

Canadian International Development Agency

Estimates 2006 - 2007

Part III: Report on Plans and Priorities

Minister of International Cooperation and
Minister for La Francophonie and
Official Languages

Table of Contents

List of Financial Tables	i
Acronyms Used in the <i>Report on Plans and Priorities</i>.....	ii
Section I: Departmental Overview	1
1.1 Minister's Message	1
1.2 Management Representation Statement.....	3
1.3 The Development Challenge.....	4
1.3.1 A Renewal of Canada's Commitment to Poverty Reduction Through More Effective Aid.....	4
1.3.2 CIDA's Operating Environment	8
1.4 Summary Information.....	13
1.5 CIDA's Plans and Priorities.....	14
Section II: Analysis of Program Activities.....	16
2.1 Geographic Programs.....	16
2.2 Canadian Partnership	24
2.3 Multilateral Programs	28
2.4 Policy Coherence	35
2.5 Engaging Canadians.....	39
2.6 Corporate Services	42
Section III: Supplementary Information	45
3.1 Organizational Information.....	45
3.2 CIDA's Program Activity Architecture	46
3.3 Financial Information.....	48
Annex 1: The Millennium Development Goals.....	56
Annex 2: Other Information.....	57

List of Financial Tables

Table 1:	International Assistance Envelope Allocation (Issuance Basis)
Table 2:	CIDA Reference Level
Table 3:	Departmental Planned Spending and Full Time Equivalents
Table 4:	Resources by Program Activity
Table 5:	Voted and Statutory Items
Table 6:	Services Received Without Charge
Table 7:	Loans, Investments and Advances (Non-budgetary)
Table 8:	Source of Respendable and Non-respendable Revenue
Table 9:	Resource Requirement by Organization and Program Activity
Table 10:	User Fees
Table 11:	Details on Transfer Payment Programs

Acronyms Used in the *Report on Plans and Priorities*

AIDS	Acquired Immuno Deficiency Syndrome
APRM	African Peer Review Mechanism
AU	African Union
CAREID	Canada-Asia Regional Emerging Infectious Disease Project
CERF	Central Emergency Response Fund
CIDA	Canadian International Development Agency
COMESA	Common Market for Eastern and Southern Africa
DAC	Development Assistance Committee
DFAIT	Department of Foreign Affairs and International Trade
FTEs	Full Time Equivalents
GFATM	Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria
HIV	Human Immunodeficiency Virus
HRM	Human Resource Management
IAE	International Assistance Envelope
IGAD	Intergovernmental Authority for Development
MAF	Management Accountability Framework
MDGs	Millennium Development Goals
MOPAN	Multilateral Organizations Performance Assessment Network
MRRS	Management, Resources, and Results Structure
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PAA	Program Activity Architecture
PRSP	Poverty Reduction Strategy Paper
PSMA	Public Service Modernization Act
SADC	Southern African Development Community
SARS	Severe Acute Respiratory Syndrome
SME	Small and Medium Sized Enterprise
TBS	Treasury Board of Canada Secretariat
UN	United Nations
UNAIDS	UN Programme on HIV/AIDS
UNDP	UN Development Programme
UNICEF	UN Children's Fund
WHO	World Health Organization

SECTION I: DEPARTMENTAL OVERVIEW

1.1 Minister's Message



The Honourable Josée Verner

Canadians care about bridging the enormous gap in income, health, education, and quality of life that exist in our interdependent world. Our compassion for those less fortunate is a reflection of values we cherish—humanitarianism, freedom, democracy, rule of law, and respect for human rights.

The Government of Canada is committed to supporting these values through strategically sound programs and policies, based on internationally agreed principles of aid effectiveness. We will set core policy directions for Canadian development assistance in a manner that is consistent with Canada's foreign policy.

The Canadian International Development Agency's (CIDA) 2006–2007 budget will total approximately \$3 billion. The quality of the aid we deliver is as important as the quantity. Aid effectiveness and accountability underscore the context for CIDA's plans and priorities for the coming fiscal year. The design and delivery of Canadian aid extend from the basic principles of aid effectiveness, such as local ownership, mutual accountability for results, donor coordination, and policy coherence. CIDA is taking a number of important steps to strengthen its own program and to encourage its partners to follow suit in ways that will support good governance, combat corruption, and promote effectiveness of development interventions. In pursuit of these objectives, a four-part agenda to strengthen aid effectiveness will be implemented, consisting of a more strategic focus, strengthened program delivery, a more cost-effective use of Agency resources, and strengthened accountability for results.

CIDA will also continue to focus its assistance in sectors that directly support the Millennium Development Goals—good governance (including freedom and democracy, human rights, the rule of law, justice, and accountable public institutions), basic education, health (including HIV/AIDS), private sector development, and environmental sustainability. A renewed commitment to gender equality – including the rights and empowerment of women and girls – will be a critical area of Canadian focus.

Canada is committed to continuing to play a leading role in the global response to HIV/AIDS. In so doing, we must ensure that our efforts strengthen health systems and address the human rights and gender dimensions of HIV/AIDS, including the critical situation of young people.

In addition to faster and better responses to humanitarian crises, CIDA will increase the concentration of its aid resources in fewer countries, chosen on the basis of their needs and their abilities to use aid effectively and on Canada's capacity to make a concrete difference. Resources will also be used to support countries of strategic importance to Canada, for example, to support efforts to stabilize and rebuild Afghanistan and Haiti.

CIDA is working to strengthen its relationships with its partners in Canada and abroad to ensure an optimal balance between the delivery channels in its aid program and maximum impact. In addition, CIDA will intensify its efforts to engage Canadians more fully in the aid program, in collaboration with Canadian civil society organizations. The new Voluntary Sector Fund, announced in June 2006, demonstrates the will to ensure the participation of Canadians from all regions of the country and to channel their efforts in order to respond to the needs of civil society in developing countries.

CIDA has been a leader in promoting harmonization of policies, practices, and procedures among donors to avoid duplication, ensure efficiency, and increase the sustainable impact of the contributions of all partners.

The Agency will continue to emphasize coordinated and integrated programs—rather than isolated projects—which better assess and capitalize on capacity in developing countries, predict and mitigate risk, and transparently apply performance expectations such as good governance (including freedom and democracy, human rights, rule of law, justice and accountable public institutions) to the provision of Canadian aid.

In the coming year, CIDA will further develop its agenda and action plan for effectiveness, accountability, and sustainable results. CIDA is examining its development priorities and any renewals or changes will be reflected in the *2006–2007 Departmental Performance Report*.

In addition, I am also committed to the development and distribution, this year, of the first “Annual Report on International Development Results.” This will be an important tool in ensuring that Canadians are well informed about the quantity and effectiveness of our aid.

In the May 2006 federal budget, the Government of Canada reaffirmed its commitment to double international assistance between 2001 and 2011. These additional resources, combined with progress in aid effectiveness, will play an important role in strengthening Canada’s aid program, thereby enhancing Canada’s impact, influence, and reputation on the international scene.

This *2006–2007 Report on Plans and Priorities* outlines CIDA’s agenda. It also affirms the results the Agency plans to achieve to strengthen Canada’s place in the world, and to deliver timely, appropriate, and effective assistance to developing countries.

I invite all Canadians to read this report, which I respectfully table for Parliament’s consideration.

The Honourable Josée Verner, P.C., M.P.
Minister of International Cooperation and
Minister for La Francophonie and
Official Languages

1.2 Management Representation Statement

I submit for tabling in Parliament, the *2006–2007 Report on Plans and Priorities* for the Canadian International Development Agency.

This document has been prepared based on the reporting principles contained in the Treasury Board of Canada, Secretariat (TBS) *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports* such that it:

- adheres to the specific reporting requirements outlined in the TBS guidance;
- is based on the department's approved accountability structure as reflected in its Management, Resources, and Results Structure (MRRS);
- presents consistent, comprehensive, balanced, and reliable information;
- provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- reports finances based on approved planned spending.

Robert Greenhill

President, Canadian International Development Agency
August 25, 2006

1.3 The Development Challenge

1.3.1 A Renewal of Canada's Commitment to Poverty Reduction Through More Effective Aid

The Government of Canada is committed to optimizing the impact of its development assistance program. With the pledge of more effective use of Canadian aid dollars in the 2006 Speech from the Throne and the doubling of international assistance between 2001 and 2011 in Budget 2006, Canada has positioned itself to contribute more strategically to its international policy objectives.

Box 1: The Size of the Challenge: Measuring Progress Toward the Millennium Development Goals (MDGs)¹

At the UN World Summit in September 2005, participants reviewed their progress toward achievement of the MDGs in poverty and hunger eradication, health, education, gender equality, environmental sustainability, and development partnerships. They noted clear progress in some areas, but most particularly in poverty reduction with 130 million fewer people living in extreme poverty in 2001 compared to 1990, representing a decrease from 28 to 21 per cent of the world's population.

Overall, however, the pace was considered to be too slow to meet the objectives set for 2015, especially for those concerning health. While many people have gained access to adequate water and sanitation services, the actual number of persons without such access remained static because of global population growth and setbacks related to natural disasters, conflicts, and aging infrastructure. The first of these time-bound goals – eliminating gender disparity in education by 2005 – has been missed. No region is expected to meet all of the MDG targets by 2015.

Much of the progress at the global level can be attributed to the impressive gains of certain key countries such as China, India and the countries of South East Asia. Elsewhere, progress is evident but uneven. In Africa, the commitment of political leaders to improve economic management and governance, embodied in the New Partnership for Africa's Development (NEPAD) is promising, but the challenges facing Sub-Saharan Africa are profound and continue to require special attention. Best estimates are that if the world is to meet the MDG targets by 2015, a significant increase in resources—as much as \$50 billion more per year—is required, as well as reforms in trade regimes and international financial systems, including debt relief.

While Canada has earned an international reputation as an effective donor and a responsible steward of development assistance funds, more can be done to strengthen the effective use of Canadian aid dollars. The past decades have yielded important lessons for development. Donors and developing countries share responsibility in achieving results. This mutual accountability underpins our relationships with our developing partners. The partner countries must display political leadership—exercising leadership over the development process—and true commitment to open and transparent governance. Donors must align with the countries' priorities and systems, improve their coordination and harmonize their procedures, and pursue a productive dialogue with their hosts. Together, donors and partner countries engage in a long-term comprehensive relationship focused on development results.

1. The MDGs are listed in Annex 1.

They must complement their efforts by a focused support to enhance the performance of the countries' systems, supporting their ability to account for aid resources.

Box 2: The International Consensus on Aid Effectiveness

The international community reached an unprecedented consensus on five principles of effective development. This consensus is reflected in the Paris Declaration on Aid Effectiveness (2005).² It represents the third pillar in the global development partnerships, along with the MDGs (2000) and the Monterrey Consensus (2002) on the financial and non-aid foundation necessary for development. It provides a framework of commitments to guide the international development community in improving the effectiveness of development assistance in order to help achieve the MDGs.

The Declaration contains a total of 56 specific commitments (19 by partner countries, 26 by donors, and 11 joint commitments) to guide partner country ownership and leadership, donor alignment and harmonization, and management for results and mutual accountability over the next five years.

CIDA is implementing a *four-part agenda* to strengthen the effectiveness, accountability, and results of Canada's aid program through a more strategic focus of aid programming, strengthened program delivery, a more cost-effective use of Agency resources, and clear accountability for results, including an "Annual Report on International Development Results".

Canada's agenda for aid effectiveness underlines the importance of ensuring that resources are concentrated in a limited number of countries and sectors, where Canada can make a difference. This means fewer sectoral priorities at a country level, alignment with the MDGs, and greater geographic concentration. Bringing a critical mass of resources to bear will enable the Agency to better target programming in different country contexts and increase its impact on critical development challenges in poor countries. Critical sectors for investment include: governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions), health (including HIV/AIDS), basic education, and private sector development, ensuring gender equality and environmental sustainability across all of these sectors.

Canada is committed to continuing to play a leading role in the global response to HIV/AIDS. In so doing, we must ensure that our efforts strengthen health systems and address the human rights and gender dimensions of HIV/AIDS, including the critical situation of young people. In that regard, CIDA will focus its efforts in four priority areas: effective prevention, including vaccines, microbicides, and HIV education; ensuring HIV/AIDS strategies address the specific needs of women and girls who represent a rising proportion of infections; strengthening health systems, especially in Sub-Saharan Africa, as essential to achieving as close as possible to universal access to treatment for all who need it; and promoting the rights and protection of children affected by HIV/AIDS.

In addition, at the July 2006 G8 Summit, the Prime Minister announced that Canada will contribute \$450 million between 2006-2016 to support country-led efforts to strengthen

2. Please see: www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html

health systems, improve health outcomes and make concrete progress towards the MDGs in Africa.

A greater portion of bilateral resources will be concentrated on a limited number of countries. These countries will be chosen based on a number of criteria, including their level of poverty or risk, their ability to use aid effectively, and Canada's capacity to make a difference. Development assistance to Africa will be significant. In countries where the need is great but capacity to use aid effectively is weak, choices will be based on Canadian and international strategic interests. In the context of a globalized and interdependent world, fragile states such as Haiti, Afghanistan, and Sudan's Darfur region warrant special attention because of the security, stability, and poverty reduction challenges they present to Canada, to their own citizens, and to development cooperation in general. Significant investments, across government, are necessary to respond to the challenge.

Box 3: Afghanistan

Canada recently affirmed its commitment to the mission in Afghanistan when, on May 17, 2006, the House of Commons voted to extend Canada's diplomatic, development, civilian police, and military commitments in Afghanistan for an additional two years. Canada's leadership role in Afghanistan is critical to Canadian security and national interests. In development cooperation, at the request of the Government of Afghanistan, Canada has committed to working through Afghan national programs and to provide ongoing support for the daily operations of the Government of Afghanistan to enable it to function effectively.

Canada has gained a solid reputation as a donor that responds in a flexible, timely manner and according to stated Afghan priorities. The recent commitment by Canada to provide an additional \$310 million in development assistance to Afghanistan, from 2007–2008 to 2010–2011, will ensure that Canada can continue to play a leadership role using a whole-of-government approach.

CIDA's aid effectiveness agenda will integrate lessons of experience on aid effectiveness in all programming channels—bilateral, multilateral, and Canadian partnership—and implement these principles in all countries and initiatives.

CIDA is committed to engage Canadians across the country to support and promote international development through a renewed and more vigorous strategy in partnership with civil society and through public engagement initiatives. For example, a new Voluntary Sector Fund was launched in June 2006. With an annual budget of \$20 million, this fund will support development projects that strive to reduce poverty and promote human rights. These projects will be realized through partnerships between Canadian organizations and those in developing countries.

In keeping with its longstanding commitment to effective multilateralism as the basis for global engagement for sustainable development on key issues such as HIV/AIDS, environmental sustainability, and humanitarian assistance, Canada will support those multilateral institutions that are most effective in addressing the MDGs. CIDA will also strengthen its collaboration with partners from other federal government departments. Development cooperation's full integration into Canada's foreign policy reinforces the

partnerships between government departments and helps ensure that aid and non-aid policies are consistent and work together toward global poverty reduction.

CIDA is committed to a cost-effective use of resources and a clear accountability for results. This involves continually reviewing the overhead ratio, strengthening field presence where required, adapting human resources to challenges as they evolve, strengthening transparency and risk management, and greater untying of Canadian aid.

More Comprehensive, Integrated Approaches

Canada and its partners are implementing the lessons learned on effective development—alignment, harmonization, local leadership, managing for results, and mutual accountability—through program-based approaches. These approaches bring together a group of donors under the host country leadership in a single comprehensive program supported by a single budget and harmonized donor procedures. CIDA’s experience has underlined the importance of the initial phase of these initiatives, including sound analysis and diagnostic work, shared among partners, as well as ongoing policy dialogue. The Agency will continue to promote strong, early collaboration to build the best foundation for the success of these joint initiatives.

A critical element of effective programming is the need to strengthen the performance of country systems. Aid is most effective in countries where governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions) is sound. However, the countries in greatest need are usually those with the weakest systems and institutions. CIDA will give governance—encouraging political will for change, strengthening institutions and processes, and ensuring respect for human rights—high priority in its programming.

Managing Risk

CIDA and its partners work in some of the world’s most dangerous and unpredictable environments, including armed conflict, famine, infectious disease, extreme poverty, social marginalization, and natural disasters, as well as unpredictability arising from economic instability. A robust and multi-faceted risk management framework is essential to ensure that CIDA’s aid is effective and that Canadian tax dollars are being spent wisely.

CIDA’s framework encompasses risks and mitigation strategies for programs, projects, and other functional activities. Risk assessments are conducted in collaboration with partners and other donors. The risks covered in these assessments include development, financial, judicial, institutional, and management practices. The Agency is in the process of developing a better understanding of its corporate risk profile and strengthening its risk management framework.

1.3.2 CIDA's Operating Environment

The Internal Environment

CIDA was established in 1968 to administer the bulk of Canada's Official Development Assistance (ODA) program. The program focuses on sustainable development and poverty reduction; the measure of its success is its contribution to the achievement of the MDGs and Canada's broader international policy objectives.

CIDA delivers development assistance through Geographic (Asia, Africa, the Americas, and Europe, Middle East and Maghreb³), Canadian Partnership, and Multilateral Programs, which are supported by activities in Policy Coherence, Engaging Canadians, and Corporate Services (see Section 3.1 for CIDA's organization chart and Section 3.2 for program activity descriptions).

Over the years, Canada has earned an enviable reputation as a leader in several key areas of importance to Canadians: promoting human rights; gender equality; child protection; pioneering the involvement of the voluntary and private sectors in development programs; and aid effectiveness, most particularly in the area of results-based management. Canadians have made concrete contributions in polio eradication, micronutrient supplementation, primary education, HIV/AIDS prevention, elections monitoring, and income generation and human rights for women.

Benefits to Canadians

Canadians have supported the ODA program since its inception in 1968 (see Section 2.5, *Engaging Canadians*). Development assistance is a reflection of the values cherished by Canadians, such as humanitarianism, justice, human rights, and equality. Canadians support their aid program because:

- they feel it is *the right thing to do*, beginning with the moral imperative to respond to the suffering caused by natural disaster, armed conflict, or extreme deprivation. As the Prime Minister recently said, "It is the nature of Canadians to share the peace and prosperity we have achieved here with countries torn by war, poverty, or natural disaster";⁴
- they see it as *a preventative measure*. Helping countries build their institutions, economies, and communities reduces the threats to security—such as disease, terrorism, environmental deterioration, conflict, or economic collapse—that affect all countries in our increasingly interdependent world;
- they value *the relationships* Canada has forged through the aid program, which have won us both partners and friends, building a basis for increased trade and other linkages with some of the fastest-growing economies on earth; and

3. CIDA is active in the following Maghreb countries: Algeria, Mauritania, Morocco, and Tunisia.

4. Address by Prime Minister Harper on new Canadian government assistance for the reconstruction of Afghanistan, June 15, 2006, Ottawa (www.pm.gc.ca).

- they know that Canada's relations with other donors, our developing country partners, and multilateral organizations such as the UN and the World Bank, give us the opportunity to *promote our values* and to influence decision-making at the highest levels.

CIDA's policies and programs contribute to the Government of Canada's overall performance agenda. Canada works closely with its North American partners on numerous development issues, helping to build a strong and mutually beneficial partnership. CIDA collaborates with other federal departments in full recognition of the interdependence of development, security, and economic prosperity, and the importance of a well-integrated international agenda for Canada. By remaining focused on development results, the Government's international priorities and directions, and pursuing a coherent cross-government approach, CIDA's plans and priorities for the planning period remain aligned with the Government of Canada outcomes.

The International Environment

As an international development agency, CIDA responds to the changing social, economic, political, and environmental conditions in developing countries. As noted in the review of progress toward the MDGs (see Box 1), the developing world still faces major challenges in poverty reduction, basic education, control and reduction of disease, gender equality, and environmental sustainability. On a regional basis, the following trends are influencing development:

Africa: Trends and contexts remain extremely diverse within Africa. Positive trends include the fact that the African continent has experienced an average annual growth in GDP of 4 per cent in the past decade, which is higher than the Organization for Economic Co-operation and Development (OECD) country average, while per capita growth increased by 2 per cent annually over the same period. The achievement of macro-economic stabilization (stable and single-digit inflation, and lower interest rates) over the past 10 years, recent economic reforms, and increased donor resources will help support growth that is projected to be at or above 4.5 per cent over the medium term.

Increasing poverty levels continue to challenge sustainable development and there is a consensus within the international community that accelerated efforts need to be made to alleviate poverty in Africa. However, there are positive trends toward the attainment of some of the MDGs in several countries. For example, Tanzania, Mozambique, and Kenya show promising progress toward meeting the education goals by 2015. Africa is also making steady but uneven progress in democratic governance. A number of peaceful, contested multi-party elections were held in 2005, reinforcing a generally positive trend. Refugee levels are at a 20-year low. Some setbacks have continued, however, in the areas of human rights' violations, conflicts, and brutally contested elections. Encouraging trends have been seen in increased efforts to find African solutions to African problems through NEPAD and increased country leadership. An important element of the NEPAD partnership is the African Peer Review Mechanism (APRM), a voluntary process of self-assessment by countries to identify and apply best practices in political and economic governance. As of

March 2006, 25 of the African Union's 53 member states had become signatories to the APRM process.

Asia: Asia contains the world's fastest-growing economies, and extreme poverty (less than one dollar a day) in the region has fallen from 32 per cent in 1990 to 20 per cent today. Nevertheless, Asia is still home to half the world's population, two thirds of the world's poor (less than two dollars a day), and only 16 per cent of the world's land mass. The region continues to be volatile and is vulnerable to terrorism, which exploits existing regional conflicts and intercommunal violence. It is also vulnerable to infectious diseases such as SARS (Severe Acute Respiratory Syndrome) and avian flu, as well as economic risks such as the surge in oil prices and the US–China trade imbalance. Women continue to be marginalized, and growing income inequalities are creating social and economic pressures in several countries. The impact of the December 2004 tsunami will continue to be felt in 2006–2007, and the region will also have to deal with a large influx of young people into the labour force in the next few years.

Americas: Every country in Latin America and the Caribbean, except Cuba, has a democratically elected government. However, the failure to close the extraordinary gap between rich and poor is a threat to social and political stability. The Americas shares in the global economic recovery but progress is fragile, with several countries continuing to experience serious debt problems. One person in four lives in poverty, and environmental deterioration and vulnerability to extreme weather, such as hurricanes, add to the instability. In addition, threats to personal security, such as increasing crime and violence exacerbated by the trade in illegal drugs and weapons, and continuing gender-based violence, undermine the quality of life and impede development.

*Europe, Middle East and Maghreb:*⁵ These are diverse regions with varying levels of economic performance, poverty, and social needs. The benefits of economic growth are sometimes unevenly distributed and pockets of significant poverty do exist. In some areas, particularly in Iraq, West Bank and Gaza, and more recently in Lebanon, unstable security situations and the challenges associated with post-conflict reconstruction slow progress toward further development. In many countries, efforts are underway to strengthen public institutions, improve local business environments, and enhance education systems.

The Canadian Environment

The International Assistance Envelope

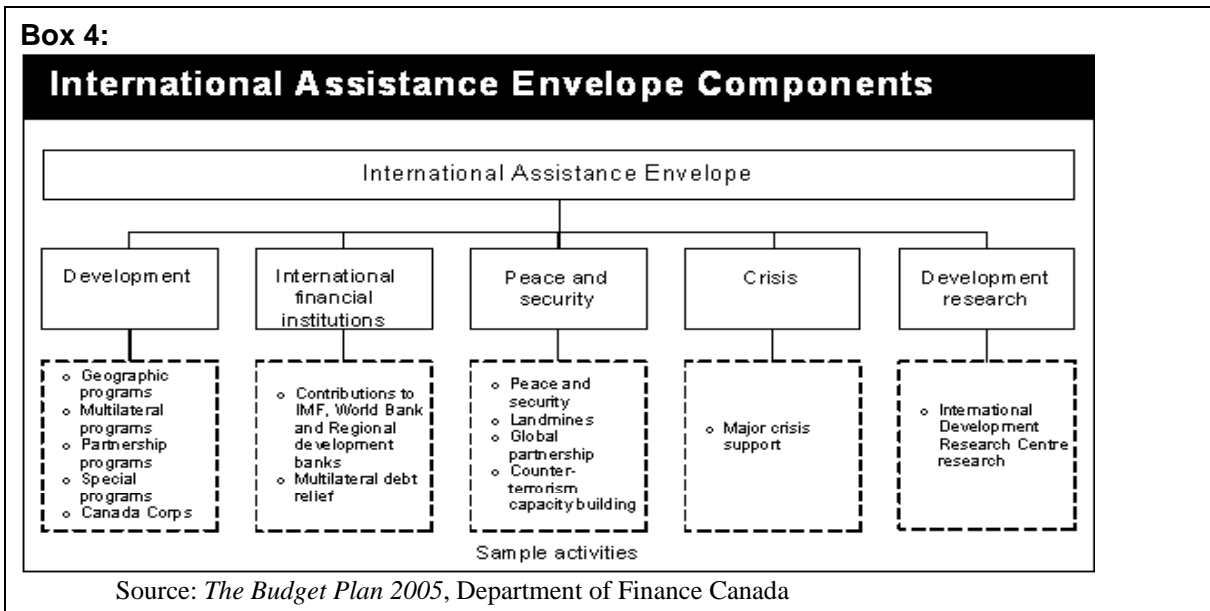
The International Assistance Envelope (IAE) funds the Government of Canada's international assistance activities through ODA, as defined by the OECD's Development Assistance Committee (DAC),⁶ as well as a range of other activities that do not fall within

5. The Maghreb includes countries located north of the Sahara Desert and west of the Nile River.

6. ODA is defined by the OECD-DAC 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 per cent."

the parameters of that definition.⁷ The IAE is structured into five distinct pools to provide a coordinated and flexible approach to Canada's international assistance. CIDA is responsible for managing the development pool, accounting for most of the IAE funding, and for co-managing the crisis pool with the Department of Foreign Affairs and International Trade (DFAIT), in consultation with the Department of Finance Canada, Privy Council Office, and TBS. The Department of Finance Canada also manages the international financial institutions pool, including management of Canada's contributions to the World Bank, International Monetary Fund, and European Bank for Reconstruction and Development. Within this pool, CIDA manages Canada's contributions to the Inter-American Development Bank, Caribbean Development Bank, Asian Development Bank, and the African Development Bank.

This framework supports coherent priority setting across all government departments participating in the aid program; decentralized management with clear accountability; transparency in the allocation of new resources; predictability in budgeting and stability in programming; flexibility to respond to new initiatives; and fiscal integrity. In 2006–2007, CIDA is expected to manage 72.9 per cent of the IAE, DFAIT will manage 9.8 per cent, the Department of Finance Canada will manage 9.6 per cent, and the International Development Research Centre and others will manage 3.7 per cent.



7. One example of an activity that falls outside the parameters of the OECD-DAC definition of ODA is the G8 Threat Reduction Initiative for nuclear and chemical weapons dismantling in the former Soviet Union.

Ongoing Government of Canada Initiatives

The Management Accountability Framework⁸ (MAF) will inform CIDA's management priorities. The most recent annual MAF assessment, prepared by TBS in consultation with the Agency, shows that CIDA is making notable progress in coordinating the management of the IAE with other departments, and is also progressing well in the renewal of its governance structure, financial reporting, risk management, information and technology management, as well as in the people component (e.g. official languages, *Public Service Modernization Act* (PSMA) readiness, and employment equity).

The Agency will continue to implement government-wide programs such as the PSMA, as well as internal initiatives including the human resource management project initiative, improvement of business processes, and strengthening of performance management.

The 2004–2005 fiscal year marked the introduction of the TBS's Management, Resources and Results Structure (MRRS) policy. As such, CIDA began migrating from its performance framework based on Key Agency Results, to the new framework supported by a preliminary Program Activity Architecture (PAA). At the same time, CIDA's evolving strategic direction provided the impetus to significantly improve the Agency's PAA and resulting MRRS. Substantial progress has been made, a new framework has recently been approved, and an implementation plan will be completed in the next fiscal year. This will provide a stronger framework for performance measurement and reporting within the Agency, and also provide the basis for strategic alignment of CIDA's resources with the Government of Canada's international policy priorities. In the interim, this *2006–2007 Report on Plans and Priorities* (RPP) strives to link the Agency's program and management priorities, as shaped by its strategic direction, within its current PAA.

In Budget 2006, the Government of Canada made a commitment to adopt a new approach to overall expenditure management, to ensure that programs aim to achieve results and optimize resources, and are consistent with government priorities and responsibilities. Moreover, the Speech from the Throne and Budget 2006 outlined the federal government's intention to strengthen the effectiveness of Canada's aid and to double international assistance by 2011. Achieving results and optimizing resources are two important objectives for CIDA. As previously noted, CIDA has established a four-part agenda to follow up on the commitment to allocate international aid resources more effectively. The approach taken to managing the IAE ensures that new resources are allocated directly to government priorities. CIDA also continually reallocates its own resources to key government initiatives, such as those in Afghanistan and Sudan.

8. The MAF consists of 10 elements of sound management: public service values; governance and strategic direction; results and performance; learning, innovation, and change management; policy and programs; risk management; people; stewardship; citizen-focused service; and accountability.

1.4 Summary Information

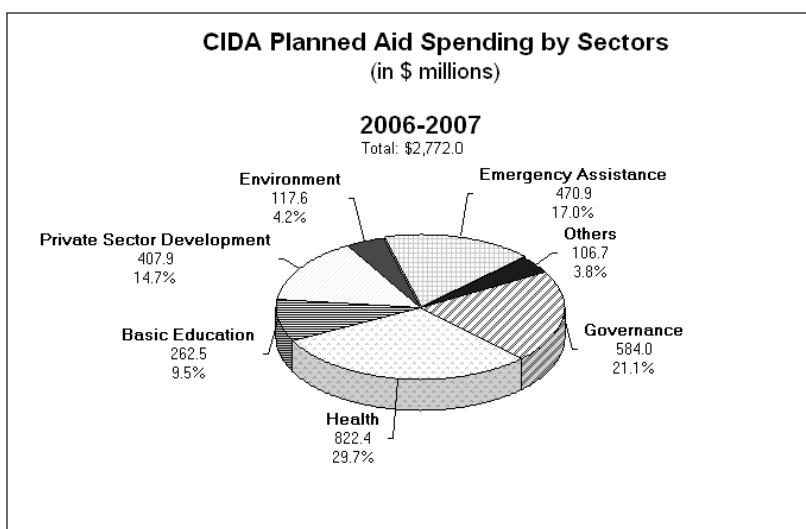
Strategic Outcome: Sustainable development to reduce poverty in the poorest countries, measured through progress on the development goals of economic well being, social development, environmental sustainability, and governance (including freedom and democracy, human rights, rule of law, justice and accountable public institutions).

Benefits to Canadians: The aid program plays an important role in Canada’s global reach and influence; provides a concrete expression of values that Canadians cherish; builds long-term relationships with some of the fastest-growing economies in the world; and helps make the world more secure for Canadians.

Departmental Priorities by Strategic Outcome

Departmental Priorities	Type
Stronger strategic focus	Ongoing
Strengthened program delivery	Ongoing
Cost-effective use of Agency resources; and clear accountability for results	Ongoing

Financial Resources (total planned spending) ⁹ 2006–2007	Human Resources 2006–2007
\$3,043,321,000	1,578 FTEs



9. “Total planned spending” includes budgetary and non-budgetary planned spending. For more detailed information the CIDA’s distribution of planned financial resources, please refer to Table 3: Departmental Planned Spending and Full Time Equivalents (FTEs), page 51.

1.5 CIDA's Plans and Priorities

The Agency's program and management priorities discussed below contribute to its strategic outcome of sustainable development and poverty reduction by: focusing the Agency's priority sectors in the world's poorest countries; renewing and strengthening the partnerships, with both state and non-state partners, upon which the aid program depends; building on the effectiveness of multilateral organizations; and ensuring the implementation of more efficient and accountable delivery systems.

CIDA's agenda for effectiveness, accountability, and results will build on progress already gained through the implementation of internationally agreed principles of aid effectiveness, CIDA's Social Development Priorities, its Key Agency Results, and a number of federal government management reforms such as the IAE management framework. Program priorities will largely be driven by the objective to achieve a strategic focus on sectors and countries. Management priorities are focused on creating the environment to position the Agency to move forward with the government's management agenda. The priority sectors will be more sharply focused; ongoing activities for coherent cross-government coordination will be strengthened; concentration on the world's poorest countries, mainly in Africa, will continue; and reforms related to the PSMA will proceed as planned.

Program and Management Priorities

Over the planning period, CIDA will intensify its efforts in the development of an agenda for effectiveness, accountability, and results by:

Stronger Strategic Focus

- **Key deliverable: concentrating programming in priority sectors.** A limited number of sectoral priorities, including governance as a mandatory area of focus, will be identified in all major country programs. CIDA will integrate gender equality, including women's participation in decision making, their human rights, and access to resources, in all sectors.
- **Key deliverable: concentrating on fewer countries.** A financial strategy is being developed to increase bilateral resources in core countries of concentration.

Strengthened Program Delivery

- **Key deliverable: review and renewal of partnership programming.** CIDA will complete the development of policies and principles for its future work with Canadian partner organizations. The process will include ongoing dialogue with Canadian stakeholders and specific attention to effective linkages with southern non-governmental organizations (NGOs).
- **Key deliverable: optimizing the multilateral channel.** CIDA will focus its support on the most effective institutions showing concrete results on the ground. Over the next year, the Agency will work with other government departments and other donors to develop effective and relevant assessment criteria for these institutions.

- **Key deliverable: integrating internationally agreed principles of aid effectiveness in all programming approaches.** CIDA will develop a policy and operational framework to strengthen the development impact of Canada's aid program.

Cost-effective Use of Agency Resources and Clear Accountability for Results

- **Key deliverable: managing change.** Setting up to meet the challenge of effective development has a profound impact on all aspects of CIDA's operations. A Secretariat has been established to coordinate the Agency's transformation.
- **Key deliverable: a representative and sustainable workforce equipped with the core competencies and supportive business processes to deliver business imperatives, including field presence initiatives.** Building on recent work, the Agency will focus on defining future key competencies and designing corporate recruitment strategies and learning programs to meet business needs. Business process impediments will be identified and resolved, while ensuring accountability, transparency, and appropriate risk management.
- **Key deliverable: a robust, well-governed human resource management (HRM) system aligned to CIDA's current and future business needs.** In the short term, CIDA's goal is to strengthen HRM systemic integrity and business effectiveness, working in partnership with line management to ensure sound HRM decision-making that meets the business needs and protects the corporate interest of the Agency. In 2006–2007, efforts will be focused on establishing integrated HRM and business planning frameworks and instruments to assist the organization in identifying and meeting its current and future business requirements.
- **Key deliverable: working toward a coherent cross-government approach.** CIDA is developing strategic framework arrangements with other key federal departments to leverage their expertise, initially in the area of governance, and enhance policy and programming coherence. Programming in the areas of justice reform will be piloted within the newly created Public Sector Governance Initiative. In consultation with other departments, efforts are also underway to develop a framework for CIDA's response to fragile states and countries experiencing humanitarian crises. CIDA, in collaboration with its partners, will build on its first year of experience with the renewed management framework for the IAE in order to enhance its effectiveness as a tool to support strategic decision-making.
- **Key deliverable: strengthening risk management in the Agency.** CIDA will continue developing an integrated risk management framework. This will include a risk communication strategy to highlight due diligence and improve its partners' understanding of CIDA's high-risk operation environment. In addition, the Agency will implement a financial risk management strategy.
- **Key deliverable: renewing CIDA's Performance Measurement Framework.** The Agency will revise its PAA and MRRS to better reflect Canada's strategic direction and priorities.

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES

2.1 Geographic Programs

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

Expected Results: Canada's bilateral development assistance efforts have an impact on the achievement of the MDGs, as part of the worldwide collaborative effort of donors and partner countries.

Human resource requirements, 2006–2007	Financial requirements, 2006–2007
973 FTEs	\$1,637,749,000

Geographic programs are delivered through agreements between Canada and its developing country partners. They support the country's national development plan, or poverty reduction strategy, and are undertaken in collaboration with various developing country partners.

Stronger Strategic Focus

Within the context of developing country priorities, CIDA's geographic programs will review their activities for coherence with priority sectors in 2006–2007. Efforts to sharpen programming within these sectors will dominate planning for the year.

Most country programs will be concentrating on two or three main sectors of focus, including a mandatory emphasis on strengthening governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions). The promotion of good governance in developing countries is a key area of policy and program intervention for CIDA. Good governance is essential if sustainable development results are to be achieved in developing countries. The planned sector breakdown of current programming for 2006–2007 is: health, 18.7 per cent; private sector development, 20.1 per cent; governance, 31.4 per cent; basic education, 15.7 per cent; environmental sustainability, 5 per cent; and other, 9.1 per cent. (Note: Gender equality—an area of Canadian leadership—will be integrated across all sectors.)

In **Africa**, program planning for 2006–2007 will continue in all of the priority sectors. The majority of programming will be directed to the sectors of governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions), health, and basic education. Health sector programming, including HIV/AIDS, will increase and be complemented by the Agency's African Health System Initiative (see Box 6). Planning for agriculture and rural development will continue within the private sector development, health, and environmental sectors. Programming will continue to support local leadership and ownership by aligning with locally developed Poverty Reduction Strategy Papers (PRSPs) or national policies and plans of the partner country. For example, CIDA will continue to support three initiatives in

Mozambique in agriculture-based private sector development in rural areas, an area identified as important in Mozambique's PRSP.

Programming in **Asia** will continue to include all the priority sectors with a primary focus on governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions), private sector development, health, and basic education. Governance programming will continue to support activities such as judicial and public administration sector reforms. In Indonesia, the Governance Reform Support Project (\$18.7 million) has established a close working relationship with the National Development Planning Agency to link policy development at the national level with implementation at the district level. Efforts will continue to improve the climate for small- and medium-sized enterprise sector development, which is the engine of growth in Asia. For example, the South Asia Enterprise Development Facility in Bangladesh (\$9.4 million), a multi-donor project led by the International Finance Corporation of the World Bank, will address the constraints in the development of small- and medium-sized enterprises in terms of access to finance and improving the regulatory environment. The focus in health will centre on strengthening capacity and extending quality coverage. Bangladesh Health Commodities (\$45 million), an element of CIDA's contribution to the multi-donor, sector-wide health program in Bangladesh, will improve the quality and delivery of health services appropriate to the needs of the poor, and in particular for women and children. In Vietnam, CIDA will continue to support the National Education for All action plan, which will result in improved access to basic education for the rural poor and the disadvantaged.

The region remains vulnerable to natural disasters. The process of reconstruction in the tsunami-affected countries and the earthquake-affected areas of Pakistan are well underway. CIDA will also continue to participate as an important player in a comprehensive government response (including defence, diplomacy, and development) to the ongoing stabilization, democratization, reconstruction, and development in Afghanistan.

In the **Americas**, Canada will be looking at ways to support democratic governments in their efforts to deliver the equitable social and economic progress their populations are demanding. Canada will continue to be a lead donor in Haiti's reconstruction program, which accounts for some 37.7 per cent of CIDA's bilateral budget for the region. The new government of Haiti will prepare a national poverty reduction strategy with the support of partners, including Canada. Country program strategies will be updated for the Caribbean, Honduras, and Nicaragua. In 2006–2007, CIDA's Strategic Governance Mechanism, in Bolivia, will help upgrade the systems, policies, and procedures of three key "islands of efficiency" within the state—the auditor general, the national electoral commission, and the national statistics institute. CIDA will also continue to support the Caribbean countries in their development, particularly in their transition to the Caribbean single market and economy.

Box 5: Rebuilding Haiti

At the International Conference for the Economic and Social Development of Haiti, Canada announced that it would allocate \$520 million for the reconstruction and development of Haiti from July 2006 to September 2011. Of this, CIDA will allocate \$485 million to strengthen political governance, national reconstruction, economic recovery, and to provide access to basic services for the population.

The election of a new government and the end of the transition period allow CIDA to plan projects and programs aiming at more long term results. CIDA will invest in the strengthening of governmental institutions, such as Parliament, justice, and the Electoral Commission, as well as in projects that will directly affect the population in the areas of health, education, financial services and job creation.

Funding commitments in the amount of \$135 million will respond to requests made by the Government of Haiti in its Interim Cooperation Framework, which has been extended to September 2007. Following this, CIDA commitments will support the PRSP that the Government of Haiti will be developing with the support of the World Bank.

In **Europe, Middle East and Maghreb**, CIDA will focus its programming primarily in the areas of governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions), private sector development, and basic education, with gender equality cutting across all sectors. Environmental sustainability will also be taken into consideration in planning and programming. CIDA will continue to play a significant role in implementing Canada's international priorities and commitments in these regions. Canada will strengthen its long-standing commitment to Ukraine through programming that encourages democratic development, good governance, and prosperity. In 2006, the Russia Program will launch the Northern Development Partnership Program (\$4 million, 2006–2010), which will address key Canadian and Russian interests related to effective governance and sustainable economic development in three northern regions. In the Balkans, CIDA will concentrate its efforts on supporting strengthened institutional performance and accountability, particularly in the rule of law, health, and education sectors. Programming in the Middle East and North Africa, including Maghreb, will aim to improve socio-economic conditions and enhance regional stability. CIDA will pursue efforts toward reconstruction in Iraq. As well, CIDA will continue to support the humanitarian and development needs in West Bank and Gaza, and of Palestinian refugees throughout the Middle East. More recently, Canada has moved to implement \$30.5 million of humanitarian assistance to Lebanon.

Box 6: New Flagship Initiative Aims to Significantly Improve Health in Africa

CIDA is developing a new initiative to support African efforts to strengthen health systems, improve health outcomes, and make concrete progress toward achieving the MDGs. More than \$450 million in new funds have already been earmarked over a 10-year period for the African Health Systems Initiative, beginning in 2006–2007. These funds may be supplemented by existing Agency resources.

In line with internationally agreed principles of aid effectiveness, Canada will provide support through joint initiatives with countries and international partners, including those to strengthen national-level health strategies and architecture, ensure appropriate human resources for health, strengthen front-line service delivery, and build stronger health information management systems. Particular emphasis will be placed on human resources for health. Together with its partners, CIDA will be exploring how to help mobilize an additional 100,000 front-line, fully deployed, trained, and equipped African health workers in order to expand the reach of basic health services to the most vulnerable.

The initiative will build upon previously successful programs funded by CIDA such as the Tanzania Essential Health Interventions Project and the UNICEF Accelerated Child Survival and Development Program, both of which have helped to significantly reduce child mortality in targeted districts of African countries. Throughout the health systems initiative, CIDA will work closely with international partners, and will also engage in targeted efforts at the regional and country levels to help strengthen the leadership roles of African governments, as well as regional and Pan-African institutions, such as the African Union.

In 2006–2007, the four geographic branches (Asia, Africa, Americas, and Europe, Middle East and Maghreb) will begin the process of realigning their resources to ensure that the majority of their bilateral budgets are concentrated in a more limited number of core countries.

As the Agency refocuses its bilateral aid, strategies will be developed to identify ways to remain engaged through a range of new collaborative relationships. For example, in the case of the Central and East European countries that joined the European Union in 2004,¹⁰ CIDA continues to work with these countries as fellow donors with aid programs of their own, supporting trilateral cooperation initiatives and building their capacity in development effectiveness.

Strengthened Program Delivery

The majority of development assistance in the geographic programs will be delivered through the bilateral aid channel, maintaining the direct links between CIDA and its developing country government and non-governmental partners. As regional cooperation and regional integration among countries grows, CIDA's geographic programs will partner more and more frequently with regional organizations such as the Association of Southeast Asian Nations and the Organization of American States, and with regional economic communities such as ECOWAS – Economic Community of West African States (see Program Profile: Regional Programming in Africa, on page 22).

10. The countries include Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia.

CIDA's geographic programs are also working more frequently with multilateral institutions such as UN agencies and regional development banks. Multilateral partners can mobilize sufficient resources for large-scale initiatives and they are particularly effective in dealing with cross-border issues such as security, infectious diseases (e.g. SARS, HIV/AIDS), and natural resource management. Multilateral organizations are also valued partners for their expertise and are increasingly being invited to join bilateral donors in large, multi-donor development initiatives. CIDA also supports multilateral activities as part of its own bilateral program in countries where multilateral institutions have recognized expertise and effectiveness (e.g. reconstruction in Afghanistan and Iraq).

The geographic programs will continue to involve Canadian NGOs on bilateral projects, often building on relationships already established through partner-led projects and programs.

Box 7: Avian Flu Preparedness

There is growing international concern that the H5N1 strain of avian influenza could mutate and cause a pandemic that could result in millions of deaths worldwide and shut down the global economy for months. The World Health Organization (WHO), the Food and Agriculture Organization of the United Nations, the World Bank, and the World Animal Health Organization have developed a joint framework for a coherent, collaborative response to a possible global pandemic. CIDA will be providing support to the framework (\$3 million/year).

CIDA, together with Health Canada and the Public Health Agency of Canada, is working with partner governments to assist in preparing for and responding to an influenza pandemic. The Agency has also approved the Canada-Asia Regional Emerging Infectious Disease Project (CAREID) in South East Asia and China. CAREID will be implemented over the next five years, with a financial contribution of \$15 million from CIDA and an in-kind contribution of approximately \$500,000 from the Public Health Agency of Canada. The goal of this project is to enhance regional and global public health security by reducing the risk of emerging infectious disease outbreaks in high-risk areas and their subsequent spread to other countries.

The CAREID project is complemented by other CIDA-supported programming in the region, including a \$5 million grant to the WHO in Indonesia to help provide an effective response to an outbreak of H5N1, and two \$1 million grants to multilateral organizations working on controlling further outbreaks in Vietnam.

As CIDA continues to move toward program-based approaches, the integration of lessons learned from experience in effective development will drive the Agency's efforts to build a more effective aid program in 2006–2007. Program-based approaches constitute a new way of engaging in development cooperation for the Agency and are based on the principle of coordinated support for a locally owned program of development. To engage in these approaches, the right foundation must be put in place. Attention must be given to good governance, to supporting strengthened institutional performance and accountability, and to the role of civil society.

CIDA will continue to strengthen that foundation in its partner countries to create new opportunities to support program-based approaches in all its geographic programs. Individual projects will, however, also remain relevant, particularly where the context

makes them the most appropriate way for CIDA to engage in development. They are a complementary way of supporting new ideas, pilot programs, innovative approaches, and strategic interventions.

Several initiatives that reflect CIDA's commitment to harmonize donor practices and align with country systems and priorities are currently underway. Among these are: participation in the development of a Joint Assistance Strategy between the national government and donors in both Kenya and Zambia, which is building on the promise and successes of the ongoing Joint Assistance Strategy process in Tanzania; coordination of a harmonization pilot project with the OECD-DAC to test the principles of engagement for fragile states; collaboration with other donors and developing country partners in the Americas to develop indicators and targets for monitoring regional harmonization; and coherence and coordination between multi-donor and multilateral funds.

Box 8: Harmonization at the Regional Level: The Strategic Partnership with Africa

The "Strategic Partnership with Africa" is a partnership between donors and key African countries and organizations. Its goal is to support poverty reduction in Africa by enhancing the quality of development cooperation. All major multilateral and bilateral external partners are active participants in the partnership, which, in the past two years, has focused on improving the effectiveness of sector and budget support. The partnership serves as a key instrument of further dialogue between African countries and their external partners to improve practices and enhance their effectiveness. CIDA has both contributed to and benefited from the open exchanges on strategic and practical issues of mutual interest. Issues related to sector and budget support will play a prominent role in the next cycle of work (2006–2008), focusing on the collective management of risk, predictability, circumstance, and alignment, in order to improve development results. CIDA will play a leadership role in the coming work program as one of four donors coordinating and supporting the working groups.

Cost-effective Use of Agency Resources and Clear Accountability for Results

Program-based approaches call for an active and ongoing presence in the field as effective policy dialogue between partners—both donors and recipients—is key to the program's success. At the same time, it is important to build knowledge and expertise, ensure coordination, and manage risks, which will contribute to a more cost-effective use of Agency resources. CIDA will be increasing its field presence in 2006–2007, particularly in Africa. Field staff will be equipped with the new skills required for program-based approaches, including results-based management, risk management, and financial management.

Program Profile: Regional Programming in Africa

The African Union (AU) and its program, NEPAD, define regional cooperation and integration as imperatives to Africa's sustainable development. In pursuing NEPAD's objectives, it is fundamental that the continent have an efficient and effective network of African-owned institutions that will enhance Africa's capacity to: assume ownership of its own development; design solutions and attain the political support required to remove critical barriers to the continent's socio-economic development; and effectively address challenges that cross the boundaries of individual countries. Principal among these institutions and organizations are a strengthened and competent African Union, well-functioning regional economic communities (the pillars of the AU), and well-defined organs that involve all sectors of African society.

The Importance of Regional Programming to CIDA

African countries are vulnerable to, and dependent on, the context in which they exist. In spite of their best efforts, the ability of well-governed and well-intentioned states to succeed is threatened by the weakness, lack of capacity, and severe developmental conditions and instability of the countries within their regions, and indeed, the conditions on the entire continent. CIDA's partner countries are increasingly aware that many of the challenges they face require complementary national and regional solutions. For example, the sustainable management of river basins and forests, environmental protection, the control of diseases within endemic zones, the adoption of regulations, standards, and agreements with respect to customs and tariffs, and private sector development, all have significant regional dimensions that affect individual states.

CIDA was the first donor to have a mechanism (the Pan-African Program) designed to complement the efforts of bilateral, partnership, and multilateral programming, and to provide support for African regional and sub-regional institutions and organizations. Also, through the Canada Fund for Africa, Canada was the first donor to invest significant resources in regional programming.

Over the next three years, CIDA will build on this established base and further develop its regional programming. The programming will contribute to the development of a well-governed and effective network of African partners, organizations, and institutions, and support regional and sub-regional initiatives with the greatest potential to advance the development agenda within a given region. CIDA will support organizations and institutions that are African-owned and have a mandate to deal with priority regional issues. The Agency is looking at ways to strengthen regional economic communities and institutions such as ECOWAS (Economic Community of West African States), SADC (Southern African Development Community), COMESA (Common Market for Eastern and Southern Africa), and IGAD (Intergovernmental Authority for Development), as well as a variety of other types of organizations. Programming will support efforts for which there is an African or sub-regional consensus that a regional action is needed to provide solutions to problems in common and to remove barriers to development at the national level.

CIDA was among the first donors to promote the application of aid effectiveness principles and donor harmonization to regional and sub-regional programming. It will continue to play a critical role in generating further support of other donors for important initiatives such as the Nile Basin Initiatives, and encouraging donor harmonization with institutions such as the AU.

2.2 Canadian Partnership

Description: The Canadian Partnership Program is a responsive program that is aligned with CIDA’s mandate and strategic objectives through its cost-sharing partnerships with civil-society and private sector organizations in Canada and developing countries. Multi-year funding is provided, on the basis of merit, to Canadian and international NGOs and volunteer-sending organizations. Project funding is also provided through competitive mechanisms within the context of either time-bound or open-ended competitions. In addition, a conference secretariat supports the participation of developing country delegates at international conferences. (Note: Canadian partner organizations are also actively involved in implementing certain geographic and multilateral programs, the total value of which more than doubles their Canadian Partnership Program budget.)

Expected Results: Canada’s development assistance, through voluntary and private sector partnerships, contributes to the achievement of the MDGs, as part of the worldwide collaborative effort of donors and partner countries.

Human resource requirements, 2006–2007	Financial requirements, 2006–2007
185 FTEs	\$279,608,000

CIDA is a partner in the initiatives of more than 800 Canadian NGOs, volunteer cooperation agencies, educational institutions, cooperatives, professional associations, youth groups, faith-based organizations, and the private sector. These groups work with developing country counterparts, submitting proposals that reflect locally owned priorities in poverty reduction, sustainable development, and public engagement. Canadian organizations play a key role in contributing to the achievement of Canada’s international priorities and the MDGs. They also add value to Canada’s development cooperation efforts by providing a testing ground for new ideas, promoting Canadian values, leveraging additional financial resources, influencing policy, and providing access to critical knowledge and networks.

The Agency is strengthening its relationship with non-government partners. It is becoming more focused and supportive of the roles Canadian and local non-government partners can play in achieving the MDGs and addressing the needs of the world’s poorest countries. These efforts will be supported by an internal reallocation of \$147.7 million over five years, starting in 2006–2007, in support of programming with voluntary sector partners.

Stronger Strategic Focus

Building on the internationally agreed principles of aid effectiveness, Canadian partnership programming will contribute to a more strategic focus on targeted countries and sectors. It will also contribute to the Government of Canada’s objective of increasing aid to Africa.

The vast majority of CIDA’s support to Canadian partners’ programming is within the priority sectors. CIDA will ensure that future support remains consistent with Canada’s international priorities and is concentrated on partners that contribute directly to the MDGs. CIDA will work to further define and elaborate the strategic value of partnership programming (in part through the review and renewal of partnership programming) and

align its voluntary and private sector programming with the international policy. The largest investments in voluntary sector programming are expected to be in governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions), with programming focused on building the capacity of civil society organizations to monitor the MDGs, influence policy, give a voice to the most disadvantaged and marginalized segments of the population, and promote rights-based approaches to improve services, especially for women, children, and people living with disabilities. The planned sector breakdown of programming for 2006–2007 is: health, 21.2 per cent; private sector development, 29.8 per cent; governance, 22.1 per cent; basic education, 12.2 per cent; environmental sustainability, 9.8 per cent; and other, 4.9 per cent.

Examples of ongoing projects include:

- *Health:* The Canadian Hunger Foundation’s Food Security Project in Ethiopia includes the provision of food, seeds, tools, veterinary supplies, and oxen. It is aimed at bridging the food gap through the lean months, protecting and replacing household assets, and positioning farmers and pastoral herders to regain a measure of food security in the next rainy season and crop cycle. The project targets some 8,300 households and promotes sustainable agricultural practices and food production activities for poor and vulnerable families.
- *Basic Education:* The Canadian Teachers’ Federation trains overseas teacher organizations and their members to influence national education plans in gender equality, strengthening institutional performance and accountability, professional development, and HIV/AIDS education. In addition, private sector firms contribute to basic education through joint ventures in the production of culturally appropriate schoolbooks and teaching materials.

Strengthened Program Delivery

As part of the effort to strengthen program delivery, CIDA is renewing its policies and operational approaches for engagement with Canadian non-government partners. This process will include ongoing dialogue with Canadian stakeholders, in order to improve the effectiveness of partnership programming.

CIDA’s partnership program is applying mechanisms for harnessing innovation, increasing coordination, building coalitions, and strengthening local ownership. This involves engaging with dispersed groups, conducting cluster evaluations of key program-funded organizations to identify common results and lessons learned, and convening meetings with partner groupings around common themes to encourage sectoral and geographic collaboration. It also encompasses supporting private sector approaches, which include facilitating domestic investment and foreign direct investment into developing countries and helping small- and medium-sized enterprises in developing countries to become more export-capable.

Canada is committed to effective partnerships with civil society and the private sector, recognizing the essential roles of these partners in development cooperation and humanitarian assistance. CIDA will analyze whether the current model of aid effectiveness might be enriched by more comprehensive inclusion of partnerships with civil society and the private sector (non-state partners).

Most of CIDA's partnership programming is responsive, including support to private sector firms through joint ventures that target the poor directly or through services that increase their incomes. CIDA's private sector programming will continue to involve the piloting of new initiatives and approaches to facilitate domestic investment and foreign direct investment, such as the Local Enterprise Investment Centres and the World Bank's Foreign Investment Advisory Services, both of which will be supported in 2006–2007.

Cost-effective Use of Agency Resources and Clear Accountability for Results

As part of the streamlining of its systems and processes, CIDA has published eligibility criteria and proposal assessment guidelines for its voluntary sector programs. The Agency worked closely with its gender equality and environmental specialists to ensure that all assessment criteria clearly indicate CIDA's expectations in the context of results and compliance with existing policies.

CIDA's new Voluntary Sector Fund was launched in June 2006, with an annual budget of \$20 million. It consolidates two existing programs—the NGO Project Facility and the Environment and Sustainable Development Program—as well as other voluntary sector project funding mechanisms. The Voluntary Sector Fund targets Canadian non-governmental organizations, institutions, and associations. This new approach aims to implement funding mechanisms that are clear, transparent and fair for partners participating in CIDA's projects and programs within CPB. Our Canadian partners working in collaboration with our partners in developing countries carry out projects and programs that are in accordance with Canada's development aid priorities, particularly in the areas of poverty reduction and human rights. This approach aims to enhance aid effectiveness by strengthening civil society ownership and capacity in developing countries.

Box 9: Promoting Aid Effectiveness with the Support of our Canadian Partners

Highlights:

- Increased access to funding for Canadian NGOs from all parts of the country, through the new Voluntary Sector Fund with an annual budget of \$20 million, and new opportunities for funding within program-based approaches;
- More effective approach: strengthened capacity through partnerships between Canadian and developing countries' NGOs;
- Transparency in decision making: a new multidisciplinary committee and a new review committee;
- Access to training for eligible Canadian NGOs in areas such as results-based management and gender equality, in collaboration with the seven provincial Councils on international cooperation.

Partnership Profile: The Coady International Institute

The Coady International Institute is recognized as a world leader in education, action research, and knowledge networks for participation, learning, and effectiveness in development practice. During the past 45 years, the Coady Institute, a non-academic department of Canada's St. Francis Xavier University in Nova Scotia, has worked directly in more than 50 countries, and more than 4,700 development organization leaders from 130 countries have taken part in the Coady Institute's educational programs.

In 2006–2007, CIDA will allocate an estimated \$1 million to this organization to deliver the following results:

- civil society and government leaders will have enhanced knowledge, skills, and capacity;
- civil society and local government organizations in at least seven African countries and a select number of CIDA program countries outside Africa will have increased capacity to involve the poor and excluded in planning, monitoring, and evaluating those programs that affect their lives;
- civil society organizations in at least seven African countries will have a greater voice in policy-making at the local and national levels (including national development plans and PRSPs); and
- the Canadian public, especially in Atlantic Canada, will be more knowledgeable of challenges and opportunities faced by citizens of the global south and more supportive of Canada's role and efforts in attaining the MDGs.

2.3 Multilateral Programs

Description: CIDA's multilateral programs are responsible for managing Canada's global development programs through substantial core contributions to multilateral development institutions. It also undertakes targeted programming through multilateral, international, and local organizations responsible for managing the International Humanitarian Assistance Program.

Expected Results: Canada's development and humanitarian assistance through multilateral institutions and other partners contributes to the achievement of the MDGs, as part of the worldwide collaborative efforts of donors and partner countries.

Human resource requirements, 2006–2007	Financial requirements, 2006–2007
183 FTEs	\$1,045,710,000

Canada is a long time supporter of the multilateral system. Effective multilateralism provides an inclusive process to set the rules of international conduct and a forum to promote values important to Canada, such as democracy, social and economic development, social justice, and respect for human rights. Because of their global reach, substantial resources, and specific expertise, multilateral organizations are essential in responding to critical issues such as HIV/AIDS, supporting states in crisis, assisting in emergencies and natural disasters, and supporting ongoing development programming in areas such as governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions), private sector development, environmental sustainability, and gender equality.

CIDA provides funding to multilateral organizations—typically about 40 per cent of the aid budget—by contributing to their core budgets, their special funds such as the WHO's 3 by 5 HIV/AIDS Initiative,¹¹ or by partnering with them to deliver some part of CIDA's geographic program such as reconstruction assistance in Afghanistan. Over the next three years, CIDA will work to strengthen the multilateral system, through the definition of a multi-donor effectiveness assessment framework, the definition of a new investment strategy, institutional strengthening activities, and improved humanitarian donorship practices. CIDA will encourage multilateral development institutions and global partnerships to implement the internationally agreed principles of aid effectiveness and will support the ongoing UN reform efforts. This work will be achieved through development bank replenishments, participation in board meetings of most multilateral institutions, ongoing dialogue with institutions, and events related to the UN system.

The year 2006–2007 will be particularly important for CIDA with regard to its participation in La Francophonie. CIDA's main objective in this regard consists of supporting the institutions of La Francophonie in their pursuit of reform in order to enhance their effectiveness and make way for concrete and measurable development results. CIDA has already initiated an evaluation of Canada's participation in La Francophonie, which will allow it to play a more relevant role and contribute to the

11. This initiative aimed to support programs which would enable three million people infected with HIV/AIDS in low- and middle-income countries to be receiving life-prolonging anti-retroviral drugs by the end of 2005. That goal has been enlarged to universal access by 2010.

increased effectiveness of the institutions of La Francophonie. The St-Boniface Conference, held in May 2006, allowed La Francophonie to take decisive steps toward a more integrated approach to conflict prevention and promotion of human security, including the protection of women. The *Sommet des Chefs d'États et de gouvernement* (in Bucharest in 2006) and the preparation for the *Sommet de Québec* (2008) will bring into focus Canada's contribution to La Francophonie. Finally, CIDA will also support the Minister for La Francophonie who will chair the ministerial conference in 2007.

In 2006–2007, CIDA will continue to support the efforts of the Commonwealth, with regard to the Commonwealth Secretariat's approved program for the 2006-2008 period which will focus on two long-term goals: to support member countries to prevent or resolve conflicts, strengthen democracy and the rule of law and achieve greater respect for human rights; and, to support pro-poor policies for economic growth and sustainable development in member countries.

Stronger Strategic Focus

The organizations to which CIDA provides institutional support are active in all of the Agency's priority sectors, but especially in the areas of health, environment, and humanitarian assistance. The planned sector breakdown of CIDA support to multilateral institutions for 2006–2007 focuses on: health, 47 per cent; humanitarian assistance, 38.6 per cent; governance, 7.2 per cent; private sector development, 4.1 per cent; environment, 1.7 per cent; basic education, 0.7 per cent; and other, 0.7 per cent. CIDA supports a wide range of specialized institutions and funds that deliver programs in these sectors such as: the WHO, the UN Programme on HIV/AIDS (UNAIDS), and UNICEF in health; the UN High Commissioner for Refugees and the International Committee of the Red Cross in humanitarian assistance; the UN Capital Development Fund and the International Trade Centre in private sector development; the Global Environmental Facility in environment; the UNDP in governance; and the regional development banks in education (as well as all the other sectors).

In 2006–2007, the Agency will continue to: put special emphasis on and focus leadership in health, HIV/AIDS, nutrition, and humanitarian assistance; work toward a more strategic, horizontal approach to private sector development (including agriculture) and to governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions); and ensure full implementation of its environmental and gender equality mainstreaming approaches. Specifically:

- ***HIV/AIDS Programming:*** CIDA will strengthen coordination, prevention, treatment, care and research through support to such organizations and initiatives as UNAIDS, the WHO, the International AIDS Vaccine Initiative, and the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (GFATM). CIDA will also support HIV/AIDS programming in other multilateral organizations, such as UNICEF, which puts young children and adolescents at the centre of the HIV/AIDS agenda, and the UN Population Fund's wide-ranging reproductive health programs.

- *Private Sector Development:* CIDA will continue to encourage multilateral development institutions, especially international financial institutions, to develop pro-poor policies and programs and to foster enabling environments in developing countries. This includes strengthening of the microfinance sector, support to private sector lending, assistance to small- and medium-sized businesses, and agricultural research and development. CIDA will continue to support trade-related technical assistance and capacity building to enable developing countries to become full partners in the global trading system.
- *Governance / Peace and Security:* Governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions) is a key element of CIDA's peace and security programming through multilateral organizations. Support focuses on areas of proven Canadian expertise, including implementation of a child rights' monitoring framework, promotion of post-conflict reconciliation by supporting special initiatives such as truth commissions, and core support to institutions working on human rights, democratization, and peace support operations.
- *Humanitarian Assistance:* CIDA will continue to provide an appropriate, timely, and effective response to human suffering through: food and non-food aid, protection of civilians, and assistance to refugees and internally displaced persons; supporting the International Monetary Fund's Emergency Natural Disaster Assistance; and developing a program to provide Canadian expertise and availability to UN agencies. CIDA will also continue to strengthen its partners' skills in areas such as results-based management, coordination, and gender equality, and will continue to support the Good Humanitarian Donorship Initiative.

Canadian partners also play an important role in humanitarian assistance. While CIDA primarily channels most of its humanitarian support through its multilateral partners such as UN organizations, there are a number of Canadian-based organizations that specialize in humanitarian assistance, such as the Canadian Red Cross. In 2006–2007, it is expected that between 15 and 20 per cent of CIDA's multilateral budget for humanitarian, peace and security, and mine action spending will be channelled through Canadian NGOs.

In addition, in 2006–2007, CIDA will be examining the possibility of enhancing Canadian rapid response capacity to humanitarian crises. Most Canadians are pleased with the level of Canadian support given in response to natural disasters abroad. They do, however, want to see more visible and tangible forms of timely Canadian responses. Developing this capacity would provide Canada with a greater range of cost-effective and timely options for responding to humanitarian crises, particularly natural disasters. Elements of such a program could include: the deployment of experts; the expansion of stockpiles of emergency supplies for ready deployment; the deployment of service packages or support modules; a coordinated and more rapid Canadian NGO response; and capacity development.

Box 10: Support to Health Programming

In 2006–2007 more than one out of every three dollars in CIDA contributions to multilateral partners will be targeted for the health sector. Among the organizations and initiatives receiving CIDA support are:

- *Immunization Programs*: the Global Alliance for Vaccines and Immunization, which targets childhood diseases; the Canadian International Immunization Initiative, which supports programs by UNICEF, the WHO, The Pan-American Health Organization, and the Canadian Public Health Association; and the Global Polio Eradication Initiative, which purchases vaccine and strengthens health systems in endemic areas;
- *Health and Nutrition*: ongoing support for Vitamin A supplementation, which has saved more than 1.5 million lives since 1998; salt iodization, which has resulted in seven million children born free of mental impairments; measles immunization, which has reduced measles deaths in Africa by 46 per cent; and the prevention and treatment of TB through the Global TB Drug Facility and GFATM;
- *HIV/AIDS*: strengthen coordination, prevention, treatment, care and research through support to such organizations and initiatives as UNAIDS, the WHO, the International AIDS Vaccine Initiative, and GFATM; and support HIV/AIDS programming in other multilateral organizations, such as UNICEF and the UN Population Fund's wide-ranging reproductive health programs.

With respect to geographic focus, support to multilateral organizations is consistent with the Government's commitment to increase its aid to Africa, as approximately 50 per cent of overall multilateral programming benefits that continent. In addition, because multilateral organizations are present in all countries, CIDA is able to contribute to the MDGs everywhere and can focus its bilateral programs on countries of concentration. CIDA's Multilateral Programs Branch is developing a closer relationship with bilateral programs to ensure policy coherence and to measure aid effectiveness in priority sectors. It will also be closely involved in the preparation of strategies for failed and fragile states, as well as exit strategies for middle-income countries and others.

Strengthened Program Delivery

The Government of Canada is committed to taking a more strategic approach in its support to multilateral organizations, including promoting reforms for aid effectiveness and transparency, ensuring resources are allocated where they can have the greatest impact, encouraging greater participation by international financial institutions in debt relief, and focusing greater support on those institutions that are most effective in promoting governance (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions) and contributing to the MDGs.

In 2006–2007, CIDA will focus its efforts on determining how institutions fit the above effectiveness criteria, using existing Canadian and other donor methods of assessment. This interim strategic allocation system will be based on two mechanisms — an effectiveness and relevance assessment, and a financial allocation system. In the meantime, CIDA will work in collaboration with its Canadian and international partners to identify a common system for assessing multilateral organizations' effectiveness. This

initiative will not only help guide CIDA's allocations, it will also help ensure that multilateral organizations receive stable and predictable core funding with multi-year commitments.

Canada will continue to play an active role in the Multilateral Organizations Performance Assessment Network (MOPAN), a group of like-minded donors that conducts annual effectiveness evaluations of a select number of institutions. The Agency will continue to conduct annual surveys of its field staff as part of its ongoing assessment of the effectiveness of institutions in the field. CIDA will also further examine the effectiveness and sustainability of the results of major funds such as GFATM.

CIDA will play a lead role in the ongoing discussions of the reform of the United Nations development system. It will advocate several key reforms, including: strengthening the Resident Coordinator system; ensuring stable and adequate funding; strengthening the developing country voice at governing boards and other agenda-setting venues; codifying and applying lessons learned to bridge the gap between relief and development; ensuring coherent strategic direction among UN organizations, specialized agencies, and member country governments; strengthening the integration of gender equality; and establishing agreed performance assessment criteria for strengthened evaluation of development results.

In 2006–2007, CIDA will also enhance its collaboration with other government departments, placing special emphasis on closer collaboration in health and agriculture development programming, and stronger interdepartmental coordination in addressing peace and security issues and transition programming. CIDA collaborates with DFAIT on the Global Peace and Security Fund and will also be collaborating on the development of a Canadian Humanitarian Policy Statement and an integrated Government of Canada approach toward fragile states. Among major new initiatives for 2006–2007 involving interdepartmental collaboration are the African Health Systems Initiative (see Box 6) and an AIDS vaccine research project under the Global Health Research Initiative.

Cost-effective Use of Agency Resources and Clear Accountability for Results

CIDA is taking leadership in aid effectiveness through good humanitarian donorship, as well as with all multilateral organizations. As a member of the Boards of Directors and various management and policy committees of most multilateral institutions, Canada also contributes to the MDGs by advocating for the implementation of policies such as gender equality, environmental sustainability, and aid effectiveness, with special emphasis on poverty reduction mandates, increased country ownership, better coordination and harmonization, and use of a results-based approach.

In addition, CIDA provides support to these institutions for the implementation of its recommendations. For example:

- at the African Development Bank, the Canadian Technical Assistance Trust Fund is designed to assist the bank to move toward a results-oriented and knowledge-based organization;

- at UNICEF, Canada will work with Sweden and the UK to maximize the results of their efforts and investments through more systematic harmonization and coordination in support of UNICEF’s Medium-Term Strategic Plan; and
- the UNDP is planning to develop a comprehensive MAF and has identified Canada as having world-class expertise in this area. CIDA is prepared to assist in this initiative if requested to do so.

CIDA is taking a leadership role in developing the UN Voluntary Peacebuilding Fund to ensure adequate and timely release of resources for post-conflict activities and continued advocacy for effective instruments to strengthen coherence of the international community’s response in post-conflict situations. The Agency is also participating in a number of other harmonized activities, including the development of a pooled funding mechanism for the Democratic Republic of the Congo and as a member of the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors.

Box 11: Strengthening the UN’s Central Emergency Response Fund (CERF)

An important element in the UN’s reform agenda is strengthening its response to humanitarian emergencies. This includes the revision and expansion of the CERF, which is managed by the UN Office for the Coordination of Humanitarian Affairs. Canada supports the expanded CERF as one important tool in achieving more timely and equitable humanitarian funding, an issue at the heart of Good Humanitarian Donorship.

This fund ensures humanitarian agencies are able to respond immediately to new or evolving crises without waiting for individual donor governments to allocate funding. It will also be able to address so-called “forgotten crises” that no longer attract new donor funding. The CERF will meet the most basic human needs—physical security, food, shelter, health care, and water and sanitation—of the most vulnerable people in countries severely affected by crises.

The CERF is now developing its governance and delivery mechanisms. Canada has committed an initial contribution of \$24.4 million in calendar year 2006, and sits on the CERF management board. Canada is prepared to make multi-year commitments to the CERF once it is comfortable with its structure, management, and governance.

Institutional Profile: Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (GFATM)

CIDA provides funding for global initiatives in health, HIV/AIDS, and nutrition. In particular, this support has positioned Canada as a global leader in the areas of HIV/AIDS treatment, tuberculosis control, childhood immunization, and the elimination of life-threatening deficiencies of micronutrients such as Vitamin A and iodine.

Principal among the large international health funds supported by CIDA is the GFATM. GFATM was created in 2002 to dramatically increase resources to fight three of the world’s most devastating diseases—HIV/AIDS, tuberculosis, and malaria—and to direct those resources to the areas of greatest need. GFATM provides large-scale financial support to expand country-led programs to improve vital health-care services. As a

partnership between governments, civil society, the private sector, and affected communities, GFATM represents an innovative approach to international health financing.

In 2005, a voluntary replenishment exercise for GFATM was launched, focusing on raising funding for calendar years 2006 and 2007. A total of US\$3.7 billion was raised, including a Canadian commitment of \$250 million, funded through Budget 2006. A mid-term replenishment in June 2006 reviewed GFATM performance and sought to mobilize additional funding. This will bring Canada's total contribution to GFATM close to \$550 million since 2002.

As a member of the Board of Directors and through input into the committees, Canada is in a position to monitor, influence, and provide input to the direction of the Global Fund. Through its contributions, Canada seeks to achieve enhanced harmonization with other partners, reinforce its focus on vulnerable and disadvantaged groups, explore new, more effective modalities for procurement of commodities, and focus more on coverage results and comprehensive reporting of those results.

The expected outcomes of the five-year grants already awarded by the GFATM include 1.6 million people receiving anti-retrovirals, increased accessibility to counselling and testing services for HIV (52 million clients reached), support to one million orphans through medical services, education, and community care, 3.5 million additional tuberculosis cases treated, 12,000 new treatments of multi-drug-resistant tuberculosis (thus quadrupling the number of treatments globally), 145 million drug treatments for resistant malaria, and 108 million bed nets financed to protect families from the transmission of malaria.

It is estimated that the GFATM has reached millions through a wide range of prevention programs. It is also building human-resource capacity and physical infrastructure in order to accelerate the scale-up of prevention and treatment services in the near future and to ensure high quality of services provided. At present, 60 per cent of GFATM resources are targeted to Africa.

2.4 Policy Coherence

Description: Leads policy research, analysis and development to support and guide the Agency’s plans and priorities and Canada’s broader international assistance objectives and commitments. Ensures coherence and alignment between corporate and program priorities and ensures policy coherence between CIDA and other government departments who manage non-aid policies that could include, but are not limited to, international trade, investment, technology transfer, and immigration. (Note: CIDA’s Policy Coherence activities include strategic planning functions and involve all program branches as well as Policy Branch.)

Expected Results: Improved policy-based programming and increased policy coherence between CIDA and its partners, as part of the worldwide collaborative effort to achieve the MDGs.

Human resource requirements, 2006–2007	Financial requirements, 2006–2007
206 FTEs	\$65,346,000

The Agency’s policy function plays a critical role in Canada’s ability to respond to the dynamic international development environment and to engage in policy dialogue on key issues such as aid effectiveness.

Stronger Strategic Focus

Over the next year, CIDA will lead the development of strategic directions in support of sectoral concentration through ongoing dialogue both within and outside the Agency. This process will include key areas of leadership for Canada, such as trade-related capacity building and microfinance.

In 2006–2007, CIDA will also refine the definition and parameters for aid eligibility that will apply to countries of concentration, fragile states, and a range of other countries in need. These categories are dynamic and flexible, reflecting the rapidly evolving social, economic, and political realities operating in each country. Accordingly, the government will periodically review the list of core countries of concentration in relation to the selection criteria and the effectiveness of Canada’s aid programs.

Strengthening Policy Coherence

To meet its objective of reduced global poverty, the government must strengthen coherence among its aid and non-aid policies and actions. Canada has taken several steps to strengthen policy coherence:

- *Across Government:* A great deal of interdepartmental consultation and cooperation takes place on most international issues, such as Canada’s presence in Sudan (see Box 12). Within CIDA, a comprehensive and coordinated approach was taken in the preparation for the G8 Summit in St. Petersburg, Russia, in July 2006, and the International Conference on HIV/AIDS in Toronto, Canada, in August 2006.

- *International Coherence:* Canada's policies and statements within the international community are guided by its international policy in order to increase coherence.
- *Inter-Donor Coherence:* Canada played an important role in international discussions on aid effectiveness and was instrumental in the development of the principles and specific performance targets to guide donor activity in developing countries. It is also contributing to guiding the series of principles for donor-recipient coherence at the country level.

Box 12: Cross-Government Coherence on the Ground: Sudan

CIDA cooperates with other government departments in many countries. In Sudan, CIDA works with DFAIT, the Department of National Defence and the Canadian Forces, the RCMP, Privy Council Office, TBS, and the Department of Finance Canada to ensure that Canadian policies and programs in response to the Sudan crisis are coherent and complementary.

On behalf of DFAIT, CIDA manages the bulk of Canada's support to the African Union Mission in Sudan. In 2006–2007, CIDA will manage projects funded at approximately \$100 million, and disburse \$47.5 million to enhance the Mission's ability to improve security in Darfur. The intergovernmental Sudan Task Force, of which CIDA is a key member, consults regularly with the Sudan Inter-Agency Reference Group which represents a broad range of Canadian NGOs. CIDA also ensures that its interventions in Sudan are coordinated with those of other donors, as well as regional and international organizations, to ensure that Canada's contribution to the international peace effort in Sudan achieves maximum results.

In 2006–2007, CIDA will review a proposal for a risk-management assessment of some of Canada's international policies and their impact on development. It is anticipated that CIDA will conduct a series of studies of critical areas where policy coherence could be strengthened.

Cross-Government Coherence

As part of CIDA's efforts to promote cross-government coherence in the approach to development cooperation and to work more strategically with its partners from other government departments, CIDA has initiated discussions with several departments and agencies on how to deploy wide-ranging federal government expertise for the delivery of good governance programming in an international development context. The Agency is developing a longer-term vision, supported by specific framework arrangements with other individual government departments, such as Statistics Canada, to guide future collaboration.

Strengthened Program Delivery

To best advance Canada's international assistance objectives, CIDA will aim to establish the optimal balance both within and among aid delivery channels—bilateral, multilateral, and partnerships. The goal is to ensure that Canada has a world-class development cooperation program, with a delivery system that is focused, flexible, transparent, and accountable. The choice of a delivery channel depends on a number of factors, including

conditions in the country, the program sector being supported, bilateral relations with the recipient country, multilateral initiatives, and donor harmonization.

The Agency's reviews of its multilateral and partnership programs, to be completed in 2006–2007, will play a key role in guiding decisions on the choice of delivery channel. CIDA will ensure transparency, accountability, and a results focus in its activities through all funding mechanisms, including those involving national and international partners. It will also ensure fair access for Canadian expertise through transparent processes, including competitive bidding.

In September 2004, CIDA launched its Action Plan to Promote Harmonization, which set out the Agency's commitments to strengthen aid effectiveness by engaging more systematically, through 2004 and 2005, to harmonize its practices with those of bilateral and multilateral donors, and to work with developing partner countries and within CIDA.

The Agency assessed its progress against the plan and noted improvements had been made in predictability of aid flows to partner countries, coordinating analytical reports with other donors, and sharing best practices more effectively within the Agency. However, it noted that an even more systematic approach is required. The progress report proposes activities to guide the Agency's efforts to accelerate progress on its Action Plan. These, together with the commitments on aid effectiveness made by the international community, form the basis for CIDA's Aid Effectiveness Agenda and its ensuing Action Plan for 2006.

Cost-effective Use of Agency Resources and Clear Accountability for Results

CIDA complies with the OECD-DAC Recommendation on Aid Untying. While untying levels have been steadily increasing, to further ensure full compliance with the recommendation, and to reflect recent changes to the recommendation, CIDA will be reviewing and re-issuing operational guidelines on aid untying. Furthermore, following its widely recognized and applauded action on food aid last year, CIDA will be considering options for further untying Canadian development assistance, including steps that go beyond the DAC recommendation, as part of CIDA's broader measures to increase aid effectiveness. CIDA recognizes the positive effect that untying can have on aid effectiveness and will encourage other donors to actively follow suit.

The Treasury Board of Canada's MRRS policy (2005), and the implications of Canada's international priorities on its development assistance program, require CIDA to renew the Agency's framework for corporate planning, performance measurement, and reporting. A preliminary MRRS was developed in 2004–2005, and with a revised PAA being recently approved, work is ongoing on refinements to better reflect CIDA's business delivery approach and new strategic direction.

In essence, this requires revising CIDA's results statements, targets, and indicators. In its current MRRS, CIDA's strategic outcome statement reflects previous sectoral results: "Sustainable development to reduce poverty as measured through making progress on the

goals of *economic well-being, social development, environmental sustainability, and governance.*” The integration of diplomacy, defence, development, and commerce into Canada’s response to global challenges emphasizes the importance of a whole-of-government approach. CIDA’s performance measurement framework needs to be adjusted to reflect its new direction and facilitate the Agency’s engagement with its partners in a comprehensive Government of Canada response. The refinement of CIDA’s MRRS is expected to be completed in time to form the basis of the 2007–2008 Estimates.

2.5 Engaging Canadians

Description: Improves public awareness, education and engagement of Canadians in supporting Canada’s involvement in international cooperation and development.

Expected Results: Improved understanding and support of international development and cooperation issues, improved perception of the value, efficiency, and effectiveness of the aid programs, and increased strategic collaboration between CIDA and partners to engage the Canadian public in development.

Human resource requirements, 2006–2007	Financial requirements, 2006–2007
31 FTEs	\$14,908,000

Canadians have consistently supported their development assistance program over the years. Surveys taken in 2005 indicate that 85 per cent of Canadians support the aid program, and 91 per cent of Canadians support Canada’s effort to address the most pressing needs in times of emergencies. Although 55 per cent of Canadians did consider themselves informed about the aid program, according to surveys taken in 2003, concerns about aid effectiveness persist; nevertheless, eight in 10 Canadians reported having participated in the program through donations, purchase of fair-trade products, or participation in awareness-raising activities.

Stronger Strategic Focus

In 2006–2007, the Agency will be orienting its communications activities to highlight the results of Canada’s development assistance. Among the themes to be featured will be:

- explaining the reality of delivering assistance in failed and fragile states;
- articulating Canada’s “value-added” in sectors such as governance, (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions) and private sector development;
- explaining the contribution Canada is making in the world’s poorest countries; and
- demonstrating Canada’s leadership role in improving the ability of the UN to respond to humanitarian crises.

These themes will be refined against the results of a number of public opinion research activities to be undertaken in 2006. CIDA will continue to track public opinion, establish benchmarks, and more fully detail Canadian views and motivations.

Strengthened Program Delivery

Communicating the results of Canada’s investment in development cooperation provides another opportunity for strengthening partnerships across Canadian society. CIDA will work to engage decision-makers, the media, educators, youth, and the Canadian development community in its communications and outreach activities. During 2006–2007, CIDA will significantly expand public awareness and engagement efforts through: increased broadcast of high-quality documentaries on international development, film

distribution, and journalism partnerships; expanded educational outreach efforts; and increased youth-based outreach activities such as the CIDA-led Youth Council, youth internships, and the Youth Speakers Program. CIDA will also produce a new edition of its popular map, *A Developing World*, and will seek to increase the profile of International Development Week. The Speakers Program will be enhanced, not only by increasing the number of speaking engagements, but also by featuring a series of high-profile international speakers—all with the aim of deepening the dialogue with Canadians on development issues.

The Canada Corps program for democracy engages Canadians in governance programming (including freedom and democracy, human rights, rule of law, justice, and accountable public institutions). A governance expert mobilization mechanism is in the process of being designed, and implementation will begin in 2006–2007. The Canada Corps program for democracy works with all CIDA program branches to build an Agency-wide mechanism to mobilize governance experts; coordinates a coherent cross-government approach to election programming; serves as the single portal for other federal departments involved in governance programming in partner countries; and continues to develop and test innovative programming and new tools for pre- and post-deployment, public engagement, and knowledge sharing. It is setting into motion a mechanism to gather and disseminate lessons learned and best practices as demonstrated by Canada's governance and development community of practice. The program engages Canadians in governance programming in new ways, while raising Canadians' awareness of governance and development issues, challenges, and success stories. The integration of the Public Sector Governance Initiative will also be a key activity for this fiscal year.

CIDA is developing a new Public Engagement Strategy and public engagement activities involving Canadian partners and other stakeholders. A whole-of-Agency approach will be used to develop a Public Engagement Action Plan. Cross-government approaches will be used to conduct outreach activities to promote policy consistency in international development. Targeted approaches with key groups will be used to plan and deliver public engagement programs in support of Canada's global commitments.

Cost-effective Use of Agency Resources and Clear Accountability for Results

As part of the Agency's work on refining its MRRS, a new set of results and indicators for engaging Canadians is being developed which would provide consistency in the measurement of public engagement programming across the Agency.

An analysis of resources and levels of services will serve as the basis for a new delivery model that will take shape over the coming year. A shift in planning and evaluation activities will also be implemented in the context of the 2006 Performance Measurement Framework for Communications, developed by TBS with input from CIDA. CIDA will plan its communications and outreach strategically, to:

- ensure that the public's views and needs are well understood and closely considered;

- provide communications advice that takes into account important internal, external, national, and regional considerations; and
- deliver effective products, services, and activities that support Canada's overarching international policy objectives.

Program Profile: The Development Information Program

Since its inception in 1985, the Development Information Program (DIP) has been working with media partners to increase Canadians' awareness and understanding of international development issues. During the past four years, DIP enlarged its reach by creating two new initiatives in the fields of education and professional development for journalists.

DIP currently supports 146 projects with a total multi-year contribution of more than \$7 million. These projects are leveraging \$27.7 million-worth of programming and reaching a broad cross-section of Canadians through in-depth reports and documentaries, as well as educational resources tailored to the needs of Canadian educators.

Canada is committed to significantly expand public engagement efforts, in part by building on CIDA's DIP. Future programming will emphasize Canada's international priorities such as the countries of concentration and the key themes and sectors.

2.6 Corporate Services

Description: Corporate services comprise the management functions that support delivery and improve performance of the Canadian aid program. They include communications, people management, performance and knowledge management (internal audit, evaluation, results-based and risk management), information management / information technology (IM/IT), strategic planning and resource allocation, and management processes, approaches, and support activities.

Note: Both financial and human resource requirements for 2006–2007 have been incorporated as part of the requirements of the other programs and activities, as required by TBS.

Corporate services provide key support in the delivery of CIDA management priorities. In 2006–2007, management functions will focus on supporting the Agency's transformation. This will integrate and build on progress already made in human resource modernization in the Agency, in line with the *Public Service Modernization Act* (PSMA). Priorities include identifying the skill sets of the future, training and development, and reinforcing CIDA's ability to deliver programs in the field. The Agency will also identify and resolve business process impediments, while ensuring accountability, transparency, and appropriate risk management.

Equipping Staff to Support the Agency's Transformation

By 2010, the majority of CIDA's direct country-to-country assistance will be focused in targeted sectors in countries of concentration. The Agency's transition must be based on sound analysis of the impact of new policy directions on CIDA, its present human resources capacity, and its future needs. This will involve the development, beginning in early 2007, of a multi-year human resource management (HRM) transition strategy and a set of action plans to ensure that CIDA's workforce is sustainable throughout the transition. This will be done in consultation with key parties. This strategy will benefit from the progress already made by CIDA's Human Resource Management Project (see Box 13).

The overall horizon for these changes is five to 10 years. It will take the organization and its employees time to adjust to the new direction. The active participation of senior management, as well as that of CIDA employees and their unions, will be required to strategically coordinate the changes. Management will ensure transparency and fairness in dealing with individual employee concerns, in alignment with the culture of values of the public service. In concrete terms, moving the Agency forward in realizing its new direction can mean a better alignment of the business operations and human resources to ultimately contribute more effectively to the goal of poverty reduction.

Box 13: CIDA's Human Resource Management Project

CIDA's modernizing agenda, as demonstrated in its HRM project, is aligned with the implementation of the new PSMA. The objectives of the HRM project are: developing a high-level Agency roadmap for securing the current capabilities of the Agency's human resources management function as quickly as possible; strengthening HRM systemic integrity and business effectiveness in the near term; and, in the longer term, aligning HRM with CIDA's future business direction and evolving public service environment. The Corporate Analysis and Planning Group was created in early 2005 to ensure the integration of human resources with business planning processes.

In 2006–2007, under the rubric of the HRM project, CIDA will:

- build an appropriate Delegation Framework and supporting tools for international policy;
- develop an integrated process for business and HR planning with an implementation plan for execution, and design the management processes and tools that CIDA can use to implement its plans and strategies effectively;
- realign the learning function to its business needs and priorities; and
- build HRM capabilities and processes to regularly monitor, evaluate, and report on the effectiveness of HRM activities in relation to Agency plans and desired business results.

The Agency prioritizes the well-being of its employees, business continuity, and timely aid delivery. Currently, CIDA is developing a response to the threat of an avian flu pandemic that integrates policy and programming preparedness. It is working closely with the Public Health Agency of Canada, DFAIT, Public Safety and Emergency Preparedness Canada, and other government departments, on a cross-government approach to emergency response, recovery, and communications, including internal communications in support of business continuity and employee safety. The objective is to minimize risks to the health and safety of employees while ensuring the continuation of CIDA's international cooperation activities.

Improving Processes

IM/IT is a key element in transforming CIDA into a knowledge-based organization. In 2006–2007, CIDA will be renewing its IM/IT strategy to integrate Canada's international priorities and their impact on the information requirements of the Agency. CIDA will also continue to develop a more effective and accountable aid program by focusing on harmonization with international donors, streamlining procedures and reducing administrative burden, integrating response processes with other government departments, improving capacity to manage and account for use of resources, achieving stronger service orientation and establishing service standards, and fulfilling accountability requirements and conformity with government-wide processes.

Another element of CIDA's business operations relates to accelerating e-business tools, which will provide a more streamlined process for its partners to collect and consolidate data more efficiently, and to strengthen reporting against results. CIDA will continue to link DFAIT's documents and records management systems into its own system, bringing the Agency into conformity with the Government of Canada's new Management of

Government Information policy. CIDA will also continue to actively prepare for the eventual implementation of the federal corporate administrative shared services initiative.

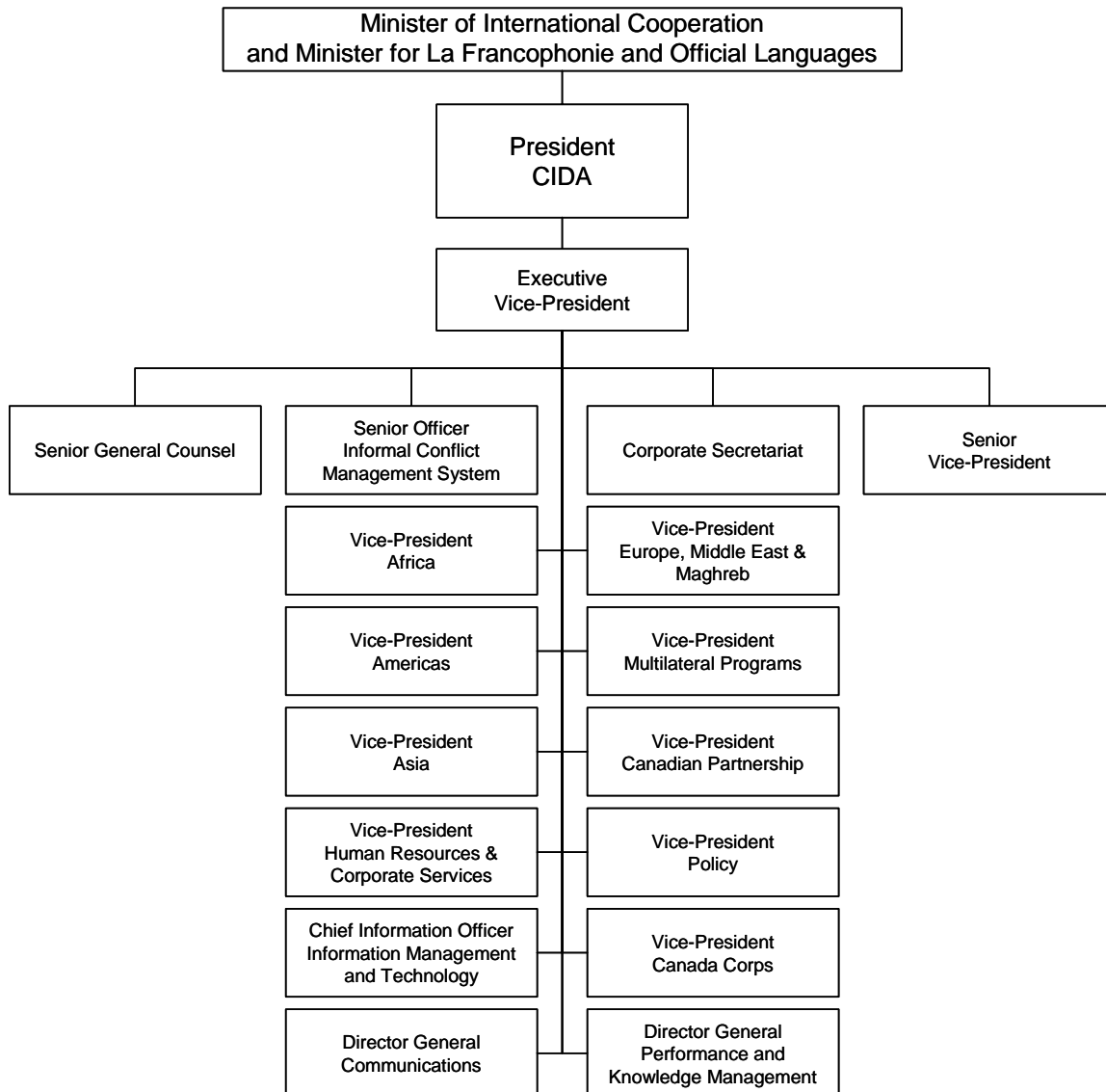
Strengthening Performance Management

CIDA will build on its capacity as an internationally recognized leader in results-based development to fully meet management challenges. The refined MRRS will improve the Agency's ability to link resources to results and use performance information in funding decisions. In line with key international commitments on the harmonization of aid, CIDA will support country partners that are developing and improving their results-oriented national development strategies and sector programs. In the spirit of alignment with country systems, a key principle of effective development, the Agency will strive, where appropriate, to rely on partner countries' performance assessments tools and systems. Developing effective approaches presents different types of risks, which are addressed in CIDA's Risk and Results-Based Management Accountability Framework and its Country Development Program Framework.

The implementation of CIDA's aid effectiveness agenda will lead to more joint audit and evaluations with international partners. Ongoing support for the development of performance measurement and evaluation strategies for all new programs and activities will be provided to program planners and managers across the Agency. In 2006–2007, the Agency will focus on corporate and program-led evaluations to insure better coverage and improve quality of information for decision-making.

SECTION III: SUPPLEMENTARY INFORMATION

3.1 Organizational Information



3.2 CIDA's Program Activity Architecture

Strategic Outcome: Sustainable development to reduce poverty in the poorest countries, measured through progress on the development goals of economic well-being, social development, environmental sustainability, and governance. (Note: A new PAA has been approved for implementation beginning in 2007-2008.)

Geographic Programs

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

Expected Results: Canada's bilateral development assistance efforts have an impact on the achievement of the MDGs, as part of a worldwide collaborative effort of donors and partner countries.

Resources

2005–2006	2006–2007
\$1,445,225,000	\$1,637,749,000

Canadian Partnership

Description: The Canadian Partnership Program is a responsive program that is aligned with CIDA's mandate and strategic objectives through its cost-sharing partnerships with civil-society and private sector organizations in Canada and developing countries. Multi-year funding is provided, on the basis of merit, to Canadian and international NGOs and volunteer-sending organizations. Project funding is also provided through competitive mechanisms within the context of either time-bound or open-ended competitions. In addition, a conference secretariat supports the participation of developing country delegates at international conferences.

Expected Results: Canada's development assistance, through voluntary and private sector partnerships, contributes to the achievement of the MDGs, as part of the worldwide collaborative effort of donors and partner countries.

Resources

2005–2006	2006–2007
\$292,045,000	\$279,608,000*

Multilateral Programs

Description: CIDA's multilateral programs are responsible for managing Canada's global development programs through substantial core contributions to multilateral development institutions. It also undertakes targeted programming through multilateral, international, and local organizations responsible for managing the International Humanitarian Assistance Program.

Expected Results: Canada's development assistance, through multilateral development institutions and other partners, contributes to the achievement of the MDGs, as part of the worldwide collaborative effort of donors and partner countries.

Resources

2005–2006	2006–2007
\$958,082,000	\$1,045,710,000

Policy Coherence

Description: Leads policy research, analysis, and development to support and guide the Agency's plans and priorities and Canada's broader international assistance objectives and commitments. Ensures coherence and alignment between corporate and program priorities, and ensures policy coherence between CIDA and other government departments who manage non-aid policies that could include, but are not limited to, international trade, investment, technology transfer, and immigration.

Expected Results: Improved policy-based programming and increased policy coherence between CIDA and its partners, as part of a worldwide effort to achieve the MDGs.

Resources

2005–2006	2006–2007
\$59,336,000	\$65,346,000

Engaging Canadians

Description: Improves public awareness, education and engagement of Canadians in supporting Canada's involvement in international cooperation and development.

Expected Results: Improved understanding and support of international development and cooperation issues, improved perception of the value, efficiency, and effectiveness of the aid programs, and increased strategic collaboration between CIDA and its partners to engage the Canadian public in development.

Resources

2005–2006	2006–2007
\$14,332,000	\$14,908,000

Corporate Services

Description: Corporate services comprise the management functions that support delivery and improve performance of the Canadian aid program. They include communications, people management, performance and knowledge management (internal audit, evaluation, and results-based and risk management), information management/information technology (IM/IT), strategic planning and resource allocation, and management processes, approaches, and support activities.

Note: Both financial and human resource requirements for 2006–2007 have been incorporated as part of the requirements of the other programs and activities, as required by the TBS.

* In June 2006, CIDA launched the Voluntary Sector Fund which provides \$20 million in incremental resources to Partnership programs annually.

3.3 Financial Information

Table 1: International Assistance Envelope Allocation (Issuance Basis)¹²

(millions of dollars)	Planned Spending 2005-06	Planned Spending 2006-07
International Assistance Envelope (IAE) Budget		
IAE Base	3,348.00	3,348.00
Peace and Security	100.00	100.00
8 per cent Increase	0.00	268.00
IAE Reset	153.00	97.00
IAE Level in Budget 2005	3,601.00	3,813.00
Reductions:		
- Budget 2003	0.00	-25.00
Reprofilings:		
- Tsunami Response	-47.00	47.00
- Global Partnership Fund	0.00	5.80
- Crisis Pool	-31.00	31.00
IAE allocated	3,523.00	3,871.80
Pools Allocation		
Development Research Pool		
International Development Research Centre - Base	122.50	122.46
- Allocation of incremental resources (2005)	0.00	8.00
Total Development Research Pool	122.50	130.46
International Financial Institutions (IFI) Pool		
Dept. of Finance:		
- International Development Association	318.30	318.27
- Multilateral Debt Initiative	51.00	51.20
- Poverty Reduction and Growth Facility	5.00	3.40
CIDA:		
- Regional Development Banks	102.50	154.50
Total IFI Pool	476.80	527.37
Crisis Pool		
Unallocated balance	44.00	155.00
Total Crisis Pool	44.00	155.00
Peace and Security Pool		
Foreign Affairs Canada:		
- Global Partnership	143.00	102.79
- Counter-terrorism Initiative	15.00	15.00
- Global Peace and Security Fund	0.00	80.50
- Canadian Landmines Fund	5.00	3.30
- Allocation of incremental resources (2005)	0.00	16.00
- Others	100.20	0.00
CIDA:		
- Global Peace and Security Fund	0.00	45.50
- Canada Landmines Fund	6.00	4.51
- Allocation of incremental resources (2005)	0.00	23.00
- Canadian Police Arrangements	17.30	0.00
DND: Canadian Landmines Fund	3.00	1.00
Total Peace and Security Pool	289.50	291.60
Development Pool		
CIDA:		
- Base	2,438.40	2,520.29
- Allocation of incremental resources (2005)	0.00	75.35
Foreign Affairs Canada:		
- Base	136.70	140.81
- Allocation of incremental resources (2005)	0.00	18.95
Other Government Departments:		
- Health Canada	6.50	6.50
- Heritage Canada	0.18	0.18
- PWGSC (base)	2.10	2.10
- PWGSC (accommodations)	3.00	3.19
- Others	3.32	0.00
Total Development Pool	2,590.20	2,767.37
Total Pools Allocation	3,523.00	3,871.80

12. The full value of the notes issued to International Financial Institutions (IFIs) is considered expended in the fiscal year in which they are issued only for the purpose of the IAE allocation as shown in Table 1. In the Main Estimates and in all other tables in this RPP, IFI expenditures are provided on an encashment basis. Table 2 that follows illustrates reconciliation between the Issuance Basis and the Cash Basis financial data.

Table 2: CIDA Reference Level

(millions of dollars)	Planned Spending 2005-06	Planned Spending 2006-07
International Assistance Envelope (IAE)		
International Financial Institutions Pool	102.50	154.50
Peace and Security Pool	23.30	73.01
Development Pool	2,438.40	2,595.64
Allocations from the IAE	2,564.20	2,823.14
Loan Repayments	21.65	22.93
Allocations from Outside the IAE:		
Youth Initiative	6.37	6.37
Collective Bargaining Agreements	8.00	18.21
Reference Level for Main Estimates (Issuance basis) ¹²	2,600.22	2,870.66
Issuance of Notes	-193.50	-215.03
Encashment of Notes	287.18	279.96
Reference Level for Main Estimates (Cash basis) ¹²	2,693.90	2,935.59

Table 3: Departmental Planned Spending and Full-Time Equivalents

(thousands of dollars)	Forecast Spending 2005-06	Planned Spending 2006-07
Budgetary		
Geographic Programs	1,445,225	1,518,934
Canadian Partnership	292,045	279,608*
Multilateral Programs	958,082	1,066,770
Policy Coherence	59,336	55,367
Engaging Canadians	14,332	14,908
Total Budgetary Main Estimates	2,769,020	2,655,979
Non-budgetary		
Canadian Investment Fund for Africa	...	36,000
Multilateral Programs (IFI)	7,110	3,270
Total Non-Budgetary Main Estimates	7,110	39,270
Total Main Estimates	2,776,130	2,695,249
Treasury Board Vote 5		
- Additionnal Grants for International Assistance	129,695	
- Global Peace And Security Fund	89,000	
- Canadian Investment Fund for Africa (L35)	45,000	
- Additional Grants to Programming Against Hunger, Malnutrition and Disease	30,169	
- Additionnal Grants to Programming Against Hunger, Malnutrition and Disease related to Global Tuberculosis Drug Facility	15,000	
- Climate Change Development Fund	9,200	
- Reduced contributions requirements for international assistance	-174,864	
- Multilateral Debt Initiatives	-35,057	
Governor General Special Warrant		
- Operating Budget Carry Forward	10,014	
- Collective Bargaining Agreements	6,841	
- <i>Public Service Modernization Act</i>	771	
- Climate Change Development Fund	697	
- Amounts Available from Controlled Allotments	-7,324	
- Items not required for 2005-06	-2,500	
Canada's Efforts in Afghanistan		55,000
South East Asia Earthquake		30,000
Interim Strategy on Existing Climate Change Programs		9,979
International Peacekeeping and Peace Operations		-24,330
Expenditure Review - Procurement Reduction		-1,460
Reduced cost of the new Ministry - smaller Cabinet		-725
Total Planned Spending	2,892,772	2,763,713
Plus: Cost of services received without charge	21,749	24,938
Net cost of Program	2,914,521	2,788,651
Full-Time Equivalents (FTE)	1,607	1,578

Table 4: Resources by Program Activity

(thousands of dollars)	2006-07							
	Budgetary				Non-Budgetary	Total Main Estimates	Adjustments (planned spending not in Main Estimates)	Total Planned Spending
	Operating	Grants	Contributions & Other Transfer Payments	Gross	Loans, Investments and Advances			
Geographic Programs	126,617	447,324	944,993	1,518,934	36,000	1,554,934	82,815	1,637,749
Canadian Partnership	28,233	31,950	219,425	279,608	0	279,608	0	279,608*
Multilateral Programs	28,427	748,577	289,766	1,066,770	3,270	1,070,040	-24,330	1,045,710
Policy Coherence	46,410	6,200	2,757	55,367	0	55,367	9,979	65,346
Engaging Canadians	4,780	0	10,128	14,908	0	14,908	0	14,908
Total	234,467	1,234,051	1,467,069	2,935,587	39,270	2,974,857	68,464	3,043,321

* In June 2006, CIDA launched the Voluntary Sector Fund which provides \$20 million in incremental resources to Partnership programs annually.

Table 5: Voted and Statutory Items

2006-07			
(thousands of dollars)			
Voted or Statutory Item	Truncated Vote or Statutory Wording	Current Main Estimates	Previous Main Estimates
30	Operating Expenditures	210,666	204,083
35	Grants and Contributions	2,421,158	2,256,031
(S)	Minister of International Cooperation - Salary and motor car allowance	73	70
(S)	Encashment of notes issues to the development assistance funds of the International financial institutions in accordance with the <i>International Development (Financial Institutions) Assistance Act</i>	279,962	287,178
(S)	Contributions to Employee Benefit Plans	23,728	21,658
Total Budgetary		2,935,587	2,769,020
L40	Issuance and payments of notes to the International Financial Institution Fund Accounts		
L45	Payment of notes to International Financial Institutions -- Capital Subscriptions	3,270	4,600
L50	Investment contributions pursuant to section 3 of the <i>Canada Fund for Africa Act</i>	36,000	...
(S)	Payments to International Financial Institutions -- Capital Subscriptions		2,510
Total Non-Budgetary		39,270	7,110
Total Agency		2,974,857	2,776,130

Table 6: Services Received Without Charge

(thousands of dollars)		2006-07
Operating Expenditures:		
– Accommodation – Public Works and Government Services Canada		8,118
– Employee benefits covering the employer's share of insurance premiums and costs – Treasury Board Secretariat		11,151
– Legal services – Department of Justice		1,068
– Employee compensation payment – Human Resources and Social Development Canada		101
		20,438
Aid Expenditures:		
– Imputed interest on advance payments – Department of Finance (1)		4,500
Total Services Received Without Charge		24,938

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)

(thousands of dollars)	Forecast Spending 2005-06	Planned Spending 2006-07
– Capital Subscriptions (L45) – Regional Development Banks	3,492	3,270
– Canadian Investment Fund for Africa (L50)	45,000	36,000
Total	48,492	39,270

Table 8: Source of Respendable and Non-respendable Revenue

(millions of dollars)	Forecast Revenue 2005-06	Planned Revenue 2006-07
Non-forecastable before fiscal year end	0	0
Total Revenue	0	0

Table 9: Resource Requirement by Organization and Program Activity¹

(thousands of dollars)	2006-07					Total Planned Spending
Branch	Geographic Programs	Canadian Partnership	Multilateral Programs	Policy Coherence	Engaging Canadians	
CIDA						
Africa	652,421			4,098		656,519
Asia	513,344			2,975		516,319
Americas	182,616			6,556		189,172
Europe, Middle East and Maghreb	204,645			3,124		207,769
Canadian Partnership		268,781		1,746	7,297	277,824
Multilateral Programs			1,027,101	1,881		1,028,982
Policy				30,530		30,530
Communications					5,065	5,065
Agency Executive (Includes Canada Corps)	6,048	1,344	1,904	1,793	1,756	12,845
Human Resources and Corporate Services	20,538	4,564	6,466	6,085	380	38,033
Information Management and Technology	17,132	3,807	5,393	5,076	317	31,725
Performance and Knowledge Management	5,005	1,112	1,576	1,482	93	9,268
Total	1,601,749	279,608	1,042,440	65,346	14,908	3,004,051

1. Amounts are based on Planned Spending and do not include Non-Budgetary items.

Table 10: User Fees

Name of User Fee	Fee Type	Fee Setting Authority	Reason for Fee Introduction or Amendment	Effective Date of Planned Change to Take Effect	Planned Consultation and Review Process
Acces to Information	Application Fee for formal request	<i>Access to Information Act</i> , Section 11.	N/A	N/A	Permanent Review of Act by Parliamentary Committee (as per Section 15, <i>Access to Information Act</i>)
Acces to Information	Reproduction fee	<i>Access to Information Act</i> , Section 11.	N/A	N/A	Permanent Review of Act by Parliamentary Committee (as per Section 15, <i>Access to Information Act</i>)
Acces to Information	Search and Preparation Fee	<i>Access to Information Act</i> , Section 11.	N/A	N/A	Permanent Review of Act by Parliamentary Committee (as per Section 15, <i>Access to Information Act</i>)
Acces to Information	Programming Fee	<i>Access to Information Act</i> , Section 11.	N/A	N/A	Permanent Review of Act by Parliamentary Committee (as per Section 15, <i>Access to Information Act</i>)

Table 11: Details on Transfer Payment Programs

CIDA grants, contributions and other transfer payments of \$2,772 million account for 91 per cent of CIDA's 2006-07 Total Planned Spending, excluding non-budgetary expenditures. Further information is given below.

(in thousands of dollars)	Forecast Spending 2005-06	Planned Spending 2006-07
Grants		
Geographic Programs		
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	400,425	482,577
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions; Canadian, international and local non-governmental organizations; the International Development Research Centre; developing countries, their institutions, their organizations and their agencies in such countries for the benefit of recipients in developing countries	5,720	1,700
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs, projects, activities and appeals	12,275	18,047
Multilateral Programs		
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	284,129	224,513
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions; Canadian, international and local non-governmental organizations; the International Development Research Centre; developing countries, their institutions, their organizations and their agencies in such countries for the benefit of recipients in developing countries	290,876	384,799
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs, projects, activities and appeals	121,075	114,935
Canadian Partnership		
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	1,000	1,700
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, 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	23,760	22,000
Development assistance as education and training for individuals	8,250	8,250
Policy Coherence		
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	3,700	8,900
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, 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	1,540	2,300
Total Grants	1,152,750	1,269,721

Contributions		
Geographic Programs		
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions for cooperation with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues	775,755	974,308
Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	967	685
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs, projects, activities, and appeals	1,614	0
Multilateral Programs		
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions for cooperation with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues	8,830	0
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	1,861	4,300
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions; Canadian, international and local non-governmental organizations; Canadian individuals and private sector firms, the International Development Research Centre; developing countries, their institutions, organizations, agencies and persons in such countries for the benefit of recipients in developing countries	14,072	290
Contribution to the Inter-American Development Bank	945	1,200
Humanitarian assistance or disaster preparedness to countries, their institutions , organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs, projects, activities, and appeals	12,932	2,814
Incentives to Canadian, international and developing country private sector firms, investors, institutions, organizations, and governments in support of private sector development, projects and activities	1,200	1,200
Canadian Partnership		
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions for cooperation with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues	250	0
Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	181,657	162,183
Incentives to Canadian, international and developing country private sector firms, investors, institutions, organizations, and governments in support of private sector development, projects and activities	33,408	57,242

Engaging Canadians		
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions for cooperation with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues	4,377	0
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor country governments and institutions, organizations and agencies, and persons in support of the Development Information Program involving the production and dissemination of development information, educational materials and related activities	3,978	4,178
Contributions to Canadian, international, regional, developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	10,202	5,950
Policy Coherence		
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies; and contributions for cooperation with countries in transition and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private-sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues	0	6,593
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	2,434	0
Contributions to Canadian, international, regional, developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	6,453	1,143
Total Contributions	1,060,935	1,222,086
Other Transfer Payments (1)		
Multilateral Programs		
(S) Encashment of notes issued to the development assistance funds of the international financial institutions in accordance with the <i>International Development (Financial Institutions) Assistance Act</i>	287,178	279,962
Total Other Transfer Payments	287,178	279,962
Items Not Required		
Geographic Programs		
Contributions for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union	58,309	0
Engaging Canadians		
Contributions for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union	180	0
Total Items Not Required	58,489	0
Total	2,559,352	2,771,769

1. Other Transfer Payments exclude non-budgetary forecast expenditures of \$7.11 million for 2005-06 and \$39.27 million for 2006-07.

Annex 1: The Millennium Development Goals

In September 2001, the countries of the world met in special session at the UN General Assembly and endorsed the Millennium Development Goals. Canada is a strong supporter of these goals. The eight goals are as follows:

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

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

Promote gender equality and empower women: Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education by 2015.

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

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

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

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

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

Annex 2: Other Information

For additional information about CIDA's programs, activities, and operations, please visit our Website at www.acdi-cida.gc.ca

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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*, and in the *Annual Appropriations Act*. CIDA is the lead government organization responsible for Canada's ODA.