



Canadian International Development Agency

2002-2003
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are tabled in the spring and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

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

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Acronyms and Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
CEAA	Canadian Environmental Assessment Act
CEE	Central and Eastern Europe
CIDA	Canadian International Development Agency
CDF	Comprehensive Development Framework
CIT	Countries in Transition
CPB	Canadian Partnership Branch
CSO	Civil Society Organization
DAC	Development Assistance Committee (of OECD)
DFAIT	Department of Foreign Affairs and International Trade
DIP	Development Information Program
FIS	Financial Information System
FTE	Full-Time Equivalent
GNP	Gross National Product
GOL	Government on Line
HIPC	Heavily Indebted Poor Country
HIV	Human Immunodeficiency Virus
HRCS	Human Resources and Corporate Services Branch
HRDC	Human Resources Development Canada
HRDGG	Human Rights, Democracy, Good Governance
IAE	International Assistance Envelope
ICHRDD	International Centre for Human Rights and Democratic Development
IDRC	International Development Research Centre
IFI	International Financial Institution
IMF	International Monetary Fund
MDB	Multilateral Development Bank
MDI	Multilateral Development Institution
MPB	Multilateral Programs Branch
NGO	Non-Governmental Organization
OA	Official Assistance
OAG	Office of the Auditor General
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PRB	Performance Review Branch
PRSP	Poverty Reduction Strategy Paper
PWGSC	Public Works and Government Services Canada
RBM	Results-Based Management
RCMP	Royal Canadian Mounted Police
REE	Renaissance Eastern Europe
RPP	Report on Plans and Priorities
SDP	Social Development Priorities
SDS	Sustainable Development Strategy
STD	Sexually Transmitted Disease
SWAP	Sector-Wide Approach
UCS	Universal Classification System
UN	United Nations
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund

1.1 Minister's Message

Susan Whelan
Minister for International Co-operation



As I embark on this new assignment as Minister for International Co-operation, two elements help to transform what could be a daunting task into an inviting prospect. The first is history — the time, talent and thinking that has gone into setting international development priorities and refining international development practice based on the lessons of the last half century. I am naturally pleased at the contribution by CIDA, and more broadly by Canada, to this process.

My second source of encouragement is partnership — knowing that I am not alone. I share with Canadians of all walks of life the desire to give peoples less privileged than ourselves a fighting chance to overcome the scourge of poverty. For Canadians, international development is much more than something the government does. Canadian churches and other groups were active in international development endeavours long before the establishment of formal government structures to facilitate official involvement in such efforts. Particularly gratifying is the evidence that Canadian support for development is built not on narrow personal and national interests but on a genuine desire to play our part as wealthier members of the global human family.

This popular support is mirrored by the support of the Canadian government and the Canadian Parliament. The positive attitude towards development from the people and their leaders alike is particularly crucial in the wake of the tragic events of September 11th that have forever changed the world in which we live and work. Nations everywhere have been forced to evaluate seriously their priorities with regard to their own citizens and the global community as a whole.

Now more than ever, the work of the Canadian International Development Agency is of vital importance both to Canadians and to the community of nations at large. As Canadians have long recognized, a more secure, equitable and prosperous world is a prerequisite for a more secure, equitable and prosperous Canada. This is why the 2001 Budget Speech noted that "just as we are investing in our prospects at home, we must also recognize that we have obligations beyond our borders, to those most in need." The Prime Minister himself has led the way in focusing the world's attention on both its duty

to support developing countries and the value of providing such support. The Prime Minister has made African development a centrepiece of the G-8 Summit which Canada will host, and which he will chair, in June 2002.

As solid as the support for CIDA's work is, the Agency dare not take that support for granted. Hard earned Canadian tax dollars are invested in the work we do. We will therefore seek, as we look to the future, not only to continue the pursuit of prudence and probity, but also to enhance the appropriateness, timeliness and effectiveness of our programs. I was particularly proud of CIDA's quick and meaningful response to the humanitarian crisis in Afghanistan. After 20 years of conflict and three years of devastating drought, the Afghan people need the backing of the international community to ensure their short-term survival and secure their long-term development. Canada is fully committed to the reconstruction of Afghanistan and through CIDA, has contributed \$16.5 million so far in humanitarian aid for the victims of the current crisis in the region. In January 2002, during the Tokyo Ministerial Conference on Reconstruction Assistance to Afghanistan, I announced an additional \$100 million for humanitarian aid and reconstruction assistance, including support for peacebuilding efforts and for the fight against hunger, malnutrition, and disease.

As this Report on Plans and Priorities so eloquently illustrates, aid effectiveness is more than the correct implementation of a number of individual projects or programs. The logic of aid effectiveness requires that we make a difference in the overall development prospects of a country not just for today but on a sustainable basis. Over the last 30 years, the world took a step in this direction by replacing the former narrow, mainly economic focus with more comprehensive approaches involving social, economic, political, environmental and cultural factors. In keeping with this approach, *CIDA's Social Development Priorities: A Framework for Action*, launched in September 2000, represents an aggressive five-year investment plan in the four priority areas of basic education, health and nutrition, HIV/AIDS and child protection, with gender equality as an integral part of all these priority areas.

Nonetheless, how we invest the resources entrusted to us can be as important as the kinds of initiatives in which we invest them. In this regard, the Auditor General of Canada has recognized CIDA's increasing results-based orientation. As we look to the future, optimal results will increasingly require greater co-operation with our developed-country partners and greater leadership from our developing-country partners. Almost universally, donors are making it possible for the latter to guide the development work within their own borders. An example of this is Canada's support for the New Partnership for Africa's Development, a remarkable new plan developed by some of Africa's most progressive leaders. The new Africa Fund, announced in the 2001 budget, will support this partnership. Stronger partnerships, local ownership of programs and projects, improved donor co-ordination and greater policy coherence are all among the building blocks of the new world of international development.

The 2002-2003 Report on Plans and Priorities affords the reader an inside view of planning at CIDA as it uses these building blocks to ensure the wise investment of Canadian funds in fulfilment of Canada's aspiration to help make the world a better place for all. It is in this spirit that I commend this Report on Plans and Priorities to the most profound consideration by Parliament and by Canadians as a whole.

Minister for International Co-operation

1.2 Management Representation Statement

Report on Plans and Priorities 2002-2003

I submit, for tabling in Parliament, the 2002-2003 *Report on Plans and Priorities* (RPP) for the **Canadian International Development Agency**.

To the best of my knowledge the information:

- Accurately portrays the Agency's mandate, priorities, strategies and planned results of the organization, including *CIDA's Sustainable Development Strategy 2001-2003: An Agenda for Change and Strengthening Aid Effectiveness: New Approaches to Canada's International Assistance Program*.
- Is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*.
- Is comprehensive and accurate.
- Is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Name: _____

Date: _____

1.3 Executive Summary

CIDA has established a reputation for excellence in pursuit of its mandate in developing countries in Africa and the Middle East, the Americas and Asia, and in the implementation of assistance programs in the countries of Central and Eastern Europe and the former Soviet Union. CIDA's fundamental mandate which is to improve, within a sustainable development framework, the quality of life for women and men, boys and girls, in developing countries remains relevant and challenging. CIDA's work benefits Canadians directly by giving effect to their deeply held values of social justice and of helping those who are poor. Canadian interests are served by measures that promote global co-operation and equality.

During the past half century there has been tremendous change in the developing world. While, overall, this change has been for the better, the benefits of development have been shared unevenly across the developing world, and many substantial challenges remain. In this rapidly changing environment CIDA must do all that it can to ensure the Agency's role and contributions to both the Canadian and international scene are meaningful and add value.

Canada has a strong role in the donor community, which will be reinforced in 2002 when the country hosts the G8 Summit¹. This Summit will be critical for international development as the New Partnership for African Development is considered. This New Partnership outlines, from an African perspective, necessary conditions for the development success of Africa. Canada will be leading the G8 countries over the next year to develop a response to this initiative, which calls for a fundamental reshaping of how partnership between donor countries and partner countries in the developing regions is managed.

CIDA's current work in Africa, as well as in the other developing countries and regions, builds upon lessons learned over the past 50 years of international development. Key lessons being integrated into CIDA programming include the need for local ownership, improved donor co-ordination, engaging civil society, greater policy coherence and a results-based orientation.

Increasing effectiveness and improving overall accountability are the major challenges the Agency faces as it responds to the complex and diverse problems of development. Specific initiatives being undertaken in meeting these challenges include: more strategic program interventions; new programming approaches; more integrated results-based planning, budgeting and reporting; strengthening field presence; and removing unnecessary process demands from the work of development officers. The Agency has also developed a three-part risk-management approach. This involves: the identification of country-program risks; risk-management strategies for development frameworks and projects under consideration; and a formal Legal Risk Assessment Process.

To simplify CIDA's focus and to address the new challenges of international development co-operation, the Agency has formulated a new set of four Strategic Outcomes. These Strategic Outcomes are designed to reflect the Agency's Official Development Assistance (ODA) and

¹ <http://www.g8.gc.ca>

Official Assistance (OA) mandate. While organizationally the Agency continues to operate on the basis of its main lines of business, strategic planning now focuses on the four strategic outcomes: economic well-being; social development; environmental sustainability and regeneration; and governance.

These four outcomes constitute the Agency's Development Results. Achievement of the development results is facilitated by a set of Enabling Results (comprising of such strategies as balanced approaches to directed and responsive programming, sectoral and geographic focus, improved policy coherence, and facilitation of local ownership and engaging Canadians). Management Results, or tools (such as human resources and information management and technology) are crucial in developing and operationalizing the agreed strategies. Together, Development Results, Enabling Results and Management Results capture the essential results to be pursued by the Agency. These expected results also enable CIDA to link its development work to the targets established by the Millennium Development Goals.

In keeping with the new strategic focus and the new, more programmatic and co-ordinated development interventions, the Agency's evaluation strategy will also focus more on work at the program level, on country programs and on major institutional partners. In addition to providing better coverage of the Agency's business lines and transfer-payments programs, this shift will facilitate closer co-operation with recipient countries and donor agencies on joint evaluations and enable the Agency to better assess issues such as closer donor co-ordination.

Over the past 50 years the world has looked to international co-operation and development to ensure that the benefits and opportunities of living in a global community are equitably shared. The emphasis is on long term interests that are shared by all countries rather than on narrow national interests. Many donors now work together in pursuit of the Millennium Development Goals that provide a common vision of a better world. CIDA remains committed to this vision and continues to dedicate all of its energies to making this vision a reality.

2.0 Agency Raison d'être

For more than three decades, the Canadian International Development Agency² (CIDA) has pursued a development mandate in countries in Africa and the Middle East³, the Americas⁴, and Asia⁵. More recently, in 1995, it also assumed responsibility for assistance programs in the countries of Central and Eastern Europe and the former Soviet Union — the Countries in Transition⁶. Over this 30-year period, CIDA established a reputation for excellence in a number of areas, and was viewed by other donors as one of the more innovative aid agencies. It has been recognized for its continuing leadership on gender and development; for involving non-governmental organizations; and for being an early advocate of the incorporation of environmental dimensions into development programming. In 2001, CIDA took another forward step and launched its Sustainable Development Strategy 2001-2003⁷ which has become the Agency's Business Plan. The Strategy promotes the integration of sustainable development principles in all Agency programs.

Over this same period, development co-operation has evolved considerably. This evolution has reflected both the practical experience gained over 50 years and the growing desire throughout the development community for improved aid effectiveness. The result is a more sophisticated and more comprehensive approach to development programming. Today, greater attention is paid to the broad setting for development, and to the way in which development projects fit into this wider context. In today's rapidly changing environment, CIDA must do all that it can to ensure that the Agency's role and its contributions to both the Canadian and international scenes remain relevant and effective.

2.1 Mandate and Objective

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

CIDA provides assistance to more than 120 countries through a range of program instruments including more than 3,000 projects.

² <http://www.acdi-cida.gc.ca>

³ <http://www.acdi-cida.gc.ca/africa-e.htm>

⁴ <http://www.acdi-cida.gc.ca/america-e.htm>

⁵ <http://www.acdi-cida.gc.ca/asia-e.htm>

⁶ <http://www.acdi-cida.gc.ca/europe-e.htm>

⁷ <http://www.acdi-cida.gc.ca/sds>

⁸ <http://www.dfait-maeci.gc.ca/english/foreignp/cnd-world/menu.htm>

In support of its mission, CIDA seeks to attain the following twofold objective⁹:

- to facilitate the efforts of the peoples of developing countries and countries in transition to achieve **sustainable economic and social development** in accordance with their needs and environment, by co-operating with them in development activities; and
- to provide **humanitarian assistance** thereby contributing to Canada's political and economic interests abroad in promoting **social justice, international stability and long-term economic relationships**, for the benefit of the global community.

2.2 Benefits to Canadians

CIDA's work represents a significant foreign-policy benefit to Canada and Canadians in that the Agency's mandate has firm roots in Canadians' values of social justice and of helping those who are poor. The mandate recognizes that Canadian interests are served by measures that promote global co-operation and equality. Principal drivers behind the evolution of development assistance over the past decade include: geopolitical imperatives, peace and security (see Box 1: Getting to the Roots), historical ties between North and South, as well as the political and commercial interests of donor countries.

Box 1: Getting to the Roots

Much of the conflict in developing countries and the resultant impact on people in those countries and in the wider global community can be traced to social and economic causes. Poverty in the midst of global plenty can lead to resentment and political upheaval. Addressing the basic human needs of the poor in the developing world helps reduce poverty and thus can assist in addressing political instability and other forms of human conflict. Increased peace and security anywhere is of benefit to peoples and nations everywhere.

Humanitarianism — or values and ethics — has also been a powerful motivation, particularly in public support for aid within donor countries. Most Canadians support development co-operation for two simple reasons: they believe it is the right thing to do, as a matter of ethics, justice, and human solidarity; and they feel concern for the less fortunate should not stop at national borders. For decades, this has been the fundamental basis — the bedrock — of public support for Canada's aid program. Support for development co-operation also reflects Canadians' commitment to human rights, including equality between men and women, boys and girls — rights that Canadians feel the aid program helps to advance.

At the same time, the realities of globalization and growing international interdependence are lending increased weight to a rationale for development co-operation based as well on "enlightened self-interest" or mutually beneficial partnerships. Interdependence, in this context, means a convergence of interests among states around a wide array of issues — the environment, peace and security, health and the suppression of disease, economic and financial stability, migration, and transnational crime. The emphasis here is on long-term interests which are shared by all countries rather than on narrow national interests. This rationale recognizes that, ultimately, Canadians will benefit from a more prosperous, secure, and equitable world.

⁹ 2000-2001 Estimates: Part I and II, pages 9 and 10.

3.0 The Planning Context

The state of the world poses a number of important challenges for CIDA while providing the Agency with a range of opportunities. Based on an analysis of these risks, challenges and opportunities, CIDA has made some important choices for future programming, while ensuring that risk is appropriately managed.

3.1 The State of the World: CIDA's Challenges

Over the past 50 years, the world has looked to international co-operation and development to ensure that the benefits and opportunities of living in a global community are equitably shared, while threats are reduced. Many donors now work together in pursuit of the Millennium Development Goals, which provide a common vision of a better world. (See Box 2: Millennium Development Goals).

Box 2: Millennium Development Goals¹⁰

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

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

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

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

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

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

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

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

¹⁰ <http://www.developmentgoals.org>

Canada is a signatory to the Millennium Development Goals and shares accountability with other nations for their achievement. CIDA's challenges lie in the need to help meet four key requirements of human development and security: economic well-being, social development, environmental sustainability, and governance.

The last decade has seen astounding global economic growth and there are indications that advances have been made in the battle against poverty. Some developing countries produce consumer goods that rival those of the industrial world. Overall, per capita gross domestic product in developing countries more than tripled between 1960 and 1999 (from \$330 in the 1960s to \$1170 in 2001)¹¹.

Yet the benefits of development have been shared unevenly across the developing world and poverty remains a persistent and daunting challenge. While the percentage of people living on less than US\$1 a day has decreased from 29% to 24% between 1990 and 1998, population growth in poor countries means the absolute number of poor people is rising. Even if the Millennium Development Goals are met, there will still be 900 million people living in extreme poverty in 2015, with most of the poor found in sub-Saharan Africa and South Asia. The gap between rich and poor has grown. Today the richest fifth receive 85% of total world income; the poorest fifth receive just 1.4% of the total.

This gap between rich and poor is also mirrored in the new information economy. A digital divide — the name given to the disparity in information resources — is emerging between North and South. Industrialized economies are moving towards greater dependence on and access to increasingly sophisticated information technologies. Yet more than one-half of humanity has never used a telephone, and there are more telephones on the island of Montréal than in all of Bangladesh.

Debt burdens also continue to pose significant obstacles for the poorest countries, particularly for countries in sub-Saharan Africa. High debt burdens constrain growth and investment, impede progress on social and environmental problems and limit access to international capital markets. Developing countries also derive very unequal benefits from private capital flows: about three quarters of the private-investment flow to the developing world goes to just 12 countries, mainly in Asia and Latin America; the share reaching sub-Saharan Africa stands at less than 4%.

In the area of social development, the state of the world's population has improved over the past few decades. People are living longer and enjoying better health: life expectancy increased from 46 to 66.7 years between 1970 and 1999¹²; and between 1970 and 1999 the global infant mortality rate was halved. Yet, despite advances, continuing gender inequality means that 70% of the world's poorest people are women. The HIV/AIDS pandemic is affecting the developing world disproportionately. Of the 36 million people living with HIV/AIDS globally, 23 million reside in sub-Saharan Africa.

¹¹ 1960 Data - John W. Sewell, "The Changing Definition of Development Co-operation," Commentary, Overseas Development Council, June 29, 1998, p.1; 1999 Data - Human Development Index http://www.undp.org/hdr2001/indicator/pdf/hdr_2001_table_1.pdf

¹² Human Development Index http://www.undp.org/hdr2001/indicator/pdf/hdr_2001_table_1.pdf

Global environmental management has improved over the past decade but challenges remain. National sustainable development strategies numbered 50 in 1999, an increase from fewer than 25 in 1990, but implementation remains weak¹³. Unsafe water from environmental pollution has health implications: 80% of all diseases in the developing world are caused by unsafe water, and result in five million deaths a year, ten times more than the number of people killed in armed conflict. Carbon dioxide emissions, which are part of greenhouse gases linked to climate change, continue to rise world-wide.

There are more democratically elected governments across the world than ever before, enabling organizations such as CIDA to engage with confidence with an increasing number of national governments. However, as the most recent Transparency International¹⁴ report notes, corruption remains a major global problem and the world's poorest are the greatest victims of such corruption. Yet, as democracy takes root, governments are increasingly open to improving the ways in which they serve their populations and to developing tools to reform governance practices.

Continuing Challenges in the Geographic Regions - Asia, Africa, the Americas, and the Countries in Transition in Central and Eastern Europe and the Former Soviet Union.

Overall, there has been an expansion of opportunities for millions of people around the world. However, significant challenges remain for the international community to analyze and address. The development situation in Africa remains the most challenging. Many African countries, especially in sub-Saharan Africa, have been burdened with slow economic growth and brutal conflict. HIV/AIDS is having a growing impact on the continent; by 1997, it had resulted in a decline in life expectancy in some countries to pre-1980 levels. In Africa, progress towards resolving these and other challenges is hindered by an often fragile commitment to democracy and an inadequate capacity, particularly within governments, to foster sustainable development.

Despite rapid growth in several Asian countries, Asia continues to house half of the world's poor. Even its more advanced economies remain vulnerable to economic setbacks, as evidenced in the recent 1997 financial crisis. Latin America has seen a return to growth after the "lost decade" of the 1980s, but it has not been growth with equity, and enormous disparities in wealth — the greatest in the world — could undermine the prospects for sustainable growth and continued democratization. The recent economic crisis in Argentina underlines the fragility of this return to growth and the need for strengthened policies and systems to manage changing economic conditions.

The picture is also mixed in the Countries in Transition. Some have made good progress in shifting to more democratic forms of government and in the transition to market economies. At the same time, the former Yugoslavia remains a flash point for conflict. Trends in Russia point to precipitously declining standards of living and endemic poverty continues in Central Asia.

¹³ The Millennium Development Goals call for the implementation of national strategies for sustainable development in all countries by 2005.

¹⁴ <http://www.transparency.org>

While the challenges should not be underestimated, the main story for the developing world over the past half-century has been one of progress. Many of the main indicators of human well-being — life expectancy, child health, and education — show marked improvement. There is good reason to believe that this progress, most of which has been achieved through the efforts of developing countries themselves, will continue through the next decade.

3.2 Lessons Learned

Increased global collaboration in the pursuit of effective development programs has led to agreement on a number of key principles outlined in the Organization for Economic Co-operation and Development's *Shaping the 21st Century: The Contribution of Development Co-operation*¹⁵. These principles reflect the lessons learned by the international community over the past 50 years. Key lessons that CIDA has identified and is integrating into its programming include:

- **local ownership.** Through the concept of local ownership, national strategies can be developed by recipient countries - their governments and their people - that reflect local priorities, rather than the priorities of donors. This implies a strong focus on strengthening the capacity of developing countries to plan and manage their own development. Local ownership is seen as a way to ensure both that donor efforts respond to local priorities, and that programs or initiatives supported through development programs will be sustainable over time, particularly once donor investments wind down.
- **improved donor coordination.** Based on over three decades of development work, Canada has learned that the challenges facing the developing world can best be addressed through effective co-operation among development partners. Partnerships enable the development community, donors and recipients alike, to exploit synergies based on shared resources, knowledge and efforts. CIDA has recognized the administrative burden donor programming imposes on a host country, whether a developing country or a country in transition, when such programming is uncoordinated and lacks a common objective. Rather than imposing a number of duplicating and even conflicting donor-driven agendas, the donor community needs to align its programs to the priorities defined by the host country. At the same time, recipient country capacity for effective management needs to be strengthened. Work is underway within the Organization for Economic Co-operation and Development's Development Assistance Committee¹⁶ to address this issue.
- **engaging civil society:** One of the clearest lessons of development experience is that participation must be an integral feature of the selection, design and implementation of development intervention. A healthy civil society — one that reflects a wide range of interests, including those of marginalized groups — helps make informed participation possible and gives voices to those who are underrepresented to demand better governance. It is also an important element in supporting democratization and improved governance in

¹⁵ <http://www.oecd.org/dac/htm/stc.htm>

¹⁶ <http://www.oecd.org/dac>

developing countries and in those countries in Central and Eastern Europe that are emerging from decades of statism and central planning.

- **greater policy coherence.** Globalization is characterized by increasing linkages among nations and among public-policy issues. Actions of a nation state in one policy area can have far-reaching impacts on other countries in a range of policy areas. Recognition of this reality has led to a growing interest in the issue of policy coherence. The Organization for Economic Co-operation and Development has identified seven areas where policy coherence brings real benefits, including: international trade and foreign direct investment; international finance; food and agriculture; natural resources and environmental sustainability; social issues (e.g., labour standards, immigration, public health, illegal drugs); governance; and conflict. With greater coherence across these policy areas, the industrialized world would be able to make a better contribution to social and economic progress in the developing world.
- **a results-based orientation.** A results-based approach is increasingly seen as an important vehicle for aid effectiveness. Linking the efforts of each partner to strategic outcomes and to the broader Millennium Development Goals remains a challenge for the donor community. Canada has actively embraced the results based approach and, since the early 1990s, has made progress at the project level. More recently, the Agency has developed a set of Key Agency Results to increase the focus of its work on results and to improve the Agency's monitoring and reporting. Section 4 discusses in greater detail CIDA's work in this area.

Several of these lessons were identified in the 2001-2002 Report on Plans and Priorities in which CIDA acknowledged that it would take at least three to five years to integrate them fully into Agency programming.

3.3 New Directions

In responding to the complex and diverse problems of development, CIDA's major challenge is to increase aid effectiveness and improve overall accountability. Specific initiatives that the Agency is undertaking include: developing new programming approaches; delivering program interventions at a strategic level; better integration of results-based planning, budgeting and reporting; strengthening field presence; and rationalizing CIDA's management processes.

New Programming Approaches

The Agency has undertaken a number of pilot initiatives that test some new programming approaches. These new approaches place a stronger emphasis on policy dialogue and strategic aid investments, stronger partnership approaches, donor coordination, and leadership from the developing country itself. The pilots are diverse in approach to allow for a broad range of experimentation and an equally broad range of lessons learned. These lessons will be integrated into CIDA's programming tools, mechanisms and approaches and will also help identify what kind of skills and approaches the Agency should foster and develop. Some of these initiatives involve working more closely with partners on Poverty Reduction Strategy Papers and

Comprehensive Development Frameworks. Box 3 provides an overview of these new approaches. Section 4 provides more details on some of these pilot initiatives. The challenge in attempting these new approaches is to address issues related to integrating accountability, financial management and performance monitoring in conformance with government standards.

Box 3: New Approaches for Effective Development Co-operation

Comprehensive Development Frameworks¹⁷ (CDFs) draw together principles for effective programming, such as local ownership; partnership; developing a long-term vision; and treating social and financial concerns. CDFs can increase donor co-ordination. CIDA has been actively participating in the development of CDFs in Bolivia, Ghana and Vietnam.

Poverty Reduction Strategy Papers¹⁸ (PRSPs) are closely aligned to the CDFs and explicitly embody many of the same principles. PRSPs, developed by countries on the basis of their own priorities, provide a comprehensive approach that integrates social and sectoral policies, institutional reforms, good governance and other poverty-reduction measures within a sound macroeconomic framework. The PRSP process should be broadly consultative, both to ensure that the concerns of the poor are heard and to encourage local ownership of the strategy.

Sector Wide Approaches (SWAps) are programs led by recipient governments that focus donor funding for development activities in a defined sector (e.g., health or education) to support a single sector policy and expenditure program, rather than towards separate, and often donor-driven, projects. SWAps enable donors and their partner countries to look at the benefits and problems of, and solutions to, a sectoral issue in a holistic fashion.

Strategic Program Interventions

Strategic programming interventions require: using the Agency's portfolio of some 3,000 projects to support program-level interventions; focusing development initiatives in sectors that offer the greatest return on aid investments and assessing the geographic focus of our programming. Projects of the future should increasingly be those firmly integrated into a larger strategy for a country and rooted in a sound understanding of the country context. They should seek greater reach, leverage, and impact, and have a focus on effective policy development and implementation. Box 4 illustrates how CIDA's program approach in Mali has been pursued. Section 4 discusses in greater detail how CIDA is implementing this new approach under Strategic Outcomes: Development Results.

Sectoral and geographic focus is an important issue that the Agency will be examining over the next few years. Unlike other donors, CIDA's programming is widely dispersed: CIDA has been active in many sectors and is present in almost all 120 developing countries¹⁹. The Agency will examine ways to concentrate more of its resources on fewer sectors and in a limited number of key countries that would benefit from a meaningful Canadian intervention.

¹⁷ <http://www.worldbank.org/cdf>

¹⁸ <http://www.worldbank.org/poverty/strategies/index.htm>

¹⁹ <http://www.acdi-cida.gc.ca/cidaweb/webcountry.nsf/index.html>

Box 4: Supporting Education Reform in Mali (2001-2005 \$13 million)

Based on several decades of experience and commitment in Mali, CIDA is now a partner in an innovative sectoral education program in that country led by the Malian government. CIDA is working with a multitude of partners including several UN organizations, the World Bank and several other donor countries to deliver this program. The program aims to increase the percentage of the population receiving primary school instruction from 50% in 1998-99 to 95% in 2009-10. In Phase 1, CIDA's investment totaling \$13 million will focus on improving the quality and management of the education system and increasing access to education.

More Integrated Results-based Planning, Budgeting and Reporting

CIDA will continue to report against expected results, using a set of indicators that permit ongoing learning and adjustment as part of the Agency's continual-improvement management approach. The Agency has developed a new set of Key Agency Results that replaces the Key Results Commitments used in previous Reports on Plans and Priorities (See Table 9). There are three expected key result areas: development results; enabling results (effectiveness); and management results (efficiency). Section 4 provides more detail on these three levels of results.

The Agency is moving towards a more comprehensive and integrated planning, resource allocation, monitoring and reporting system. This will permit an ongoing assessment of results achieved and of the appropriateness of overall resource allocation, based on lessons learned. The annual Report on Plans and Priorities and the Departmental Performance Report will be the main vehicles for communicating progress on the expected results.

Strengthening Field Presence

Field presence refers to the placement of some part of an aid agency's staff and decision-making authority in a developing country rather than at agency headquarters. CIDA is assessing its field presence and the level of authority delegated to those in the field to ensure the field staff can do its job effectively. This includes looking at ways to enhance field presence through the use of locally-engaged staff. An appropriate level of field presence can strengthen the Agency's knowledge base, particularly about local customs, culture and priorities, at a time when donors have entered new areas of programming that demand greater understanding of local conditions. A strengthened field presence is seen as contributing to increased knowledge of the local priorities of developing countries and strengthens CIDA's ability to take quick, informed, and relevant decisions. Additionally, being in the field enables CIDA to maintain a voice at the table with other donors throughout the planning, implementation and monitoring of new programming approaches.

Addressing the Process Problem

CIDA has a heavy project base — one that has remained relatively constant despite a decreasing aid budget. In 1999-00, CIDA supported approximately 3000 diverse projects through its geographic — or bilateral — branches, and its Canadian Partnership Branch. As a result, CIDA is managing a large portfolio of projects, and faces increasing demands on staff time.

CIDA has launched a work-simplification initiative to remove unnecessary process demands from the work of development officers. An internal Agency task force has identified an initial list of process demands that can be eliminated from CIDA's work or shifted to a more appropriate responsibility centre. Over the coming months, the Agency will remove or modify processes that unnecessarily burden program officers. This step will allow CIDA staff more time and resources to develop knowledge and skills in the new areas of development co-operation.

3.4 Managing Risk

There are inherent risks to the achievement and delivery of CIDA's mandate. These include conflicts, humanitarian and natural disasters, political instability and corruption. A three-tier risk assessment strategy is in place to manage these and other risks effectively as part of CIDA's business and to ensure program integrity.

Country program risks are identified through a country risk assessment model which has been developed and tested. Findings are used in the design of the programming frameworks and/or as input to decisions as to the appropriateness of specific types of projects undertaken. Both programming frameworks and project approval documents include risk-mitigation strategies. In both cases, the strategies are approved by senior management at the branch and corporate levels. The status of these risks is monitored and reported in the Annual Project Performance Reports and, where necessary, risk-mitigation strategies are adjusted.

Thirdly, the Agency has implemented a Legal Risk Assessment Process where potential legal risks and trends are identified on an ongoing basis, and the appropriateness of the actions taken is assessed. These risk assessments, along with the ongoing environmental scanning, are part of the building blocks of the Agency's Integrated Risk Management Framework.

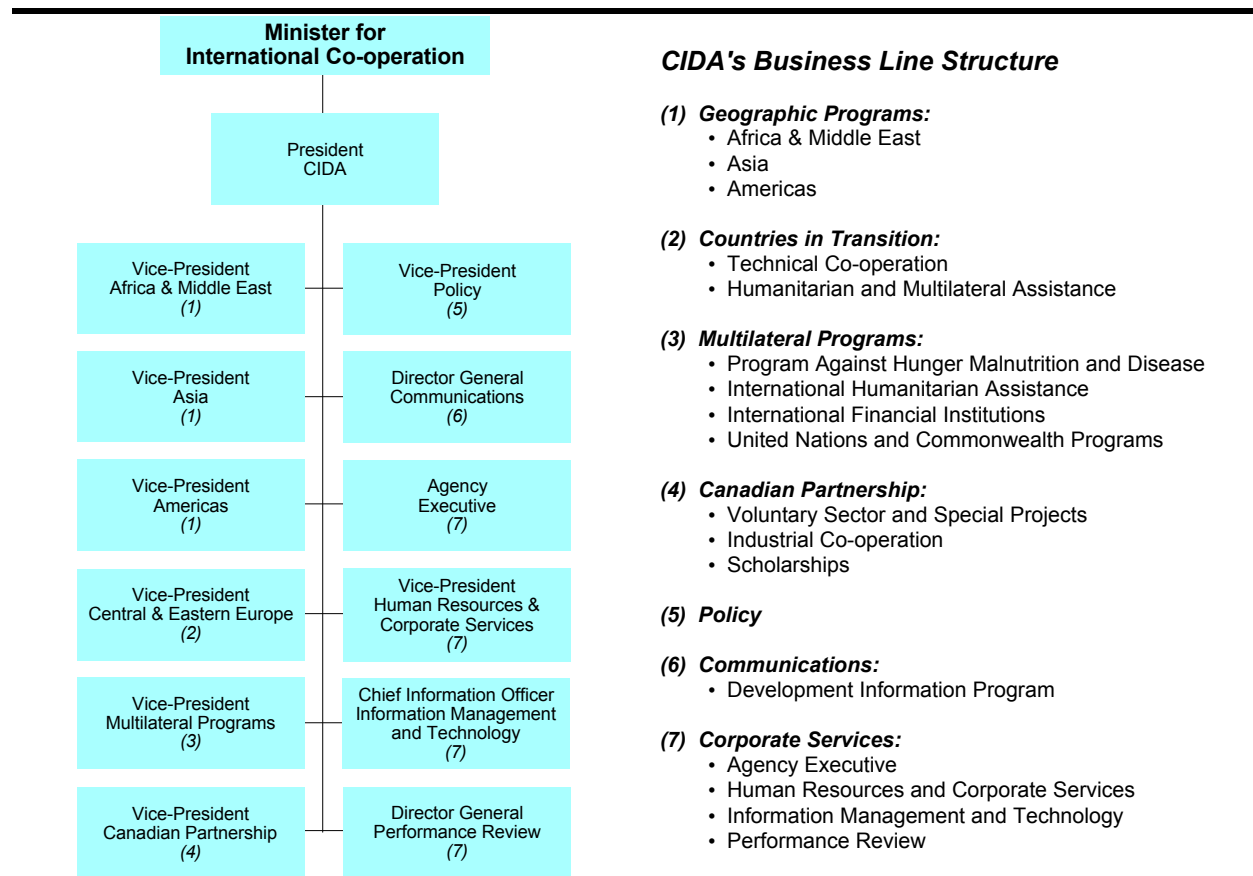
4.0 Plans and Priorities by Strategic Outcome

CIDA's Strategic Outcomes

A new requirement for the 2002-03 Report on Plans and Priorities is a shift from business lines to strategic outcomes as the primary focus in discussing future plans and priorities. In keeping with this requirement, CIDA is presenting its future plans as strategic outcomes, outlining the priorities to be pursued to achieve these outcomes. As noted in the Treasury Board Secretariat's *Guide to the Preparation of the 2002-2003 Report on Plans and Priorities*, strategic outcomes are the long-term enduring benefits to Canadians derived from a department's vision and efforts. The concept of strategic outcomes replaces previous terms such as key agency result commitments and strategic objectives.

CIDA's shift to new strategic outcomes is being accommodated within the current management accountability structure. CIDA's existing management accountability framework is presented in Chart 1.

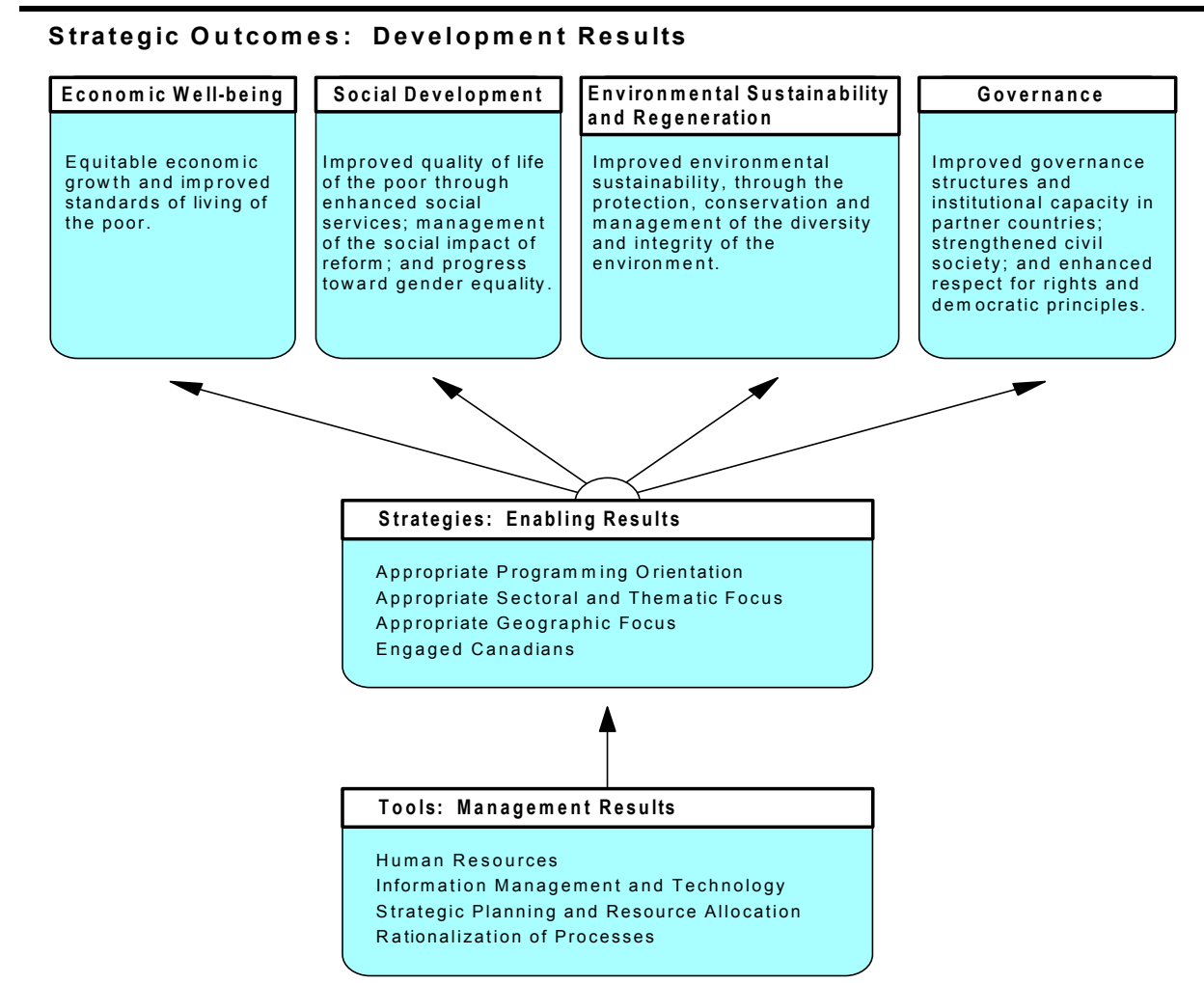
Chart 1: CIDA's Business Lines Structure



In previous Reports on Plans and Priorities, the Agency planned, budgeted and reported against the Key Result Commitments (See Table 9), based on the six Official Development Assistance (ODA) priorities²⁰. To better align results commitments and make them effective drivers both for internal planning and external reporting, the Agency has developed the Key Agency Results that now replace the Key Results Commitments used in previous Reports on Plans and Priorities.

The Key Agency Results have been developed on three levels: Development results (outcomes), Enabling results (strategies) and Management results (tools). There is an important connection between the three key result areas: efficient management supports effective enabling programming which, in turn, contributes toward development impacts for the target group. The Development results also represent Canada's contribution towards achieving the Millennium Development Goals. For this 2002-2003 Report on Plans and Priorities, CIDA's Development results constitute the Strategic Outcomes. CIDA's results model presenting the Strategic Outcomes is provided in Chart 2.

Chart 2: CIDA's Strategic Outcomes



²⁰ Basic human needs; gender equality; infrastructure services; human rights, democracy, good governance; private-sector development; and environment.

4.1 Strategic Outcomes: Development Results

CIDA's Strategic Outcomes or Development Results encompasses four core areas: (i) economic well being, (ii) social development, (iii) environmental sustainability and (iv) governance. While these Development Results or Outcomes are linked to the six ODA priorities established in *Canada and the World*, they more broadly reflect CIDA's work in international development. CIDA has also developed, at the program level, specific commitments in support of these four broad Strategic Outcomes, details of which follow.

Strategic Outcome 1: Economic Well Being: \$491.56M of CIDA's 2002-2003 ODA/OA budget

CIDA will support **equitable economic growth and improved standards of living of the poor** by, for example:

- Supporting the reform of public and private sector institutions
- Building capacity for strong trade partnerships and agreements
- Creating the right environment for economic growth

Economic growth is essential for job creation and improved income opportunities. However for the standards of living of poor people in the developing world to be improved, economic growth must be *equitable*. CIDA has been actively supporting sustained and equitable economic growth in partner countries for three decades. As well as working closely with partners to strengthen economic policies and institutions, CIDA has facilitated linkages between Canadian and partner country private sector businesses. These approaches, along with the efforts of the rest of the donor community, have enabled many partner countries to begin to develop the appropriate enabling environment for sustained and equitable economic growth.

CIDA works with partner governments to create the regulatory environment and governance structures essential for promoting business and investment. With the Countries in Transition in Central and Eastern Europe, CIDA plans to focus on governance structures and institutional capacity which create the appropriate enabling environment for economic growth (see Box 5: A Path to Reform: The Ukraine Country Development Programming Framework 2002-2006). In Asia, CIDA is supporting state modernization programs in economic planning to strengthen central government agencies in Vietnam. In the Philippines, CIDA is supporting more transparent government procurement systems, and in India, the Agency is supporting government efforts to improve the tax regime. CIDA will work in co-operation with the World Bank²¹ and other donors through international forums for Africa to coordinate efforts to assess and improve public financial management in partner governments and institutions on that continent.

²¹ <http://www.worldbank.org>

Box 5: A Path to Reform: The Ukraine Country Development Programming Framework 2002-2006

CIDA's program of technical co-operation in the Ukraine is the embodiment of what Canada is attempting to achieve throughout Central and Eastern Europe – the evolution of a system of government and governmental institutions that respect human rights and democratic principles, and support the development of a predictable market economy which will be attractive to foreign and domestic investors. CIDA will provide approximately \$19 million annually to the program throughout the life of this programming framework.

The goal of Canada's program of technical co-operation with Ukraine is to ensure the successful integration of Ukraine into the global market economy and to assist in the peaceful development of a democratic system of government driven by the rule of law. The objectives of Canadian programming for the coming five years will be to ensure the development of sound governance in Ukraine, ensuring strengthened institutions of governance, as well as ensuring that a sound foundation of civil society is developed and is fully engaged in the functioning of a democratic society. The program will remain flexible enough to respond to the often rapidly changing context in Ukraine, and direct its programming to areas within governance or civil society which may emerge as being of particular urgency or in which Canada has particular expertise.

Reform in Ukraine is a long-term endeavour. The development and successful functioning of the instruments of statehood is not a quick fix. CIDA has made a long-term commitment to its programming in that country, and will draw upon the expertise and experience which the Agency has amassed in delivering programming in Ukraine over the course of the past 10 years, as well as on the considerable expertise of the Ukrainian-Canadian community, to deliver an effective program.

CIDA also works with its partner countries in meeting the challenges involved in economic integration into the world economy. CIDA will encourage both the International Financial Institutions and the UN to intensify their capacity-building work to help developing countries become full and equal partners in the global trade system. This will include a greater focus on economic policy and public sector management and private and financial sector development — fundamental drivers of economic growth and poverty reduction.

Programming to support local efforts to develop trade and development will continue in Bangladesh, China, India, and Vietnam and significant lessons from the experience of working with these countries will be integrated into future programming. In the Americas, CIDA is actively participating in Canada's trade agenda. This includes discussions on the Free Trade Agreement of the Americas²² and on the Costa Rica, the Central America, and also the Caribbean Community and Common Market free trade negotiations. The Central America and Commonwealth programs are providing technical assistance to these countries to help analyze the impact of the loss of preferential access to traditional markets and to take advantage of the benefits arising from new trading arrangements.

The Industrial Co-operation Program (CIDA-INC)²³ encourages Canadian private sector firms to establish long-term business relations with developing country partners in order to promote and support sustainable socio-economic development and poverty reduction. It reduces the risks to Canadian firms associated with an investment by sharing the costs of doing business in developing countries. It also supports specific components of an investment project in the area of training, social development, the participation of women or a clean environment. The

²² <http://www.ftaa-alca.org>

²³ <http://www.acdi-cida.gc.ca/busine-e.htm>

Program budget is \$58.6 million for fiscal year 2001-02. It disbursed \$42.5 million and \$45.0 million in fiscal years 1999-00 and 2000-01 respectively. In recent fiscal years, it received an average of 400 private sector proposals per year of which 220 were approved for funding. An example of programming in Asia, which is particularly important for the nations affected by recent economic crises, is the support given to the Geomatics Industry Association of Canada in conducting market studies for Thailand and Malaysia and organizing five seminars on developing countries' opportunities with various geomatics firms in Canada. The goal of the study was to improve Canadian understanding of this sector and consolidate information on how Canadian firms can get involved in developing countries in this area of strong Canadian expertise.

CIDA is also actively supporting small- and medium-enterprise development, largely through support to the micro-finance sector in the urban and rural areas of developing countries. Micro-finance and micro-credit initiatives will continue to encourage domestic entrepreneurship and create sustainable employment throughout the world. CIDA's work in micro-credit and micro-enterprise initiatives are being sponsored in Africa (Benin, Burkina Faso, Guinea, Mali, Senegal and South Africa), Asia (Bangladesh), Central and Eastern Europe (Russia, Ukraine, the Balkans, South Caucasus, the Baltics, Poland, the Slovak Republic and Hungary) and the Americas. In the Americas region, CIDA is supporting income-generating activities of micro-entrepreneurs in Peru, Bolivia, Haiti and Guatemala, mainly through financial co-operatives and in support of community groups. These initiatives seek to improve the standard of living of an increased number of small entrepreneurs, based on increased savings and access to small business loans. Micro finance and credit initiatives are being sponsored in Central and Eastern European countries listed above to further the development of civil society and the transition to market economies. CIDA's support in the agricultural sector also encourages domestic economic growth. Box 6: The Ghana Food Security program, provides an example of CIDA's work in this area.

Box 6 - The Ghana Food Security Program

The Ghana Food Security program (an investment of \$60 million over five years) is a pilot initiative to support the efforts of the Ghanaian people as well as their institutions in their efforts to mitigate food security related problems and to sustainably increase their food security potential. The program will lead to a gradual transfer of responsibility for the implementation of CIDA's food security program to the Government of Ghana. The expected impact will be the strengthening of Ghana's capacity to implement its agriculture program as well as increased agricultural growth, a reduction in the number of households with chronic food insecurity, and increased nutrition levels among households.

Strategic Outcome 2: Social Development: \$659.71M of CIDA's 2002-03 ODA/OA budget

CIDA will seek an **improved quality of life for the poor through enhanced social services; management of the social impact of reform; and progress toward gender equality**²⁴ by, for example:

- Meeting the targets of the Social Development Priorities
- Mobilizing international support for the Global Health Fund
- Promoting gender equality with partners

Healthy, well-nourished and educated people are the essential preconditions for sustainable and equitable economic growth. The Agency promotes social development by supporting the provision of primary health care, basic education, family planning, nutrition, water and sanitation, as well as by responding to international emergencies with humanitarian assistance. The Social Development Priorities form an important aspect of CIDA's more focused programming in this area as does support for the Global Health Fund. Gender equality remains a critical crosscutting approach for all of CIDA's programming.

CIDA works closely with many key multilateral partners in its work in social development and develops programming frameworks to guide its work with these organizations, including how CIDA can bring to bear its experience and advice. See Box 7 as an example of how CIDA seeks to create effective partnerships in the pursuit of social development.

Box 7: CIDA's Institutional Development Framework for UNICEF²⁵, 2000-2010

UNICEF, the United Nations Children's Fund is the largest development agency in the world working for children and young people. In FY 1999-00 Canada, through CIDA, contributed Cdn \$13.5M or 1.55% of UNICEF's core resources, ranking tenth among donor governments. Canada intends to provide \$13.5M for fiscal 2002-03 to support this program framework. The CIDA-UNICEF partnership is firmly grounded in mutual interest, common values and shared commitments, and Canada's comparative advantages in supporting the work of the organization. UNICEF works actively for poverty reduction in the CIDA priority areas of basic human needs, gender equality, and human rights, democracy and good governance, and supports the Social Development Priorities, particularly education. CIDA, UNICEF, and other partners' support of the Vitamin A Initiative is an excellent example of how joint action in these priorities work. Since 1998, over one million child deaths have been prevented.

Expected results of the program include:

- In the past, although children often benefited from development programs, few were explicitly aimed at them, resulting in programming gaps and inequalities. CIDA and UNICEF's contribution to the achievement of the global goals for children, as expressed in the UN Convention on the Rights of the Child, will be achieved through a consistent and inclusive approach in their policies and programs for children.
- CIDA's provision of policy guidance to the Executive Board that will help to keep UNICEF relevant, effective and visionary, helping to support initiative to achieve the global goals for children, as expressed in the Convention.
- The strengthening of the One CIDA-One UNICEF partnership — established in 2000 as an effective way to manage the multitude of interactions between the two organizations — provides a means for resolving ongoing policy and operational issues. The effectiveness and overall impact of CIDA-UNICEF activities at the country level are strengthened.
- The strengthening of the knowledge and programming capacity of CIDA and UNICEF with regard to children's rights and development and results based management in a multilateral context and, consequently, the strengthening of the efficiency, effectiveness and results-focus of CIDA's and UNICEF's interventions.

²⁴ Gender equality is a crosscutting theme across all Development Results.

²⁵ <http://www.unicef.org>

CIDA is also working in partnership arrangements to implement the four Social Development Priorities²⁶: basic education; health and nutrition; HIV/AIDS; and child protection. The Agency continues to integrate new approaches such as strengthening local ownership, as these are the most appropriate and sustainable means to deliver social development programming. This approach is being pursued with partners in health and education in Bangladesh and basic education in Burkina Faso, Mali (see Box 4 in Section 3), and Senegal, among others.

Box 8: Community Partners

At the community level, CIDA, through its responsive program, is working with its long-standing partner the Aga Khan Foundation of Canada²⁷ through a five-year partnership program (2000-2005) costing \$13,335,000 which contributes to poverty reduction and the promotion of human development in a sustainable and equitable manner in selected communities within South Asia and Africa. The program implements projects in community-based primary health care, early childhood education, rural development, NGO enhancement, and human and institutional development. The Aga Khan Foundation has also developed a variety of innovative and effective development education programs, which facilitate learning of both its overseas partners and young Canadians through its scholarship, management, and exchange programs, as well as the NGO Development Research Program in South Asia.

CIDA is investing heavily in helping countries deal with the fight against HIV/AIDS pandemic²⁸. HIV/AIDS is being integrated as a crosscutting theme through all social programming, in Africa, a region where the crisis impacts all aspects of life, through support to projects dealing directly with the disease, as well as by integrating HIV/AIDS considerations into all projects, no matter what the sector. For example, in Southern and Eastern Africa, great efforts are being made to address HIV/AIDS in water and sanitation programming, education, and food security programming, even though HIV/AIDS is not the primary focus of the work. Regional HIV/AIDS programming is being undertaken in Southeast and South Asia to better identify the drivers and possible solutions to the spread of the disease. In the Americas, CIDA is helping countries such as the Dominican Republic, Guyana, and Haiti to tackle the HIV/AIDS epidemic. CIDA is also making a significant investment in a regional approach to Caribbean HIV/AIDS prevention, in recognition of the frequent inter-island travel among inhabitants and visitors in this region and the need to work collectively on the problem. Given the growing incidence of HIV/AIDS in Central America, initiatives are currently planned to address this issue. CIDA is building public awareness, technical capacity and regional and community-based partners to address the spread of HIV/AIDS in Central and Eastern Europe.

CIDA will also continue playing an active role in supporting efforts to accelerate global action to tackle major communicable diseases such as malaria, tuberculosis and HIV/AIDS. Notable in this regard is CIDA's leadership role in developing the Global Fund to fight AIDS, tuberculosis and malaria. CIDA has pledged \$160 million to this Fund that will attract, manage and disburse additional resources through a public-private partnership involving developing countries, donors, multilateral agencies, non-governmental organizations and the private sector.

²⁶ <http://www.acdi-cida.gc.ca/socialdevelopment>

²⁷ <http://www.akfc.ca>

²⁸ <http://www.acdi-cida.gc.ca/aids.htm>

Child protection activities in Asia will address a wide range of beneficiaries²⁹. Child labour and the situation of disabled children will be targeted in India and Sri Lanka. Adolescent girls will be the focus in Bangladesh, and in Southeast Asia the emphasis will be on exploited children. These

Box 9: Street Kids International

In India and Latin America, Street Kids International works to increase the capacity of youth-focused local agencies to motivate and prepare street youth, ages 15 to 17, to build viable micro-businesses. Agencies are receiving training on the basics of starting micro-businesses, on micro-credit and on training resources to assist youth working in the streets to plan and operate their own businesses. Previous annual funding (2000-2001) has been approximately \$150,000 and financial support of a similar scope is expected in the future.

children represent the most marginalized group in societies. Their access to education and health services, as well as to broader development gains in their society, needs to be assured through proactive targeted initiatives. In Latin America and the Caribbean, child labour and street kids will be the focus of CIDA's child protection activities. CIDA will continue to work with the Inter-American Children's Institute to eliminate the worst forms of child labour, including commercial sexual exploitation, throughout the region. Programming in Haiti will aim to improve the situation of street kids and child domestic workers. Also, in Columbia, increased access to education and peace-building for

children affected by conflict will be a priority. CIDA has supported the work of Street Kids International³⁰, an organization which targets this particularly vulnerable group (see Box 9: Street Kids International). The strategies employed by CIDA in Child Protection activities are outlined in Box 16: Strategies to Implement the SDP Action Plans.

Basic education remains an important priority for the Agency³¹. In Africa, CIDA works in close collaboration with national governments and donors to support partner countries' national commitments to basic education as elaborated in their educational development plans and strategies. CIDA remains active in providing training and institutional support in Burkina Faso, Mali, Mozambique, Senegal, Tanzania, and Uganda. Plans are underway to develop a basic education program in Zambia.

Gender equality³² — ensuring the benefits of development are equally shared between men and women, boys and girls — is a crosscutting priority for CIDA. This means that gender equality is integrated into all aspects of CIDA's policy and programming. On average, the Agency has made direct investments in gender equality of approximately \$76 million (2000-2001) and support of this scope is expected to continue. Across the Agency, gender mainstreaming efforts will continue (see Box 10: *Gender Equality Initiatives in Asia* for examples), particularly when new programming approaches, such as sectoral approaches with partners, are being undertaken. CIDA will support and encourage Canadian partners to increase local partners' capacity to address gender issues, particularly in countries like Afghanistan. The Agency is working to increase gender mainstreaming within multilateral development institutions and within the country programming of such institutions.

²⁹ <http://www.acdi-cida.gc.ca/childprotection>

³⁰ <http://www.streetkids.org>

³¹ <http://www.acdi-cida.gc.ca/education-e>

³² <http://www.acdi-cida.gc.ca/equality>

Box 10: Gender Equality Initiatives in Asia

Gender equality programming has been supported across country programs in Asia including Sri Lanka, Philippines, China, Pakistan, Indonesia and Bangladesh with investments totaling approximately \$60 million since 1999-2000. CIDA has had a long-term involvement in gender programming in the region. For example, in Bangladesh CIDA has been supporting the Rural Maintenance Program since 1984. The current four-year program has helped over 40,000 women: approximately 79% of the graduated women remain above destitution level; 98% are living in their own home; 92% know that they have the right to their husband's property; and 80% are buying and selling in markets. In total, Asia Branch plans to invest approximately \$60 million over the next three years in order to build upon past efforts to promote gender equality in the region.

CIDA has launched its first online, interactive, learner-centered course. *Promoting Gender Equality – An Online Learning Course* is based on CIDA's Policy on Gender Equality (1999). It is targeted to employees, both in Canada and abroad. Making the course accessible on the Internet allows for easier updating and wider access to Canadians, CIDA partners and others interested in the Agency's approach to promoting equality between women and men in international development co-operation.

Strategic Outcome 3: Environmental Sustainability and Regeneration: \$183.64M of CIDA's 2002-2003 ODA/OA budget

CIDA will work towards **improved environmental sustainability, through the protection, conservation and management of the diversity and integrity of the environment**, by:

- Supporting actions on climate change
- Building partner's capacity in environmental management

CIDA's mandate is sustainable development and the Agency considers the environment as a cross-cutting theme, one that should be integrated at every stage of development. CIDA builds capacity in developing countries to create national environmental action plans and contribute to addressing global and regional environmental issues, including biodiversity, ecological conservation, integrated management of ecosystems and sustainable use of natural resources. CIDA participates in international fora on issues such as desertification and climate change, and in preparations for seminal events, such as World Summit on Sustainable Development³³ which will be held in Johannesburg in August, 2002. At these international fora, CIDA brings to bear lessons learned through environmental programming, encourages consideration of developing country partners concerns, and works towards Canadian policy coherence on these international issues. CIDA also seeks innovative ways to combat global environmental problems such as climate change (see Box 11 for a profile of the Canadian Climate Change Development Fund).

³³ <http://www.johannesburgsummit.org>

Box 11: Canada Climate Change Development Fund

The Canada Climate Change Development Fund³⁴ supports: activities that promote emissions reductions; adaptation activities to reduce countries' vulnerability in the face of climate change; capacity-building of developing countries to participate more fully in global efforts to combat climate change; and activities that encourage the conservation of natural sinks such as forests, soils and oceans.

Two Fund projects are supporting the development of renewable energy sources - one in hydroelectricity and one in solar energy - in rural and mountainous areas of Western China. Both projects will likely disburse \$2 million each over the next three years. Building on a seven-year relationship in environmental issues, the Fund will sponsor the adaptation of brick-making factories in Egypt in order to reduce their production emissions. This project is expected to disburse over \$4 million in the next three years. In Panama, a \$2.5 million project will over the next year support the expansion of a nature reserve that has the potential to offset two million tons of carbon. In total, the Fund will disburse over \$30 million in 2002-2003.

In Africa, specific environmental programs, including the Nile Basin initiative (see Box 13: *New Ways of Doing Business*), have been developed with a focus on achieving sustainable socio-economic development through the equitable utilization of and benefit from natural resources. In Asia, CIDA is assisting in the development of environmental programming strategies in China, India and Indonesia. In India, efforts have been made to strengthen the environmental performance of Indian industries.

In the Americas, CIDA support continues for capacity building for environmental management. Reduced human and ecological vulnerability through the protection of ecosystems such as coastal mangroves and forests upland, is a key objective, especially in the face of threats from natural disasters.

Canada, through CIDA, has a long history of working with developing countries to combat desertification, particularly in Africa, where desertification hits hardest. The total value of CIDA projects that contribute to combating desertification is approximately \$500 million (2001-2002). CIDA's efforts focus on developing innovative programming that combines the fight against desertification with efforts to promote food security, better health and education, good governance and gender equality. CIDA currently occupies the Presidency of the Conference of Parties to the United Nations Convention to Combat Desertification. Working with civil society, multilateral and bilateral partners, Canada strives towards using the Convention as a tool for engaging partners in sustainable development.

CIDA will continue to work with its partners, including multilateral organizations, such as the World Bank and UN, and civil society in Canada and developing countries to increase their capacity to integrate environmental analysis into programming. CIDA is currently updating its Environmental Sustainability policy, that will ensure that environmental considerations are integrated into all initiatives.

³⁴ <http://www.acdi-cida.gc.ca/climatechange>

Strategic Outcome 4: Governance: \$304.70M of CIDA's 2002-2003 ODA/OA budget

CIDA will support **improved governance structures and institutional capacity in partner countries; strengthened civil society; and enhanced respect for rights and democratic principles** by:

- Promoting human rights programming through partners and supporting governments in their ability to affect reform
- Supporting the reform of Countries in Transition

For many countries, long-term development success lies in ensuring stable governance and the equitable treatment of citizens. Fragile democracies, weak regulatory regimes and governance structures as well as social upheaval can reduce or negate previous development gains. CIDA works to increase respect for human rights, to promote democracy and better governance and to strengthen civil society.

Given the importance of supporting improved governance in Africa, CIDA will elaborate a new strategy for governance programming in the Africa and Middle East region. One of the key elements will be to support processes leading to increased levels of accountability between national governments and civil society. CIDA involvement in the G8 Action Plan for Africa³⁵ and discussions on the New Partnership for Africa's Development³⁶ (see Box 15) will include a focus on opportunities to strengthen accountability in African governance through support for improved public financial management.

Elsewhere, governance issues — support to policy reform, capacity for human rights and governance — will figure in Cambodia, China, India, Indonesia, Pakistan and the Philippines, and within Southeast Asia regional programming. (For an example of CIDA's country programming that is focussed on governance issues, please see Box 12 on the Pakistan Country Development Programming Framework.) Support will be provided for capacity building related to government decentralization in Indonesia, Pakistan, the Philippines and Vietnam. In the Philippines, CIDA is supporting local government efforts to strengthen their capacity to develop and implement their own development plans. In the Americas, support to civil-society organizations, human rights and public-sector reform will continue as priority areas through support to Ombudsman's Offices; support for the participation of civil society in decision-making at the hemispheric level; and through the use of Public Sector Reform Funds. In the Countries in Transition, governance is the primary focus of programming. For example, the Ukraine program will focus on governance issues, both from a top-down (governance structures and institutional capacity) and a bottom-up (strengthening civil society) perspective, and along the axes of policy making and rule of law. Programming in the Southern Balkans demonstrates the importance of governance to regional peace, security and stability. These approaches to governance will help ensure that development efforts are pursued within countries that have the capacity to continue development efforts and to benefit from aid in a sustainable manner.

³⁵ <http://www.g8.gc.ca/summitafrica-e.asp>

³⁶ <http://www.africainitiative.org/>

Box 12: The Pakistan Country Development Programming Framework: Governance in Action

CIDA is building on Canada's long-standing development co-operation with Pakistan. The Pakistan Country Development Programming Framework is also cast within Canada's current foreign policy of critical engagement with the military-led government to support the transition to democracy and help reduce the alarming levels of poverty. A stable, democratic and peaceful Pakistan is vital to the security of South Asia. CIDA will likely spend \$20 million annually through bilateral channels in Pakistan.

Canada's strategic interest in South Asia has traditionally been regional peace, security and stability. Canada has also taken a strong interest in economic and social development in the region, mounting large aid programs over the years, because of the complex links between low levels of social development, inequitable economic growth, civil unrest and regional instability. In this context, Canada and Pakistan have enjoyed good bilateral ties through their shared Commonwealth membership and the injection of substantial Canadian development assistance since the 1950s.

CIDA's development co-operation program in Pakistan for the period 2001 to 2006 aims to contribute to poverty reduction and sustainable development through support for democratic local governance, social development and gender equality. In governance, CIDA programs will support the formulation and implementation of more democratic and equitable local government policies; more effective and equitable local democratic institutions and practices; and a more effective citizens' voice, especially that of women, in development decision-making at the local level.

The program will support the formulation and implementation of more gender-equitable policies and practices; and the more effective participation of government and civil society change agents in decision-making on issues affecting women.

Strengthening the human rights-based approach within partner organizations' programming while promoting greater civil-society participation will continue to be a key focus of activities supported by CIDA's Multilateral Programs and Canadian Partnership Branches. Anti-corruption activities will continue to be promoted through international financial institutions such as the World Bank and the International Monetary Fund³⁷.

³⁷ <http://www.imf.org>

4.2 Strategies for Delivering Enduring Development Outcomes: Enabling Results

CIDA's Enabling Results guide decision-making in crucial program and management areas. These Enabling Results represent CIDA's strategies for achieving a well-chosen or optimal portfolio of international programs for effective development co-operation. Successful implementation of these strategies creates the "enabling" environment for achieving long-term developmental impacts.

Appropriate Programming Orientation

New Programming Approaches Piloted

New programming approaches in international development are being explored to increase development effectiveness. These approaches are developed in concert with multilateral development organizations, international financial institutions, other donor nations and partner countries. Additionally, CIDA has established six new programming pilots that will evaluate these approaches for their ability to deliver effective development results, as well as to better understand the internal changes that will be necessary to support this kind of programming. Three of these pilots are profiled in Box 13: New Ways of Doing Business.

When moving programming into these new approaches in Africa, CIDA will promote initiatives that build local capacity so that partners can truly take "ownership" of these development efforts. This is particularly crucial in post-conflict situations where reconstruction requires institution building. A substantial proportion of CIDA's programming in Africa will be delivered through new programming approaches by 2004-05. CIDA is involved in five basic-education programs in Africa, and one pooled fund for education in Mali.

In the Americas, innovative program designs to emphasize partnership and local ownership are a key feature of most programming initiatives. In the Commonwealth Caribbean, CIDA is the major donor partner in a newly established Pan-Caribbean Partnership that is taking a program approach to HIV/AIDS. This Partnership emphasizes donor co-ordination, partnership and shared accountability for results, and supports the Regional AIDS Strategy. This pilot initiative will represent an investment of \$20 million between 2001 and 2007. This is in addition to CIDA support for national HIV/AIDS strategies under preparation in the Dominican Republic, Guyana, and Haiti. The expected results of these increased efforts are a much greater reduction in the rate of infection across the region (currently the second highest infection rate after Sub-Saharan Africa) and improved care and treatment of patients living with AIDS.

Box 13: New Ways of Doing Business

Nile Basin Initiative

The Nile Basin Initiative is a complex, locally-driven policy dialogue process in progress amongst the governments of the ten Nile Basin countries. The Initiative provides an innovative platform for engagement during the next three to six years. If successful, the Initiative will result in enhanced strategic management of natural resources in the Nile Basin over the long-term, while simultaneously promoting economic development, peace, and human security. CIDA has contributed significantly to the consultative process on Nile Basin issues and is recognized by partners as having been instrumental in the international dialogue that has led to the Initiative. As a result of this long historical support, Canada has been accorded special status as a "co-operating partner" in the Initiative, along with the World Bank and the United Nations Development Program.

Development of ODA Capacity in Central and Eastern European Countries

This initiative supports Central European "graduating" countries in the development of their own ODA planning and delivery, using a tri-lateral approach and involving both government and civil society. The initiative includes institutional building as well as cooperative efforts between Canadian and Central European partners to assist third countries with both humanitarian and development assistance. Participating countries include the Czech, Hungary, Poland, and Slovak Republics and possibly some of the Baltic countries. This approach is innovative within the donor community in that it introduces a new type of partnership with graduating countries and leverages funds to assist other countries.

Honduras "Pro-Mesas"

CIDA's program in Honduras is centred on helping Honduras meet the development objectives outlined in its Poverty Reduction Strategy Paper. These priorities have been developed by the Honduran people and represent a consensus on what needs to be done in Honduras. Co-ordination of the development efforts in Honduras is being done through round tables known as "Mesas", which is Spanish for tables. These "Mesas" comprise representatives from the Honduran government, civil society and the donor community. CIDA proposes to strengthen the capacity of these roundtables to carry out their role and to use their expertise to help CIDA make appropriate decisions on projects in primary health, education and the management of natural resources and the environment. Key partnerships with the International Development Research Centre and the United Nations Development Program will help CIDA meet its objective of increasing Honduras' capacity to reduce poverty and achieve sustainable development.

CIDA will also continue to explore and develop innovative partnerships such as the Global Fund³⁸ to fight AIDS, Tuberculosis and Malaria. Efforts will be maintained to ensure that the Fund supports initiatives being led by developing countries, complements existing international funding mechanisms, and uses cost-effective interventions.

Facilitation of Local Ownership

Local ownership requires a shift away from donor-driven initiatives to development programs driven by partner country priorities. To move towards local ownership, partner country governmental and non-governmental organizations must be able to participate. CIDA will engage in capacity building efforts to strengthen partner-country capacity. CIDA will also support donor nations and development institutions to internalize this principle. CIDA will assist in the development of national poverty reduction strategies and development plans. In this regard, CIDA will continue to help governments conduct consultations and do meaningful analysis of development plans, such as Poverty Reduction Strategy Papers (see Box 14: *Working Together - Facilitation of Local Ownership*).

³⁸ <http://www.globalfundatm.org/news.html>

Box 14: Working Together - Facilitation of Local Ownership

CIDA has supported the evolution of Poverty Reduction Strategy Papers as key strategic analysis and action plans that build upon local ownership and donor coordination, while working to ensure that the local ownership aspect remains primordial. There seems to be inherent tensions in the PRSP process that challenge the pursuit of locally-owned strategies: between the requirement for extensive participatory processes and the right and duty of a government to govern; between the technical demands of the preparation of a PRSP and the capacity limitations of developing countries; between the principle of country ownership and what priorities donors may insist upon (for various reasons), and so on. CIDA works with partner countries to increase their capacity to manage the development and implementation of these national poverty-reduction plans.

CIDA seeks to internalize the principle of local ownership. CIDA's country frameworks provide guidance for CIDA's programming in partner countries; these frameworks are aligned with the respective PRSPs in differing ways: CIDA's framework for Burkina Faso uses the same definition and main characteristics of poverty as found in the local PRSP, and the programming framework for Senegal adopts the same objectives as the PRSP, ensuring programming activities can adapt to changes in local priorities. The performance indicators for the frameworks for Guyana and Mali have included performance measurement frameworks derived from their respective national poverty reduction strategies.

CIDA will encourage multilateral partner organizations to continue decentralizing resources and decision-making to the field — an approach that has a direct effect on heightening awareness of, and responsiveness to, local realities. CIDA is actively supporting the work of the Organization for Economic Co-operation and Development's Development Assistance Committee Taskforce on Donor Practices in the areas of financial management and accountability, reporting and monitoring, and pre-approval phase of the project cycle. This initiative will help to alleviate the burden faced by developing countries in responding to the administration requirements of various donors and to encourage greater partner involvement and capacity.

Policy-based Programming and Increased Policy Coherence between CIDA and its Partners

CIDA will promote policy coherence and corresponding policy-based programming when engaging with partners, specifically developing countries. In Africa, CIDA will continue to build on efforts already underway to ensure a coherent approach by basing programming on the results of policy-dialogue with partners. Partners include African governments and civil-society organizations, as well as other donors and other international institutions.

CIDA will also enhance its efforts to promote internal policy coherence within the Canadian Government and seek to ensure that Canadian policy setting is based on sound information about the developmental context. A particular focus over the coming year will be the development of Canadian positions for key international conferences (Financing for Development, Summit on Food Security) and the G-8 summit in Kananaskis. CIDA will maintain its involvement in inter-departmental fora within Canada where trade negotiations, such as the Free Trade Area of the Americas, are discussed to ensure that developing countries' interests are considered. Of special emphasis will be the need for capacity building in developing countries in order for them to integrate successfully in trading agreements. CIDA will also continue its involvement in other discussions on issues such as sustainable development at the World Summit on Sustainable Development.

At the same time, efforts will continue to promote better linkages among the UN development system, the Bretton Woods institutions and the World Trade Organization³⁹. There will also be efforts to promote better analysis and dialogue on humanitarian issues with the Canadian NGO community through the Policy Action Group on Emergency Response.

Appropriate Balance between Directed and Responsive Programming

The Agency is currently analyzing how it should strike the appropriate balance between responsive and directed programming. Directed programming implies the direct involvement of CIDA in the design and management of initiatives, while responsive programs rely on partner organizations to conceive, design and/or implement programs and projects albeit with CIDA guidelines. These two programming approaches offer many benefits to CIDA's developing country partners; making appropriate choices on responsive versus directive programming will be based on dialogue with partner countries or institutions and with other donors. It will also take into account the capacity of countries to manage development processes so that they are genuinely owned by these countries.

Consensual and Collaborative Partnerships Established between CIDA and its Partners

Changes in the way CIDA does business will have an impact on its relationships with partners. Consensual and collaborative partnerships will encourage local capacity development, increase program effectiveness, and ensure that CIDA's opinions, and Canadian values, are considered in decision-making.

In Africa, these types of effective relationships will be pursued by linking CIDA's investments with national development processes; focussing on partner country-led donor coordination and reform; moving from project-based relationships to ones focussed on program and policy; and engaging in dialogue on the New Partnership for Africa's Development, and its objectives for Africa's development (see Box 15: The G8 and NEPAD).

Box 15: The G-8 and the New Partnership for Africa's Development (NEPAD)

Canada's strong role in the donor community will be reinforced in 2002 as host for the G8 Summit⁴⁰. This Summit will be critical for international development as the document for the New Partnership for Africa's Development⁴¹ is considered. This document outlines, from an African perspective, the necessary conditions for making Africa a development success story. Canada will be leading the G8 countries over the next year to develop a policy and programming response to this initiative, which embodies the principle of local ownership and calls for a fundamental reshaping of the way partnership between donor countries and partner countries is managed.

³⁹ <http://www.wto.org>

⁴⁰ <http://www.g8.gc.ca>

⁴¹ <http://www.g8.gc.ca/genoa/July-21-01-1b-e.asp>

In the Americas, efforts will focus on consolidating existing partnerships with NGOs in the region and the Organization of American States⁴², in order to build their capacity and share knowledge in different sectors. The Countries in Transition program encourages consensual partnerships, as proponents are required to contribute to project costs, thereby demonstrating commitment to the effort.

In Asia, CIDA is supporting greater donor co-ordination on such issues as corruption (Philippines), public administration (Indonesia) and health (Bangladesh). These efforts are being led by the respective governments.

Strengthening coherence, focus, selectivity and comparative advantage will continue to be a major strategic approach in CIDA's multilateral relationships with key partners. For example, in efforts to promote a more effective and efficient UNHCR⁴³, emphasis will be on ensuring that it pursues key Canadian priorities — such as a results-based approach, mainstreaming of gender equality in programs and policies, and strengthening the evaluation function.

Through Canadian Partnership Programs, collaborative relationships between CIDA and Canadian partners have a progressive effect. Canadian partners engaged with CIDA will use this approach in their work with civil society partners in developing countries.

Appropriate Sectoral and Thematic Focus

Social Development Priorities

CIDA's *Social Development Priorities: A Framework for Action* provides a five-year plan for CIDA to focus and increase programming in four key areas of social development - basic education, health and nutrition, HIV/AIDS, and child protection. In total some \$2.8 billion will be allocated for programming in the four SDP areas over the period 2000-2005. CIDA has exceeded its SDP spending targets for this fiscal year in all but one area.

Implementation is being guided through four Action Plans designed to reinforce achievement of the Millennium Development Goals. In Box 16, strategies and programming directions set out in the four Action Plans are outlined.

⁴² <http://www.oas.org>

⁴³ <http://www.unhcr.org>

Box 16: Action Plans: Strategies to Implement the Social Development Priorities

HIV/AIDS (June, 2000)

- Support national strategic plans to combat HIV/AIDS
- Address HIV/AIDS determinants using inter-sectoral strategies; mainstream HIV/AIDS in programming
- Support communities and vulnerable populations and their involvement in program design, implementation, and evaluation
- Support partnerships between Canadian and developing-country organizations to establish priorities in programming to ensure optimal impact consistent with international guidelines on HIV and human rights

Child Protection (June 2001)

- Education, vocational training, and other income-generation opportunities for children in post-conflict situations or in exploitative labour situations and for their families
- Psychosocial programs to help children heal
- Advocacy for the rights of children
- Basic health and nutrition programs, as well as sexual and reproductive-health services
- Family reunification and community reintegration
- Programs to help developing countries and CITs implement the convention on the Rights of the Child
- Programs to support the involvement of children affected by armed conflict in the design, implementation, and evaluation of interventions aimed at helping them

Health and Nutrition (November, 2001)

- Use integrated, multisectoral approach
- Focus on the poor and disadvantaged
- Improving food security and nutrition
- Improving access to clean water and sanitation; reduction in water-related diseases and deaths.
- Preventing and controlling communicable and non-communicable diseases
- Improving sexual and reproductive health, including safe motherhood
- Strengthening health systems

Basic Education (draft)

- Improve the quality of classroom instruction
- Improve access to education for those excluded and implement strategies for gender equality
- Enhance teacher performance and develop accountable systems of educational governance and management
- Implement HIV/AIDS education programs
- Strengthen civil-society engagement
- Harness new information and communications technologies to enhance educational access and quality
- Promote and engage in mechanisms that aid co-operation and coordination, such as sector-wide approaches

Other priorities

Throughout the Agency, gender equality and environment remain priorities. Strategies include mainstreaming these priorities within multilateral development institutions, in country programming and in joint initiatives with other partners. Other key priorities may be selected over the coming years as appropriate.

Appropriate Geographic Focus

Examining the Geographic Concentration of Canadian Aid

CIDA has traditionally described its bilateral assistance as being focused on 30 "core" countries and regions spread throughout Asia, the Americas and Africa. Despite this intended focus on 30

countries and regions, Canadian aid has, over time, tended to become more and more dispersed as programming in "non-core" countries has increased. Indeed, Canada's aid program has consistently been the least concentrated among the aid programs of all DAC donor countries.

The Agency is examining ways in which it might concentrate more of its resources in a limited number of countries that would benefit from a meaningful Canadian intervention.

Graduating Countries

The Agency will continue to develop a more structured approach towards programming that includes greater geographic concentration and working with mature countries to help effectively "graduate" them from ODA. In the Countries in Transition program, the graduation of countries is a major issue. Any country that successfully accedes to the European Union will no longer receive funding from CIDA. Eight Central and Eastern European countries⁴⁴ are scheduled to do so on January 1, 2005. The Official Assistance and the Central and Eastern Europe program, which helps countries create their own international development agencies, is an important mechanism to explore the best means to "graduate" partner countries into mutually beneficial relationships with Canada.

Engaged Canadians

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

CIDA will engage with Canadians in various ways to increase their knowledge of development issues in general and CIDA's programs in particular. The *Strengthening Aid Effectiveness* consultations identified the need for greater attention by CIDA to public engagement — the challenge of moving more Canadians along the continuum from "awareness" about the ODA and OA programs to "informed action". CIDA's Public Engagement Strategy will be reviewed to ensure that the Agency responds appropriately to changes in the international context and the public's perception. Public environment scanning will track the perceptions of opinion leaders and decision makers, while polls and focus groups will pinpoint public perceptions of CIDA and the aid program in general. The aim is to ensure that we can report with confidence on any increases in the number of Canadians, in particular youth and decision makers, who are aware of Canada's international assistance programs and who understand the value of development cooperation to the well-being, prosperity and security of Canadians, or any measurable increases in Canadians' level of support for Canada's international assistance program — targets set out in CIDA's Sustainable Development Strategy 2001-2003.

⁴⁴ Countries include the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia. The Accession date is set by the European Union.

Greater Public Involvement in International Development Co-operation.

There are numerous opportunities to engage our current stakeholders more actively — whether it be other government departments or Non-Governmental Organizations or private sector or ethnic communities or other partners — in any review of our policy, programming or processes; in any networks or new initiatives that are launched; in any collaborative efforts or consultations that are being planned. The considerable development knowledge of Canadians, and their involvement in development issues, will be sought out during the update or creation of country/institutional development programming frameworks. Also, there are projects or programs that can expand CIDA's base of partners and stakeholders and bring new individuals and organizations to the field of international development.

In the coming year, results will be seen from two new, major initiatives as part of the Development Information Program. One is the Global Classroom Initiative, which is targeted at youth, and the other initiative is targeted at journalists. Efforts will be made to ensure that the Agency captures in a more systematic way the number of Canadians reached directly and indirectly by communications and outreach activities. Additionally, other opportunities to engage and educate Canadians about international development will be sought: CIDA regional offices will provide Canadians across the country with access to information on CIDA programs and international development; the Youth Action Program will continue to give young Canadians the opportunity to work with partner organizations in international development; CIDA will publicize the release of major UN reports; and CIDA will develop a communications and outreach strategy for Africa, as the region will receive particular media and public attention this year during the G8 meeting.

4.3 Tools to Deliver on the Strategic Outcomes: Management Results

Management Results capture the essential elements required to manage CIDA's programs efficiently. These elements, or tools, include human resources, information management and technology, strategic planning and rationalization of processes. Modernization of management functions and effective management systems enable the Agency to deliver more effectively on the enabling and development results. Although the Management Results are internal to the Agency, they remain important and where appropriate, the Agency will report on them and on any associated targets for the purposes of the Report on Plans and Priorities and the Departmental Performance Report. Some of the areas that will receive particular attention over the next few years include: reinforcement of CIDA's efficiency and effectiveness; implementation of the Government-On-Line initiative; and the development of a more coherent and explicit strategic planning and resource allocation process throughout the Agency.

Human Resources

CIDA's *Strategy for Managing its People* identifies three major priorities for 2001-04: becoming more of a knowledge-based and continuous learning organization, improving retention and work place well-being and promoting ongoing renewal through recruitment. Specific initiatives that will be undertaken in support of these priorities include the implementation of the Employment Equity Action Plan, measures to increase continuous learning: implementation of a Virtual Learning Centre; a Mentoring Program; and creation of training incentives for staff, and training alliances developed with Canadian Centre for Management Development, Canadian Foreign Service Learning Institute and other institutions. In the pursuit of increased local ownership and strengthened analysis in programming, CIDA has made a commitment to strengthened field presence. One strategy for pursuing this is better management of Program Support Units in overseas missions, including clarifying the status of locally engaged personnel and the financial framework of the units.

Information Management and Technology

CIDA is well on its way to achieving its vision for on-line service — to become a wholly integrated, knowledge-based organization, by 2004, facilitating collaborative work with strategic partners and leveraging CIDA's expert history and project experience. Work will continue on the e-business, e-collaborative and the e-human resources transformation initiatives. The net outcome will be more efficient and effective management of the Agency's knowledge and services to deliver its programs more strategically.

CIDA is pursuing three Government on Line streams:

1. e-Business

Through the e-Financial stream, CIDA will participate in other government departmental initiatives to provide government-wide financial standards. The e-Projects stream will see CIDA develop Web-enabled capacity to accept electronic proposal submissions, as well as to function in a collaborative program / project management environment that sees the entire project life cycle carried out through the Web with direct participation by CIDA and its partners / clients. The objective of the e-Procurement and Contracting initiative is to provide the Agency with a streamlined, standardized, end-to-end vehicle for Procurement and Contracting which should result in enhanced efficiencies, reduced procurement/contracting steps and time. Services will continue to be delivered through traditional means to remain accessible to those without technological access. Additionally, in developing countries where access to technology is limited, CIDA will use established practices appropriate to the specific context of the individual country for local procurement and contracting.

2. e-Collaborative

The e-Collaborative Stream includes a Web-enabled policy development that is a secure, collaborative mechanism for ongoing dialogue during policy development process and Knowledge Sharing Networks, which are open communities of practitioners who can connect to exchange, create and spread new knowledge on development priorities.

3. e-Human Resources Transformation

CIDA will be planning and initiating human resources transformation initiatives as identified in its Corporate Strategy for Managing its People: 2001-2004 document. In this strategy, the Agency has identified key human resources programs for establishing skill requirements, filling the gaps in skills required and identifying other implications for staff as a result of new program priorities, including Government On Line.

Strategic Planning

As was indicated in the 2001-2002 Report on Plans and Priorities , CIDA is transforming its corporate planning, budgeting and reporting processes. With the current Report on Plans and Priorities, the Sustainable Development Strategy and the Report have been integrated into one framework which captures CIDA's policy framework and its operational programming. The expected results for which CIDA will be held accountable have been refined and are presented in this Report on Plans and Priorities, and will be presented in subsequent Reports as further work is done.

The 2002-2003 Report on Plans and Priorities represents a considerable revision to CIDA's existing Key Results Commitments. Over the next few years, CIDA intends to refine further its results, indicators and targets, begin to make a link between these and its resources, and improve the monitoring and evaluation and feedback loop through tighter reporting at all levels in the organization.

5.0 Organization

This section provides an overview of the existing organizational structure and the link between this

5.1 Current Situation: Lines of Business

CIDA is organized into a number of branches, which, in most cases, correspond to the Agency's Lines of Business⁴⁵. The lines of business are: Geographic Programs, Countries in Transition, Multilateral Programs, Canadian Partnership, Policy, Communications and Corporate Services. In accordance with CIDA's Planning, Reporting and Accountability Structure, all resources are currently allocated by business line.

Below is a summary of the current lines of business.

Geographic Programs - Three Geographic Branches - country-to-country programs in Africa and the Middle East, Asia and Americas - enable the Government of Canada to plan and execute international co-operation 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. It supports democratic development and economic liberalization in the countries of Central and Eastern Europe and the former Soviet Union, by building mutually beneficial partnerships.

Multilateral Programs - Multilateral Programs Branch complements core financial support to multilateral institutions by direct programming in areas such as food aid and humanitarian assistance, in addition to managing Agency funds for peacebuilding and mine action.

Canadian Partnership - The Canadian Partnership Program provides grants and contributions to Canadian and international organizations to support their activities in developing countries. This funding, based on cost-sharing, is responsive to the initiatives of these organizations (profit and non-profit).

Policy - Policy Branch formulates and maintains CIDA's policy base within the context of the International Assistance purpose and priorities and Canada's broader foreign policy objectives and interests. In addition, given the need to undertake policy development to support new programming directions outlined in *Section 4 Plans and Priorities for Strategic Outcomes*, Policy Branch will take on a new role to provide grants and contributions to Canadian and international organizations in support of policy issues for developing countries. This work will be undertaken through the reallocation of existing Agency funding.

Communications - Communications Branch responds to the communication needs of the Minister for International Co-operation and the Agency. The Branch also seeks to improve public awareness of, and support for, the work of CIDA and its development partners.

⁴⁵ Planning, Reporting and Accountability Structure, CIDA, 1996.

Corporate Services - Corporate Services' objective is to ensure the Agency has the necessary support services for efficient and effective achievement of international assistance program objectives through the Agency Executive, Human Resources and Corporate Services, Performance Review, and Information Management and Technology Branches. Corporate Services also provide grants and contributions to Canadian and international organizations in the areas of evaluation, internal audit, results-based management and related programming in support of new capacity development initiatives.

The reader should note that there have been wording changes made to the Business Line for Policy and the Business Line for Corporate Services that are different from the text reflected in the Main Estimates.

The purpose of these changes is to recognize additional functions in the programming of grants and contributions that are being included under these Business Lines. These changes have no impact on required authorities as identified in the Main Estimates.

5.2 Strategic Outcomes, Business Lines and Resource Allocation

Based on the new set of Strategic Outcomes, the Agency is in the process of developing a strategic allocation process linked to these new outcomes. The table below constitutes the Agency's first attempt at mapping its programming and operating budgets to the new Outcomes: work being undertaken in the program branches has been mapped to the new Development Results. The Enabling Results, being a different way to view the same resource envelope, are not reflected in the table below.

**Table 1: Crosswalk of Strategic Outcomes and Lines of Business (Issuance Basis)
(Fiscal Year 2002-03)⁽¹⁾**

(millions of dollars)	Strategic Outcomes: Development Results				Total	Management Results (5)	Total	FTE (6)
	Economic Well-being	Social Development	Environmental Sustainability (2)	Governance	Development Results (3) (4)			
Geographic Programs	230.04	336.16	107.87	182.04	856.11	68.54	924.64	550
Multilateral Programs	118.89	214.01	44.22	23.78	400.90	8.01	408.91	66
Canadian Partnership Countries in Transition	98.54	84.35	17.27	54.80	254.96	20.22	275.18	151
Policy/Corporate Services/ Communications	44.08	25.19	14.30	44.08	127.65	10.09	137.74	96
					4.31	98.00	102.31	540
Total	491.56	659.71	183.64	304.70	1,643.92	204.87	1,848.79	1,403

1. Table 1 is based on information found in Table 2 (International Assistance Envelope Breakdown).
2. Including Canada Climate Change Development Fund.
3. Variances between total Development Results in this Table and Table 2 are due to the distribution of special funds money (as seen in Table 2) to the most appropriate line of business in this table.
4. \$4.31 million is for the Development Information Program.
5. Management Results Total is the total of CIDA ODA and OA operating, as seen in Table 2 (International Assistance Envelope Breakdown).
6. The 540 FTE's are distributed as follows: Policy 131, Corporate Services 360, and Communications 49.

On reviewing Table 1, CIDA's support to the social development priorities remains significant representing on average 30-40 % of the programming funding allocated for next year. This reflects CIDA's decision taken in 2000 to allocate \$2.8 billion to the Social Development Priorities over the period 2000-2005. The tentative allocation shown against the other Strategic Outcomes reflect initiatives that are currently underway. The breakdown will change as new programs are initiated based on priorities set by developing countries themselves.

5.3 Accountability

An organigram which shows the positions responsible for each Business Line can be found on page 17.

6.0 Departmental Planned Spending

International Assistance Envelope

The **International Assistance Envelope (IAE)** was introduced in the February 1991 budget. It funds Canada's ODA⁴⁶ and Official Assistance (OA) initiatives. ODA accounts for 96% of the Envelope. The remaining 4% is Official Assistance⁴⁷ to the countries of Central and Eastern Europe.

CIDA's departmental planned spending accounts for about 80% of the IAE. The rest is administered by the following departments:

- **The Department of Finance**, for the World Bank Group and for the Poverty Reduction and Growth Facility, previously known as the Enhanced Structural Adjustment Facility (ESAF), a facility within the International Monetary Fund (IMF).
- **The Department of Foreign Affairs and International Trade (DFAIT)**, for the overseas administrative functions relating to international assistance; certain grants and contributions to cover payments to international organizations; the Canadian Commonwealth Scholarship and Fellowship Plan to enable citizens of other Commonwealth countries (46 of which are developing countries) to study in Canada; and for the International Development Research Centre (IDRC), an arms-length corporation which reports to the Minister of Foreign Affairs.
- A number of **other departments** administer a small portion of the IAE, i.e. Public Works and Government Services Canada (PWGSC), Health Canada, Canadian Heritage and Human Resources Development Canada (HRDC).

Table 2 International Assistance Envelope Breakdown (Issuance Basis) presents a breakdown of the total spending Chart 3 shows the distribution by channel of delivery.

⁴⁶ Official Development Assistance is defined by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD) as funding transferred "to developing countries and multilateral institutions provided by official (government) agencies which meets the following tests: a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective, and b) it is concessional in character and conveys a grant element of at least 25%".

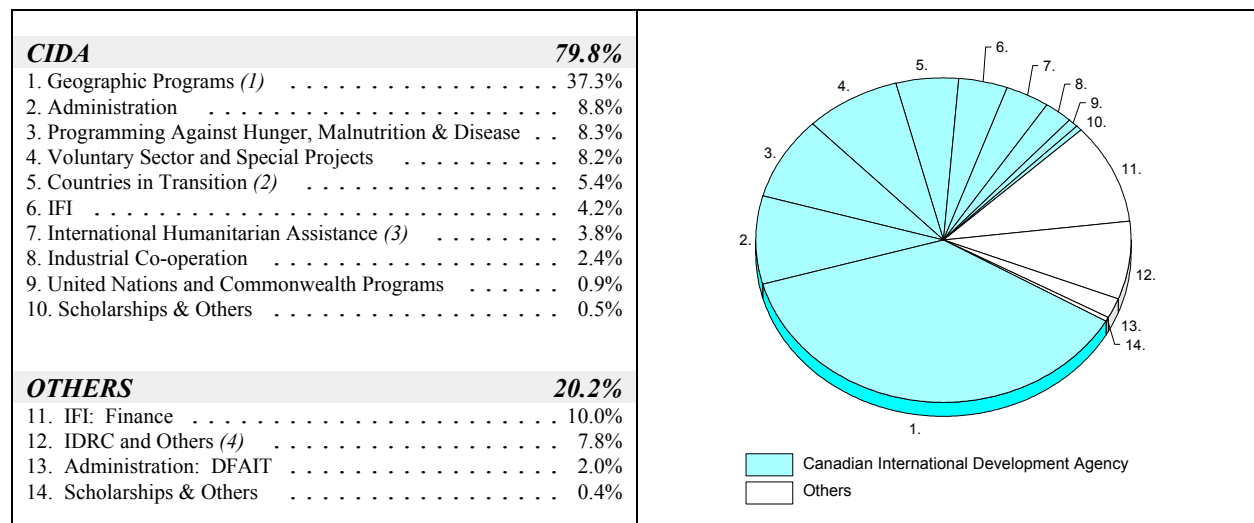
⁴⁷ Official Assistance is funding provided to countries which are not eligible to receive ODA (e.g. most of the "countries in transition" of Central and Eastern Europe).

Table 2: International Assistance Envelope Breakdown (Issuance Basis) ⁽¹⁾

(thousands of dollars)	Post Budget 2001-02	Planned Spending 2002-03
INTERNATIONAL ASSISTANCE ENVELOPE	2,136,761	2,181,761
Plus: Repayment of previous years' loans	34,430	32,816
Others - Administration (1)	11,205	16,099
Others - Aid (2)	77,929	82,040
Gross International Assistance Envelope	2,260,325	2,312,716
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY		
AID PROGRAM		
Geographic Programs	766,821	814,663
Canadian Partnership		
- Voluntary Sector and Special Projects (3)	196,717	189,678
- Industrial Co-operation	58,585	56,379
- Scholarships	8,080	7,776
Multilateral Programs		
- Programming Against Hunger, Malnutrition & Disease (4) (5)	201,200	192,130
- International Humanitarian Assistance (5)	78,671	81,032
- International Financial Institutions (IFI) (5)	154,547	98,512
- United Nations and Commonwealth Programs (5) (6)	30,785	20,765
Communications		
- Development Information Program	4,856	4,307
Special Funds		
- Canadian Landmines Fund - CIDA (7)	9,795	6,765
- Balkans Program (incl. Kosovo)	40,000	22,660
- International Climate Change strategy (8)	23,482	33,301
- Algeria (9)	8,900	13,600
ADMINISTRATION		
- CIDA Operating	147,408	194,774
CIDA - Official Development Assistance (ODA)	1,729,847	1,736,342
PLUS OTHER OFFICIAL ASSISTANCE		
- Countries in Transition - Program (10)	87,759	102,351
- Countries in Transition - Administration	7,093	10,092
CIDA Official Assistance (OA)	94,852	112,443
Total CIDA (ODA and OA)	1,824,699	1,848,785
OTHER DEPARTMENTS AND AGENCIES		
AID PROGRAM		
Dept. of Finance - (International Development Association)	202,334	230,334
Poverty Reduction and Growth Facility (PRGF) (5)	0	0
International Development Research Centre (IDRC)	92,500	92,500
Health Canada - (for Pan-American Health Organization)	6,500	6,500
DFAIT (Grants and Contributions)		
- Assessed Contributions (11)	64,181	64,650
- Voluntary Contributions	7,375	6,925
- Scholarships	8,288	8,288
- ICHRDD	4,859	4,859
Public Works and Government Services Canada (12)	3,281	4,138
Heritage Canada (13)	4,275	175
ADMINISTRATION		
- DFAIT (for services rendered in the field)	42,033	45,562
Total Other Departments and Agencies (ODA & OA)	435,626	463,931
Total	2,260,325	2,312,716

1. In 2002-03, includes the non-IAE allocations for the administration of the following items: Youth Employment Initiative, \$419,000; Balkans program, \$1.316 million; Canadian Climate Change Development Fund, \$1.578 million; and Canadian Landmines Fund, \$300,000. It also includes funds for the Employee Benefit Plan adjustment, \$3.524 million and negotiated salary increases per collective agreements, \$8.722 million.
2. In 2002-03, includes non-IAE aid fund allocations for the following items: Youth Employment Initiative, received from Human Resources Development Canada, \$5.952 million; Balkans program, \$22.66 million; Canadian Climate Change Development Fund, \$33.213 million; Canadian Landmines Fund, \$6.865 million; potable water supply system project in Algeria, \$13.6 million; International Forum of Federations, \$750,000; and International Labour Organization, for the elimination of child labour, \$3 million.
3. In 2002-03, this line includes the Youth Employment Initiative \$5.952 million and the International Forum of Federations, \$750,000.
4. For 2002-03, Multilateral and Bilateral Food Aid have been combined for presentation purposes under Programming Against Hunger, Malnutrition and Disease. In 2001-02, planned spending for Multilateral and Bilateral Food Aid was \$95.678 million and \$105.522 million, respectively. In 2002-03, it was also reduced by a \$5 million permanent transfer to International Humanitarian Assistance.
5. In 2002-03, the budget in these items was reduced by \$265 million reflecting payments and issuance of notes in 2001-02 for Canada's calendar year 2002 international obligations to select multilateral organizations and institutions.
6. In 2002-03, this line includes \$3 million to the International Labour Organization for the elimination of child labour.
7. In 2002-03, includes \$1 million re-profiled from 2001-02.
8. In 2002-03, includes \$5.113 million re-profiled from 2001-02.
9. In 2002-03, includes \$8.9 million re-profiled from 2001-02. These funds are for a four year potable water supply project in Algeria.
10. In 2002-03, includes \$10 million re-profiled from 2001-02 for Kosovo.
11. Includes \$5.3 million for the Inter-American Institute for Co-operation on Agriculture (IICA).
12. In 2002-03, includes \$1.181 million for increased accommodation costs.
13. In 2002-03, includes \$175,000 for TV5.

Chart 3: 2002-03 International Assistance Envelope by Channel of Delivery



- (1) Includes International Climate Change Strategy and Algeria.
- (2) Includes Balkans Program.
- (3) Includes Canadian Landmines Fund.
- (4) Includes contributions to DFAIT, Health Canada, ICHRDD, PWGSC, and Heritage Canada.

7.0 Assessing Performance: Performance Measurement and Evaluation

Assessing the effectiveness of its development initiatives is a key element of CIDA's transformation into a more transparent, results-oriented, accountable learning organization. The overall objective is the generation of strategic knowledge.

Consistent with the principles of modern comptrollership, the Agency employs performance measurement and evaluation as part of its overall performance management and reporting approach. In addition to these internal reviews, there are periodic independent reviews at the Agency level by external bodies such as the Office of the Auditor General of Canada and the Organization for Economic Cooperation and Development's Development Assistance Committee. Canada's ODA program is scheduled for peer review by the Development Assistance Committee in 2002.

These internal and external reviews help the Agency to learn and improve continuously as it transforms itself into a more effective results-oriented organization.

7.1 Performance Measurement Strategy

Performance measurement, which includes ongoing monitoring and other forms of self-assessments undertaken by line managers, is a vital component of the results-based management approach. It focuses on tracking financial and non-financial resources, risks and progress towards intended results.

The Agency has developed the Key Agency Results and a Performance Measurement Framework at the Agency level. Performance measurement frameworks are also being developed at the program and project levels as new programs and projects are approved or existing ones are renewed. These performance measurement frameworks, which include the identification of performance indicators for the intended results and a measurement strategy describing how and how often data for these indicators will be collected, help ensure that useful performance information is collected on a regular and timely basis. The frameworks at the program and project levels are being linked to the Agency level performance measurement framework resulting in a more integrated approach to performance measurement and subsequent evaluation.

At the project level, an elaborate monitoring and reporting system is already in place as part of the Agency's results-based management approach. This includes extensive training of staff and partners on results-based management, an information management system to link financial resources with results, and tools and approaches to assist managers in preparing project-level frameworks such as a more results-oriented Logical Framework Analysis and the *Framework of Results and Key Success Factors*. The latter has established a core set of issues (such as the achievement of results; their relevance, cost-effectiveness and sustainability; partnership; etc.) that form the basis for project-level monitoring and evaluation, quarterly reporting by Canadian

partners and executing agencies, and preparation of Annual Project Performance Reports that serve as "building blocks" which generate information that is aggregated for program and corporate-level reporting in documents such as the Departmental Performance Report and reports to the Development Assistance Committee.

Work started over the past year to build the linkages between results at the program level and those at the project and Agency levels. Starting with the programming frameworks, performance measurement frameworks are being developed to establish the linkages and facilitate the tracking, collection and aggregation of project and non-project information that enables the assessment of progress towards the achievement of intended program results as well as their contribution to the broader Agency results. The issues and results to be included in the program-level performance measurement frameworks are consistent with the core issues to be covered in evaluations and audits.

At the Agency level, a revised set of performance indicators has been developed based on the Key Agency Results. Management Results involve a continuous tracking by line managers to ensure that activities and funding have been carried out in accordance with the planned results as well as within established policies, procedures and resources. For the Development and Enabling Results, the strategy is to use information generated from program-level monitoring and evaluations, supplemented by information that is readily available from international sources, such as, for example, the World Development Report, Development Assistance Committee indicators, recipient-country and collaborative donor-country information to demonstrate progress towards the achievement of results.

7.2 Evaluation Strategy

The focus of evaluation work in the recent past has been at two levels: the corporate level and the project level. These evaluations were done primarily by assessing the results of a sample of Agency projects and other initiatives.

The current strategy is to shift the focus of evaluation work towards the program level, on country programs and major institutional partners, in order to be more effective in generating timely strategic knowledge for learning and decision-making, and contributing to the Agency's transformation into a knowledge-based learning and accountable organization. In addition to providing better coverage of the Agency's business lines and transfer payments programs, such a shift facilitates working more closely in partnership with recipient countries and other donor agencies (both bilateral and multilateral) on joint evaluations, and enables the Agency to better assess issues such as co-ordination of assistance among donors.

The evaluation focus at the Program level entails emphasis on components of Geographic, Multilateral and Canadian Partnership Programs, which together account for 90% of CIDA's transfer payments:

- Geographic Programs - the components for evaluation here are Bilateral Country Programs. There are currently 30 program countries or countries of concentration that pursue thematic priorities (e.g. environment in Indonesia, basic education in Uganda, etc.);
- Multilateral Programs - the components for evaluation here are International Humanitarian Assistance, Food Aid, UN and Commonwealth Programs, and International Financial Institutions; and
- Canadian Partnership Programs and Institutions - the components for evaluation here will be the Non-Governmental Organization Program, the Industrial Cooperation Program and the Educational Institutions Program.

The driving force behind the evaluations is learning - about the results and benefits that are being achieved by the programs, how these results and benefits are contributing to the Agency's overall goals and objectives, and why initiatives have been successful or not. Specific issues that form the core of every evaluation include:

- Development Results - the extent to which a program is achieving its stated objectives and intended results; contribution of these results to Agency goals; the ongoing relevance of the program's results to the needs of intended beneficiaries; the sustainability, or potential for sustainability, of the benefits; and the relationship between results and costs of the program.
- Enabling Results: policy engagement, dialogue and influence; the impact of approaches/delivery mechanisms used; the complementarity between directed and responsive programming; the level of ownership and commitment of the recipient country to the programs goals; the nature of the partnerships between the recipient and external funding agencies; and the degree of coordination among external funding agencies and recipient country.
- Management Results: the degree of policy and program coherence; the linkage between initiatives/projects and program themes; the effectiveness and efficiency of resource utilization; the impact of new directions on responsible spending; risk management and frameworks which support mandate achievement.

Financial Information

Table 3: Financial Planned Spending

(\$ millions)	Forecast Spending 2001-02	Planned Spending 2002-03
Geographic Programs	742.9	758.6
Multilateral Programs	559.2	628.5
Canadian Partnership	272.1	274.0
Countries in Transition	127.3	122.0
Communications	11.7	11.8
Policy	13.8	21.4
Corporate Services	61.2	69.4
Budgetary Main Estimates	1,788.2	1,885.7
Non-budgetary - Multilateral Programs (IFI)	4.5	10.8
Total Main Estimates	1,792.7	1,896.5
Adjustments	301.9	74.0
Net Planned Spending	2,094.6	1,970.5
Plus: Cost of services received without charge	17.3	18.2
Net cost of Program	2,111.9	1,988.7
Full Time Equivalents	1,403	1,403

Table 4: Summary of Transfer Payments

(thousands of dollars)	Geographic Programs	Countries in Transition	Multilateral Programs	Canadian Partnership	Communications	Planned Spending 2002-03
Grants						
Programming Against Hunger, Malnutrition & Disease	5,000	0	88,658	0	0	93,658
International Humanitarian Assistance	3,000	2,000	87,697	0	0	92,697
Development Assistance to International Development Institutions / International Financial Institutions	51,000	500	26,889	400	0	78,789
Voluntary Sector Support and Special Projects	0	0	0	76,743	0	76,743
Scholarships	0	0	0	7,776	0	7,776
	<u>59,000</u>	<u>2,500</u>	<u>203,244</u>	<u>84,919</u>	<u>0</u>	<u>349,663</u>
Contributions						
Geographic Programs	802,564	0	0	0	0	802,564
Programming Against Hunger, Malnutrition & Disease	0	0	103,472	0	0	103,472
International Humanitarian Assistance	0	0	100	0	0	100
Development Assistance to International Development Institutions / International Financial Institutions	0	0	1,400	0	0	1,400
Voluntary Sector Support and Special Projects	0	0	0	112,935	0	112,935
Industrial Cooperation	0	0	0	55,979	0	55,979
Countries in Transition	0	122,511	0	0	0	122,511
Development Information Program	0	0	0	0	4,307	4,307
	<u>802,564</u>	<u>122,511</u>	<u>104,972</u>	<u>168,914</u>	<u>4,307</u>	<u>1,203,268</u>
Other Transfer Payments						
International Financial Institutions -- (notes encashment)	0	0	201,900	0	0	201,900
	<u>0</u>	<u>0</u>	<u>201,900</u>	<u>0</u>	<u>0</u>	<u>201,900</u>
Total	861,564	125,011	510,116	253,833	4,307	1,754,831

Grants and Contributions and Other Transfer Payments

CIDA grants, contributions and other transfer payments of \$1,765.6 million, including non-budgetary expenditures, account for 88.8% of CIDA's program expenditures. Further information is given below.

Table 5: Details of Transfer Payments

(thousands of dollars)	Forecast Spending 2001-02	Main Estimates 2002-03	Planned Spending 2002-03
GRANTS			
<i>Countries in Transition</i>			
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions	250,000	500,000	500,000
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities and appeals	0	2,000,000	2,000,000
<i>Geographic Programs</i>			
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions	37,748,000	51,000,000	51,000,000
Programming against hunger, malnutrition and disease through international development and nutritional institutions, international non-governmental organizations or the International Development Research Centre for the benefit of recipients in developing countries	0	5,000,000	5,000,000
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities and appeals	0	3,000,000	3,000,000
<i>Multilateral Programs</i>			
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions	154,340,371	132,761,000	26,889,000
Programming against hunger, malnutrition and disease through international development and nutritional institutions, international non-governmental organizations or the International Development Research Centre for the benefit of recipients in developing countries	175,029,213	100,472,000	88,658,000
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities and appeals	138,745,220	92,830,000	87,697,000

Table 5: Details of Transfer Payments (cont'd)

(thousands of dollars)	Forecast Spending 2001-02	Main Estimates 2002-03	Planned Spending 2002-03
<i>Canadian Partnership</i>			
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions	400,000	400,000	400,000
Grants to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	33,427,250	76,743,000	76,743,000
Development assistance as education and training for individuals	8,080,000	8,248,000	7,776,000
Total Grants	548,020,054	472,954,000	349,663,000
CONTRIBUTIONS			
<i>Geographic Programs</i>			
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to developing countries and their agencies and institutions in such countries and contributions to Canadian, international and regional institutions, organizations and agencies, to provincial governments, their organizations and agencies, and to Canadian private-sector firms in support of regional and country-specific projects, programs and activities	695,615,933	631,061,000	802,564,000
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities, and appeals	3,456,340	0	0
<i>Countries in Transition</i>			
Contributions for co-operation with countries in transition in Central and Eastern Europe and the former Soviet Union	118,638,342	109,386,000	122,511,000
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities, and appeals	1,720,000	0	0
<i>Multilateral Programs</i>			
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions	1,336,748	100,000	100,000
Programming against hunger, malnutrition and disease through international development institutions, international non-governmental organizations or the International Development Research Centre for the benefit of recipients in developing countries	3,378,384	100,000	100,000
Contribution to the Inter-American Development Bank	1,300,000	1,300,000	1,300,000

Table 5: Details of Transfer Payments (cont'd)

(thousands of dollars)	Forecast Spending 2001-02	Main Estimates 2002-03	Planned Spending 2002-03
Programming against hunger, malnutrition and disease through developing countries, their agencies and persons in such countries, Canadian non-governmental organizations or development institutions for the benefit of recipients in developing countries	76,313,444	90,881,000	103,372,000
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities, and appeals	100,000	100,000	100,000
Contributions to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	625,000	0	0
<i>Canadian Partnership</i>			
Contributions to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	178,113,222	111,102,000	112,935,000
Incentives to Canadian, international and developing-country private investors, institutions, organizations, and governments in support of industrial co-operation programs, projects and activities	55,363,434	57,322,000	55,979,000
<i>Communications</i>			
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor governments and institutions in support of the development information program involving the production and dissemination of development information, educational materials and related activities	3,982,127	4,633,000	4,307,000
Contributions to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	646,100	0	0
Total Contributions	1,140,589,074	1,005,985,000	1,203,268,000

Table 5: Details of Transfer Payments (cont'd)

(thousands of dollars)	Forecast Spending 2001-02	Main Estimates 2002-03	Planned Spending 2002-03
OTHER TRANSFER PAYMENTS ⁽¹⁾			
<i>Multilateral Programs</i>			
(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	205,332,000	201,900,000	201,900,000
Total Other Transfer Payments	205,332,000	201,900,000	201,900,000
ITEMS NOT REQUIRED			
Grants for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union	0	0	0
Grant to Jamaica	20,000,000	0	0
Total Items Not Required	20,000,000	0	0
Total	1,913,941,128	1,680,839,000	1,754,831,000

1. Other Transfer Payments exclude non-budgetary expenditures of \$10.8 million for 2002-2003 and \$4.5 million for 2001-2002.

Table 6: Net Cost of Program for the Estimates Year

The total CIDA program cost including \$18.187 million for services provided without charge by other departments are shown in the table below.

(thousands of dollars)	Main Estimates 2002-03	Planned Spending 2002-03
Geographic Programs	758,597	930,100
Multilateral Programs	639,249	528,921
Canadian Partnership	274,039	274,057
Countries in Transition	121,978	135,103
Communications	11,796	11,470
Policy	21,438	21,438
Corporate Services	69,400	69,400
Sub-total	1,896,497	1,970,489
Services provided without charge by other departments		
Operating Expenditures:		
- Accommodation - Public Works and Government Services Canada	6231	6,231
- Employee benefits covering the employer's share of insurance premiums and costs - Treasury Board Secretariat	6,884	6,884
- Legal services - Department of Justice	472	472
- Employee compensation payment - Human Resources, Development Canada	100	100
	<u>13,687</u>	<u>13,687</u>
Aid Expenditures:		
- Imputed interest on advance payments - Department of Finance (1)	4,500	4,500
	<u>18,187</u>	<u>18,187</u>
Total estimated program cost	1,914,684	1,988,676

1. This covers the imputed interest on advance payments. CIDA has been exempted from the Treasury Board policy on advance payments for grants and contributions. However, the additional interest charges incurred by the federal government as a result are considered to be an imputed ODA program expenditure.

Table 7: Loans, Investments and Advances (Non-Budgetary)

(millions of dollars)	Forecast Spending 2001-02	Main Estimates 2002-03	Planned Spending 2002-03
Payments to International Financial Institutions			
- Capital Subscriptions (L35) - African Development Bank	4.50	4.44	4.44

Backgrounder on Accounting Change and IFI

Starting in 1998-99, the Government initiated a change in how it accounts for its payments to International Financial Institutions (IFIs). As a consequence, the full value of the notes is considered expended in the fiscal year in which they are issued rather than when the actual cash is drawn by the recipient institutions.

As a result of this change, information on IFI expenditures is provided on an encashment basis in Part II of the Main Estimates, whereas in Table 2 of this Report on Plans and Priorities, information is presented on the basis of planned note issuance. The table below, illustrates the difference between the two accounting methods.

Table 8: Reconciliation of the International Assistance Envelope -- Cash Basis to Issuance Basis

(thousands of dollars)	Issuance Basis 2002-03	Cash Basis 2002-03	Variance
Gross International Assistance Envelope	2,312,716	2,394,105	81,389
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY			
AID PROGRAM			
Geographic Programs	814,663	814,663	0
Partnership Programs	253,833	253,833	0
Multilateral Programs	301,451	301,451	0
- International Financial Institutions	90,988	201,900	110,912
Communications	4,307	4,307	0
Special Funds	76,326	76,326	0
ADMINISTRATION	194,774	194,774	0
CIDA - Official Development Assistance (ODA)	1,736,342	1,847,254	110,912
PLUS OTHER OFFICIAL ASSISTANCE			
- Countries in Transition - Program	102,351	102,351	0
- Countries in Transition - Administration	10,092	10,092	0
CIDA Official Assistance (OA)	112,443	112,443	0
Total CIDA (ODA and OA)	1,848,785	1,959,697	110,912
OTHER DEPARTMENTS AND AGENCIES			
AID PROGRAM			
Department of Finance:			
- International Development Association	230,334	200,811	-29,523
Other Government Departments	233,597	233,597	0
Total Other Departments and Agencies (ODA & OA)	463,931	434,408	-29,523
Total	2,312,716	2,394,105	81,389

Table 9: Key Results Commitments

Agency Priorities and Expected Result:
<p><i>Basic Human Needs</i></p> <ul style="list-style-type: none"> • Improved access for the poor to health, education, shelter, food and nutrition, sanitation, and pure-water-supply services; • improved in-country institutional capacity for sustainable human development; • improved ability of vulnerable groups to increase their productive activities to meet their basic human needs; • timely, effective and appropriate emergency assistance; and • improved in-country capacities to mitigate disaster impacts.
<p><i>Gender Equality</i></p> <ul style="list-style-type: none"> • Advanced women's equal participation with men as decision-makers in shaping the sustainable development of their societies; • women and girls supported in the realization of their full human rights; and • reduced gender inequalities in access to and control over the resources and benefits of development.
<p><i>Infrastructure Services</i></p> <ul style="list-style-type: none"> • Improved institutional capacity to manage reform and ensure the efficient and equitable provision of services; • increased access of the poor, especially poor women, to infrastructure services; and • increased capacity to deliver environmentally sound infrastructure services.
<p><i>Human Rights, Democracy, Good Governance</i></p> <ul style="list-style-type: none"> • More democratic decision-making through increased popular participation and strengthened representative institutions; • more effective and accountable exercise of power; • increased capacity of organizations that protect and promote human rights; • improved legal and judicial systems to strengthen the rule of law; • greater ability in civil society to address rights concerns and strengthen the security of the individual; and • strengthened will of leaders to respect rights, rule democratically and govern effectively.
<p><i>Private-Sector Development</i></p> <ul style="list-style-type: none"> • Stronger enabling environments for private-sector development, including more competitive internal markets and enhanced connections to the global economy; • improved capacities of the private sector, and related institutions, as a result of support to micro-enterprise and micro-finance development and small and medium-sized businesses; and • strengthened long-term linkages between Canadian and developing-country businesses that are established on a demand-driven basis and which provide high social returns.
<p><i>Environment</i></p> <ul style="list-style-type: none"> • Ecosystems are protected from degradation and destruction and natural resources are used in a sustainable manner; • the creation of pollutants and waste is avoided; • risks to human health, climate and environment posed by pollutants and waste are minimized; • individuals, groups, organizations and institutions are able to address local and environmental issues and to participate in the resolution of global environmental problems; and • environmental profiles, environmental strategies and environmental impacts assessments are used to integrate environmental considerations fully into development co-operation programs, projects and activities.
<p><i>Countries in Transition</i></p> <p>To assist the transition to a market economy</p> <ul style="list-style-type: none"> • Improved investment and business environment; and • increased capacity of public and private institutions/business to function in a market-based economy.
<p>To encourage good governance, democracy, political pluralism, the rule of law and adherence to international norms and standards</p> <ul style="list-style-type: none"> • Increased promotion and protection of human rights; • more effective, equitable and accountable service delivery by all levels of government; and • increased popular participation in decision-making in society.
<p>To facilitate Canadian trade and investment links with the region</p> <ul style="list-style-type: none"> • Joint ventures and investment opportunities created; and • Canadian commercial benefits realized.
<p>To assist international efforts to reduce threats to international and Canadian security</p> <ul style="list-style-type: none"> • Enhanced nuclear safety; • enhanced peace and security, stability, prosperity and regional co-operation; and • reduced human suffering resulting from emergency situations.

References

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

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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.