, in part, to competing priorities–due to conflict and security issues or economic setbacks—and to the continued misunderstanding on the part of some nations as to the role of the environment in sustainable development for poverty reduction. For example, performance of the Pakistan Environment Programme ($18.7 million invested from 1993 to 2005) appeared to be sound but was below potential because of the low priority attached to conservation and environmental issues by both the government and people of Pakistan in recent years. This resulted in a decision by CIDA and the Government of Pakistan to remove the environment as a priority programming area in the new development strategy for Pakistan. Similarly, in CIDA's flagship Caribbean project, the Environmental Capacity Development (ENCAPD) project, the donor group committed less funding for the environment and, despite CIDA's urging, has not committed funding to the new Regional Environmental Strategy facilitated by the ENCAPD.

Despite such challenges, many partner countries underscored the importance of the environment to agricultural production, health, and poverty reduction, and therefore integrated environmental sustainability into their development activities. For example, an emphasis on natural resource management, particularly water management, is evident in both Ethiopia's national development plan and its New Coalition on Food Security, both supported by CIDA. CIDA also supports the Nile Basin Initiative, a collaboration of nine nations involved in resource management of the Nile Basin that has seen progress in the governance side as well as, concrete environmental sustainability results at the project level, thereby contributing to peace and security in the region.

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41. Given current coding methodologies, much environment-related work was not reflected in the thematic breakdowns of CIDA spending. For example, the Agency's basic human needs projects often address critical issues of water and sanitation—closely related to the environment—but were not coded as such.

Key Targets and Results

Support and Promote the Integration of Environmental Considerations in Countries' Policies, Programs, and Projects in Support of Achieving the MDGs

- CIDA played a leadership role in strengthening the governance and implementation of the UNCCD. Many countries praised the momentum that Canada maintained during its presidency of the fifth Conference of the Parties to the UNCCD. These countries particularly noted the determination and courage of the UNCCD in pursuing these issues, which are especially important for African countries.

- In China, the Cleaner Production project ($15.4 million invested from 1996 to 2006) has allowed policy experts to contribute to the new Cleaner Production Promotion Law, provide advice on implementation of the law, and incorporate environmental considerations into the business processes of Chinese financial institutions.

- In Ethiopia, the Water Harvesting and Institutional Strengthening in Tigray project is building the capacity of a number of Tigray water institutions to better design and implement sustainable water harvesting and small-scale irrigation schemes. It supports farmers in managing these schemes, and in soil conservation, water conservation, and developing irrigated agriculture—all key elements for achieving food security in the Tigray region.[42] Lessons learned in these technical areas, and lessons on the need to build managerial capacity in regional and district institutions, will strengthen new programming approaches in CIDA's Ethiopia Food Security, Agriculture, and Rural Development program.

- In the Caribbean, the Caribbean Planning for Adaptation to Climate Change project has provided information and analysis on the implications of climate change for water, health, and agriculture, and provided a climate-risk-management framework. Much of this research will be incorporated into the new Mainstreaming Adaptation to Climate Change program implemented by the GEF, to which CIDA contributes.

- The outcomes of the projects funded by the GEF continued to be key in protecting, conserving, and managing the integrity and diversity of the environment. Canada supported the GEF in extending its mandate to include both persistent organic pollutants and land degradation as new programming areas of focus.

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42. These water institutions include the Tigray Water Resources Development Bureau, the Tigray Bureau of Agriculture and Natural Resources Development, the Tigray Agricultural Research Institute, and the Tigray Cooperative Promotion Office.

Treegrowers' Co-operatives Reclaim Wastelands in India

The long-term goal of this project ($16 million invested from 1993 to 2006) is to strengthen India's capacity to reclaim and manage its wastelands economically and environmentally sustainably. The project has been supporting viable, village-based tree growers co-operative structure that promotes a model of social forestry combined with sustainable management of water and land resources.

The co-operatives have improved the ground water quality and moisture retention of adjoining lowlands and have increased the availability of fodder and water, even in drought conditions. The effects were validated by change detection studies using geographic information systems and remote-sensing techniques. At the policy level, a proposal advocating access to drinking water as a fundamental right under India's constitution was accepted and incorporated in the *Report of the National Committee to Review the Working of the Constitution*, a body set up by the country's prime minister. Proposed amendments to the constitution to combine ecology and governance have also been accepted by the Planning Commission, Government of India, and are now being promoted by that body. In recognition of the quality of work and the governance underpinnings of CIDA's Indian counterpart for this project, the Foundation for Ecological Security, three state governments in India have earmarked public forestlands to be managed by the Foundation—an unprecedented outcome in India.

Help Increase Capacity to Address Environmental Issues such as Land Degradation, Desertification, Climate Change, Water, and Sanitation, in Ways that Reflect the Priorities and Interests of Poor Women, Men, Girls, and Boys

- In Honduras, CARE's Water and Sanitation Project is helping 35 communities protect micro-watersheds and install new water systems to provide 16,000 people with potable water. Community health has improved, and women are active participants in implementing and managing the project, increasing their status in the community and giving them opportunites to acquire the skills to manage other community development projects, including income-generating schemes.

- In Central Asia and the South Caucasus, the Caspian Basin Greenhouse Gas Emissions Reduction Training Program ($4 million invested from 2002 to2005) is helping the oil and gas sector in Azerbaijan, Uzbekistan, and Kazakhstan identify and develop greenhouse gas emission-reduction projects to be funded under the Kyoto Protocol or by other means. Training and study tours in Canada have increased awareness among Central Asians from both the government and business sectors about Canada's environmental policy process.

- The Agroforestry for Sustainable Rural Development Project ($8.5 million invested since 2001) disseminated proven agro-forestry technologies to meet the needs of farmers in Zambia, Zimbabwe, Tanzania, Mozambique, and Malawi in dealing with food security, low soil fertility, shortages of fodder, lack of fuel wood due to deforestation, and soil loss due to poor conservation measures. To date, the project has reached more than 200,000 farmers.

- In Indonesia, two projects funded under the Canadian Climate Change Development Fund (the CCCDF, a five-year, $100-million fund in its penultimate year)—the carbon storage and sequestration through protection and management of peat swamp forests program and the forest management for carbon sequestration program—have supported a series of community-based activities, with the latter also producing information on climate change of potential use to Indonesian negotiators at international meetings. However, both projects

failed to produce the expected results in the time frames imposed by the CCCDF, and both programs are considering possible revisions to their work plans.

- As a follow-up to the World Summit on Sustainable Development (WSSD) held in fall 2002, CIDA integrated a number of key actions into its SDS3, including a new land management strategy that will include desertification, ongoing programming in agriculture and climate change, and a focus on Africa.

- In its 2003–2004 RPP, CIDA committed to updating its 1992 Policy for Environmental Sustainability. This policy work is under development.

- With CIDA-support, IFIs also provided loans to address environmental issues. The AsDB issued new loans totaling $305 million to fund clean energy development and wastewater management projects in China; water supply and sanitation projects in the Fiji Islands, Pakistan, Samoa, and Sri Lanka; and a project to manage floods in Azerbaijan. Indonesia also received assistance to develop certified emissions ratings for greenhouse gases, to promote reforestation and afforestation.

- In a global partnership with the GEF, CIDA contributed to the Facility's $1.1 billion fund for about 200 biodiversity projects involving parks and other protected areas. The fund leveraged almost another $2.2 billion in co-financing from project partners. The Latin America part of the program seeks to establish interconnected biological corridors, and to mainstream biodiversity conservation into agriculture, trade, investment, and other economic development priorities. The GEF and its financial partners have also helped small island developing states in dealing with ship-generated waste, and, through participation in the International Convention on Prevention of Marine Pollution (MARPOL), provided technical assistance to 22 nations toward enhanced social and economic development.

4.4 Strategies for Delivering Lasting Development Outcomes: Enabling Results

Since releasing *Canada Making a Difference in the World: A Policy Statement on Strengthening Aid Effectiveness* in fall 2002, CIDA has made solid progress in its implementation. The policy statement clearly outlined what CIDA calls its "enabling strategies"—strategies that deal with how, when, where, with whom, and under what conditions CIDA performs its programming. These strategies reflect, and are based on, principles of aid effectiveness set out by the OECD, and include, among others, using new programming approaches; choosing the most appropriate sectoral, thematic, and geographic focus; and engaging Canadians.

CIDA's Canadian, international, and local partners play a key role in helping vulnerable groups when crises erupt in fragile or failed states. While CIDA's government-to-government relationship may be interrupted during times of crisis, local partners, almost without exception, remain engaged to support and protect vulnerable groups that may experience distress during these periods. Many of these local partners are used by multilateral agencies as delivery channels to reach the most vulnerable.

CIDA's programming approach over the next decade is intended to be strategic in its geographic and thematic focus, and yet, flexible in working with partners and implementing new programming approaches. Many lessons have been learned over the past two years, and most programs have refocused to better address challenges that reflect Canada's national interests, values, and comparative advantage in sectors where its expertise prevails.

4.4.1 Appropriate Programming Orientation

Consensual and Collaborative Partnerships Established Between CIDA and its Partners

Good partnerships are critical in creating an enabling environment for effective, sustainable development. The concept of partnership is based on the principle of equitable sharing of rights and responsibilities, and has implications for donors, implying a new role for them in developing country partners. It also calls for better coordination among all partners to ensure their aid programs complement one another and support local ownership.

An underlying message in CIDA's commitment to partnership is that Canada cannot do it alone; in order to make progress on global commitments to the MDGs, collaboration and sharing of effort is needed. In 2003–2004, more than 40 percent of CIDA's disbursements were delivered through multilateral channels, such as the UN and IFIs.

The Afghanistan program is based on Canada's role as a member of the coalition against terrorism and on the Afghanistan Transitional Authority's own National Development Framework/Budget. CIDA's funds were disbursed in alignment with the Afghanistan Interim Assistance Plan for 2003–2004 and will continue to be in 2004–2005. Canada's presence in Afghanistan is a 3-D approach—defence, development, and diplomacy—which ensures a coordinated and integrated program with other donors and with other Canadian departments.

As a member of the UNDP board of directors, Canada worked to strengthen the UNDP's lead role within the UN system for monitoring, reporting, and championing the MDGs; and on becoming a leader in the new and difficult area of demonstrating results in the "soft" areas of policy influence and capacity building. In 2003–2004 the United Nations Development Group (UNDG)—comprising the UNDP, UNICEF, the United Nations Population Fund (UNFPA), the WFP, and others—published *Indicators for Monitoring the Millennium Development Goals: Definitions, Rationale, Concepts and Sources* to promote a better understanding of the MDG indicators. Country teams, including Canada's, were asked to engage more civil society organizations in the process.

CIDA also worked closely with other donors to strengthen the capacity of Multilateral Development Institutions to assess and report on their effectiveness. As one example, CIDA was instrumental in the creation of an independent monitoring and evaluation function at the GEF, and also played a lead role in the development of the terms of reference for a comprehensive evaluation of the GEF that will be conducted in 2004–2005.

Through CIDA, Canada continued to strengthen its partnerships with multilateral organizations in 2003–2004. CIDA is an active participant in MOPAN, an informal network of like-minded

countries that does rapid assessments of the effectiveness of select multilateral institutions at the country level. In 2003–2004, MOPAN performed preliminary assessments in health, examining the work of the WHO, UNICEF, the World Bank, and regional development banks in eight developing partner countries. CIDA is also playing an important role in evaluating the effectiveness and results achieved by the WFP.

Within Canada, CIDA works to achieve partnerships among government, civil society, and private sector firms to deliver international development assistance. In 2003–2004 the Agency renewed its working relationship with the voluntary and private sectors to better support the principles of local ownership, results-based approaches, and harmonization. Its new partnership agreements with a group of Canadian volunteer cooperation agencies were founded in an environment of greater transparency, cohesiveness, and collegiality, all of which led to the creation of new management tools. The principles framework, one such tool, shows how volunteer cooperation supports effective development assistance practices, including good governance, engagement of civil society, public engagement, local ownership, and strengthened capacity.

With CIDA support, Canadian NGOs, co-operatives, unions, professional associations (including the media), and private sector organizations continued to respond strategically to the needs expressed by their counterpart organizations in developing countries. CIDA also continued to make good use of Canadian expertise, and encouraged networking among its partners, both in Canada and developing countries, to create communities of practice that share their knowledge and lessons learned.

Building partnerships with developing countries is a complex process. Coordinating donor activities and harmonizing aid practices are important aspects of a well-functioning partnership between donors and developing countries, with the partner country taking the lead wherever possible. In 2003–2004, CIDA was involved in harmonization efforts in several countries, including Ghana, where the Agency is part of a multi-donor program to provide budget support to the government's poverty reduction strategy. In Bangladesh, the Agency plays a major role in one of the most extensive donor coordination networks in Asia. Among its collaborations in Bangladesh are: an initiative with the UK to modernize the Bangladesh Water Development Board project; the co-funding of a legal reform program with the World Bank and the Government of Denmark; and a multi-donor effort, in which CIDA has taken a lead role, to coordinate arsenic mitigation efforts. CIDA was also one of three donors to a conference that led to the UNDG adopting the *Statement on a Common Understanding of a Human Rights Based Approach to Development Cooperation*. The document is already contributing to a more broadly shared basis for integrating human rights principles into UN development activities.

Finally, CIDA continues to strongly represent the Canadian development perspective through its leadership and participation at the OECD-DAC.[43] The Agency supported Canadian participation at the G8 Summit in Evian, France, and played a major role in organizing the well-received Tidewater meeting, an annual gathering of development cooperation ministers and heads of

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43. A Policy Branch director chairs the Network on Conflict, Peace and Development Co-operation under the OECD–DAC. CIDA also led the creation of a task team on human rights and development in the OECD–DAC's Network on Governance.

development agencies. An additional opportunity to advance policy issues and raise Canada's development profile was gained when the Minister of International Cooperation's was accepted into the select Utstein Group.[44]

New Programming Approaches Piloted

Like other donors, CIDA is shifting from a traditional approach of supporting stand-alone projects to supporting comprehensive programs designed and initiated by partner countries and financed by many donors working together. This is known as a sector-wide approach, an innovative programming approach used by development agencies that increases the effectiveness of aid. Support using this approach is directed at comprehensive, locally owned programs that encompass entire sectors, such as education or health. Partners in a sector-wide approach include local institutions and the donor community, who share a common vision, common objectives, and often, common systems and procedures.

Whenever possible and subject to local capacity and governance, CIDA is increasingly putting its resources into a common fund that supports a broad-based program for the whole educational system, rather than, for example funding a project that provides training for teachers. This not only reduces duplication for recipient countries, but also ensures that any activity in the education sector will be supported by an overall plan. This more collaborative approach emphasizes dialogue, coordination, and strategic investing by all partners.

CIDA is involved in many sector-wide approaches, including in education in Vietnam, Mali, Mozambique, Burkina Faso, Uganda, and, recently, Honduras; and in health in Bangladesh and Mozambique; and in reproductive health in Guatemala and Nicaragua.

The Vietnam program was involved in several innovative programming initiatives in 2003–2004, including CIDA's contribution to a multi-donor sector-wide approach in education (Education of Disadvantaged Children project); a UNDP-led pooled-funding arrangement in support of public administration reform; and further support for expansion by the Small Scale Infrastructure and Services Development counterpart fund into Tra Vinh province.[45] CIDA's Nepal program has two projects involving new program approaches: the multi-donor Peace and Development Trust Fund, managed by the UNDP; and the WFP's multi-donor food-for-work project.

The Egypt program at CIDA is an example of a program moving from being a largely bilateral, government-to-government program to becoming a more varied mixture of program approaches. A project in early childhood education is taking an innovative approach to working with both the

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44. The Utstein Group, founded in 1999 by development ministers from Norway, Germany, the Netherlands, and the United Kingdom, is organized around the principle that coherence among rich countries' policies (e.g. on trade, anticorruption, conflict management, and foreign aid) is critical in supporting development in poor countries. The Group's founding members are committed to using their national and international political leverage to implement a policy-reform agenda among the world's richest nations that promotes development, including increasing the roles of leaders of poor nations in determining their own countries' development agendas. CIDA was recently invited by the Group to participate in developing a common strategy and plans for combating corruption.
45. The Small Scale Infrastructure and Services Development fund is a decentralized initiative allowing CIDA to learn more about the financial relationships that exist between central and provincial authorities.

World Bank and the Egyptian Ministry of Education. CIDA's participation ensures that core Canadian values have been thoroughly integrated into the overall program.

Canada's Innovative Influence

In many partner countries, CIDA's intellectual contribution is as important as its financial contribution, giving Canada a high level of influence and leverage in the development community. Canada is considered a leader and pioneer in RBM. This expertise led to an invitation to chair a World Bank working group of various donor country representatives who are now evaluating the success of development interventions in the Sahel region of West Africa.

CIDA's contribution in gender equality led to a leadership role among donors in Malawi and Kenya. The Agency is also a leader in governance reform in Indonesia, harmonization of aid practices in Vietnam, SME support in Egypt, education in Mali and Niger, and food security in Ghana and Ethiopia. In Bangladesh, CIDA chairs important subgroups of the local consultative group on education and the environment. Canada also played a leadership role in the donor community in preparing for Mali's May 2004 local election, making inroads to bolster voter participation, especially by women. Although CIDA's programs in the Caribbean are regional, the Agency's participation in coordination meetings has been viewed as extremely important, since CIDA-funded programs were among the most relevant in addressing the financial crisis on the island of Dominica. CIDA is also a lead donor in coordinating the efforts of the international community in Haiti, where Canada is piloting an approach to working in difficult-partner countries. The approach will help the donor community, not only in Haiti, but in other countries in crisis as well.

Policy-Based Programming and Increased Policy Coherence Between CIDA and Its Partners

In today's interdependent world, non-aid issues, including international crime, global financial stability, peace and security, trade, and debt, all have the potential to affect development. For example, restricting market access and/or high subsidies on agricultural products has cost developing countries more in lost export sales than they receive in development assistance.

Many government departments and agencies in Canada are now involved, at some level, in international projects. Interdepartmental cooperation is as critical as cooperation among international donors. CIDA made a commitment to promote policy coherence within the Government of Canada, and ensures that key issues receive regular discussion, through interdepartmental working groups.

CIDA also promoted policy coherence with and through its partners in 2003–2004. CIDA's unwavering commitment to the landmark *Accord Between the Government of Canada and the Voluntary Sector* signed in 2001, and the Codes of Good Practice on Funding and Policy Dialogue adopted jointly in 2002, demonstrates the importance it places on dialogue, debate, and advocacy in the relationship between government and civil society. As proof of CIDA's commitment to dialogue and policy coherence, CIDA held a forum on basic education in January 2004, bringing together CIDA staff, academic representatives, voluntary sector organizations, the private sector, and multilateral institutions, to share experiences on basic education programming and policy directions.

Facilitation of Local Ownership

Local ownership is a fundamental tenet and determinant of success for development cooperation, and is a core element of all CIDA programs. Local ownership means that both the governments and their partner countries decide how they will develop. Their priorities, not those of donors, must prevail in any development program. It obliges partner countries to take responsibility for managing the financial and human resources in their development plans and activities.

CIDA takes different approaches to helping make local ownership happen in developing countries. These approaches affect how CIDA plans its work, or chooses to build the capacity of government and civil society organizations in partner countries. CIDA has gone beyond its RPP commitments in this area and has achieved notable successes, particularly with African nations. For many countries, their national development plan is the PRSP, which forms the basis for development cooperation with donors like Canada and the World Bank. CIDA has put in place new guidelines for developing CDPFs, requiring that all new country-level plans at CIDA strongly reflect partner countries' priorities and be based on these countries' own national poverty reduction plans. In Ethiopia, CIDA's new CDPF, approved in 2004, is strongly aligned with the Government of Ethiopia's PRSP, the Sustainable Development and Poverty Reduction Program. CIDA's Ethiopia CDPF involved elaborate analytical work and extensive consultations with Ethiopian authorities and civil society, other donors, other government departments in Canada, and Canadian stakeholders. In addition, the new five-year CDPF for Mozambique, developed throughout 2003–2004 and formally approved in April 2004, reflects the overall objectives of Mozambique's PRSP, the Action Plan for the Reduction of Absolute Poverty.

During 2003–2004, a program audit of CIDA's Pan-African Program underscored how the program is a keystone in supporting CIDA's Strengthening Aid Effectiveness policy in Africa. Since its programming framework was approved in October 2001, the Pan-African Program has significantly improved the capacity of several regional organizations, including the Forum for Agricultural Research in Africa and the African Capacity Building Foundation.

Another key element in encouraging local ownership in development is strengthening the ability of CIDA's partners to plan and manage their own development programs. In 2003–2004, wherever possible, CIDA continued to directly support the work of local organizations. In Malawi, CIDA provided training on incorporating gender equality principles into development programming so that local partners could better integrate gender into the rural development activities supported by CIDA.

Many other CIDA programs support the development of PRSPs for countries that have not yet completed them. In Honduras, CIDA's bilateral program, Pro-Mesas, approved in 2001, has since then put the Honduran PRSP front and centre. In the spirit of local ownership, the Strategy is consistent in its principles and strategic programming. CIDA's CDPF for Peru is closely aligned with the Government of Peru's 2004–2008 National Plan. CIDA's Peru plan helps build national capacities and ownership through a series of locally-managed funds that respond directly to Peruvian demands (e.g. CIDA's Democracy Fund, Public Policy and Public Sector Reform Fund, Canadian Fund for Peruvian Education, Gender Equality Fund, and Canada Fund for Local Initiatives).

4.4.2 Appropriate Sectoral and Thematic Focus

The launch of CIDA's Social Development Priorities framework in 1999 was a major step towards greater sectoral focus in CIDA, and included a commitment to double CIDA's investment in social development over the following five years. As of the end of 2003–2004, CIDA was on track to meet its spending commitments in the four social development areas identified as focus areas in 1999: child protection, health and nutrition, HIV/AIDS, and basic education.

Following the release of its Strengthening Aid Effectiveness policy in 2002, CIDA started focusing even more on a limited number of sectors and themes to maximize its impact, better respond to partner country priorities, and more closely reflect Canadian capacity to make a difference. In CIDA's nine countries of focus, for example, programming is increasingly focusing on two to four major areas of intervention, rather than on the five or six areas in previous years.

The key sectors that CIDA focuses on, which range between countries, include health (including HIV/AIDS), education, child protection, PSD, agriculture, water supply, and governance (including security). Support for environmental sustainability and gender equality cut across these themed areas. CIDA is also reducing the number of sectors in which it offers programs in non-core countries and regions. In the Balkans, for example, the number of sectors CIDA offers programs in has dropped from 57 to 15, and the program is continuing to sharpen its focus.

The following graph illustrates how CIDA's disbursements have been growing in the key health, governance, and education sectors over the past five years.

Chart 5: CIDA Aid Disbursements in Top Three Sectors from Fiscal Year 1999–2000 to 2003–2004
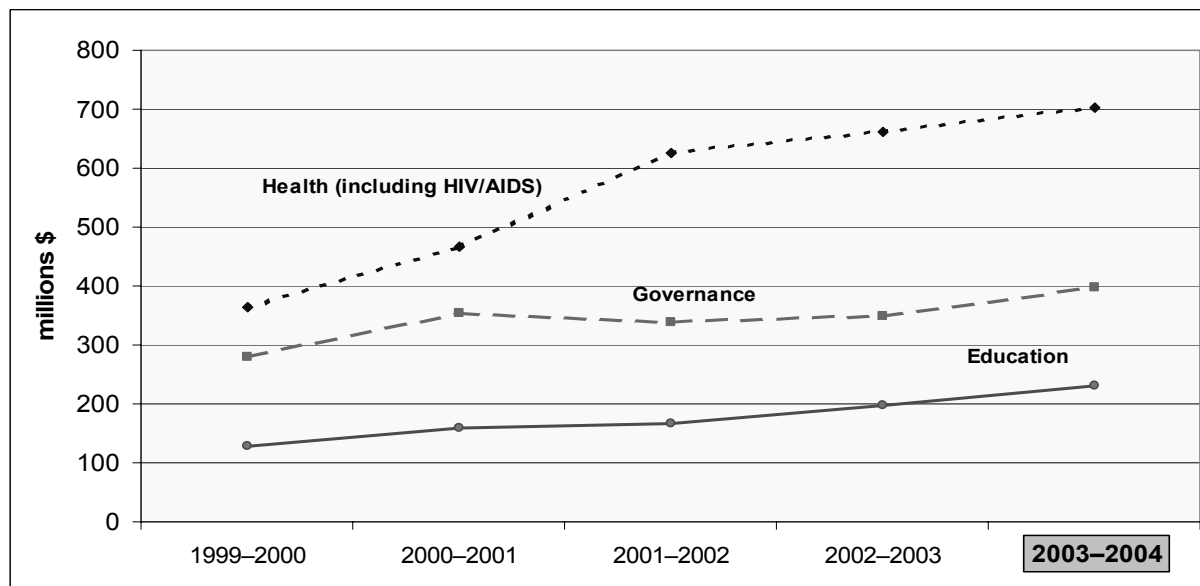
In 2003–2004, CIDA developed a number of policies and tools to help enhance its concentration on key sectors. For example:

- CIDA implemented its new agriculture policy, *Promoting Sustainable Rural Development Through Agriculture*, and released a new policy plan for PSD, called *Expanding Opportunities Through Private Sector Development*.

- CIDA continued to prepare the groundwork for a strategy on trade-related capacity-building and technical assistance, based on its growing programming experience in this area.

Many CIDA programs have reassessed their project portfolios in terms of gender equality, and gender-based analysis and gender equality strategies are now being incorporated into the planning of most of branch initiatives. For example, CIDA's Egypt program is integrating gender equality into its programming using a newly developed gender equality strategy. Tools, including a gender equality assessment form, the Framework for Integrating Gender Equality, and a publication on gender equality and trade-related capacity-building, have been developed to support the Agency's capacity in gender equality. A corporate Framework for Assessing Gender Equality Results has also been developed, and is currently being piloted.

CIDA also responded to current trends and emerging needs in partner countries, such as the following:

- War and civil conflict, by increasing spending in peacebuilding and conflict prevention, with a particular focus on Africa ($45 million invested from 2003 to 2004);

- Global security, by continuing to coordinate and collaborate with other government departments in support of international and multinational security operations, particularly in Iraq, Afghanistan, Haiti, the Middle East, Africa, and on terrorism in general. CIDA was also part of an interdepartmental working group on human security, peacebuilding, and civilian police deployment. The challenge in this sector is to remain focused on a limited number of areas to maximize the Agency's impact and effectiveness; and

- Taking part in the interdepartmental working group on the Canadian Police Arrangement, whose mandate is to respond to requests from the UN and multilateral organizations for peace-support operations; and in a steering committee at the assistant deputy minister level that advises ministers of FAC, CIDA, and Public Safety and Emergency Preparedness Canada.

4.4.3 Appropriate Geographic Focus

Enhanced CIDA Presence in a Small Number of Countries and Institutions

In 2003–2004, CIDA continued to expand and consolidate its work in the poorest countries in Africa. In its February 2003 budget, the Government of Canada pledged to double its development assistance by 2010.[46] At least 50 percent of this increase will go to Africa, bringing the total assistance to that continent over the next five years to about $6 billion. In its Strengthening Aid Effectiveness policy in 2002, CIDA made a commitment to enhance its programming in a number of the world's poorest countries, and selected an initial group of nine countries (Bangladesh, Bolivia, Ethiopia, Ghana, Honduras, Mali, Mozambique, Senegal, and Tanzania) on which to focus more resources in a limited number of sectors.[47] These are all low-income countries that have shown a commitment to poverty reduction, a demonstrated ability to use aid effectively, and a commitment to improving governance, respecting human rights, and ending corruption.

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46. www.fin.gc.ca/budtoce/2003/budliste.htm
47. www.acdi-cida.gc.ca/aideffectiveness

> **The Canada Fund for Africa**
>
> The $500-million Canada Fund for Africa[48] launched at the 2002 G8 Summit in Kananaskis, Alberta, was established to support the G8 Africa Action Plan[49] and the New Partnership for Africa's Development, a made-in-Africa plan to lift the continent out of poverty.
>
> In 2003–2004, the Canada Fund for Africa realized a number of accomplishments as it continued to deepen its relationship with key partners while implementing projects consistent with African ownership and leadership, and with donor coordination. Highlights included the following:
> - Support was given to the African Union (AU)[50] for unarmed military observer missions in Burundi and Comoros. Canadian funds were also made available to the AU for Darfur, Sudan, and for the establishment of an AU special representative for the protection of civilians in armed conflict, to advocate for and promote the protection of war-affected populations across Africa, with special emphasis on women and children.
> - The IAVI is strengthening African expertise and research facilities, enabling the development of vaccines most appropriate to the HIV strains prevalent in Africa. In November 2003, the first volunteers were immunized in South Africa's two AIDS vaccine trials, which were cosponsored by IAVI.
> - The West Africa Peace and Security Initiative is providing support through the Pearson Peacekeeping Centre (PPC) for the development and implementation of training programs at the Kofi Annan International Peacekeeping Training Centre in Accra, Ghana, for West African military personnel and civilians participating in peace-support operations. The PPC delivered the inaugural course at the Kofi Annan Centre in November 2003, on disarmament, demobilization, and reintegration of former combatants.
> - A major campaign against corruption is being supported by the Africa-Canada Parliamentary Strengthening Program. The Program's influence is spreading, with national chapters of the African Parliamentarians Network Against Corruption being formed across the continent, allowing African leaders to share lessons learned in tackling critical governance issues like corruption, open government, citizen participation, and the funding of political parties.

CIDA is also concentrating its efforts within individual regions and countries. In Central Asia and the South Caucasus, CIDA is focusing its efforts in two countries, Tajikistan and Georgia. In Eastern Europe, CIDA is now focusing programming funds in fewer priority countries, namely Bosnia and Herzegovina, Russia, Serbia and Montenegro (including Kosovo), and Ukraine. This is a stark contrast to covering 28 countries, as the program did as recently as 2001. In China, CIDA's efforts are focused on the western part of the country, where poverty is still prevalent. The region lags behind the rest of the country in economic and social development, as well as in achieving the MDGs.

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48. see www.acdi-cida.gc.ca/canadafundforafrica
49. see www.g8.gc.ca
50. see http://www.africa-union.org/

Chart 6: Breakdown of CIDA Aid Disbursements by Bilateral Branches in African Countries of Focus

2001–2002

72.6% | 27.4%

Africa = $273.0 million

ET 3.3% | MZ 4.3% | SN 3.9% | GH 4.8% | TZ 3.9% | ML 7.2%

Core African Countries

2002–2003

67.5% | 32.5%

Africa = $315.7million

MZ 7.4% | SN 4.4% | ET 2.7% | GH 4.4% | TZ 7.3% | ML 6.3%

Core African Countries

2003–2004

57.9% | 42.1%

Africa = $429.1million

ET 7.0% | MZ 7.1% | GH 9.2% | SN 4.1% | TZ 6.8% | ML 7.8%

Core African Countries

ML : Mali **GH** : Ghana **ET** : Ethiopia
MZ : Mozambique **SN** : Senegal **TZ** : Tanzania
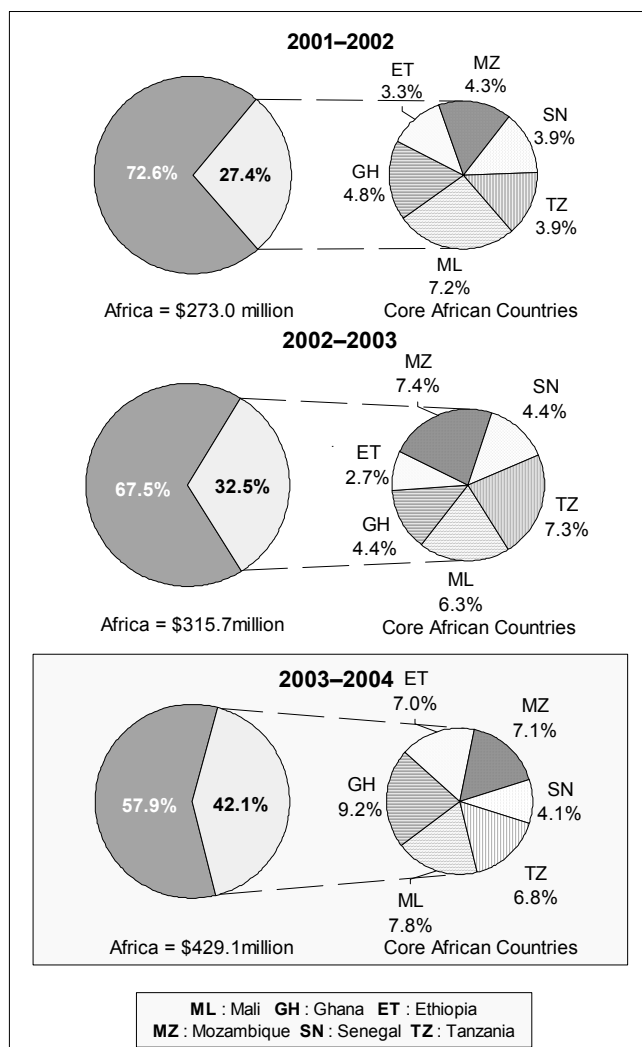
Graduating Countries

Within the context of the Asia Branch Country Program Graduation Framework, the graduation of Malaysia and Thailand is based on having achieved middle-income country status and a Human Development Index ranking that indicated they made significant progress in social development. This combination produced dramatic poverty reduction and suggests that they can continue to develop without direct Canadian assistance. Malaysia graduated from Canadian bilateral assistance in 2003–2004. Thailand is a dynamic industrial economy and played a strong role in the Association of Southeast Asian Nations and in the region. Thailand will graduate from Canadian bilateral assistance in 2004-2005, and a CIDA-implemented transition project for Thailand will end the following year.

On May 1, 2004, CIDA's program in Central and Eastern Europe reached an important milestone, as 10 countries joined the EU. Eight of these new EU members (the Czech Republic,

Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, and the Slovak Republic), all recipients of Canadian technical assistance since 1989, are now considered to have graduated from their donor-recipient relationship with Canada. As of April 1, 2005, all CIDA funding to these countries will cease. The ODA in Central Europe program will continue, which will mainly provide joint funding for development projects in other countries. CIDA will further identify countries to graduate and countries where it will focus its programming in future years.

4.4.4 Engaged Canadians

Improved Perception of the Value, Efficiency, and Effectiveness of the ODA and OA Programs

CIDA continued to promote greater public understanding and support for development issues, and helped foster a better appreciation for the nature and strategic importance of Canada's involvement in the developing world.

Considerable efforts were directed at improving CIDA's website, which attracted 2.2 million visitors, an increase of 14 percent over the previous year. Examples of improvements to CIDA's website to help it better respond to Canadians' information needs about Canada's aid program and global issues included: totally redesigning the website's front page and its Youth Zone, adding a searchable database of CIDA projects, and adding a new section called "Canadians Making a Difference in the World," along with a series of profiles of individuals and groups working in developing countries.

CIDA's communications programs and tools, including media relations, exhibits, the CIDA website, publications, and the Development Information Program, were used to inform and keep Canadians abreast of developments in Afghanistan, Iraq, and Haiti in 2003–2004, and to raise awareness of the challenges facing Africa and the initiatives Canada is funding in response to those challenges.

Informing Canadians About Canada's Work in Afghanistan

In addition to posting current information on Canada's diplomatic, defence, and development contributions in Afghanistan on the Government of Canada website, CIDA supported a range of media and communications initiatives to raise awareness among Canadians. On-the-ground briefings and project visits were organized for the CBC's *The National*, which aired live from Kabul in February 2003. CIDA's Journalism and Development Initiative made it possible for three journalists to get first-hand experience in Afghanistan, resulting in in-depth print and television media coverage with a combined audience of 16 million Canadians. CIDA's Mass Media Initiative supported the production of articles on education for girls in Afghanistan. Published in *Owl Magazine,* the articles were read by Canadian children. The Initiative also supported the production of a documentary, aired on the SCN Broadcast Network, on the work of a coalition of Canadian and Muslim organizations (the Mennonite Central Committee and the Iranian Red Crescent Society) providing prosthetic limbs to Afghanis dismembered by war. Finally, CIDA's Canadians Making a Difference in the World program profiled the work of nine Canadians in Afghanistan on its website and in public exhibits.

Reaching Canadian youth remained a focus of the CIDA's communication efforts. The Global Classroom Initiative continued to support the development and delivery of school-based educational resources for Canadian students and teachers. For example, the program supported

the Canadian Foodgrains Bank and Sisler High School in Winnipeg in developing and releasing a 10-unit curriculum for high school studies, called "Refugees and Exiles: A Canadian Perspective."

CIDA also worked strategically through its regional offices in the Pacific region, the Atlantic Provinces, and the Prairies to increase public awareness of Canada's ODA program, and participation in CIDA-supported activities. Monthly newsletters, information sessions with community-based organizations, and regional consultations were some of the initiatives by regional offices to improve communication between CIDA and its domestic stakeholders.

CIDA was also fortunate to draw on the resources of the Special Advisor on War-Affected Children to CIDA, Lieutenant-General (retired) Roméo Dallaire (*see the following box*). General Dallaire's work has been instrumental in contributing to the Agency's efforts to protect marginalized children around the world, and to engage Canadians on the plight of children affected by armed conflict.

Engaging Canadians: General Dallaire, Special Advisor on War-Affected Children

Since General Dallaire was appointed as Special Advisor on War-Affected Children to CIDA and to the Minister of International Cooperation in 2001, he has spoken to more than 15,000 Canadians at more than 100 events across the country, has given countless interviews, and has appeared in a variety of local, regional, and national media. General Dallaire has increased the understanding and awareness of Canadians—from high school students, university students, and academics to NGO personnel and private sector representatives—of the plight of war-affected children, and has inspired Canadians to become get involved in and beyond their communities. As one high school teacher said, General Dallaire was able to "personalize Canada's foreign policy and bring it to life for the students." After General Dallaire's visit to one school, the principal has said students started a fundraiser to support a child in a developing country, and became more active in the work of Amnesty International. At another school, students too young to participate in CIDA's Butterfly 208[51] contest were inspired by General Dallaire's talk to establish their own version of the contest, and delivered it to him directly in a stirring public presentation at CIDA in spring 2004.

Through its Canadian voluntary sector partners—NGOs, universities, colleges, unions, and professional associations—CIDA implemented the final year of the Public Engagement Strategy and Action Plan, 1999–2003. Partner activities targeted Canadian populations in their regions, and, in some cases, in several regions of the country. Through this multiplier effect, public engagement activities reached and informed many Canadians about international development.

CIDA's Stand-Alone Public Engagement Fund supported Canadian NGOs in fostering greater public understanding and increased support, in all of Canada's regions, for Canada's international assistance program. These NGOs worked on issues like fair trade, connecting indigenous youth, HIV/AIDS, and agriculture.

CIDA supported the work of Canada's provincial and regional Councils for International Cooperation by helping build the capacity of the organizations' memberships to conduct better public engagement activities. Through their networks, the Councils reached out to new audiences, such as teachers' associations and community groups, to highlight the importance of Canada's contributions to sustainable development.

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[51] www.butterfly208.org

Greater Public Involvement in International Development Cooperation

In a recent public opinion survey conducted by Environics Research Group, eight in ten Canadians reported being involved in one or more of the following over the last year: donating to development organizations, purchasing fair trade products, joining development organizations, or participating in a campaign or demonstration to promote the interests of people in poor countries. Greater public involvement in development cooperation has been recognized as an important factor in strengthening the effectiveness of CIDA's work. This understanding is reflected in the Agency's Strategy on Public Engagement 2001–2003, which is about to be renewed with input from a wide range of external partners.

Youth engagement is a CIDA priority, and, as such, CIDA continues to manage the International Youth Internship Program, part of Human Resources and Skills Development Canada's Youth Employment Strategy.[52] The program continued to benefit hundreds of interns in 2003–2004, as well as its sponsoring organizations, and CIDA, by providing career-related international experience for interns and young professionals to sponsoring and host organizations.

CIDA also co-hosted the launch of the 2004 United Nations Consolidated Appeals Process for West Africa. The launch, CIDA's first time hosting the event, raised media, public, and institutional awareness of and interest in humanitarian issues. It featured the participation of CIDA and FAC ministers, parliamentarians, senior UN officials, and representatives from Canadian humanitarian agencies, and was well covered by national media.

In 2003–2004, CIDA held a number of public consultations while developing new CDPFs for programs in Vietnam, Ethiopia, Mozambique, Rwanda, the Balkans, Bangladesh, Haiti, Indonesia, and Bolivia. Plans are being developed for public consultations on CIDA's development strategies in Peru, and on the CARICOM regional programs.

4.5 A Summary of Management Results

Management approaches and frameworks—in people management; knowledge, information, and technology management; strategic planning and resource allocation; and management processes and support activities—are the foundation that supports CIDA's enabling strategies and the achievement of its strategic outcome goals in international cooperation and development. These approaches and frameworks play a critical role in enabling CIDA to implement its Strengthening Aid Effectiveness policy statement in a rapidly changing world. They also give CIDA the means to implement the first sustained increase to its aid budget in more than a decade: 8 percent annually starting in 2002–2003.

In recent years, CIDA has become a more diversified, knowledgeable work force and a more effective, knowledge-based organization. CIDA has done this by strengthening policy development and analytical capacity of its staff and establishing of new or revitalized Agency-level committees to better support decision-making in the Agency's financial, human, and

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52. www.hrsdc.gc.ca/en/epb/yi/yep/common/guide.shtml

knowledge resources, policy, and information management and information technology (IM/IT) areas.

The Agency's financial performance in 2003–2004 was significant not only in terms of maximized use of the aid budget and improved control of operating costs, but also in terms of effective budget reallocation to meet Government of Canada priorities. CIDA developed a new regime of resource management principles, a corporate governance system, reviews of corporate service functions, and continuous alignment of the operating budget to the aid budget in light of changing aid priorities. This new management regime constitutes a comprehensive, long-term strategy for effective resource management within CIDA. The Agency has also designed a framework to develop, implement, monitor, and report on its Integrated Modern Management initiative action plan, and to address gaps in its management practices.

In all, the Agency's management results showed solid improvements in 2003–2004 compared with previous years, particularly in financial performance, analytical capacity, knowledge management, and corporate governance. Despite these achievements, there remain challenges. The following box describes a few of the lessons learned from 2003–2004 in CIDA's Africa and Middle East Branch (AMEB). Other branches echo many of these views as well.

Lessons Learned from the Africa and Middle East Branch

The single most important change experienced by the AMEB was the rapid and steep increase in the aid budget, which increased from $267 million in 2000–2001 to $730 million in 2004–2005, and which will continue to increase in the future, as a result of the 8-percent ODA increase, half of which is going to Africa. This growth poses a significant challenge. As Canadian ODA had declined over the prior 10 years, dedicated efforts were needed to raise awareness of the implications for Branch management, budgets, workloads, and people.

With the combination of the Agency's new aid-effectiveness policy, the significant focus on Africa, and newly established programming targets, it became critical for the Branch to ensure timely design of projects and the achievement of development results. Two of the Branch's key success factors were (1) the ability to establish a relationship between the Agency's priorities, and the Branches operating budgets, supported by a sound management accountability framework; and (2) the enhancement of CIDA's field presence.

Aligning the Agency's operating budget with the focus on Africa allowed CIDA to allocate Branch resources according to clear targets, and to seek the important reallocation of its operating budget across the Agency. It also quickly became evident that new knowledge and skills among staff were required. The Agency responded by designing training courses in financial and contract management; designing new programming approaches; supporting donor harmonization and coordination, using Branch case studies in parallel with helping corporate services improve Agency-wide tools.

With a growing number of donor partners now decentralized or regionalized, and more policy discussions taking place in the field, AMEB now has a growing complement of highly qualified, locally recruited professionals who are the essential link between local knowledge and contacts and CIDA's knowledge, policy, and processes. While the Branch has steadily been increasing its number of field employees in its six countries of focus, it has learned that enhancing field presence is not just putting more people in the field, but, rather, it means doing things differently and with different programming approaches and tools.

In this period of growth and transition, CIDA still faces challenges and unfinished business, such as improving the definitions of field and headquarters roles, responsibilities, and accountabilities; increasing training in the field; and improving and increasing standardized and monitored FAC services.

4.5.1 Strategic Planning and Resource Allocation

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
Strategic planning and resource allocation.	• Strategically aligning planning priorities, reporting, and resource allocation.	• A new framework for managing the aid budget. • Use of costed work plans.

CIDA had noteworthy financial performance in 2003–2004, using 99.96 percent of its spending authority for grants and contributions. What is also significant is that, in response to the Federal Budget of February 2003, the Agency reallocated $40 million within the aid budget to meet major government-wide priorities. Following an analysis of the cost drivers that influence its operating costs, the Agency's operating costs as a percentage of total expenditures decreased from 10.12 percent in 2002–2003 to 8.72 percent in 2003–2004. Such streamlining is all the more impressive given that it was concurrent with a $16-million reallocation of CIDA's $200 million operating budget to meet emerging Government of Canada aid priorities overseas, as well as requirements to bolster spending on IM/IT, human resource management and accommodation and security services. The $40 million reallocation exercise is detailed in the following box.

Implementing the Government of Canada's Reallocation Commitments

As part of the Government of Canada's efforts to redirect program money to new priorities, CIDA reallocated $40 million from across its programs. Most of this was reallocated to support reconstruction in Iraq, which the Government of Canada identified as a priority, and will be directed to Iraq for the next two years.

To determine which areas to cut, CIDA carefully reviewed its existing and planned spending, and, with the object of preserving the integrity of Canada's development assistance, used the following criteria: the relevance and usefulness of Canadian programs, the quality of governance in partner countries, the potential for using funds from countries graduating from their aid relationships with Canada, and the opportunity to eliminate duplication and redundancy. The Government of Canada's commitment to allocate half of new development funding to Africa was still met, as was the program to support business cooperation, which was in alignment with the Government's priority to favour private sector development.

This reallocation provided an opportunity for CIDA to further focus its aid. The lessons learned from the experience will guide future reallocation exercises, enabling CIDA to continue to respond to emerging priorities like Iraq and Haiti in a timely, effective manner. However, it is clear that continuing to do this in the future will require significant choices and consequences.

To improve CIDA's internal accountability and decision-making, revisions were made to the structure, mandate, and membership of the Agency's corporate committees.[53] Collectively, the committees ensure conformity between branch policies, priorities, program directions, and operations, in support of Canada's foreign policies in given regions and CIDA's overarching international development assistance objectives. The initial assessment of the effectiveness of CIDA's committee structure was highly favourable, if time-consuming.

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53. They now include the Policy Committee, Audit and Evaluation Committee, Corporate Resources Committee, Human Resources Management Committee, Budget Committee, Strategic Planning Working Group, Contract Management Committee, Performance and Knowledge Management Committee, and Financial Management Group.

Also in 2003–2004, CIDA developed and implemented its first costed work plan exercise. The resulting work plans integrate financial and non-financial information, and link expected results to resource allocation, greatly improving CIDA's accountability and transparency. The Agency is continuing its efforts to assess how this approach is functioning from an operational level, and the lessons learned from this process will be applied in 2004–2005 to improve the planning framework for subsequent planning cycles.

A framework for developing, monitoring, and implementing the Integrated Modern Management action plan was developed in 2003–2004 and is now being finalized. The Modern Management initiative was merged with the planning exercise for 2004–2006 to identify expected results and address any gaps in Agency management practices.

CIDA program delivery grants continued to increase both in number and in value in 2003–2004, reaching $840 million among 324 grant agreements. The increase could be attributed to, among other things, the 8-percent increase to the IAE, greater donor harmonization, and new directions in programming approaches. Nonetheless, contribution agreements remained the instrument most used, with 782 agreements totaling $977 million in 2003–2004. Service contracts continued to decline both in number and value, representing $126 million for 723 contracts. The programming tools associated with these contracting instruments remained core funding (grants), responsive programming (contributions), and directive programming (contracts).

4.5.2 People Management

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
People management	• Resourcing for a renewed, sustained, and representative work force • Development and training for a highly qualified work force • Increased retention, through work force well-being • Enhanced field presence where necessary	• Demographic profile, Public Service Employee Survey, and employment equity analyses • Annual learning report and budget allocations for training • Public Service Employee Survey, and internal reports • Investment of human, financial, and skills resources

Resourcing for a renewed work force resulted in 244 new employees joining CIDA in 2003–2004, compared with 205 departures. CIDA field presence increased by 20 percent; with 129 postings in 2003–2004, compared to 101 per year over the previous three years. The Agency analyzed its overseas presence, and released a preliminary report with recommendations on how it could adjust to improve its aid effectiveness. An analysis was also done of the security and risk issues associated with field support units (or program support units, also known as PSUs) operating outside of Canada's official presence abroad. The analysis resulted in implementation of revised PSU structures and procedures to improve the personal security of PSU staff and to address Crown liability issues.

In 2003–2004, CIDA undertook a series of reviews, focused on current and future human resources functions, to clarify roles and responsibilities, management practices, processes, and frameworks. Values and ethics also received much attention. The revised *Values and Ethics*

Code for the Public Service was widely distributed throughout CIDA, and an action plan and accountability framework document await approval. In cooperation with the unions, CIDA also co-developed guidelines on the prevention and resolution of harassment in the workplace.

CIDA became a more diversified workplace in 2003–2004 by making strides toward achieving its employment equity goals. The Agency achieved labour market representation for all employment-equity-designated groups. For the visible minority designated group, the representation goal of the Embracing Change initiative was not only achieved but surpassed. For some branches, the focus in 2003–2004 was as much on changing attitudes, and creating a supporting environment for employment equity as it was on achieving statistical results by recruiting more members of employment-equity-designated groups. Members of visible minorities were offered opportunities such as acting appointments, career assignment programs, training, and professional development. For achievement in its Embracing Change selection board project, CIDA, along with six partners, was awarded the Michelle C. Comeau Human Resources Leadership Award.

CIDA is improving its standing in terms of official languages requirements, specifically the bilingualism of CIDA's EX-level executive cadre. As of March 31, 2004, only nine (7 percent) of 135 EXs did not meet the "C-B-C" linguistic profile, down from sixteen (12 percent) in the previous year. Appropriate training is being provided to the remaining executives in order that they can meet official languages requirements.

Learning plans and activities for employees are key in CIDA's transformation to a knowledge-based, learning organization. In 2003–2004, 868 courses were delivered to more than 1,000 employees. Through its continuous learning e-campus, CIDA developed a variety of learning tools, including a learning plan template and a process for developing personal learning plans. These tools support managers in meeting their accountability goals for staff training and professional development as identified in the new *Public Service Modernization Act*.

In 2003–2004, CIDA designed and approved an EX cadre management development strategy, with a mandatory curriculum of core management courses. Various training modules were made available to CIDA employees and programs were reinforced to improve workplace well-being. Both the modules and program reinforcement were aimed at retaining employees. A new comprehensive contracting learning program met specific operational needs and was well received. CIDA also evaluated its Program for New Development Officers, and evaluation results showed the program was efficient, effective, and relevant.

However, periodic checks have indicated the Agency does not yet consistently use the new competency profiles approved for EXs, including stewardship of knowledge resources, team work, communication, and partnership-building—all essential elements of sound knowledge management. Nor has CIDA yet updated its competency profiles for its PM program manager cadre, which could include similar elements. Similar checks show that staff are rewarded for collaborative behavior by exception, rather than systematically.

Because of the challenges of competing priorities and the difficulties of recruiting short-term professional help, some branches did not replace employees who were deployed or absent on

maternity leave, resulting in an increased workload for these employees' colleagues. Also, despite the number of retirements anticipated in CIDA's branches in the next few years, the Agency has not yet uniformly moved ahead on a comprehensive succession plan.

Workload and Work-Life Imbalance

Ensuring that staff can effectively balance work and life pressures is a concern for CIDA. However, employees throughout the Agency feel that work-related pressures have increased.

The case of one branch, the Americas, shows how workload and work-life imbalance are exacerbated when emergencies strike and a country program is hit with a crisis. The Bolivia program, for example, had a very difficult year in 2003, as it faced two major crises of social unrest within Bolivia and the tragic, sudden death of one of its staff members in an accident while on mission. Senior-level support is particularly important at such times, and Agency management provided highly valued support to the Bolivia team by:
(1) assisting and advising on policies and procedures to deal with the sudden death of a Government of Canada employee while on duty overseas, and contacting the family;
(2) providing grief counselling to all members of the Andes program, and to those who knew the deceased; and
(3) helping get the name of the colleague to the Memorial for Aid Workers, and organizing a memorial ceremony.

Elsewhere in the world, political and social upheavals put enormous pressures on staff deployed overseas. Experience has shown that these situations have the potential to increase stress, illness, and family problems because of the need to work long hours responding to the emergencies.

4.5.3 Knowledge Management

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
Knowledge management	• Ensuring that staff has ready access to expertise and knowledge for continuous learning and improvement	• Implementation of a 2002–2005 knowledge management action plan

In the past five years, policy, research and analytical capacities of CIDA's staff have been considerably strengthened. The Agency's collective knowledge has grown, whether through strategic information reports, business intelligence, and trend analyses to support senior management decisions; the development of various policies; knowledge dissemination seminars and training events on gender equality, human rights, and child protection; or program-based approaches on governance, peace, and security. Policy Branch's new Analysis and Research Division, which became fully operational during 2003–2004, helped support selected policy areas: aid effectiveness research, sustainable development and poverty reduction research, outreach and linkage activities, and country-risk-assessment analysis and research.

In addition, the Agency's Knowledge Management Secretariat started working directly with program branches to facilitate learning between headquarters and the field. A pilot program provided assistance in developing a field-headquarters knowledge-management strategy to improve field-headquarters joint planning. Lessons will be shared among the Brazil, Tanzania, and Honduras programs, which are all experimenting with new approaches for field-headquarters collaboration.

4.5.4 Information Management and Information Technology

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
IM/IT	• IM/IT approaches and systems supporting the achievement of Agency priorities, effective interaction with partners, and fulfillment of public information needs	• Creation of web-based program delivery tools

Budget cuts and a 16 per cent reduction in the Agency's IM/IT expenditures slowed progress of various important IM/IT projects. Rather than cutting products or services outright, the Agency maintained service levels in mission-critical applications and continued to support the same number of clients. In the area of information technology, CIDA successfully laid the groundwork for clustering servers, resulting in greater system security and curtailed the growing amount of spam e-mail with new filters. To meet its commitment to provide uninterrupted, reliable access to e-mail from anywhere in the world that CIDA employees are deployed, the Agency installed new equipment and implemented web-browser-based software for about 1,100 users.

In compliance with Government On-Line's Common Look and Feel standards, CIDA extensively redesigned its intranet site, Entre Nous. In response to the Government of Canada's Managing Government Information policy, the Agency translated the generic set of roles and responsibilities found in the policy into Agency-specific terms, and had them endorsed in principle by senior management as CIDA's information management policy and accountability framework. This was followed up with implementation of an Agency-wide information management capacity check.

As proof of its commitment to improving management results, CIDA went beyond its RPP commitments and began an IM/IT expenditure and management review. Key findings of the review pointed to a need to address the question of value for IM/IT funding (e.g. the need to replace consultants with full-time employees), to bolster business engagement, and to improve the governance process. Action plans are currently being drafted to address issues raised in the evaluation.

A number of business solutions brought CIDA added efficiency and/or effectiveness with their successful implementation in 2003–2004. For example, CIDA continued to integrate its financial and human resource systems, in order to ensure coherence between the systems and improve quality control. Extensive work went into implementing integrated information management systems like the Salary Management System and *People@CIDA*, which combines into a single source all administrative and employee data originally stored in numerous stand-alone databases. Additional collaborative workspaces were also developed to improve information-sharing.

For all that was positive in 2003–2004, there were also challenges. The Enterprise Document Records Management System (EDRMS) did not progress as expected. Difficulties in establishing an overall information management framework across the Agency to deliver this critical discipline continued to be significant. In addition to these challenges, given the acquisition of the Government-wide licence for the Records, Document and Information Management System (RDIMS), CIDA reconsidered its approach regarding the supporting application for the

EDRMS's implementation. The Agency also cancelled its initial roll out of a secure remote access system that had proved problematic in a number of departments. Instead, CIDA completely redesigned the environment and is proposing a fully web-enabled solution to better meet CIDA's requirements with FAC. Although this process delayed the CIDA staff's ability to securely access the network from locations outside headquarters, it will provide a more robust solution in the longer term.[54]

In human resources, while 90 percent of all IM/IT job descriptions were completed to convert costlier consulting work into more effective staff positions, resource shortages and the impending introduction of the Government of Canada's wage envelope concept for 2004–2005 prevented CIDA from going ahead with these conversions, thereby jeopardizing knowledge retention.

4.5.5 Management, Processes, Approaches, and Support Activities

Strategic Outcome	Priorities/Intermediate Outcomes	Sample Indicators/Immediate Outcomes
• Management, processes, approaches, and support activities	• Strengthening and continually improving management approaches • Transparent, consistent, cost-effective business processes and operations • Improved practice of stewardship and conservation in Canada and abroad • CIDA's management and administrative activities supporting the objectives of international development	• Implementation of Integrated Modern Management action plan • Results of institutional assessments received • Implementation of audit recommendations • Development of risk frameworks. • Development of business practices roadmap • Implementation of three generic business processes

The Agency introduced the use of risk-based audit frameworks (RBAFs) and RMAFs as the management tools to achieve the best results in programs and projects, mainly in those related to program-based approaches. A number of other frameworks, guides, tools, and checklists were also developed—for instance, on pooled funding and conditional budgetary support. A procurement-risk assessment and mitigation guide was issued in 2003–2004, as were guides on contracting and guidelines for preparing Treasury Board submissions. Finally, a much-needed centre of expertise and advice on TB submissions was also established in the Finance Division.

Also in 2003–2004, a new organizational structure was established for the Canadian Partnership Branch (CPB), the Agency's main point of entry for its voluntary and private sector partners. The reorganization affected all aspects of the Branch's management results regarding people, information, and resources. The new structure allowed CPB to build its capacity to better share knowledge within CIDA, with the field, and with partners; and improved the Branch's contribution to policy development and programming in areas such as the development and delivery of corporate country/regional development policy frameworks.

CIDA responded to the Government of Canada's Service Improvement Initiative with a number of client-focused services for the Canadian public, although the Agency's core business is

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54. Worldwide availability would require acceptance of public key infrastructure keys in countries where that is not yet possible.

delivering aid programs outside of Canada. With implementation of the Government On-Line initiative, there were more than 2 million visits to CIDA's website in 2003–2004, a 14-percent increase over 2002–2003. Full statistics on pages accessed and average client times were collected to measure clients' use of the website. Another client-focused service improvement was CIDA's recently opened regional offices. A study of these was performed in 2003–2004, providing valuable input on clients' awareness of the regional offices, stakeholders' views, and suggestions for improvement.

The Common Measurement Tool (CMT) question bank is being adapted to not only deliver on-line customer satisfaction surveys, but also for use with telephone clients to measure their satisfaction with the Public Inquiries Unit. Both surveys will begin in the fall of 2004, followed by a content analysis of existing phone, fax, and Internet messages from the public about the quality of CIDA's Public Inquiries service. CIDA is also developing a Service Improvement Initiative work plan that will integrate both previously collected and future data under the CMT guidelines to capture baseline data on CIDA's website and the Public Inquiries Unit. Once current customer satisfaction levels have been established using the CMT, all future research will be done using the question bank, to measure any increases in client satisfaction levels.

In summary, improvements to CIDA's management approaches and frameworks, which underpin the achievement of Agency development and enabling results, have better positioned CIDA for future challenges. While much work still lies ahead, a positive management culture has taken root at CIDA, and the early results are promising.

Section V: Performance Review and Knowledge Management

Assessing the effectiveness of CIDA's international cooperation initiatives is a key part of CIDA's transformation into a more effective, results-oriented, and accountable learning organization. The performance review (which includes RBM, evaluations, and audits) and knowledge management functions demonstrate CIDA's continuing efforts to ensure that it remains an accountable and knowledge-based organization that makes sound investments. Agency activities are reviewed in terms of accountability, strategic coherence, risk identification, information and knowledge management, institutional learning, and management issues.

In March 2004, CIDA merged its performance review and knowledge management functions. Together, these functions aid the generation of strategic knowledge for decision-making and continuous improvement of the Agency's performance in line with *Canada Making a Difference in the World: A Policy Statement on Strengthening Aid Effectiveness*. This integration also facilitates the sharing and application of lessons learned, not only within the Agency, but also with Canadian and international partners.

5.1 Results-Based Management

A key element of results-based management (RBM) is the performance measurement framework (PMF).[55] At CIDA, PMFs are completed for each country program or major institutional partner. It is a planning and self-assessment tool with the potential of bringing together CIDA, other donors, and developing country officials to assess, manage, and achieve better development results*,* and, subsequently, to be able to report on progress toward expected results.

In 2003–2004, CIDA tested a new PMF in six focus countries or regions. Fourteen other country or regional programs have since adopted the PMF. The new tool has helped these programs set medium- and long-term outcomes, and plan approaches to better assess, manage, achieve, and report on development results. A community of practice, comprising program managers, performance measurement analysts, and strategic analysts, is tackling some of the key issues affecting the tool's users in a peer-assist way.

CIDA also began implementing of its project/program performance report (PPR) action plan. The plan focuses on achieving stronger project/program coherence; streamlining the reporting process; better alignment and integration of RBM tools; and the use of the PPR to support performance management. Although many challenges remain in implementing the action plan in the Agency, the groundwork has been laid to go ahead with realigning the PPR with the three new CIDA lines of business (core, directive, and responsive) in 2004–2005.

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55. The PMF is a measurement model that identifies performance indicators, sources of data, and responsibility for gathering data. It links programs to the MDGs, national development plans, and CIDA's KARs.

In 2003–2004, CIDA again carried out a range of evaluations *(see Annex VI for a comprehensive list)*. The evaluations focused on assistance to middle-income countries, an interdepartmental cooperation program, an institutional assessment, and internal staffing and recruitment processes, and also looked at studies carried out within the programming branches of the Agency. Processes are now underway to disseminate the evaluations. CIDA also updated its *Evaluation Guide,* completed its *How to Perform Evaluations* guide and continued to publish issues in the What We're Learning series (including issues on combating the HIV/AIDS pandemic, gender equality, and locally administered funds).

5.2 Evaluations

An important aim of evaluations is to orient reports towards "decision windows" where their findings, recommendations, and lessons will have the most impact in terms of Agency policy, and program planning, design, and delivery. Follow-ups on 2002–2003 evaluation initiatives illustrated the steps CIDA is taking to achieve the following:

- The recommendations from the private sector development evaluation formed the basis of a new Agency policy on private sector development.
- Country program evaluations (e.g. in Haiti) contributed to the orientation of new CDPFs for these countries.
- The Joint Evaluation of External Support to Basic Education in Developing Countries provided a framework for an Agency action plan.

Regional Cooperation in Middle-Income Countries: the Commonwealth Caribbean Program

In 2003–2004, CIDA undertook an evaluation of its Commonwealth Caribbean regional program from 1993–2003. Of a total investment of $468.6 million between 1993 and 2002, the Commonwealth Caribbean program invested $135 million in regional initiatives and projects, which were the subject of the evaluation.

The report found the following:
- The regional approach is a sound one for middle-income countries. It strengthens regional institutions and reinforces regional ownership in the context of globalization.
- The themes of trade and competitiveness, human resource development, and environmental management are all relevant. However, to increase its leverage, CIDA may need to focus on fewer initiatives and institutions.
- There is a need for more coherence among the regional and national components of the program, the various channels and mechanisms, the various policy considerations of Canadian government and private actors, and other players in the international community.
- It is difficult to attribute results when it comes to regional interventions and local impacts, especially when working through the intermediary of small, weak, national government institutions.
- Communication is inefficient among a variety of actors at the regional level and at headquarters. Reducing the number of initiatives and partners may be a way to keep things under better control.
- The sustainability of regional institutions may require longer-term partnerships with fewer investments and initiatives, to avoid creating external dependencies or altering regional ownership of these institutions.
- In the Caribbean region, risk management must be continuous, given the vulnerability of the region to economic, political, security, and environmental challenges.

5.3 Internal Audits

Over the past year, CIDA's internal audit division focused its activities in the three main areas of value-for-money and compliance audits; provision of consultative services; and special reviews.

5.3.1 Value-for-Money Audits

Audits conducted in this area provide assurance information for decision-making and reporting to Parliament, against the KARs. The audits of the Pan-Africa, Vietnam, and Russia programs assessed the management of partnerships/donor coordination; the mechanisms in place to manage policy coherence; resources (financial and human); and risks. The audit of CIDA's Financial Risk Assessment Unit assessed the Unit's ability to carry out its mandate in assessing the financial viability of organizations, and evaluated the compatibility of the Unit's work with other financial risk assessments undertaken in the Agency.

Food Aid Program

CIDA's Program Against Hunger, Malnutrition and Disease (PAHMD) provides food aid, and takes action to fight malnutrition and disease. In 2003–2004, this program disbursed $311.4 million.

An audit of CIDA's Food Aid Program examined 27 project files, conducted field visits in four countries, and involved meetings within CIDA and with its partners. The audit assessed the systems and procedures in place to effectively manage the program and meet Canada's international food convention commitment of providing 420,000 tonnes of food annually beginning July 1, 1999, and ending June 30, 2005. PAHMD continues to fund food aid programs and projects by working with the WFP and Canadian organizations like the Canadian Foodgrains Bank, and participating in bilateral food aid projects. PAHMD now also funds health initiatives and the Micronutrient Initiative, which is aimed primarily at fighting malnutrition.

The audit found that the Food Aid Program is well managed and in accordance with CIDA's Food Aid Strategy. Moreover, PAHMD has developed a planning tool, the Omnibus Memorandum, which provides a very good description of the evolution of the program, its objectives, its budget, and the projects planned.

The audit highlighted a number of areas in which the management of PAHMD's program could be improved, however:
(1) Greater efforts should be put toward monitoring the implementation of strategic principles and operational guides.
(2) Although there were some major improvements in performance measurement, RBM practices and procedures need to be applied in a systematic and consistent way to achieve the best results.
(3) Coordination among branches needs to be articulated and managed for the Agency to more easily achieve the Food Aid Program's intended results.

5.3.2 Compliance Audits

Most of CIDA's investments are disbursed through contribution agreements and grants with a wide variety of partners, all of whom have their own particular requirements for contractual arrangements with CIDA. Compliance audits provide senior management with information regarding the strengths and weaknesses of the application of government legislation in CIDA, including the TB Policy on Transfer Payments; CIDA's Terms and Conditions; and CIDA's policies, directives, and guidelines. They also examine whether the systems and procedures in place ensure the proper use of contribution agreements.

The findings of compliance audits have shown the necessity of developing standardized templates for grants and contribution agreements, and for their application by CIDA. In response to the need for a stronger corporate monitoring mechanism, CIDA's senior management has

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since taken on a larger role in ensuring that issues related to data integrity, human resources, finances, and contracting are addressed at the Agency in a corporate manner.

An Audit of CIDA's Contribution Agreements

The results of CIDA's audit of its contribution agreements found that the Agency is generally managing the contribution agreement process in accordance with the rules and regulations set out by the Treasury Board Secretariat (TBS) and by the internal policies developed within CIDA. The audit revealed, however, that certain areas require improvement. For example, the use of contribution agreements with foreign governments and international organizations highlighted the need to develop an appropriate, standard funding instrument when entering into contractual agreements with these types of organizations. The Agency also needs to re-examine its use of standard formats for contribution agreements, to ensure CIDA meets all of the requirements of the Treasury Board Policy on Transfer Payments. Other findings from the audit included that there is a need for continued vigilance with respect to due diligence in the review and approval of funding proposals and in the integrity of the data recorded in the Agency information system as related to these agreements.

5.3.3 Provision of Consultative Services and Special Reviews

Consultative services provided and special reviews conducted respond to specific management needs at the Agency. For example, they have helped managers develop RBAFs and to develop criteria to assess new programming approaches. The first phase of the Agency's Integrated Risk Management Framework was completed through extensive consultation with CIDA staff, both in the field and at headquarters. Four risk-mitigation strategy workshops were held to determine what systems are in place, and to address risks and identify gaps in current strategies, in order to better manage risk.

5.4 Knowledge Management

CIDA's Knowledge Management Initiative, supported by the Agency's Knowledge Management Secretariat, promotes the development of a corporate culture that places value on organizational learning, in which individuals, teams, and branches do the following:
- systematically share their knowledge and make it easily accessible to people in and outside the organization;
- work in teams and collaborate on a regular basis to find creative ideas and solutions; and
- continuously ask questions and learn.

In the past year, the Secretariat has focused on providing support directly to front-line program staff, both to demystify the concept of knowledge management and to provide these staff members with concrete techniques to help improve knowledge sharing. Three one-day workshops on peer assistance and after-action reviews taught 120 staff how to ask questions simply, how to seek advice from peers, and how to run through a simple debriefing process during and after the implementation of projects. The Secretariat also produced a handbook on knowledge-sharing, which outlines the tools and processes available to CIDA staff to help them share what they know and learn from others.

> **The Knowledge Sharing Handbook**
>
> *Knowledge Sharing: Methods, Meetings and Tools* includes brief descriptions of methods such as peer assistance and storytelling, and reminds CIDA staff that the Agency's knowledge networks, knowledge fairs, and even its regular meetings, can provide powerful opportunities to share knowledge. The handbook points staff to electronic databases already available on CIDA's Entre Nous intranet site. It also includes key job aids related to career planning, work planning, and communicating with colleagues in the field. The handbook is available on the CIDA Knowledge Management extranet site, which is open to all CIDA staff, and to the public.

CIDA has been making greater efforts to recognize and encourage knowledge sharing. The Agency is ensuring that managers' job profiles reflect this important job aspect, and it is tracking the role of knowledge sharing in the selection of candidates for deployment and overseas postings. In June 2003, CIDA created two "people's choice" awards for staff, in collaboration and networking. The awards will be presented annually to employees who are chosen by their colleagues as being outstanding in these two areas.

5.5 Challenges

During the past year, CIDA's performance and knowledge management functions have faced a number of challenges, including the shift from review by project/initiative to review by program; the transition to an integrated management philosophy; and the need to find ways to improve knowledge-sharing within the Agency.

The shift in performance measurement from the project/initiative level to the program level continues to require attention. Although the situation is improving, there remains an absence at the program level of a critical mass of good-quality performance information with statistical data that can be used as building blocks for audits, evaluation, and knowledge-sharing. CIDA's learning-by-doing, iterative approach has proven effective in dealing with this absence.

The transition to incorporating an integrated management philosophy that establishes clear links between resources, results, and risks is beginning to bear fruit. Yet, since this change is a work in progress, the legacy of, and amount of emphasis placed on, project-level management (focusing on resources) still presents a key challenge. For example, linking projects with strategic-level results is complicated, and requires sound analytical work. Nonetheless, establishing agreed-on targets with program partners, engaging in performance-measurement activities, and ensuring the integrity of data collected for program purposes remain CIDA priorities.

Finally, the Agency's Knowledge Management Initiative still struggles with the perception shared by many that knowledge-sharing is a luxury, rather than a fundamental aspect of effective management. Staff still do not have ready access to simple, practical tools to help them work more effectively or learn from others, and efforts to help them will need to be better coordinated across the Agency.

Annex I: Financial Performance

Financial Summary Tables

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

- Planned spending at the beginning of the year;
- Additional spending Parliament has approved through Supplementary Estimates to reflect changing priorities and unforeseen events (Total Authorities); and
- Actual expenditures spent (2003–2004 Actuals as presented in Public Accounts).

Table 3: Summary of Voted Appropriations

Vote	(thousands of dollars)	2003–2004			
		Total Main Estimates	Total Planned Spending	Total Authorities	Total Actual Spending
	Canadian International Development Agency				
	Budgetary				
20b	Operating expenditures	191,243	194,950	201,870	194,583
25b	Grants and contributions	1,623,977	2,133,271	2,030,242	2,011,431
(S)	Minister for International Cooperation — Salary and motor car allowances	67	67	69	69
(S)	Payments to the International Financial Institution Fund Accounts	248,540	248,540	232,598	232,598
(S)	Contributions to employee benefit plans	19,456	19,819	19,597	19,597
(S)	Spending of proceeds from the disposal of surplus Crown assets			0	0
(S)	Loss for revaluation year-end			105,299	105,299
(S)	Collection Agency fees			9	9
	Total Budgetary	2,083,283	2,596,647	2,589,684	2,563,586
	Non-budgetary				
L30b	Issuance of notes to the International Financial Institution Fund Accounts	0	0	97,000	97,000
L35a	Payment and issuance of notes to International Financial Institutions — Capital Subscriptions	4,440	4,440	4,440	3,812
(S)	Payments to International Financial Institutions — Capital Subscriptions	5,100	5,100	5,666	5,666
	Total Non-budgetary	9,540	9,540	107,106	106,478
	Total Agency	2,092,823	2,606,187	2,696,790	2,670,064

Table 4: Comparison of Total Planned to Actual Spending in 2003-2004

(millions of dollars)

	FTEs	Operating	Capital	Voted Grants & Contributions	Subtotal: Gross Voted Expenditures	Other Transfer Payments	Total Gross Expenditures	Less: Respendable Revenue	Total Net Expenditures
Business Lines									
Geographic Programs	553	75.4	0.0	1,431.5	1,506.9	0.0	1,506.9	0.0	1,506.9
(Total Authorities)	*553*	*66.1*	*0.0*	*1,008.6*	*1,074.7*	*0.0*	*1,074.7*	*0.0*	*1,074.7*
(Actuals)	**570**	**66.0**	**0.0**	**1,000.8**	**1,066.8**	**0.0**	**1,066.8**	**0.0**	**1,066.8**
Multilateral Programs (1)	77	8.3	0.0	318.2	326.6	248.5	575.1	0.0	575.1
(Total Authorities)	*77*	*113.7*	*0.0*	*611.9*	*725.6*	*232.6*	*958.2*	*0.0*	*958.2*
(Actuals)	**75**	**113.7**	**0.0**	**611.6**	**725.3**	**232.6**	**957.9**	**0.0**	**957.9**
Canadian Partnership	165	21.0	0.0	260.2	281.2	0.0	281.2	0.0	281.2
(Total Authorities)	*165*	*15.6*	*0.0*	*284.7*	*300.3*	*0.0*	*300.3*	*0.0*	*300.3*
(Actuals)	**151**	**15.6**	**0.0**	**281.9**	**297.5**	**0.0**	**297.5**	**0.0**	**297.5**
Countries in Transition	99	10.3	0.0	110.6	120.9	0.0	120.9	0.0	120.9
(Total Authorities)	*99*	*10.1*	*0.0*	*104.9*	*115.0*	*0.0*	*115.0*	*0.0*	*115.0*
(Actuals)	**86**	**10.0**	**0.0**	**103.1**	**113.1**	**0.0**	**113.1**	**0.0**	**113.1**
Communications	76	7.4	0.0	4.1	11.5	0.0	11.5	0.0	11.5
(Total Authorities)	*76*	*9.5*	*0.0*	*4.7*	*14.2*	*0.0*	*14.2*	*0.0*	*14.2*
(Actuals)	**88**	**9.5**	**0.0**	**3.9**	**13.4**	**0.0**	**13.4**	**0.0**	**13.4**
Policy	172	21.8	0.0	8.7	30.5	0.0	30.5	0.0	30.5
(Total Authorities)	*172*	*16.2*	*0.0*	*15.5*	*31.7*	*0.0*	*31.7*	*0.0*	*31.7*
(Actuals)	**131**	**16.2**	**0.0**	**10.2**	**26.4**	**0.0**	**26.4**	**0.0**	**26.4**
Corporate Services	401	70.6	0.0	0.0	70.6	0.0	70.6	0.0	70.6
(Total Authorities)	*401*	*95.6*	*0.0*	*0.0*	*95.6*	*0.0*	*95.6*	*0.0*	*95.6*
(Actuals)	**416**	**88.5**	**0.0**	**0.0**	**88.5**	**0.0**	**88.5**	**0.0**	**88.5**
Total (Budgetary)	1,543	214.8	0.0	2,133.3	2,348.2	248.5	2,596.7	0.0	2,596.7
(Total Authorities)	*1,543*	*326.8*	*0.0*	*2,030.3*	*2,357.1*	*232.6*	*2,589.7*	*0.0*	*2,589.7*
(Actuals)	**1,517**	**319.5**	**0.0**	**2,011.5**	**2,331.0**	**232.6**	**2,563.6**	**0.0**	**2,563.6**
Other Revenues and Expenditures									
Non-Respendable Revenues									0.0
(Total Authorities)									*0.0*
(Actuals)									**140.5**
Cost of services provided by other departments									20.6
(Total Authorities)									*21.1*
(Actuals)									**21.1**
Net Cost of Program									2,617.3
(Total Authorities)									*2,610.8*
(Actuals)									**2,725.2**

1. Multilateral expenditures include $105.3 million due to loss for revaluation at year-end.

Table 5: Historical Comparison of Total Planned Spending to Actual Spending

(millions of dollars)				2003–2004		
	Actual 2001–2002	Actual 2002–2003	Total Main Estimates	Total Planned Spending	Total Authorities	Total Actual Spending
Budgetary						
Geographic Programs	763.9	824.0	849.1	1,506.9	1,074.7	1066.8
Multilateral Programs	800.6	909.3	734.0	575.1	958.2	957.8
Canadian Partnership	291.9	319.5	275.8	281.2	300.3	297.5
Countries in Transition	131.6	126.0	112.5	120.9	115.0	113.1
Communications	11.6	14.3	12.0	11.5	14.2	13.4
Policy	13.5	19.0	29.3	30.5	31.7	26.5
Corporate Services	68.9	97.9	70.6	70.6	95.6	88.5
Total Budgetary	2,082.0	2,310.0	2,083.3	2,596.7	2,589.7	2,563.6
Non-budgetary						
Multilateral Programs (1)	12.2	10.7	9.5	9.5	10.1	9.5
Total Agency	2,094.2	2,320.7	2,092.8	2,606.2	2,599.8	2,573.1

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

Table 6: Resource Requirements by Organization and Business Line in 2003–2004

(millions of dollars)	Geographic Programs	Multilateral Programs (1)	Canadian Partnership	Countries in Transition	Commu-nications	Policy	Corporate Services	Total
CIDA								
VP Africa and Middle East	844.6							844.6
(Total Authorities)	*556.9*							*556.9*
(Actuals)	**549.7**							**549.7**
VP Asia	412.6							412.6
(Total Authorities)	*340.6*							*340.6*
(Actuals)	**340.2**							**340.2**
VP Americas	249.7							249.7
(Total Authorities)	*177.2*							*177.2*
(Actuals)	**176.9**							**176.9**
VP Multilateral Programs		575.1						575.1
(Total Authorities)		*958.2*						*958.2*
(Actuals)		**957.8**						**957.8**
VP Canadian Partnership			281.2					281.2
(Total Authorities)			*300.3*					*300.3*
(Actuals)			**297.5**					**297.5**
VP Central and Eastern Europe				120.9				120.9
(Total Authorities)				*115.0*				*115.0*
(Actuals)				**113.1**				**113.1**
DG Communications					11.5			11.5
(Total Authorities)					*14.2*			*14.2*
(Actuals)					**13.4**			**13.4**
VP Policy						30.5		30.5
(Total Authorities)						*31.7*		*31.7*
(Actuals)						**26.5**		**26.5**
Agency Executive							5.7	5.7
(Total Authorities)							*8.9*	*8.9*
(Actuals)							**8.7**	**8.7**
VP Human Resources and Corporate Services							36.4	36.4
(Total Authorities)							*48.6*	*48.6*
(Actuals)							**42.5**	**42.5**
CIO Information Management and Technology							25.2	25.2
(Total Authorities)							*32.1*	*32.1*
(Actuals)							**31.5**	**31.5**
DG Performance Review							3.3	3.3
(Total Authorities)							*6.0*	*6.0*
(Actuals)							**5.8**	**5.8**
Total	1,506.9	575.1	281.2	120.9	11.5	30.5	70.6	2,596.7
(Total Authorities)	*1,074.7*	*958.2*	*300.3*	*115.0*	*14.2*	*31.7*	*95.6*	*2,589.7*
(Actuals)	**1,066.8**	**957.8**	**297.5**	**113.1**	**13.4**	**26.5**	**88.5**	**2,563.6**
% of Total (Actuals)	**41.6%**	**37.4%**	**11.6%**	**4.4%**	**0.5%**	**1.0%**	**3.5%**	**100.0%**

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

Table 7: Non-Respendable Revenues

(millions of dollars)			2003–2004		
	Actual 2001–2002	Actual 2002–2003	Planned Revenues	Total Authorities	Actual
Unplanned	38.5	21.3	0.0	0.0	140.5

Table 8: Statutory Payments

(millions of dollars)			2003–2004			
	Actual 2001–2002	Actual 2002–2003	Main Estimates	Total Planned Spending	Total Authorities	Total Actual Spending
Multilateral Programs	119.8	242.7	248.5	248.5	232.6	232.6

Table 9: Details of Transfer Payments by Business Line

(thousands of dollars)				2003–2004		
	Actual 2001–2002	Actual 2002–2003	Main Estimates	Total Planned Spending	Total Authorities	Actual

Grants

	Actual 2001–2002	Actual 2002–2003	Main Estimates	Total Planned Spending	Total Authorities	Actual
Countries in Transition						
Development assistance to international development institutions and organizations for operations, programs, and projects, and to international financial institutions	250	2,700	1,000	1,000	11,495	11,495
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations, and agencies, and persons in such countries, and to international institutions and Canadian and international NGOs for operations, programs, projects, activities, and appeals	0	7,645	2,000	2,000	6,518	6,518
Geographic Programs						
Development assistance to international development institutions and organizations for operations, programs, and projects, and to international financial institutions	58,374	135,866	137,657	137,657	272,506	272,506
Programming against hunger, malnutrition, and disease through international development, research, and nutrition institutions; Canadian, international and local NGOs; IDRC; developing countries, their institutions, organizations, and agencies, for the benefit of recipients in developing countries	0	0	5,000	5,000	4,153	2,700
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations, and agencies, and persons in such countries, and to international institutions and Canadian and international NGOs for operations, prorgrams, projects, activities, and appeals	0	6,000	3,000	3,000	15,450	15,450
Grants to Canadian, international, regional, and developing country institutions, organizations, and agencies; developing country governments, their institutions, organizations, and agencies; provincial and municipal governments, their institutions, organizations, and agencies in support of development cooperation and development education programs; and to international NGOs in support of development assistance programs, projects, and activities	0	500	0	0	6,375	0
Grant to Jamaica	20,000	0	0	0	0	0
Multilateral Programs						
Development assistance to international development institutions and organizations for operations, programs, and projects, and to international financial institutions	163,968	194,388	163,998	39,746	136,949	136,949
Programming against hunger, malnutrition, and disease through international development, research, and nutrition institutions; Canadian, international, and local NGOs; IDRC; developing countries, their institutions, organizations, and agencies for the benefit of recipients in developing countries	208,349	128,245	114,649	114,649	189,251	189,251
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations, and agencies, and persons in such countries, and to international institutions and Canadian and international NGOs for operations, programs, projects, activities, and appeals	134,897	138,433	105,935	72,099	155,393	155,156

Details of Transfer Payments by Business Line (cont'd)

Canadian Partnership						
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	400	400	400	400	875	875
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organ	30,922	38,126	77,788	77,788	29,183	29,183
Development assistance as education and training for individuals	8,079	7,991	8,248	7,942	8,248	8,242
Policy						
Development assistance to international development institutions and organizations for operations, programs, and projects, and to international financial institutions	0	0	7,500	7,500	7,500	2,231
Grants to Canadian, international, regional, and developing country institutions, organizations, and agencies; developing country governments, their institutions, organizations, and agencies; provincial and municipal governments, their institutions, organizations, and agencies in support of development cooperation and development education programs; and to international NGOs in support of development assistance programs, projects, and activities	0	0	0	0	3,009	3,009
Total Grants	625,239	660,294	627,175	468,781	846,905	833,565

Details of Transfer Payments by Business Line (cont'd)

Contributions

<table>
<tr><td colspan="2">Geographic Programs</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territory governments, including their institutions, organizations, and agencies; and contributions to Canadian, other donor country, international, and regional institutions, organizations, and agencies; provincial governments, their institutions, organizations, and agencies; and private sector firms in support of regional and country-specific development assistance projects, programs, and activities; and persons capable of delivering aid activities or actively engaged in development issues</td><td>628,692</td><td>617,158</td><td>632,078</td><td>1,285,805</td><td>709,968</td><td>709,968</td></tr>
<tr><td>Humanitarian assistance or disaster preparedness to countries, their institutions, organizations, and agencies, and persons in such countries, and to international institutions and Canadian and international NGOs for operations, programs, projects, activities, and appeals</td><td>3,284</td><td>2,021</td><td>0</td><td>0</td><td>161</td><td>161</td></tr>
<tr><td>Programming against hunger and malnutrition through international development institutions, international NGOs, or IDRC for the benefit of recipients in developing countries and for special program and project expenses directly related thereto</td><td>500</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Programming against hunger and malnutrition through developing countries and their agencies, and persons in such countries, Canadian NGOs or development institutions for the benefit of recipients in developing countries</td><td>0</td><td>1,000</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td colspan="2">Countries in Transition</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Contributions for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union</td><td>119,734</td><td>103,479</td><td>99,186</td><td>107,600</td><td>86,871</td><td>85,086</td></tr>
<tr><td>Humanitarian assistance or disaster preparedness to countries, their institutions, organizations, and agencies, and persons in such countries, and to international institutions and Canadian and international NGOs for operations, programs, projects, activities, and appeals</td><td>1,709</td><td>1,074</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td colspan="2">Multilateral Programs</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Development assistance to international development institutions and organizations for operations, programs, and projects, and to international financial institutions</td><td>241</td><td>463</td><td>100</td><td>100</td><td>1,479</td><td>1,451</td></tr>
<tr><td>Programming against hunger, malnutrition, and disease through international development, research, and nutrition institutions; Canadian, international and local NGOs; Canadian individuals and private sector firms; IDRC; developing countries, their institutions, organizations, and agencies, and persons in such countries for the benefit of recipients in developing countries</td><td>20,395</td><td>63,664</td><td>90,981</td><td>90,180</td><td>122,120</td><td>122,120</td></tr>
<tr><td>Programming against hunger and malnutrition through developing countries and their agencies, and persons in such countries, Canadian NGOs or development institutions for the benefit of recipients in developing countries and for special program and project expenses directly related thereto</td><td>60,094</td><td>41,585</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Contribution to the Inter-American Development Bank</td><td>1,280</td><td>1,144</td><td>1,300</td><td>1,300</td><td>1,300</td><td>1,162</td></tr>
<tr><td>Humanitarian assistance or disaster preparedness to countries, their institutions, organizations, and agencies, and persons in such countries, and to international institutions and Canadian and international NGOs for operations, programs, projects, activities, and appeals</td><td>3,469</td><td>2,667</td><td>100</td><td>100</td><td>4,724</td><td>4,724</td></tr>
<tr><td>Incentives to Canadian, international, and developing country private sector firms, investors, institutions, organizations, and governments in support of industrial cooperation programs, projects, and activities</td><td>375</td><td>750</td><td>0</td><td>0</td><td>750</td><td>750</td></tr>
</table>

Details of Transfer Payments by Business Line (cont'd)

Canadian Partnership						
Contributions to Canadian, international, regional, and developing country institutions, organizations, and agencies; developing country governments, their institutions, organizations, and agencies; provincial and municipal governments, their institutions, organizations, and agencies in support of development cooperation and development education programs; and to international NGOs in support of development assistance programs, projects, and activities	185,942	193,436	111,102	117,964	189,032	189,032
Incentives to Canadian, international, and developing country private sector firms, investors, institutions, organizations, and governments in support of industrial cooperation programs, projects, and activities	53,160	62,683	57,322	56,117	57,322	54,565
Communications						
Contributions to Canadian or international communications organizations; other federal, provincial, or municipal governments; broadcasters and producers; other donor country governments and institutions, organizations, and agencies, and persons in support of the Development Information Program involving the production and dissemination of development information, educational materials, and related activities	3,134	4,436	4,633	4,126	4,633	3,870
Contributions to Canadian, international, regional, and developing country institutions, organizations, and agencies; developing country governments, their organizations and agencies; provincial and municipal governments, their organizations and agencies in support of development cooperation and development education programs; and to international NGOs in support of development assistance programs, projects, and activities, and for special program and project expenses directly related thereto	650	0	0	0	0	0
Policy						
Development assistance to international development institutions and organizations for operations, programs, and projects, and to international financial institutions	0	0	0	1,198	1,475	1,475
Contributions to Canadian or international communications organizations; other federal, provincial or municipal governments; broadcasters and producers; other donor country governments and institutions, organizations, and agencies, and persons in support of the development information program, involving the production and dissemination of development information, educational materials, and related activities	0	0	0	0	3,502	3,502
Total Contributions	1,082,659	1,095,560	996,802	######	1,183,337	1,177,866

Other Transfer Payments

Multilateral Programs						
(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*	199,834	242,747	248,540	248,540	232,598	232,598
Total Other Transfer Payments	199,834	242,747	248,540	248,540	232,598	232,598
Total	1,907,732	1,998,601	1,872,517	2,381,811	2,262,840	2,244,029

Table 10: Loans, Investments and Advances

(millions of dollars)				2003–2004		
	Actual 2001–2002	Actual 2002–2003	Main Estimates	Total Planned Spending	Total Authorities	Actual
Multilateral Programs:						
Payments to International Financial Institutions — Capital Subscriptions (L35)	4.5	4.5	4.4	4.4	4.4	3.8

Table 11: Contingent Liabilities

(thousands of dollars)	Amount of Contingent Liability		
	March 31 2002	March 31 2003	Current as of March 31 2004
Claims for breach of contract			
- Canadian Ocean Research Associates (CORA)	40	2,950	2,950
- Jangor Corporation	164	164	164
Total Contingent Liabilities	204	3,114	3,114

Annex II: CIDA Organization Chart and Business Lines

Chart 7: CIDA Organization Chart and Business Lines Structure

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                  Minister of
              International Cooperation

                    President
                      CIDA

   ┌──────────┬──────────┬──────────────┬──────────────┐
Sr. General   Ombudsman      Senior       Corporate Secretariat
 Counsel                   Vice-President

          Vice-President        Vice-President
        Africa & Middle East  Central & Eastern Europe

          Vice-President        Vice-President
            Americas          Multilateral Programs

          Vice-President        Vice-President
              Asia            Canadian Partnership

          Vice-President        Vice-President
        Human Resources &          Policy
        Corporate Services

     Chief Information Officer   Director General
     Information Management      Performance and
        and Technology        Knowledge Management

                  Director General
                   Communications
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CIDA's Business Lines Structure

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

(2) Countries in Transition
- Central and Eastern Europe

(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 Cooperation
- Scholarships

(5) Policy

(6) Communications
- Development Information Program

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

The seven business lines are as follows:

Geographic Programs: Three geographic branches, responsible for country-to-country programs in Africa and the Middle East, Asia, and the Americas, enable the Government of Canada to plan and execute international cooperation activities through direct links with governments and organizations in developing countries.

Countries in Transition: Canada's Countries in Transition Program is delivered through the Central and Eastern Europe Branch. The program supports democratic development and economic liberalization by building mutually beneficial partnerships in the countries of Central, South and Eastern Europe; the Southern Caucasus; and Central Asia.

Multilateral Programs: Multilateral Programs Branch is responsible for managing Canada's global development programs through substantial core contributions to and high-level participation in multilateral development institutions. It also undertakes targeted programming through multilateral organizations, and international and local NGOs in CIDA's priority areas, including health and nutrition, agriculture, peacebuilding and mine action. The Branch is also responsible for managing the International Humanitarian Assistance Program.

Canadian Partnership: The Canadian Partnership Branch manages a responsive program which is aligned with CIDA's mandate and strategic objectives, through cost-sharing partnerships with civil society and private sector organizations in Canada and developing countries. The Branch provides multi-year funding on the basis of merit to Canadian and international NGOs and volunteer-sending organizations. These are referred to as program NGOs. The Canadian Partnership Branch also provides project funding through competitive mechanisms within the context of either time-bound or open-ended competitions. In addition, the Branch manages CIDA's national network of regional and satellite offices; a consultations unit for discussing new policy directions with partners and the Canadian public; a conference secretariat to support the participation of developing-country delegates at international conferences, internships, and exchanges for Canadian youth; and public engagement initiatives to engage Canadians in international development.

Policy: Policy Branch leads policy research, analysis, and development to support and guide the Agency's plans and priorities and Canada's broader international assistance objectives and commitments. Policy Branch sets the strategic vision and priorities for the Agency, and leads the transformation into a knowledge-based and more effective international cooperation Agency. This policy role also includes positioning CIDA on the international cooperation agenda and on the Canadian government policy agenda, as well as representing CIDA in related forums. The Branch takes the lead in managing Canada's IAE and maintaining coherence among corporate policy documents, including aligning them with broader international priorities and commitments.

Communications: Communications Branch responds to the communication needs of the Minister for International Cooperation and of the Agency as a whole. The Branch also seeks

to improve public awareness of, and support for, the work of CIDA and its development partners.

Corporate Services: Corporate Services ensures that the Agency has the necessary support services for the efficient and effective achievement of international assistance program objectives, through the Agency Executive (the President's Office, Senior Vice-President's Office, Corporate Secretariat, and Legal Services) and the Human Resources and Corporate Services Branch, the Performance and Knowledge Management Branch, and the Information Management and Technology Branch.

Annex III: Principles of Aid Effectiveness

The principles of effective development are best articulated in a document published in 1996 by the OECD–DAC, *Shaping the 21st Century: The Contribution of Development Assistance.* These priorities are summarized below:

* Local ownership, which means that development strategies, if they are to be sustainable, must be developed by recipient countries—their government and people—and they must reflect their priorities, rather than the priorities of donors;

* Improved donor coordination, with recipient countries bearing the main responsibility for coordinating their development cooperation with other countries and institutions;

* Stronger partnerships, through the development of compacts that would identify the responsibilities of developing countries and their external partners, as well as those shared by all;

* A results-based approach, with improved monitoring and evaluation of the development process; and

* Greater coherence in the non-aid policies of industrialized countries that can have profound effects on the developing world.

In addition to these principles, three other factors are of central importance to the effective use of aid investments.

* Governance provides the broad setting for development, and its quality has a profound effect on development success and aid effectiveness.

* Enhanced capacity—in public and private sectors—is also critical to sustainable development. It is necessary for developing countries to engage effectively in international trade and in the development of multilateral environmental agreements.

* Participatory processes, particularly those that engage civil society and the people who are expected to benefit, are essential to establishing clear, locally owned priorities for development cooperation.

Annex IV: The Millennium Development Goals

In September 2001, the countries of the world met in special session at the UN General Assembly and endorsed the Millennium Development Goals. Canada is a strong supporter of these goals, and our contributions to achieve them form the core of our development assistance program. The eight goals are as follows.

Eradicate extreme 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 at all levels of education by 2015.

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

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. Achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020.

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 measure in order to make debt sustainable in the long term. In cooperation with developing countries, design and implement strategies to create decent and productive work for youth. In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies.

Annex V: Parliamentary Committee Reports

Below is the list of Parliamentary Committee reports that involve CIDA and that were tabled in the House of Commons for the 2003–2004 fiscal year.

1. In June 2003, the Standing Committee on Health tabled a report entitled Strengthening the Canadian Strategy on HIV/AIDS.
*   Report 3, Canadian Strategy on HIV/AIDS[56] (Presented in the House, June 5, 2003)

    CIDA was consulted on the preparation of the Government response.
*   Government response: Third Report of the Standing Committee on Health, "Strengthening the Canadian Strategy on HIV/AIDS"[57]

2. In June 2003, the Standing Committee on Foreign Affairs and International Trade (SCFAIT) tabled a report on HIV/AIDS and the humanitarian catastrophe in sub-Saharan Africa.
*   Report 8, HIV/AIDS and the Humanitarian Catastrophe in sub-Saharan Africa[58] (Presented in the House, June 12, 2003)
    CIDA was consulted on the preparation of the Government response.

3. In November 2003, SCFAIT tabled a report on the economic relations between Canada and Asia-Pacific.
*   Report 12, Reinvigorating Economic Relations Between Canada and Asia-Pacific[59] (Presented in the House November 7, 2003)

    CIDA was consulted on the preparation of the Government Response.
*   Government Response: 12th Report of the Standing Committee on Foreign Affairs and International Trade, "Reinvigorating Economic Relations Between Canada and Asia-Pacific"[60]

4. In March 2004, SCFAIT tabled a report on Canada's relations with the Muslim world. Since Parliament has been dissolved, the Committee has the option to re-adopt the report in the next Parliament, thereby ensuring a government response.

*   Report 1, Exploring Canada's Relations with the Countries of the Muslim World[61] (Presented in the House, March 31, 2004)

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56. See http://www.parl.gc.ca/InfoCom/PubDocument.asp?FileID=37567&Language=E
57. See http://www.parl.gc.ca/InfoCom/PubDocument.asp?FileID=65688&Language=E
58. See http://www.parl.gc.ca/InfoCom/PubDocument.asp?FileID=37587&Language=E
59. See http://www.parl.gc.ca/InfoCom/PubDocument.asp?FileID=67296&Language=E
60. See http://www.parl.gc.ca/InfoCom/PubDocument.asp?FileID=76423&Language=E
61. See http://www.parl.gc.ca/InfoCom/PubDocument.asp?FileID=76222&Language=E

Annex VI: List of Evaluations and Reviews

The following is a list of audits, evaluations and reviews that involve CIDA for the 2003–2004 fiscal year.

- **Follow-up Audit of the Canadian Environmental Assessment Act (CEAA)**, an Audit[62]

- **Evaluation of CIDA Program in Hungary,** an Evaluation[63]

- **CIDA SAP Security**, an Audit[64]

- **Corporate Evaluation of Haiti Program (1994-2002)**, an Evaluation[65]

- **Institutional Evaluation of Development and Peace,** an Evaluation[66]

- **Food Aid Program,** an Audit[67]

- **Evaluation of the Network Support Pilot Project,** an Evaluation[68]

- **Pan-Africa Program**, an Audit[69]

- **Summary of the Preliminary Survey Audit Report of the Training of Students and Trainees,** an Audit[70]

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62. For details see http://www.tbs-sct.gc.ca/rma/database/1det_e.asp?id=11231
63. For details see http://www.tbs-sct.gc.ca/rma/database/1det_e.asp?id=10862
64. For details see http://www.tbs-sct.gc.ca/rma/database/1det_e.asp?id=10615
65. For details see http://www.tbs-sct.gc.ca/rma/database/1det_e.asp?id=10861
66. For details see http://www.tbs-sct.gc.ca/rma/database/1det_e.asp?id=10863
67. For details see http://www.acdi-cida.gc.ca/cida_ind.nsf/AllDocIds/90AEE2356A9F19C385256EC5004BA952?OpenDocument
68. For details see http://www.acdi-cida.gc.ca/cida_ind.nsf/AllDocIds/702AA7EFE3C00E2785256EC2005418C1?OpenDocument
69. For details see http://www.acdi-cida.gc.ca/cida_ind.nsf/AllDocIds/29AD5786F8E0B8F985256EC5004ACB06?OpenDocument
70. For details see http://www.tbs-sct.gc.ca/rma/database/1det_e.asp?id=10629

Annex VII - 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 fulfill CIDA's mandate as the lead federal government agency responsible for delivering Canada's Official Development Assistance and Official 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 and/or services delivered to developing countries through contracts, contributions and grants and in the form of services provided through contribution and grant agreements and through contracts.

2. *Progress and new initiatives enabling effective and efficient procurement practices.*

- Continued participation in the Government-on-Line project "Electronic Supply Chain" which seeks to provide an electronic goods and services procurement mechanism
- Developed a corporate contracting training program and began delivery of courses
- Prepared a guide for managers in the field on contracting using the local cost mechanism
- Prepared the first draft of the guide for managers on grant agreements and a generic corporate grant agreement template
- Prepared a guide on planning and conducting bidders' conferences
- Prepared a guide for CIDA managers for preparing Advance Contract Award Notices (ACANs) and a generic template

3. *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. 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, *"CIDA's Contracts and Agreements"* - 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 VIII: Other Information

Websites and Contacts for Further Information

For additional information about CIDA's programs, activities, and operations, please visit the Agency's website at the following address: **www.cida.gc.ca**

or contact:

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

Telephone: .... (819) 997-5006
Toll-free: 1-800-230-6349

Telecommunications device for hearing and speech impaired persons: .... (819) 953-5023
Toll-free: 1-800-331-5018

Fax: .... (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.