



ESTIMATES

Canadian International Development Agency

**2001-2002
Estimates**

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

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

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

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

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

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

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

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Canadian International Development Agency

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2001-2002

Part III - Report on Plans and Priorities

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ACRONYMS AND ABBREVIATIONS

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

SECTION I: MESSAGES

Maria Minna

Minister for International Co-operation



Early in my tenure as Minister for International Co-operation, I recognized the solid work, both within Canada and at the global level, that had gone into setting international development priorities; the major contribution CIDA had made and continued to make; and the fact that the Agency had been constantly refining its approach. I am therefore particularly pleased to present the 2001-2002 **Report on Plans and Priorities** -- one that builds upon the foundations of yesterday while responding to the realities of today and pointing the way to the challenges and promises of tomorrow.

The statement that international development stands at a cross-roads sounds like a cliché -- but is very true. Canadians can look with pride at the significant victories recorded through international development efforts over the last half century -- victories that are essentially the doing of people in the developing regions of the world but that are facilitated by the talents, energies and financial contributions of Canadians and others in the developed countries. At the same time, we must acknowledge that international development remains very much an unfinished project. While it is true that last October the billionth vitamin A capsule was administered in Kenya, too many children under five still die or go blind for the lack of these capsules which cost a mere four pennies each. While we now know that primary education for one girl can save the lives of 10 children -- through, among other things, postponed marriages, better nutrition and safer sex practices -- education for girls remains a struggle in many parts of the world. Despite our awareness that knowledge is the tool to prevent the spread of HIV/AIDS, we face the danger of more than 40 million children being orphaned in the next 10 years through the spread of this disease. Moreover, although many children are escaping the scourge of childhood disease, many are becoming victims through enlistment in wars over issues they can scarcely understand.

The last 50 years have been not only about failure and success, but also about lessons learned. We have learned about the need to work together; to focus on clear, specific, measurable and achievable goals; to look beyond the tidy confines of single projects and to locate international development initiatives within the framework of overall national development aspirations and efforts. We have learned, also, that, although the contributions of countries like Canada are important, we must leave the primary responsibility for development where it belongs -- in the hands of the peoples and governments of the countries concerned.

The new approaches derived from these lessons must be implemented in an international development context that is by no means static. The world existing after the close of the Second World War is not the one existing after the close of the 20th century. Technological, geopolitical and other changes have given birth to the phenomenon of globalization. Challenges and changes in health, information and migration have redefined the conceptions and rules of international security.

One thing that remains constant amidst all these changes is the commitment of the Canadian people to the international development enterprise. Two considerations underpin this undying commitment. The first one, put simply, is the desire among Canadians to do the right thing and to help in the efforts of people in the developing world to eliminate poverty and improve their circumstances. The second is the need to pursue Canada's own national interest in a way that is both ethical and enlightened and that takes account of the fact that problems with the health, ecology, economy or security of people almost anywhere in the world can create echoes in the lives of Canadians. These two considerations find resonance in the recent Speech from the Throne which pledges that the Government "will increase Canada's official development assistance and use these new investments to advance efforts to reduce international poverty and to strengthen democracy, justice and social stability world-wide." The Speech adds: "The well-being of Canada and Canadians depends on global human security, prosperity and development."

CIDA's response to these considerations is reflected in the structure and content of this RPP. Here you will see reference to a **long-term review** which seeks to ensure CIDA's continued relevance and its increased effectiveness in a changing global environment. You will read about **CIDA's Sustainable Development Strategy 2001-2003** which makes possible an integrated approach to the way we respond to our mandate, the way we allocate the resources entrusted to us and the way we report to Parliament and to Canadians on our stewardship. This Strategy takes account of another recent initiative, **CIDA's Social Development Priorities: A Framework for Action** which I announced last September. Through the launching of this Framework, we have taken the implementation of the Agency's poverty-reduction mandate to a new level by focusing a substantial proportion of the Agency's resources on four key areas. These are: **health and nutrition, basic education, HIV/AIDS and child protection**. I have instructed the Department to increase investments in these four areas from 19% to 38% of total CIDA budget -- and to increase total expenditures to \$2.8 billion -- over the next five years.

In addition to implementing all these initiatives, we must also pay attention to partnership, both within Canada and at the international level. Without it, our efforts would be in vain. Internationally, this is an exciting time as Canada works with other donors and with our developing-country partners in the implementation of new approaches to international development. Within Canada, international co-operation has never been -- and can never be -- merely something that the Government does. Our private and NGO sectors, our youth and our academics, our volunteers and our co-operants are all central to what we do at CIDA. My officials and I look forward to continue working with our partners from various sectors and sections of society in making the world a better place for people everywhere and for the good of present and future generations. I believe that this RPP helps to highlight both the challenges and the opportunities which must inform our joint efforts.

Minister for International Co-operation

Management Representation

Report on Plans and Priorities 2001-2002

I submit, for tabling in Parliament, the 2001-2002 Report on Plans and Priorities (RPP) for the **Canadian International Development Agency**.

To the best of my knowledge the information:

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

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

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

Name: _____

Date: _____

Executive Summary

For more than 30 years, CIDA has been fulfilling its mandate to contribute to development in Africa and the Middle East, Latin America and the Caribbean, and Asia. In 1995, this mandate was expanded to include responsibility for international assistance programs in the former Soviet-bloc countries -- the Countries in Transition (CITs). During these three decades, CIDA has established a reputation for excellence in a number of areas. It has also contributed to innovation, for example, in the incorporation of the dimensions of gender, NGO participation and environment into the development ethic.

The Agency seeks to build upon this legacy as it pursues new approaches that offer the hope of greater impact and effectiveness. As a first step, ***CIDA's Social Development Priorities: A Framework for Action***, released in September 2000, focuses a much greater share of resources on health and nutrition, basic education, HIV/AIDS and child protection, with gender equality as a cross-cutting theme. A complementary **longer-term review** explores ways to increase CIDA's effectiveness while ensuring its continued relevance in a world driven by globalization. ***CIDA's Sustainable Development Strategy (SDS) 2001-2003***, which brings together these two approaches, is key in the better alignment of the Agency's work with its mandate. This ***Report on Plans and Priorities (RPP)*** represents the first effort to integrate the objectives, strategies and actions of the SDS into CIDA's existing corporate planning, budgeting and reporting systems.

CIDA's mandate as the Canadian Government's lead agency in development co-operation is to support sustainable development in order to reduce poverty while contributing to Canada's three foreign policy goals -- prosperity, security and the projection of Canadian values. This mandate, firmly rooted in the Canadian value system, is supplemented by the mandate of its Countries in Transition (CIT) program to support democratic development and economic liberalization in Central and Eastern Europe, to support Canadian trade and investment links with that region and to assist efforts to reduce threats to international and Canadian security. ***Canada in the World*** links sustainable development and poverty reduction. It also establishes six programming priorities for Canada's ODA: basis human needs; gender equality; infrastructure services; human rights, democracy, good governance; private-sector development; and environment. In the case of the CITs, the priorities are: transition to a market economy; good governance, democracy, etc.; trade and investment links; and reducing threats to security.

The context in which CIDA must develop its plans is one marked, on the one hand, by 50 years of change for the better as a result of development initiatives and, on the other, by the uneven distribution of the benefits of growth and by the persistence of poverty. Because of gender inequalities, this is particularly true for women and girls. These 50 years have also produced significant lessons, leading to a convergence of views on what works, and what doesn't, in international development. This consensus encompasses a specific set of targets, known as the International Development Goals (see Box 4), as well as a growing acceptance of such approaches as comprehensive development frameworks (CDFs), poverty reduction strategy papers (PRSPs) and sector-wide approaches (SWAPs).

Changes in CIDA's planning environment affect not only the area of programming but also the Agency's support activities. For example, information management and information technology (IM/IT) takes place in the context of a renewal process within CIDA; challenging central agency requirements, for example with regard to Government on Line (GOL); and, more broadly, the extremely rapid convergence of information technologies. A significant number of forthcoming retirements at CIDA, efforts to reflect the diversity of Canada's labour force and a new Treasury Board audit and evaluation policy all represent significant challenges ; produce new management and evaluation requirements; and/or produce new, exciting opportunities.

Canada's ODA and Official Assistance (OA) activities, funded through the International Assistance Envelope (IAE), represent 96% and 4% of the Envelope respectively. CIDA directly manages about 81% of the IAE. The rest is managed by the Department of Finance, the Department of Foreign Affairs and International Trade (DFAIT), and other departments. The February 2000 Budget provides increases to the IAE , stabilizes program funding for 2000-01 and enables CIDA to maintain existing programming allocations at current levels.

This RPP provides a cross-walk from the current Key Results Commitments -- against which CIDA has been planning and reporting since 1996 -- to the new set of objectives, results and actions, relating to both policies and programs and management systems and structures, under the Sustainable Development Strategy. The RPP also outlines the five actions selected from the Strategy for immediate focus. These relate to the **long-term review**; results-based **programs and projects under the six ODA priorities¹ and four CIT priorities**; the **Social Development Priorities**; pilot **project initiatives**; and **management systems initiatives**. The Agency's plans and priorities for 2001-02 are outlined in terms of these five actions. Although an attempt is made to shift planning within CIDA towards a corporate focus, the roles of individual business lines in the implementation of activities are indicated. Brief outlines of the structure, objectives and planning contexts of individual business lines are also provided.

¹ Basic Human Needs; Gender Equality; Infrastructure Services; Human Rights, Democracy, Good Governance; Private-Sector Development; and Environment.

SECTION II: DEPARTMENTAL OVERVIEW

2.1 What is New

For more than three decades, CIDA has pursued a development mandate in Africa and the Middle East, Latin America and the Caribbean, and Asia. More recently, in 1995, it assumed responsibility for international assistance programs in the former Soviet-bloc countries - the Countries in Transition. During these 30-plus years, CIDA has established a reputation for excellence in a number of areas and has been viewed by other donor organizations as one of the more innovative development co-operation agencies. It has been recognized for its leadership on gender and development and for involving non-governmental organizations in its programming.

CIDA was an early advocate of the incorporation of environmental dimensions into development programming. Some of its work on environment and development in Southeast Asia in the 1980s and 1990s was seen as state-of-the-art and was emulated by other donor agencies.

Today, CIDA is undertaking a process of change and renewal that builds on this legacy and looks forward to new approaches to development programming that offer the hope of increased impact and effectiveness. As a first step, it released ***CIDA's Social Development Priorities: A Framework for Action*** in September 2000. This ***Framework for Action*** focuses a much greater share of the Agency's resources on four areas fundamental to the reduction of poverty and the meeting of basic human needs: health and nutrition, basic education, HIV/AIDS and child protection, with gender equality as a cross-cutting theme. It is an important step in focusing CIDA's efforts on those areas where development investments often have the most far-reaching impacts.

CIDA has also initiated a complementary longer-term review. This review explores new approaches that offer ways to enhance the effectiveness of Canada's international development co-operation program and ensure the continuing relevance of the program in a world driven by increasing globalization.

CIDA's Sustainable Development Strategy 2001-2003 integrates both of these initiatives into an overview of CIDA's operational priorities, the management challenges it faces and further work that needs to be done over the next three years. The Strategy is the Agency's key means to better align its work with its mandate, setting out both the medium-term objectives and the results the Agency hopes to obtain, and allowing for the identification of gaps that reduce the Agency's effectiveness in achieving its objectives. The Strategy sets the framework for allocating resources and for accountability through Parliament to Canadians.

CIDA intends to integrate the objectives, strategies and actions from the SDS into the Agency's existing corporate planning, budgeting and reporting system. This 2001-2002 RPP represents the first effort to bring these processes together. In particular, CIDA seeks to orient the design of and reporting on its programming away from an emphasis on individual branches or even lines of business (which often group two or more branches) towards a focus on the results and objectives of the SDS. This RPP shows a transition from the old to the new. Once CIDA's Planning Reporting and Accountability Structure has been revised, the Agency will plan, budget and report against objectives and results for the 2002-2003 and

subsequent RPPs. Progress in implementing the SDS and the RPP will be reported to Parliament annually through the Departmental Performance Report.

2.2 Agency Mandate

The three goals of Canadian foreign policy, as outlined in the 1995 Government Statement *Canada in the World*, are the promotion of prosperity, the protection of Canadian and global security, and the projection of Canadian values. Official Development Assistance is critical to the achievement of these goals. CIDA's mandate is to support sustainable development in order to reduce poverty and contribute to a more secure, equitable and prosperous world. This mandate has firm roots in Canadians' values of social justice and of helping those who are poor, and recognizes that Canadian interests are served by measures that promote global interdependence. CIDA also has a mandate to support democratic development and economic liberalization in Central and Eastern Europe (CEE), to support, also, Canadian trade and investment links in the region and to assist international efforts to reduce threats to international and Canadian security.

Canada in the World links sustainable development and poverty reduction and establishes six programming priorities for Canada's ODA:

- Basic Human Needs;
- Gender Equality;
- Infrastructure Services;
- Human Rights, Democracy, Good Governance;
- Private-Sector Development; and
- Environment.

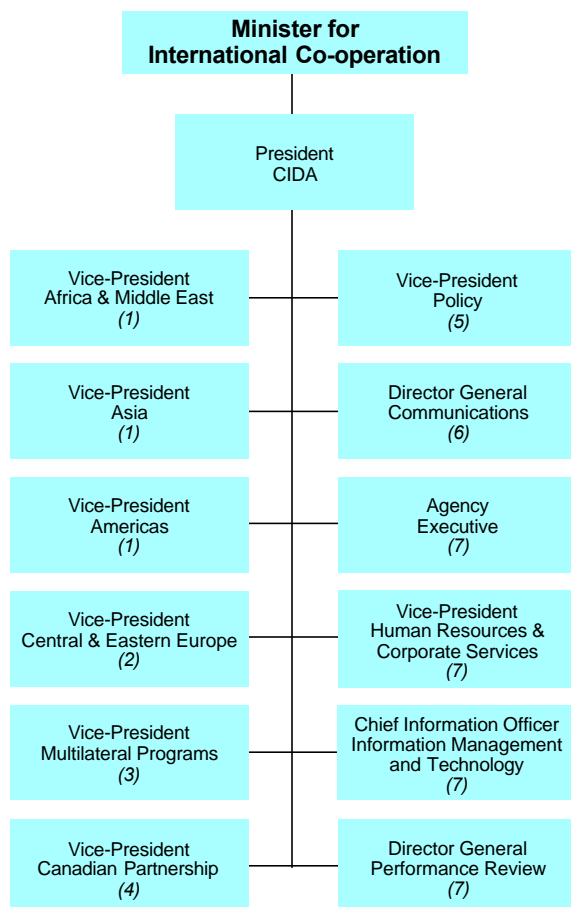
In the case of CIDA's work with Countries in Transition, the priorities are:

- To assist in the transition to a market economy;
- To encourage good governance, democracy, political pluralism, the rule of law and adherence to international norms and standards;
- To facilitate trade and investment links with the region; and
- To assist international efforts to reduce threats to international and Canadian security.

The foreign policy statement emphasizes the importance of strengthened partnerships, improved effectiveness and better reporting of results to Canadians. The Agency has responded to these directions through shifts both in its program mix and in the way it conducts its business. This trend will be reinforced through the implementation of the Sustainable Development Strategy.

Chart 1: Organization Structure

The CIDA organization structure, outlined in the diagram below, is in keeping with the Agency's way of doing business. This alignment also reflects the existing management accountability structure.



CIDA's Business Line Structure

- (1) **Geographic Programs:**
 - Africa & Middle East
 - Asia
 - Americas
- (2) **Countries in Transition:**
 - Technical Co-operation
 - Humanitarian and Multilateral Assistance
- (3) **Multilateral Programs:**
 - Food Aid
 - International Humanitarian Assistance
 - International Financial Institutions
 - United Nations and Commonwealth Programs
- (4) **Canadian Partnership:**
 - Voluntary Sector and Special Projects
 - Industrial Co-operation
 - Scholarships
- (5) **Policy**
- (6) **Communications:**
 - Development Information Program
- (7) **Corporate Services:**
 - Agency Executive
 - Human Resources and Corporate Services
 - Information Management and Technology
 - Performance Review

2.3 Agency Objective

In support of its mission, CIDA seeks to attain the following two-fold objective²:

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

² 2000-2001 Estimates: Part I and II, pages 9 and 10.

As will be seen in section 3.1 below, the goals of the new Strategy are consistent with this objective and with CIDA's mandate outlined in section 2.2 above. The Strategy sets out the operational steps required to achieve these goals.

2.4 Planning Context

There has been change for the better

Over the past 50 years, there has been tremendous change in the developing world -- much of it shaped by globalization. Globalization has helped to expand opportunities for millions of people around the world. Some previously poor countries have become wealthy and have been able to offer their citizens far higher standards of living than was the case just 30 years ago. More people live under democracy than ever before and it is increasingly difficult for repressive regimes to abuse their populations at will, in silence and without the risk of international sanction. The past 50 years have also seen the establishment of the institutions and rules required for the effective management of the international system in the century ahead.

But the benefits have been shared unevenly and poverty remains

At the same time, the benefits of globalization have been shared unevenly across the developing world and many substantial challenges remain. Poverty is an ongoing and daunting challenge. Because of persistent gender inequalities, this is particularly true for women and girls. Overall, about 1.5 billion people now live in absolute poverty - i.e. on less than US\$1 a day - up from 1.2 billion in 1987. By 2015, that number may reach 1.9 billion. The gap between rich and poor has also grown. Today, the richest fifth of the world's population receives 85% of total world income. The poorest fifth receives just 1.4%.

This gap between rich and poor is also being mirrored in the new information economy, creating a so-called "digital divide" between North and South. Industrialized economies are moving towards greater dependence on increasingly sophisticated information technologies. Yet, more than one-half of humanity has never used a telephone, and there are more phones on the island of Montreal than in all of Bangladesh. Debt burdens also continue to pose significant obstacles for the poorest countries and access to private capital flows is limited to a few developing states.

The development situation in Africa remains the most challenging. Many African countries, especially in Sub-Saharan Africa, have been burdened with slow economic growth and, in many cases, brutal conflict. Thirty-three of the 48 countries designated by the United Nations as least-developed are in Africa, and poverty has become a key challenge for the region. Over the last two decades, the absolute number of poor in Africa has grown five times more than in Latin America, and twice as much as in South Asia. HIV/AIDS has a growing impact on the continent, having resulted, by 1997, in a decline to pre-1980 levels of life expectancy in some countries. Progress towards resolving these and other challenges is hindered by inadequate capacity, particularly within governments, to foster sustainable development. Gender inequalities and environmental degradation are also hindering progress on the continent.

Other parts of the developing world also face many challenges. Despite rapid growth and unprecedented poverty reduction in several Asian countries, Asia continues to house more than half of the world's poor. Even its more advanced economies remain vulnerable to economic setbacks, as evidenced by the financial and economic crisis that affected Asia in 1997. Latin America and the Caribbean has seen a return to economic growth after the "lost decade" of the 1980s. However, this growth has not been accompanied by equity. Enormous disparities in wealth could undermine the prospects for sustainable growth and continued democratization. Many of the small countries of the Caribbean remain vulnerable to major global trends such as the loss of trade preferences, climate change and international crime, with the potential to undermine democratic governments and increase poverty levels.

The picture is mixed as well for the transition countries of Central and Eastern Europe and the former Soviet Union. Several have enjoyed steady economic growth, thanks to macroeconomic stability and a stronger financial sector, and are closer to joining the European Union. Others are still hampered by a high degree of state control and by weak financial institutions, poor governance and corruption. Overall, the price of transition has been a prolonged erosion of social services. Meanwhile, wars and internal strife fester, eroding stability and giving rise to large numbers of refugees and to growing requirements for rebuilding and de-mining.

The extent of these challenges should not be underestimated. However it is important as well to bear in mind that the main story for the developing world over the past half century has been one of progress and the destiny of many CITs over the last half decade has been one of dynamism. Some of the main indicators of human well-being -- life expectancy, child health and education -- show improvement although others, such as maternal mortality, do not. There is reason to think that progress will continue over the next decade.

Significant learning has taken place

Experience suggests that CIDA's understanding of development will continue to grow, that there will always be new lessons to learn, and that development will remain a long-term process. That being said, with more than 50 years' experience and a significant body of research on what makes development co-operation effective, lessons learned have been drawn together into a new approach to international development. This approach, under serious consideration by both donor and recipient countries, is gaining increasing acceptance among international organizations. It focuses less on the individual project. It places greater emphasis on an overall approach to meeting a country's social, economic and other needs; on responding to the country's own development priorities; and on placing the country, rather than the donor, at the centre of the international development enterprise. Efforts are now being made by some bilateral donors, UN agencies and international financial institutions (IFIs) to put this new thinking into practice within their project portfolios as well as through a number of new program approaches. Examples of the latter include the World Bank's Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Papers (PRSPs) and the UN's Development Assistance Framework. The new thinking is also being made manifest through such programming instruments as Sector-Wide Approaches (SWAps).

Box 1: Comprehensive Development Frameworks

The Comprehensive Development Framework (CDF) draws together the principles for effective programming identified in *Shaping the 21st Century* and puts forward a holistic approach to development. The CDF is based on the following principles: **ownership by the country**, with the country - not aid agencies - determining the goals, phasing, timing and sequencing of its development efforts; **partnerships**, with governments, civil society, development agencies and the private sector working together to define development needs and implement programs; **a long-term vision of needs and solutions**, built on national consultations, which can foster sustained national support; and **structural and social concerns**, treated equally and contemporaneously with macroeconomic and financial concerns.

The CDF is based in large part on work or ideas already extant within the development community - notably in *Shaping the 21st Century*. However, CDFs, because they are being promoted by the World Bank - and most particularly its President, Jim Wolfensohn - have given added momentum to the principles set out in *Shaping the 21st Century*. The CDF and its content have been endorsed by Governors of the Bank - who are mainly Ministers of Finance. This endorsement has helped bring more players into discussions of local ownership, donor co-ordination and aid effectiveness and increased support for these principles. The CDF has clearly influenced the thinking of Finance Ministers on what change or directions are needed to ensure that aid delivery is as effective as possible.

The Comprehensive Development Framework is now being developed in consultation with donor and recipient countries. CIDA has been an active participant in three in particular - Ghana, Vietnam and Bolivia. The World Bank is charged with monitoring these pilots and, based on the experience, will prepare a report for subsequent review. While the future success of CDFs remains to be seen, there is no question that they represent an opportunity to focus development co-operation around a shared set of principles in ways that could greatly strengthen donor co-ordination.

Box 2: Poverty Reduction Strategy Papers

Poverty Reduction Strategy Papers (PRSPs) are closely aligned to Comprehensive Development Frameworks and explicitly embody many of the same principles -- i.e., country ownership, results orientations, holistic approaches, partnerships and long-term perspectives.

The purpose of the PRSP is to address the linkages among public action, growth and poverty reduction and to focus more resources on poverty reduction. PRSPs, which are developed by the countries based on their own priorities, set out a comprehensive approach that integrates social and sectoral policies, institutional reforms, good governance and other poverty-reduction measures within a sound macroeconomic framework. PRSPs also have a strong emphasis on growth-oriented policies which have poverty reduction as their central objective. Participation is another key element of PRSPs. Their development should take place through a broadly consultative process - both to ensure that the concerns of the poor and voiceless are heard and to encourage local populations to embrace the final poverty reduction strategy as their own.

Box 3: Sector-Wide Approaches

Sector-wide approaches - or SWAps - are a means by which developing-country governments and donor countries work together on broad programmatic lines, rather than through the management of a number of individual projects. Donor funding for development activities in a defined sector (e.g., health or education) goes to support a single sector policy and expenditure program under government leadership rather than towards separate, and often donor-driven, projects. SWAps enable donors and their partner countries to look at the benefits and problems of, and solutions to, a sectoral issue in a more holistic and systematic fashion.

SWAps, in general:

- involve long-term commitments from donors and host governments towards recurrent and capital costs;
- are locally-owned by national stakeholders (government, beneficiaries, private sector, etc.);
- are based on common-approach financing and implementation agreements by donors (including harmonization of policies, procedures, resource allocation and accountability regimes); and
- target local capacity development.

SWAps are currently being implemented in the Sub-Saharan African countries of Uganda, Tanzania, Zambia, Lesotho, Mozambique, Ethiopia and Ghana. Elsewhere, SWAps are found in Nepal, India, and Bangladesh.

Among bilateral donors, Denmark, Finland, the Netherlands, Norway, Sweden and the United Kingdom are strong proponents of the development of SWAps, with Denmark being among the first to develop explicit guidelines for sector-program support. The World Bank is also a major supporter of sector-wide approaches, which it sees as an important element in forging stronger and more effective recipient-led development partnerships. CIDA is now becoming involved in SWAps in Mali, Senegal and Uganda. In addition, it has had some limited experience in the past with a health SWAp in Bangladesh.

Effective development programming approaches

As well, there is a growing convergence of views on the most effective approaches to development co-operation. The key principles have been stronger partnerships, local ownership, improved donor co-ordination, a results-based approach, and greater coherence. A partnership approach values the contribution of all parties and emphasizes the importance of relationships. The strongest partnerships are those based on long-term co-operation. Being there over the long haul counts. Local ownership means that development must be designed and driven by beneficiaries. The renewed recognition of the value of donor co-ordination reflects the need to benefit from the comparative advantages of each donor and for all donors to work together towards a shared objective. A results-based approach shifts the emphasis from outputs to impacts. The move to greater coherence recognizes the importance of bringing together the various strands of foreign and domestic policy and of understanding developmental impacts across a wide range of interrelationships.

These approaches build on the consensus on a set of targets for international development and on the principles for effective programming. This consensus is set out most clearly in the OECD's *Shaping the 21st Century: The Contribution of Development Co-operation*, a 1996 document which has been endorsed by the G-7, the UN, the World Bank and the International Monetary Fund (IMF).

Box 4: The International Development Goals

The targets that make up one element of this consensus are known as the International Development Goals, which are set out in *Shaping the 21st Century*. The Goals are:

- a reduction by one-half in the proportion of people living in extreme poverty by 2015;
- universal primary education in all countries by 2015;
- demonstrated progress towards gender equality, by eliminating gender disparity in primary and secondary education by 2005;
- a reduction by two-thirds in the mortality rates for infants and children under 5 and a reduction by three-fourths in maternal mortality by 2015;
- access through the primary health-care system to reproductive health services for all individuals of appropriate ages by 2015; and
- the implementation of national strategies for sustainable development by 2005.

Aside from a renewed emphasis on collaborative approaches to development co-operation, such as SWAs and CDFs, this new thinking also points to the increasing importance of knowledge and the need for a strategic approach to knowledge sharing. This new global consensus on what is development and how it should be pursued provides the framework for CIDA's Sustainable Development Strategy and this Report on Plans and Priorities (RPP).

Internal Approaches

Changes in the planning environment affect CIDA's work not only in the area of programming but also in the Agency's support activities. Information management and information technology (IM/IT) planning is taking place in the context of an evolving renewal process within CIDA, challenging requirements presented by central agency direction -- for example Government On Line (GOL) -- significant global changes in ODA delivery, and the extremely rapid convergence of information technologies. Demographic analyses predicting a large number of retirements among CIDA staff in the next five to 10 years and efforts to reflect the diversity of Canada's labour force represent significant challenges, opportunities and priorities for corporate management. The introduction of a new audit and evaluation policy by the Treasury Board will require significant change in the Agency's performance review methods. Under the new policy, the Agency's internal audit function must provide assurance to CIDA management on: risk management strategies and practices; management control framework and practices; and information used for decision-making and reporting.

2.5 Departmental Planned Spending

International Assistance Envelope

The **International Assistance Envelope (IAE)** was introduced in the February 1991 budget. It funds Canada's ODA³ and Official Assistance (OA) initiatives. ODA accounts for 96% of the Envelope. The remaining 4% is Official Assistance⁴ to the countries of Central and Eastern Europe.

CIDA is directly responsible for managing about 81% of the IAE. The rest is administered by the following departments:

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

Table 1 presents a breakdown of the IAE. Chart 2 shows the distribution by channel of delivery.

Budget for 2000-01

The February 2000 Budget provides increases to the IAE planned reference level as follows:

- \$100 million to the reference level in 2000-01 (this is in addition to the \$80 million increase provided for in the 1999 Budget);
- an additional \$45 million per year in both 2001-02 and 2002-03.

This represents a cumulative injection of \$435 million to the IAE over the next three years -- \$100 million in 2000-01, \$145 million in 2001-02 and \$190 million in 2002-03.

³ Official Development Assistance is defined by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD) as funding transferred "to developing countries and multilateral institutions provided by official (government) agencies which meets the following tests: a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective, and b) it is concessional in character and conveys a grant element of at least 25%".

⁴ Official Assistance is funding provided to countries which are not eligible to receive ODA (e.g. most of the "countries in transition" of Central and Eastern Europe).

In addition, there is substantial new funding to address debt relief and global environmental problems.

On debt relief, \$175 million was provided in 1999-00 for grants to the trust funds established at the World Bank and the International Monetary Fund (IMF) for Heavily Indebted Poor Countries (HIPC). These grants will help ensure the timely provision of debt relief to the poorest countries -- as many as 25 countries by the end of 2000-01. Canada is also committed to providing 100% debt forgiveness for countries qualifying for debt relief under the HIPC Initiative.

On the environment, the Budget includes \$135 million over five years for activities at the international level aimed at improving the global environment. This amount includes:

- \$100 million for technology transfer and related initiatives to help developing countries lower greenhouse emissions;
- \$20 million in 1999-00 to help developing countries and countries in transition combat persistent organic pollutants; and
- \$15 million in 1999-00 for the World Bank's Prototype Carbon Fund.

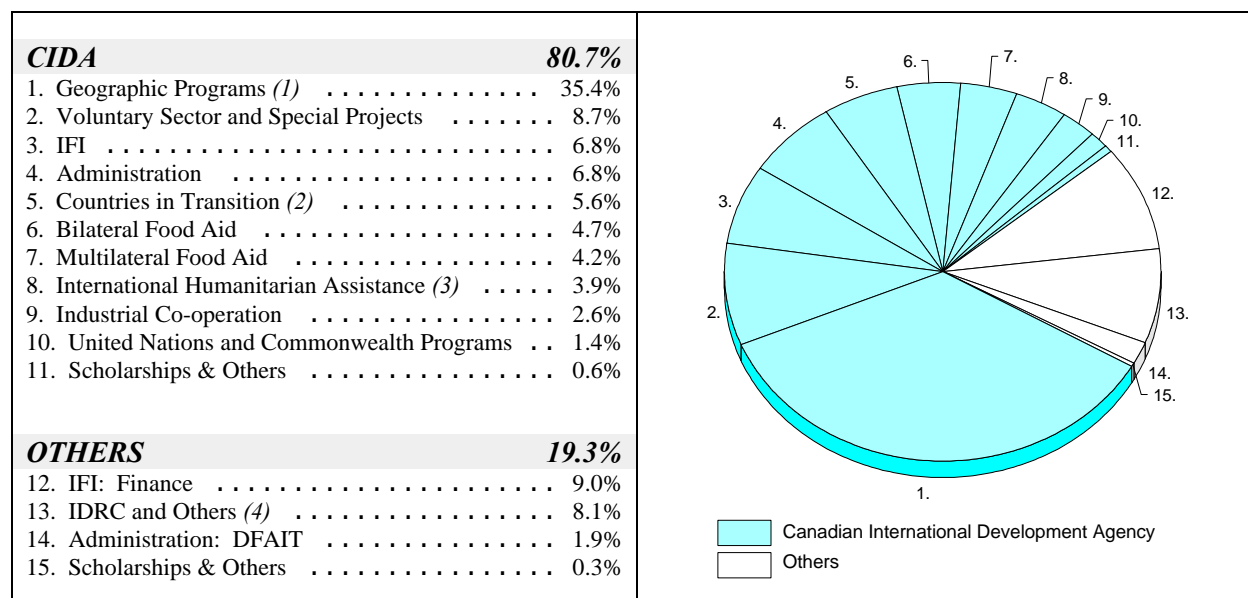
This budget stabilizes program funding for 2000-01, enabling CIDA to maintain existing programming allocations at current levels. During the fiscal year 2000-01, additional resources were made available to pay Canada's 2001 contributions to UN organizations and international financial institutions (IFIs). Funds made available to CIDA consist of \$100.5 million for UN organizations and \$7.5 million for IFIs. A sum of \$40 million was provided to the Department of Finance for the payment of the Canadian 2001 contributions to the IMF's Poverty Reduction and Growth Facility.

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

(thousands of dollars)	Post Budget 2000-01	Planned Spending 2001-02
INTERNATIONAL ASSISTANCE ENVELOPE	2,091,761	2,136,761
Plus: Repayment of previous years' loans	41,634	34,430
Others - Administration (1)	9,113	11,205
Others - Aid (2)	123,642	77,929
Gross International Assistance Envelope	2,266,150	2,260,325
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY		
AID PROGRAM		
Geographic Programs	672,167	766,821
Canadian Partnership		
- Voluntary Sector and Special Projects (3)	192,755	196,717
- Industrial Co-operation	60,096	58,585
- Scholarships	8,288	8,080
Multilateral Programs		
- Multilateral Food Aid	92,700	95,678
- Bilateral Food Aid	108,243	105,522
- International Humanitarian Assistance (4)	74,671	78,671
- International Financial Institutions (IFI) (4)	150,666	154,547
- United Nations and Commonwealth Programs (4) (5)	102,159	30,785
Communications		
- Development Information Program	4,981	4,856
Special Funds		
- Landmines - CIDA	11,790	9,795
- Kosovo (6)	94,900	40,000
- Canada Climate Change Development Fund	10,000	23,482
- Algeria (7)	---	8,900
ADMINISTRATION		
- CIDA Operating	112,185	147,408
CIDA - Official Development Assistance (ODA)	1,695,601	1,729,847
PLUS OTHER OFFICIAL ASSISTANCE		
- Countries in Transition - Program	90,023	87,759
- Countries in Transition - Administration	8,336	7,093
CIDA Official Assistance (OA)	98,359	94,852
Total CIDA (ODA and OA)	1,793,960	1,824,699
OTHER DEPARTMENTS AND AGENCIES		
AID PROGRAM		
Dept. of Finance - (International Development Association)	202,334	202,334
Poverty Reduction and Growth Facility (PRGF) (4)	48,200	---
International Development Research Centre (IDRC)	86,143	92,500
Health Canada - (for Pan-American Health Organization)	6,500	6,500
DFAIT (Grants and Contributions)		
- Assessed Contributions (8)	67,352	64,181
- Voluntary Contributions	6,475	7,375
- Scholarships	8,288	8,288
- ICHRDD	4,359	4,859
Public Works and Government Services Canada (9)	2,100	3,281
Heritage Canada (10)	175	4,275
ADMINISTRATION		
- DFAIT (for services rendered in the field) (11)	40,264	42,033
Total Other Departments and Agencies (ODA & OA)	472,190	435,626
Total	2,266,150	2,260,325

1. In 2001-02, non-IAE allocations for the administration of the following: Youth Employment Initiative (\$419,000); Employee Benefit Plan adjustments (\$3.089 million); Canada Climate Change Development Fund (\$1.429 million); the Canadian Landmines Fund (\$300,000); salary increases as by collective agreements (\$6.143 million).
2. In 2001-02, non-IAE allocations considered as aid for the following: Youth Employment Initiative received from Human Resources Development Canada (\$5.952 million); funds specifically for a potable water supply system project in Algeria (\$8.9 million); Forum of Federations (\$1 million); funds to the International Labour Organization towards the elimination of child labour (\$3 million); funds announced in Budget 2000 for the International Climate Change initiatives (\$23.482 million); the Canadian Landmines Fund (\$9.795 million); funds reprofiled from fiscal year 2000-01 for the Kosovo program (\$30 million); funds for Les IVE Jeux de la Francophonie (\$800,000); informatics loan repayment to Treasury Board (\$5 million).
3. In 2001-02, this line includes the allocations of \$5.952 million for the Youth Employment Initiative and \$1 million for the Forum of Federations.
4. In 2001-02, budgets for these lines are reduced due to payments of \$140.5 million in 2000-01, for Canada's calendar year 2001 international obligations to select multilateral organizations and institutions.
5. In 2001-02, this lines also includes \$3 million to the International Labour Organization for the elimination of child labour.
6. In 2001-02, \$30 million from the Kosovo programming funds have been reprofiled from 2000-2001.
7. In 2001-2002, these funds are specifically targeted for a four-year potable water supply system project in Algeria.
8. Includes \$5 million for the Inter-American Institute for Co-operation on Agriculture (IICA).
9. In 2001-02, includes an additional \$1.181 million for increased accommodation costs.
10. This line includes \$175,000 for TV5 and in 2001-2002 an additional \$4.1 million allocated to funding for Les IVE Jeux de la Francophonie.
11. Includes \$3.098 million for Countries in Transition.

Chart 2: 2001-02 International Assistance Envelope by Channel of Delivery



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

Table 2: Financial Planned Spending

(\$ millions)	Forecast Spending 2000-01	Planned Spending 2001-02
Budgetary Main Estimates	1,858.9	1,788.2
Non-Budgetary Main Estimates	16.7	4.5
Total Main Estimates	1,875.6	1,792.7
Adjustments	328.8	41.2
Net Planned Spending	2,204.4	1,833.9
Plus: Cost of services received without charge	15.0	17.3
Net cost of Program	2,219.4	1,851.2
Full Time Equivalents	1,289	1,385

SECTION III: DEPARTMENTAL PLANS, RESULTS, ACTIVITIES AND RESOURCES

3.1 Sustainable Development Strategy and Key Results Commitments, Planned Results, and Related Activities

CIDA's mandate as the lead government organization responsible for Canadian development co-operation is sustainable development. *CIDA's Sustainable Development Strategy 2001-2003: An Agenda for Change*, which was recently tabled in Parliament, has two long-term development policy and program goals and a third long-term goal specifically related to the Agency's management systems and structures.

The two long-term **policy and program** goals for the *Strategy*⁵ are:

- To support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world; and
- To support democratic development and economic liberalization in Central and Eastern Europe by building mutually beneficial partnerships.

CIDA's long-term goal for its **management systems and structures** is:

- To apply a management-system approach based on continual improvement in implementing CIDA's sustainable development mandate.

These three goals under the Sustainable Development Strategy (SDS) are addressed through a number of policy and program objectives, strategies, actions and results as well as objectives, strategies, actions and results related specifically to the Agency's management systems and structures. CIDA's six policy and program objectives (the first six under the SDS table on page 21) reflect the specific areas where the Agency's development capacity must be strengthened for it to achieve its development goals and to remain credible with partner countries, other development agencies and the Canadian public. CIDA has also developed three management objectives (nos. 7-9 on SDS table) which demonstrate the Agency's desire to continually improve its performance through new ideas, knowledge and insights. The major change is that the Sustainable Development Strategy (SDS) includes additional activities, particularly in the area of management structures, that were not previously captured in either the Report on Plans and Priorities (RPP) or the annual Departmental Performance Report. This RPP signals CIDA's intention to plan and report on a more comprehensive set of results and activities than had been the case in the past.

Table 3 summarizes CIDA's Sustainable Development Strategy 2001-2003 and details the logical flow from goals to objectives to strategies. The Table provides the foundation for the five key actions which CIDA has elected to focus on for its 2001-2002 RPP, as reflected in the crosswalk on page 22.

⁵ CIDA's Sustainable Development Strategy 2001-2003: An Agenda for Change - January 2001.

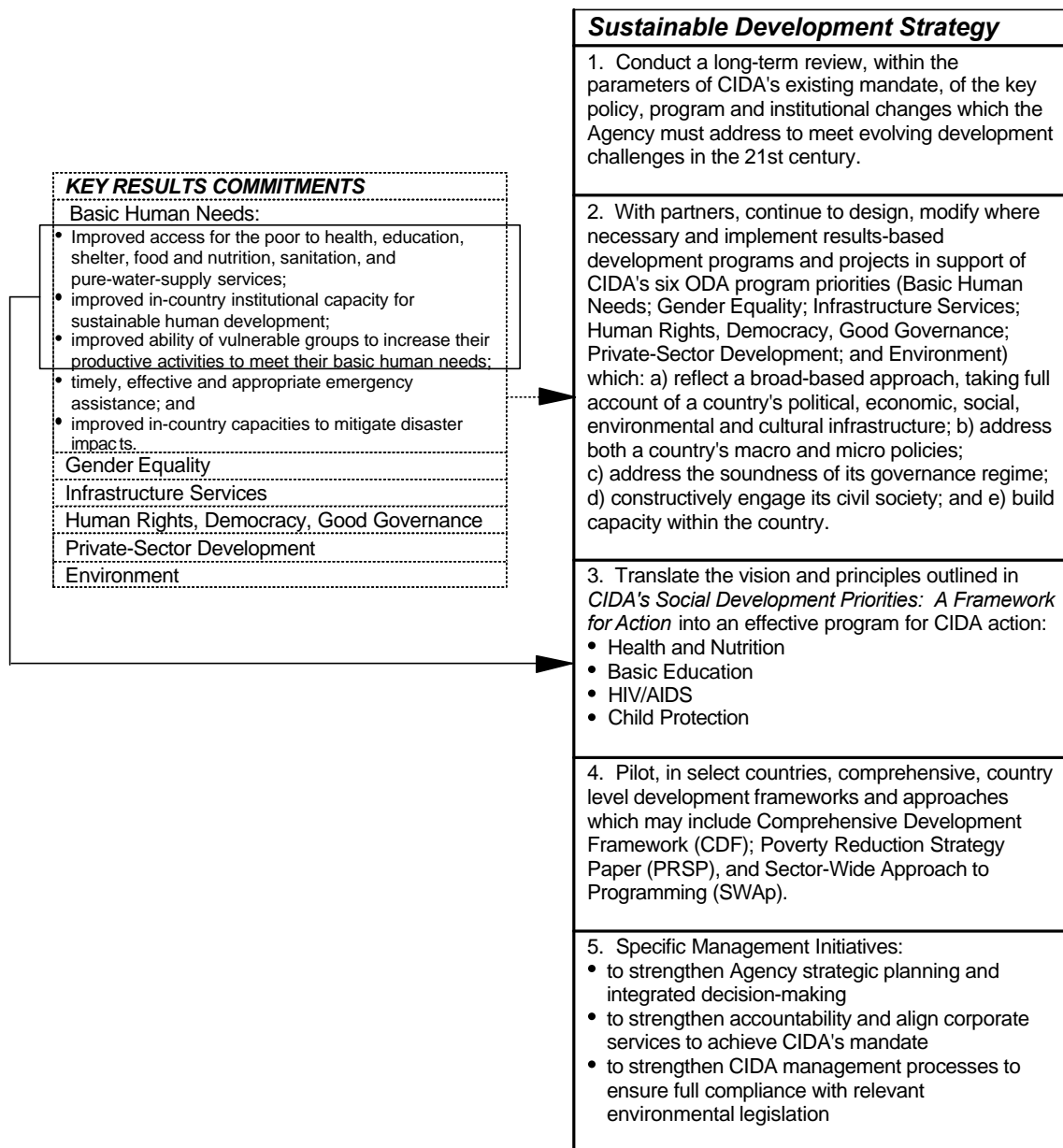
Table 3: CIDA's Sustainable Development Strategy 2001-2003

Goals	Objectives	Strategies
<p>To support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world.</p> <p>To support democratic development and economic liberalization in Central and Eastern Europe by building mutually beneficial partnerships.</p> <p>To apply a management-system approach based on continual improvement in implementing CIDA's sustainable development mandate.</p>	<ol style="list-style-type: none"> 1. To reinforce CIDA's capacity to contribute to equitable and environmentally sustainable growth in developing countries and countries in transition (CITs) which strengthens the economic, political, and sociocultural capabilities of women and men, girls and boys. 2. To pursue improved programming approaches to poverty reduction as a concrete expression of Canada's commitment to the developing world's fundamental preoccupation. 3. To constructively engage developing countries and CITs in addressing key global challenges -- a clean environment, human rights and gender equality, economic prosperity, good health and education, and human security. 4. To strengthen CIDA's policy influence, in Canada and internationally, to bring perspectives gained from working with developing countries and CITs to bear on key global challenges: a clean environment, human rights and gender equality, economic prosperity, good health and education, and human security. 5. To establish CIDA as a leading sustainable-development, knowledge-based, and continuous learning organization, in Canada and internationally. 6. To build on and strengthen public understanding, support, and informed action by Canadians with respect to Canada's international development co-operation program. 7. To strengthen Agency strategic planning and integrated decision-making. 8. To strengthen accountability and align corporate services to achieve CIDA's sustainable development mandate. 9. To strengthen CIDA management processes, ensuring continued compliance with relevant environmental legislation. 	<ol style="list-style-type: none"> 1. Conduct a long-term review, within the parameters of CIDA's existing mandate, of the key policy, program, and institutional changes which the Agency must address to meet evolving development challenges in the 21st century. 2.1 Translate the vision and principles outlined in <i>CIDA's Social Development Priorities: A Framework for Action</i> into an effective program for CIDA action. 2.2 Strengthen the poverty-reduction focus of CIDA policies, programs, and projects in developing countries and CITs (in the context of the CEE mandate) to build their capacity to address poverty and inequity in an environmentally sustainable manner. 3.1 Forge sound, productive partnerships with developing-country and CIT partners. 3.2 Strengthen the capacity of developing countries and CITs to negotiate and implement multilateral trade, human rights, and environmental agreements. 4.1 Strengthen Agency policy and analytical capability so that CIDA, with its partners, can play an effective, informed, and credible role in international policy discussions addressing key global challenges. 4.2 Promote informed positions on key development issues with developing-country and CIT partners, other donors, multilateral organizations and institutions, other government departments, and Canadian stakeholders. 5. Improve the creation, sharing, and application of knowledge within CIDA and between CIDA and its partners. 6. Establish a long-term approach to influencing the opinions and attitudes of Canadians pertaining to development by taking advantage of new opportunities arising from CIDA's expanding mandate and Canada's evolving role on the world stage. 7. Ensure a more coherent and explicit integrated strategic planning and resource allocation process throughout the Agency. 8.1 Incorporate a continual improvement management system approach throughout the Agency: "PLAN - DO - CHECK - LEARN - REVISE." 8.2 Effectively align management and corporate services (human resources, finance, information management and technology, contracting management) to mandate this achievement. 9.1 Ensure Agency adherence to the Canadian Environmental Assessment Act (CEAA). 9.2 Strengthen Agency-wide commitment to stewardship and conservation.

CIDA currently has an approved set of Key Results Commitments against which it has been planning and reporting since 1996; this table can be found in Section V of this report. At the same time, as noted on page 20, the SDS provides a new set of objectives, results and actions relating to policies and programs and to management systems and structures. The Agency plans to revise the Key Results Commitments Table to ensure consistency with the objectives of the SDS. With the understanding that the objectives of the SDS may change (in view of the findings

from the current long-term review), a "crosswalk" is provided below to demonstrate the links between the current Key Results Commitments and the evolving Sustainable Development Strategy.

Chart 3: Crosswalk from Key Results Commitments to Sustainable Development Strategy



As can be seen above, what was previously reflected as programming under the six ODA and four CIT priorities will now be represented as a specific set of actions under the SDS. There is, additionally, a clear link between several sub-priorities under Basic Human Needs and the four **Social Development Priorities** (health and nutrition, basic education, HIV/AIDS and child protection).

In the interest of effectiveness, the Agency has, for the purposes of the 2001-2002 RPP, selected a number of actions from the Strategy for immediate focus. The main actions selected are:

1. Conduct a **long-term review**;
2. Design, modify and implement **results-based programs and projects** in support of CIDA's **six ODA priorities**⁶ and the four CIT priorities (see also the Chart of Key Results Commitments in Section V of this report);
3. Begin to respond to the **Social Development Priorities**;
4. Undertake specific **pilot project** initiatives;
5. Implement specific **management systems** initiatives.

The crosswalk on page 22 above reflects the five areas of actions rather than the broader range of strategies and objectives outlined in the SDS table on page 21.

1. Conduct a long-term review, within the parameters of CIDA's existing mandate, of the key policy, program and institutional changes which the Agency must address to meet the evolving development challenges in the 21st Century.

The discussion paper *Strengthening Aid Effectiveness -- New Approaches to Canada's International Assistance Program* highlights both the traditional values-based and the growing and complementary interests-based rationale for Canadian development assistance. The two approaches balance Canadians' commitment to helping the poor with a recognition that, in an era of increasing global interdependence, development co-operation helps advance interests that Canada shares with other countries. The discussion paper explores changes required to maximize CIDA's development effectiveness. The paper therefore looks at issues like geographic and sectoral concentration, tied aid, multilateral effectiveness and the links between aid, trade and the environment. It pays particular attention to the opportunities for increased aid effectiveness through the use of new, more comprehensive program approaches, such as Sector-Wide Approaches (SWAPs) and the Comprehensive Development Framework. The paper looks at what steps CIDA might need to take to be able to participate in these new approaches to development, including reducing the heavy project load of its current programming and seeking to invest aid resources more strategically and with a greater emphasis on influencing policy.

Contributions and Expected Results/Activities

Policy Branch will co-ordinate the overall review process for the Agency. It will set out the process envisaged for the review and provide information and analytical documents as required to support an informed discussion with Canadians and with CIDA's other development partners. Policy Branch will be responsible for writing up the final report and recommendations emerging from the review process.

Multilateral Programs Branch (MPB) will play a strong role in identifying the key policy, program and institutional changes the Agency needs to address to meet evolving development challenges, particularly given the important role of multilateral development institutions in creating and maintaining effective

⁶ Basic Human Needs; Gender Equality; Infrastructure Services; Human Rights, Democracy, Good Governance; Private-Sector Development; and Environment.

international systems of global governance. MPB will maintain and enhance Canada's influence and credibility in these institutions and work to promote their optimal performance, particularly in support of the objectives of the review process. The Branch will also enhance efforts to promote the sharing of knowledge between CIDA networks and their counterparts (for example, in the World Bank and the Consultative Groups and within the working group on the UN Office for the Co-ordination of Humanitarian Affairs) and consider ways in which to share information and thinking emerging from these institutions.

Canadian Partnership Branch (CPB) will ensure that the inputs of civil society and of other Canada-based partners are reflected in the final output of the review process. CPB will establish and co-ordinate a Civil Society Network to share and discuss the role of civil society in international development and to make sure that this role is taken into account in policy making and program development and delivery.

Communications Branch will monitor and report on public and media opinion on various issues as the process unfolds. The Branch will facilitate and stimulate public interest in and discussion of the issues by disseminating information and supporting CIDA speakers. Branch activities will help to clarify for key target groups, through the media and directly, the nature of the issues and their importance within Canada and globally. The Branch will support the Agency in communicating to Canadians progress on the review and the final outcome.

The **Central and Eastern Europe Branch** (CEE) will play a strong role in identifying the key policy, program and institutional changes the Agency needs to address to meet evolving development challenges. Based on analysis and lessons learned, CEE has a unique contribution to make to the thinking within CIDA on strategies and success criteria for countries that "graduate" from the need for further international assistance. The Branch will support trade-policy capacity and institutional development to help advance the transition to market-based economies and the adherence to international norms. In order to establish a sound policy basis for CIDA's approach to the human security agenda, CEE Branch will work to improve the efficiency and quality of the programs implemented in Central and Eastern Europe and encourage dialogue on support for the transition from relief to reconstruction in post-emergency situations.

Below is an overview of the types of initiatives that will be undertaken by the four bilateral branches -- **Africa and Middle East, Asia, Americas, and Central and Eastern Europe** -- over the 2001-02 period:

- Knowledge management implementation initiatives, such as the strengthening of analysis as well as sharing and application of knowledge, will be further promoted at Branch level.
- Country Programming Frameworks to be updated in 2001-02 and to adopt the principles of local ownership and national focus.
- The Agency - by itself or in co-ordination with other bilateral and multilateral partners - will actively seek opportunities for policy engagement in developing countries and countries in transition, while respecting the principle of local ownership. Linkages with other government departments (OGDs) will continue. Officials representing all programs will engage in dialogue with DFAIT. Relations with OGDs will be determined by the nature of specific programming in each country.

- Field-level donor co-ordination will be enhanced.
- The Americas Branch will actively participate interdepartmentally in Canada's trade negotiations agenda, including talks leading to the Free Trade Areas of the Americas (FTAA).

2. Continue, together with partners, to design, modify where necessary and implement results-based development programs and projects in support of CIDA's ODA priorities -- Basic Human Needs; Gender Equality; Infrastructure Services; Human Rights, Democracy, Good Governance; Private-Sector Development; and Environment -- and its priorities for countries in transition -- to support democratic development and economic liberalization in Central and Eastern Europe, to facilitate Canadian trade and investment links in the region, and to assist international efforts to reduce threats to international and Canadian security.

Contributions and Expected Results/Activities

Policy Branch will complete the development of a Corporate Performance Assessment Framework to monitor the implementation of the Agency's SDS commitments. The Branch will also develop a Performance Review Framework to monitor progress towards the implementation of *CIDA's Policy on Gender Equality*, 1999). The Branch will engage programming branches in a number of thematic and sectoral areas, such as continued work on micro-credit and micro-finance, in which the Branch acts as a resource for the program branches and facilitates the sharing of sectoral knowledge and lessons learned. The Branch will also serve as an Agency resource in governance-related areas such as anti-corruption work, and legal and judicial reform. Policy Branch will work to enhance the effectiveness and capacity of the Agency's Child Protection Advisors Group to provide advice on child protection issues relating to program and project implementation. The Branch's new Multilateral Environmental Agreement Unit will continue to design and implement new mechanisms of co-operation between Policy Branch and operational branches. These mechanisms will include the joint decision making mechanism for project selection and funding under the Canada Climate Change Development Fund (CCCDF) and a pilot project to combat desertification in Africa.

Multilateral Programs Branch will work at the global system level and with individual organizations to enhance their effectiveness and ability to meet the international development goals (see Box 4). Specifically, the Branch will pursue measures to ensure that the institutions are transparent and accountable, work within a results-oriented context and focus on key development challenges, with particular emphasis on poverty reduction. The Branch will also play an assurance function through strategic assessments of the performance and results of its partner institutions. The Branch will develop a results-based management framework more suited to its programming characteristics. This framework involves a wide range of initiatives-- from policy dialogue, advocacy capacity building and gender equality to food aid, humanitarian assistance, peacebuilding and mine action-activities.

Canadian Partnership Branch will continue to promote mutually beneficial partnerships between Canadian and developing-country organizations to support sustainable development and reduce poverty through activities under the six ODA

priorities. The Branch will also build on the leadership which Canadian NGOs have demonstrated in the past on cutting-edge issues - such as gender equality, environment and micro-credit - to encourage efforts related to local ownership, knowledge transfer and capacity development. The Branch is also committed to analyze and assess the contribution of the different organizations and institutions in the context of performance and results achievement.

Communications Branch will continue to employ a variety of products, programs and communications vehicles to engage Canadians and to demonstrate that CIDA is an effective aid agency, by featuring CIDA actions and progress in the six priority areas.

Central and Eastern Europe Branch will continue to develop programs and projects in accordance with its four priority areas. Key strategies are:

- **Partnerships:** Forge sound, productive partnerships with country governments, civil society and the development community based on national and local embrace of development strategies, strong donor co-ordination and long-term commitment.
- **Encourage good governance** to enable economic growth to continue and to provide for an adequate level of social services, so reform measures are not imposed at the cost of health and education, for example. Programming will target decision-makers at various levels in order so that successful interventions can be tried elsewhere and the overall systems can improve
- Central and Eastern European countries are in a good position to use the huge potential resources of the **information age**. CIT programming will seek to speed up the transition process through optimum use of the full range of approaches - from information and communication technology (ICT) to knowledge for development.
- **Regional approaches:** In CIT programs, consideration will be given to multi-country programming and thematic and sectoral programming in order to optimize efficiency while strengthening regional dynamics.

Below is an overview of the types of initiatives to be undertaken by the **Americas, Africa and the Middle East and Asia Branches** within the six ODA priorities during 2001-02:

Basic Human Needs

- **Basic Human Needs** programming includes the core objectives identified in the Social Development Priorities. Basic Human Needs programming will predominate in **South Asia** and **Sub-Saharan Africa** with a strong focus on narrowing the existing gender gaps. Other initiatives will also be undertaken in the poor provinces of Western China as well in East Timor and Vietnam.

In **Africa**, water is rapidly becoming more scarce, less clean and a greater source of conflict. However, there are encouraging regional efforts, such as the Nile Basin Initiative. In 2001-02, the Africa and Middle East program will continue to work at developing new approaches to address the challenges of water and affordable financial resources by co-operating with regional and pan-African institutions and other international partners.

The geographic programs will design and implement other development initiatives in accordance with country strategies.

Gender Equality

- Efforts to integrate gender equality in CIDA's programming, as both an ODA priority and a crosscutting theme, will be intensified. To this end, Geographic Programs branches will continue to apply gender analysis in policy development and dialogue, program and project planning, and assessment.
- **Asia Branch** will continue to support specific initiatives to address the feminization of poverty in Southeast Asia in the aftermath of the Asian financial crisis and the persistent gender discrimination that pervades South Asia and thwarts development efforts in that sub-region. The Branch will take further steps to strengthen the integration of gender equality concerns across all sectors of programming, particularly in the growing areas of good governance and social development programming. In **Africa and Middle East Branch**, programming will pay particular attention to basic education for girls, as well as the capacity to address the gender dimensions of poverty. **Americas Branch** will further gender equality through initiatives such as those aimed at increasing women's political participation, reducing gender-based violence, ensuring women and men have access to reproductive health services and building the capacity of partners to promote gender equality.

Infrastructure Services

- With respect to **Infrastructure**, support will continue to be provided to India's efforts to enhance the delivery of telecommunications services, in particular in the areas of liberalization and expansion of the telecommunications sector; training and advisory capacity; and improved rural services. Experts from the federal government, academia and the private sector in Canada are engaged with their Indian counterparts in these efforts.

Human Rights, Democracy, Good Governance

- Increasing emphasis will be placed on **governance** issues. In **Asia Branch**, support to policy reform and capacity building for human rights and governance will be undertaken or is under active consideration in Cambodia, China, Pakistan and Philippines as well as in the Southeast Asia regional programming. There will also be capacity building to support decentralization in Pakistan, Philippines and Vietnam. The Branch will take advantage of these opportunities to address inequalities between women and men presented by these initiatives.
- **Africa and Middle East Branch** currently puts emphasis on strengthening democratic institutions; improving the accountability, transparency and effectiveness of electoral, democratic and legislative institutions as well as the judiciary; building the capacity of organizations and institutions which promote human rights and gender equality; and increasing the efficiency and effectiveness of the public service in the delivery of services to citizens. These initiatives will continue to be relevant for a wide range of countries in the region and particularly for the programs in Cameroon, Ghana, Mali, Senegal, South Africa and Zimbabwe.

- Governance reform, particularly in certain countries, is recognized as a key dimension of sustainable development in the Americas. Current programming in the **Americas** is concentrated on Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Haiti, Jamaica and Peru. Governance projects in these countries focus on capacity building in institutions responsible for the promotion of human rights and democracy, legal and judicial system reform, human rights training, the development of civilian oversight institutions, improved and more equitable access to legal and judicial processes, and the promotion of conflict-management alternatives.

Environment

- Support to **environment** programming will expand, particularly in the area of climate change. Resources have been allocated from the Canada Climate Change Development Fund to the Branches which, in turn, will develop specific projects which are consistent with the goals and objectives of the Fund.

Private-Sector Development

- With respect to the development of the **private sector**, work will continue to support microfinance and micro enterprises, which will enhance the ability of the poor to engage in economically productive activities. The **Africa and Middle East** program has a significant involvement in this area. Assistance has focussed on improving the enabling environment, strengthening financial intermediation and building institutional and human resources capacity. A wide range of countries have been targeted by these initiatives including Benin, Burkina Faso, Mali, Senegal and South Africa

3. Translate the vision and principles outlined in *CIDA's Social Development Priorities: A Framework for Action* into an effective program for CIDA's activities.

Contributions and Expected Results/Activities

With the action plan for HIV/AIDS completed, **Policy Branch** will continue to co-ordinate the drafting of action plans for health and nutrition, basic education and child protection. The Branch is organizing Agency-wide consultations with partners in Canada and overseas before the completion of final versions. The Branch will continue to ensure that the Social Development Priorities action plans integrate gender equality. As part of the implementation plan developed in conjunction with the program branches, gender-sensitive indicators for monitoring and evaluating progress under the SDPs will be developed.

In promoting the SDP among multilateral development institutions, **Multilateral Programs Branch** will move beyond emphasizing poverty reduction to making specific interventions in health and nutrition, basic education, HIV/AIDS, and child protection. At the same time, the Branch will work with multilateral development institutions to enhance their ability to deliver on the broad sweep of the International Development Goals (see box 4 on page 14). Specific activities could

include increased support for UNICEF as a key institution involved in all aspects of the **SDP**; greater emphasis on UNHCR's role in child protection; additional resources for UNAIDS; a partnership with the World Food Program in food fortification; enhanced support for the Canadian International Immunization Initiatives; and increased participation in a UN global initiative to eliminate gender disparities in education.

One value added of the responsive program of the **Canadian Partnership Branch** is that it harnesses and leverages the knowledge, experience, creativity and resources of Canadian organizations and their counterparts in the South. CPB is thus well placed to contribute efficiently and effectively to the implementation of the Social Development Priorities. CPB will give preference to programs and projects supporting the implementation of the priorities. The Branch expects that partners receiving program funding will gradually strengthen their programming in the SDPs in accordance with their experience and expertise. Partners receiving project funding will either better align their project proposals with the priorities, or submit new project proposals. Partners which have just renewed their program funding will be offered the opportunity to adjust their programs to the Social Development Priorities without having to wait for the renewal of their program funding in three years. CPB will also actively support CIDA's consultation on the SDP Action Plans. Finally, CPB will support external Knowledge Networks in the four SDP areas. This support will help CIDA become more innovative and proactive by leveraging knowledge through networking. It will also facilitate the application of knowledge by developing countries to address their social development agendas.

Communications Branch will continue to promote the **SDP** and the International Development Goals as an important agenda for development, with key Canadian publics and the media. The Branch will continue to provide the means for the Agency to report regularly to Canadians on CIDA's and Canada's progress on the **SDP** in developing countries. Communications Branch will also continue to monitor Canadian support for CIDA's work on the **SDP**.

Below is an overview of the types of initiatives that will be undertaken by the **geographic branches** - Africa and Middle East, Asia, Americas, and Central and Eastern Europe - over the period 2001-02:

Under the Framework, **Africa and Middle East Branch** plans to increase its programming in the four priority areas during 2001-02. In particular, HIV/AIDS will continue to be a key concern in implementing program-related decisions, as the impact of HIV/AIDS is expected to remain a major challenge in Africa, especially in Southern Africa, during 2001-02. With respect to health and education initiatives, the Africa and Middle East program will further encourage the use of sector-wide approaches, which are led by the host countries and involve a wide range of partners in a co-ordinated fashion, as a way to contribute to the efforts towards increased aid effectiveness. By 2005-06, the program will increase its investment under the SDP from 28% to 50% of its 2000-01 budget. New initiatives related to child protection will be implemented as war-affected children, child soldiers and child labour have become urgent issues in the region.

Programs and projects in the areas of **SDP** account for about 18% of **Asia Branch's** disbursements in 2000-01. This proportion will rise to about 27% within a year, and will double in five years' time. Active exploration to identify new programming to address basic education for both girls and boys will be undertaken in Bangladesh, China, Indonesia and Pakistan. In particular, the substantial commitment to basic

education delivered through NGOs in Bangladesh will be enhanced. Asia Branch is developing a range of new programming, in Southeast Asia and elsewhere, that adheres to the principles of UNAIDS, Canada having played a major role in the creation of that body and in the development of its global strategy. The Branch also works with a range of partners, including governments, in support of their National AIDS Strategies, and in regionally focussed interventions. The Branch's Southeast Regional Program will work with UNAIDS in preparing the regional strategy for HIV/AIDS. Health Sector support will continue in Bangladesh and China and will be explored in Pakistan and Philippines. CIDA's support to the health and population sector in Pakistan will be provided through a SWAp. Lessons emerging in this context will contribute to the development of Branch and Agency thinking. Programming support to child protection will be explored with particular attention to child labour, disability, and the needs of children in especially difficult circumstances.

Americas Branch has integrated the **SDP** into its ongoing portfolio as primary health and basic education are key strategic sectors of intervention for most of its programs. HIV/AIDS is of great importance in the Caribbean where statistics reflect the worst AIDS situation outside sub-Saharan Africa. The Branch will invest heavily in dealing with the pandemic in Caribbean countries. Education will focus in particular on aboriginal needs, early childhood education and education for children at risk. Child protection programming is directed largely at street children and child-labour issues. The SDP framework has encouraged Americas Branch to take a greater leadership role in some sectors (HIV/AIDS, national health planning and co-ordination) and in some countries -- for example in Bolivia and Haiti -- and under the Caribbean regional program.

The good governance and social programming of **CEE Branch** will address parts of the SDP Action Plans, as appropriate.

4. With partners, implement pilot projects and programs in select countries to test specific programming approaches including Comprehensive Country-level Development Frameworks (CDFs) and approaches, Poverty Reduction Strategy Papers (PRSPs), and Sector-Wide Approaches to Programming (SWAps).

Contributions and Expected Results/Activities

Policy Branch will support pilot projects with existing and new networks that foster links among branches, and with external partners, as a tool for internal coherence, horizontal dialogue, learning and creating knowledge. As part of this effort, the Branch is co-ordinating an Agency-wide Network on Sector-Wide Approaches (SWAps), as a vehicle for exploring some of the opportunities and challenges of working with SWAps. The Network is seen as an effective way for its members to stay abreast of current thinking, share experiences, and contribute to Agency policy and procedures regarding such approaches. Members will become focal points of information on SWAps for CIDA's partners. Other networks with pilot projects will include: EnviroNet, the Gender Equality Network and the Poverty Reduction Network. In order to support the Agency's ability to look ahead, the Branch will create an analysis and research division. This new division will allow the Agency to better extract lessons learned, take further advantage of major developments in international development thinking, and develop more effective strategies to tackle global poverty. The Branch will also focus on continuing its involvement with the DAC to further strengthen the knowledge base on the integration of gender equality within SWAps.

Broadening strategic partnerships is a key element of the strategic approach of the **Multilateral Programs Branch** (MPB). The Branch will use its access to multilateral institutions to promote increased co-operation between them and CIDA's program branches. In particular, the Branch will seek ways to work with bilateral programs in selected countries to make progress under CDFs, SWApS and other innovative approaches in order to maximize programming impact. This could involve: a more detailed consultative process on these mechanisms when they come to the Boards of the various multilateral institutions, promoting multilateral-bilateral financing mechanisms, and undertaking performance assessments in the field.

Canadian Partnership Branch is planning to conduct a pilot project on the "Protection of Children in Western Africa" to test the sectoral approach to programming. This project will seek first to create a consortium of team players that will draw upon the expertise of Canadian NGOs, NGOs from African and other countries, donor countries and West African governments in the area of child protection. This consortium will design an appropriate framework and an action plan that will subsequently guide governments and NGOs to prioritize policy planning initiatives and development projects for the protection of children against labour abuses in the region.

Central and Eastern Europe Branch will develop new programming tools for managing the "graduation process" of certain Countries in Transition. In other words, the Branch will work towards a different kind of relationship with these countries -- one that is not focused on international assistance but is more broadly based politically, commercially and socially. The tools could serve as models for other more advanced economies where CIDA is contemplating changes in the nature of its involvement.

Below is an overview of the types of initiatives that will be undertaken by the **Americas, Africa and the Middle East, and Asia Branches** during 2001-02:

- Through enhanced international partnerships, Canada will continue to strengthen the poverty focus of programs supported by its partners, through the PRSP process. In Sub-Saharan Africa, the Strategic Partnership with Africa (SPA) will seek to mobilize and monitor quick-disbursing donor funds for growth-oriented poverty-reduction programs and to work at improving aid effectiveness. For example, CIDA's approach to the programming of Canadian assistance in Burkina Faso, Cameroon and Mali will continue to involve a greater emphasis on supporting country-owned poverty reduction efforts and a better co-ordination of external assistance. This gradual shift of programming approach will continue to be pursued in Honduras and Senegal.
- CIDA will continue to participate in the pilot CDF process currently underway in Ghana and in Vietnam.
- CIDA will be exploring SWApS and SWAp-type initiatives in Bangladesh and Bolivia and under the Caribbean regional program. Initiatives will also be explored in Sub-Saharan Africa and more specifically in Ghana.

5. Specific management systems initiatives to facilitate integrated program and management decision making throughout the Agency.

Contributions and Expected Results/Activities

Consistent with the *Management Framework for the Government of Canada*,⁷ CIDA will continue to ensure:

- the delivery of effective, citizen-focused services and programs to Canadians and all CIDA's overseas partners;
- improved results-based management practices, including reporting on results to Canadians through Parliament, and engaging Canadians and overseas partners to improve the impact of Canada's development co-operation efforts;
- sound comptrollership practices: spending funds in a disciplined and responsible manner;
- delegation of decision-making authority to the right level to achieve results, in a way that ensures clear accountability, due diligence in the management of public funds and the capacity to report on actual results to Canadians and to CIDA's overseas partners;
- the continued promotion of public-service values and the development of an exemplary workplace characterized by support for the employee, encouragement of initiative, trust and communication, and a respect for diversity.

To deliver well on these core management responsibilities, CIDA will, over the period 2000-03, refine and modify its management systems and structures so that they clearly link with, and support, its policy initiatives and program and project delivery for strengthened development focus and impact.

In order to strengthen Agency strategic planning and integrated decision making, the Agency, under the leadership of **Policy Branch**, will develop and begin to implement methods and systems to aggregate and synthesize project-, sector- and program-level results to aid learning and therefore more effective approaches at the branch and Agency levels. Results-based frameworks will be developed and updated at the project level while approaches and methodologies for developing focused outcomes at the program, branch and Agency levels will be further developed or updated. Frameworks and tools to facilitate more strategic corporate planning and reporting will also be developed or revised, building on existing models and approaches. These could include branch strategic plans and performance reviews, regional and country-program reviews and frameworks and country-, branch- and Agency-level risk assessments. A more strategic budget allocation process to support the objectives of the SDS will be developed, implemented and modified, based on lessons learned. Over the course of the next few years, CIDA's management information system will be modified to support this results-based analysis at the corporate level as well as to support government-wide initiatives, including GOL.

⁷ Treasury Board, www.tbs-sct.gc.ca/res_can/rc_e.html

To strengthen accountability and align corporate services to achieve CIDA's sustainable development mandate, work will start on reviewing and updating the Planning, Reporting and Accountability Structure and the roles and responsibilities of different Agency committees. In addition, the Agency will integrate a continual management learning approach into management systems, structures and processes. Simplification of internal work processes, including reducing the administrative burden involved in the contracting process, will be addressed. As well, finding solutions for the Agency's changing space and accommodations requirements will be pursued. As part of the development of a new Human Resources Strategy, **Human Resources and Corporate Services Branch** intends to focus on workforce renewal; boosting the diversity of the CIDA workforce through the Agency's Employment Equity program; and implementing the Universal Classification Standard. Revamping of the Continuous Learning Program and renewal of the Scientific and Technical personnel in the Agency assume particular importance in view of the shift towards a continual learning knowledge-based organization.

Establishing such a system within the Agency involves ensuring that audit and evaluation processes are linked to core activities. **Performance Review Branch** plans to focus on country and thematic reviews in areas such as environment, basic education, HIV/AIDS, peace-building and child protection. PRB hopes to add value to the Agency's review activities through greater emphasis on evaluating initiatives early in the implementation process. PRB will assist in developing pilots in selected country frameworks and sectors to improve the identification and measurement of results. Lessons learned will be synthesized and integrated into the Agency's knowledge base in order to improve performance.

To ensure that internal and operational controls are defined and implemented in support of good financial management and accountability, the Financial Information Strategy will be updated and implemented. An action plan for improving CIDA's financial management capability (consistent with OAG requirements) will be developed.

To strengthen CIDA management processes to ensure full compliance with relevant environmental legislation, efforts will be made to ensure that CIDA programs and projects to which the Canadian Environmental Assessment Act (CEAA) applies undergo the appropriate environmental assessment. In addition, the Agency will explore the development of an Agency-level environmental management system.

3.2 Business Line Details, Planned Spending and Full Time Equivalents

Geographic Programs

Objective

To support sustainable development and poverty reduction by undertaking development programs in specific countries, in keeping with their needs, the purpose and priorities of the official development assistance (ODA) program, and Canada's foreign-policy interests.

Business Line Description

Three geographic branches -- Africa and Middle East, Asia, and Americas -- are responsible for planning and providing Canada's country-to-country ODA and are part of the Geographic Programs business line. A fourth, Central and Eastern Europe Branch, provides both ODA and official assistance (OA) funding to certain transition countries. The CEE Branch constitutes a separate business line, the Countries in Transition business line, which is dealt with on pages 38 and 39.

Africa and the Middle East

The Africa and Middle East program is the largest of the three Geographic Programs and accounts for about 44% of bilateral assistance. It covers all areas of the African continent, as well as the Middle East.

Africa and the Middle East represents the world's most significant development challenge. It is a diverse region in ethnic, linguistic and economic terms. It encompasses the world's poorest and most marginalized countries but also some that are making significant social and economic progress. Rapid population growth, the HIV/AIDS epidemic, peace and security issues and the effects of globalization are among the region's major development concerns. While much -- including, in some cases, the beginnings of reform -- has been achieved on the economic front, much remains to be done. Marginal integration of Sub-Saharan Africa into the world economy, the continuing high debt burden and vulnerabilities highlighted by fluctuating commodity prices in 1999-00 are among areas requiring continuing attention.

The Africa and Middle East program addresses the six priorities of Canadian Official Development Assistance (see page 8) in relation to two strategic objectives: contributing to poverty reduction and promoting peace and security.

Helping African countries meet basic human needs - both in the short and long term - is an important element of the program. Traditional areas such as water supply, sanitation, and primary health care are emphasized, with growing importance placed on basic education - especially education of young girls - and on AIDS prevention. With the adoption in September 2000 of *CIDA's Social Development Priorities: A Framework for Action*, the Africa and Middle East program plans to put even greater emphasis on health and nutrition, basic education, HIV/AIDS and child protection.

The promotion of peace and security, which is especially important in the Middle East and in vulnerable areas of Africa, is sought through direct efforts to promote dialogue, reconciliation, democracy and good governance, as well as through initiatives that help to tackle the root causes of conflict and instability by promoting equitable social and economic development. Gender equality is an important cross-cutting theme in programming, not only for reasons of social justice but also because the low status of women is hindering development, in a wider sense, within the region. Particular attention is paid to enhancing capacities to deal with gender dimensions of poverty reduction and combating HIV/AIDS; improving access to equality of basic education and reproductive health services for girls and women; and increasing women's participation in decision making. In addition, the program supports good governance, respect for human rights and democratization efforts; assists in improving the productivity of the poor and in developing civil society; and supports economic reform. Emphasis is also placed on combating desertification; promoting sound environmental management; and supporting regional co-operation efforts.

Asia

In an area as large and diverse as the developing countries of Asia, containing 50% of the world's population, 50% of the GDP of developing countries and almost 65% of the world's poor, there is no shortage of challenges. Nevertheless, as the Asian Development Bank recently noted, the region has made notable progress. Income levels have increased significantly. Gross domestic product (GDP) per capita in East Asia almost quadrupled between 1975 and 2000. There have been huge improvements in the region's nutritional, health and educational standards and life expectancy has risen by 12 - 13 years in South and Southeast Asia. Yet many significant development challenges remain. Demographic growth remains high. HIV/AIDS is spreading. There has been substantial environmental degradation. Also, although interstate conflict has largely been contained, peace and security within the region cannot be taken for granted. Economic challenges include the fragile recovery accompanying the sporadic implementation of regulatory reform in the aftermath of the Asian economic crisis of 1997. The rapid pace of technological innovation will challenge the capacity of Asian economies to adapt. Progress in poverty alleviation will depend in part upon future GDP growth, but most East Asian countries should be able to reach the internationally agreed targets of poverty reduction by 2015. South Asia, particularly Bangladesh and Pakistan, will struggle to meet these goals.

South Asia is widely considered to be one of the least gender-sensitive regions of the world. Gender discrimination is a causal factor in the poverty, ill health, malnutrition, illiteracy and weak governance that pervades this sub-region. While by comparison Southeast Asia has made more progress, the aftermath of the Asian Crisis and the negative impacts of globalization have led to the increased feminization of poverty in this sub-region. This situation has increased vulnerability to exploitation and violation of human rights as evidenced, for example, by the growing phenomenon of trafficking in women and girls in the region.

The work of the Asia Branch is focused on seven countries: Bangladesh, China, India, Indonesia, Pakistan, Philippines and Vietnam. The Branch is also active in Cambodia, Laos, Mongolia, Nepal and Sri Lanka, as well as in the South Pacific Islands.

Poverty reduction -- CIDA's key mandate and the main objective of its Sustainable Development Strategy -- is at the core of the Branch's developmental efforts. In meeting this challenge, the Branch treats the building of local ownership as of paramount importance. The Branch will use its Operational Framework for Poverty Reduction to ensure that its programs and projects are driven by the poverty-reduction focus. The Asia Branch will implement the **Social Development Priorities** as appropriate in a manner consistent with the developmental needs of specific countries and within the context of CIDA's country strategies. Finally, Asia Branch will focus on the effectiveness of aid, by enhancing the role of knowledge in programming and by optimizing the role of the science and technology staff in the work of the Branch.

Americas

The Americas region has made remarkable progress over the past decade, in both economic and democratic terms. Despite this progress, poverty remains persistently high, not only within the poorest countries such as Bolivia, Haiti and Nicaragua but also in relatively higher-income countries such as Brazil and Mexico. Over 200 million of the region's citizens remain in poverty and the region continues to be the world's most inequitable region. Gender inequalities have led to the feminization of poverty and its transmission from one generation to the next. In this light, Americas Branch has developed a new regional framework which recognizes three challenges for future CIDA interventions:

- to extend the benefits of growth to a broader cross section of the population and to increasingly position the region to benefit equitably from globalization.
- to reduce instability and vulnerability -- be it economic, climatic or political (including small-state vulnerability), and mitigate the negative impact of economic volatility, political instability and natural disasters on poor households which are most adversely affected.
- to find ways to strengthen human resources and institutions particularly in meeting basic human needs, including education and training, and health services for women, men, girls and boys.

There is a high degree of regional agreement about these challenges which are of primary importance in poverty reduction and improved equity.

The Americas Branch supports substantial bilateral programs in Bolivia, Brazil, Colombia, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica and Nicaragua, as well as the Eastern Caribbean. There are more modest programs in Costa Rica, Cuba and Ecuador. Regional programs support the Caribbean Community (CARICOM), the Organization of Eastern States (OECS), Central America, the Andean region, the Southern Cone and Hemispheric (i.e. Organization of American States) programs. Needs of other countries in the region are addressed through funds for local initiatives.

Poverty and inequity remain primary development challenges in the Americas. These challenges will be addressed through the six Canadian ODA priorities. In addition, with the new Social Development Priorities announced last September, the Americas Branch is putting greater emphasis on health and nutrition, basic education, HIV/AIDS and child protection with gender equality as a crosscutting issue.

Table 4: Resources - Geographic Programs

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Program Expenditures	623,276	695,617	799,203
Operating Expenditures	42,885	47,262	47,466
	666,161	742,879	846,669
Human Resources (FTE)	531	531	531

Countries in Transition

Objective

To support democratic development and economic liberalization in Central and Eastern Europe (CEE), to facilitate Canadian trade and investment links in the region, and to assist international efforts to reduce the threats to international and Canadian security.

Business Line Description

The Countries in Transition (CIT) program, managed by the Central and Eastern Europe (CEE) Branch, responds to the following priorities:

- **Economic transition:** Improvements to the investment and business environment. Increased capacity of public and private institutions/businesses to function in a market-based economy.
- **Democratic development:** Increased promotion and protection of human rights. More effective, equitable and accountable service delivery by all levels of government. Increased popular participation in decision-making in society.
- **Trade and investment links to Canada:** Joint ventures and investment opportunities created. Canadian commercial benefits.
- **Global interests and Canadian security:** Enhanced peace and security, stability, prosperity and regional co-operation. Enhanced nuclear safety. Reduced human suffering resulting from emergency situations.

The Countries in Transition (CIT) program is highly responsive and supports the countries of Central and Eastern Europe (CEE) in their reform towards market economies and democratic political systems. The bulk of the program comprises Official Assistance (OA), though a small portion qualifies as ODA. The program encompasses mainly **country-specific technical assistance projects** that transfer Canadian knowledge and expertise in key sectors. Projects involve Canadian firms, institutions, non-governmental organizations (NGOs), business and trade organizations, government departments, labour groups, and educational institutions.

The CIT program also includes the following elements:

- The regional program helps build partnerships between Canadian and CEE institutions, NGOs, businesses and individuals. It supports regional networks in relevant sectors through the provision of technical assistance.
- The multilateral program supports the work of international institutions, such as the World Bank Group and the European Bank for Reconstruction and Development, and includes trust funds for Canadian consulting services for the preparation and assessment of Bank projects.
- The humanitarian assistance program helps people who are either displaced by conflict or suffering the effects of internal crisis.

- The Renaissance Eastern Europe (REE) program assists Canadian companies to form long-term business relationships with firms in the region.
- The nuclear safety program delivers on commitments made by Canada in the G7, concentrating on the Chernobyl sarcophagus.
- Finally, many locally administered funds (Canada Funds, Gender Equality Funds, Election Funds) are aimed at strengthening civil society through support to community-based projects and networking activities.

Table 5: Resources - Countries in Transition

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Program Expenditures	127,924	119,588	127,759
Operating Expenditures	8,238	7,684	7,725
	136,162	127,272	135,484
Human Resources (FTE)	92	95	95

Multilateral Programs

Objective

To promote an effective and efficient multilateral development system which supports sustainable development in order to reduce poverty and to contribute to a more secure, equitable and prosperous world; and to provide appropriate, timely and effective Canadian humanitarian assistance and food aid to developing countries⁸.

Business Line Description

The multilateral development system comprises: international humanitarian organizations that deal with conflict resolution, disaster relief and aid to refugees; international financial institutions -- the World Bank and the regional development banks -- that facilitate access to development finance and support an open trade and payments system; and UN and other organizations -- such as the Commonwealth and the Global Environment Facility -- that play important roles in building the human and institutional capacity necessary for sustainable development.

Maintaining a strong, effective multilateral development system is pivotal to achieving Canada's foreign and domestic policy objectives, ranging from domestic security to economic prosperity. A rules-based international system ensures that countries compete on a level playing field and moderates the behaviour of more powerful states. Through multilateral arrangements, Canada enhances its leverage -- by working with like-minded countries to achieve policy objectives, or by leveraging financial resources to address key issues. Participating in multilateral institutions also increases Canada's geographic and sectoral scope, providing a presence in areas beyond the country's bilateral coverage.

Multilateral Programs Branch (MPB) is Canada's window into the multilateral development system. The Branch manages Canada's participation in the system's institutions, helping them set policy directions, either directly or through instructions or advice to Canada's representatives on their governing boards. MPB also provides a window into Canada for these institutions and facilitates a two-way sharing of information and knowledge.

The international environment within which the Branch operates is undergoing fundamental changes. The issues which the multilateral system addresses -- even the way in which the issues are posed -- have changed. New institutions, partnerships and approaches are emerging and are dealing with issues not on the agenda a decade ago. The Canadian environment, too, is changing: a broader range of departments is involved in international co-operation, the private sector is increasingly active, and civil society has emerged as a powerful voice.

⁸ The security mandate of the Branch has expanded to encompass the reduction of: (i) the scourge of antipersonnel land mines by supporting demining activities, promoting mine awareness and strengthening victim assistance; and (b) the negative impact of conflict on development by supporting peacebuilding initiatives in countries entering, experiencing or emerging from conflict.

The Branch is modifying its strategic approach to address these new realities, strengthening its policy emphasis with a view to enhancing its influence on key policy directions in CIDA, interdepartmentally and within the multilateral system as a whole. To this end, it is broadening its strategic partnerships, developing action plans focussed on specific social development objectives, promoting knowledge-sharing initiatives, improving its humanitarian responsiveness, and working to engage Canadians more fully in the multilateral system.

Table 6: Resources - Multilateral Programs

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Program Expenditures	999,083	553,654	479,698
Operating Expenditures	5,567	5,581	5,610
Non-budgetary:			
- International Financial Institutions	9,282	4,500	4,500
	1,013,932	563,735	489,808
Human Resources (FTE)	66	66	66

Canadian Partnership

Objective

To promote mutually beneficial partnerships between Canadian and developing-country organizations to support sustainable development and reduce poverty in the developing world.

Business Line Description

The Canadian Partnership Branch (CPB) manages a number of responsive programs. These support, on a cost-shared basis, development initiatives planned, designed and implemented by Canadian private-sector, public-sector and civil-society organizations in co-operation with their developing-country counterparts. CPB's support of Canadian partners enables them to help meet CIDA's commitments and objectives and provides them with the opportunity to help shape and enrich Canada's ODA with their ideas, experience and expertise.

As with all international development programs, the success of CPB programs is challenged by unfavorable political, economic or social instabilities and conflicts in recipient countries; the complexities of globalization; rapid advances in information technology; and recently declining expenditures in support of international co-operation.

In the context of CIDA's long-term review, one of CPB's challenges will be to harness the knowledge, expertise and innovative capacity of civil society organizations (CSOs) to ensure that that capacity is used toward the sustainability of development programs. CPB will also play a key role in promoting CSOs as vehicles for citizen participation and developing capacity for co-operation between governments and CSOs. In short, CPB will reinforce its actual role to allow a better synergy with the rest of the programs across the Agency.

Partnership Branch will continue to use its programs to implement CIDA's six ODA program priorities. Preference will be given, however, to eligible program and project proposals which address the Agency's social development priorities. While NGOs, universities and colleges, professional associations and membership organizations, such as co-operatives and labour unions develop program under all six priorities, their contribution is particularly noteworthy in the areas of basic human needs; human rights, democracy, good governance; gender equality; and environment. Private-sector partners play a major role in targeting poverty reduction by promoting equitable economic growth through the Industrial Co-operation Program. Gender equality, environment, private-sector development and infrastructure services are particular focuses of the Industrial Co-operation Program. Grassroots interventions and the transfer of Canadian technology and knowledge to strengthen local institutions are two of the key methods of achieving CIDA's six ODA priorities.

CPB will also continue to work with Canadian partners to sharpen the focus of development results and refine its measurable indicators. The Branch will also continue to harmonize its delivery mechanisms, co-ordinate with Geographic programs and support CIDA posts abroad.

Table 7: Resources - Canadian Partnership

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Program Expenditures	277,685	259,913	263,382
Operating Expenditures	11,244	12,223	12,277
	288,929	272,136	275,659
Human Resources (FTE)	146	146	146

Policy

Objective

To develop and recommend policies; provide expert advice; and formulate, monitor and evaluate strategic plans in the area of sustainable development.

Business Line Description

Policy Branch formulates and maintains the ODA policy framework in support of the Agency's mandate and program priorities in the context of Canada's broader foreign policy objectives and interests. The Branch monitors issues and trends in development thinking, such as the move towards multilateral sectoral development programs known as Sector-Wide Approaches, or SWAs. It works to ensure that gender equality and the environment are reflected in emerging corporate initiatives and throughout Agency activities. The Branch is also involved in the provision of policy advice, and takes the lead on the strategic planning of the International Assistance Envelope and in the allocations on behalf of CIDA. At the international level, Policy Branch focuses on improving the co-ordination of Canadian development policies with those of other donor countries and helps to represent Canada's interests in various international fora and to verify that relevant international commitments are reflected in government's international development policies. The Branch, which works closely with other donors, departments and agencies, must face the challenge of defining strategically how the Agency's development objectives link positively with the broader goals of the DAC as captured in *Shaping the 21st Century* and with Canada's foreign policy objectives outlined in *Canada in the World*.

Table 8: Resources - Policy

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Operating Expenditures	9,655	13,772	12,334
Human Resources (FTE)	101	143	143

Communications

Objective

To improve Canadians' awareness and understanding of, and support for, Canada's international development assistance and co-operation programs.

Business Line Description

Communications Branch uses both proactive and responsive approaches to interest and engage Canadians in Canada's efforts to assist developing countries to reduce poverty and achieve sustainable development. Through the Development Information Program, Communications Branch contributes to the research, production and dissemination of media products by Canadian partners. These products include films, videos, publications and TV shows, which are aimed at informing and educating Canadians on development assistance and international co-operation, and in particular, on the role of Canadians on the international stage. Through its media and parliamentary relations program, Communications Branch keeps these two influential groups abreast of policy and program developments and provides timely responses to questions, criticisms and information requests.

As more and more Canadians communicate with CIDA through the Internet, Communications Branch is improving CIDA's image and presence on the Web, and is shifting its emphasis in support of Internet-based communications. Recognizing that a well informed and engaged staff is a key element in external communications, the Branch is taking the lead in developing a more comprehensive and effective approach to communications within the Agency and to the incorporation of internal communications into CIDA's overall communications planning framework.

Communications Branch has a central role in support of the Minister's and Agency's accountability and for reporting to Canadians on the Agency's progress. This role is executed through a wide variety of programs and outreach activities, such as the speakers' program, exhibits, participation in national and international events and the production of videos and publications.

Communications Branch works closely with other branches in support of the achievement of Agency-wide objectives. While all branches within CIDA share the responsibility of communicating with partners and Canadians in general, Communications Branch plays a leadership role in this area. The Development Information Program is the only program in the Branch which administers ODA funds. The other programs and activities are funded through the Branch's operational and maintenance budget.

The main focus of the Branch is building upon and strengthening understanding, support and informed action by Canadians with regard to international development co-operation. This will involve elaborating a strategic communications approach, based on sustainable development concepts, which: clearly defines the target audiences; employs both an interest-based and a value-based rationale to better reflect the evolving justification for development co-operation; takes greater advantage of significant international events; and employs innovative communications techniques and approaches.

Table 9: Resources - Communications

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Program Expenditures	4,713	4,957	4,856
Operating Expenditures	6,708	6,774	6,784
	11,421	11,731	11,640
Human Resources (FTE)	39	39	39

Corporate Services

Objective

To ensure that the Agency has the necessary corporate services for the efficient and effective achievement of the objectives of the international development assistance program within the framework of federal government policies, procedures and controls.

Business Line Description

The Corporate Services activity provides the Agency with support services that are not specific to any individual channel of program delivery. These services are rendered by the Agency Executive, the Human Resources and Corporate Services Branch (HRCS), the Information Management and Technology Branch (IMTB) and the Performance Review Branch (PRB). The costs of these services are classified as indirect administration, as opposed to direct administration which can easily be identified with a particular channel of delivery.

Major human resources issues for the Agency continue to include the renewal of its workforce to better prepare for a more knowledge-based role. HRCS will participate, particularly in the contract area, in the Agency's simplification of internal work processes, known as Track 3A, aimed at simplifying the various transactions involved in CIDA's operations. Initiatives requiring major effort during the year will include the Universal Classification Standard (UCS); the implementation and management of the transition of the Financial Information Strategy (FIS); the stability and integrity of the newly implemented Human Resources module which was integrated into the Agency Information System (AIS/SAP) in October, 2000; and management of the changing space and accommodation needs of the Agency.

The new Information Management and Technology Branch, in addition to ensuring it has the resources to meet its mandate, will begin or continue to pursue the following four strategic objectives during 2001-02: policies, procedures, standards and guidelines to support CIDA's information and technology needs; Government On Line (GOL) as well as other central agency requirements; an electronic document/records management capacity in CIDA; and the technology to utilize fully, as well as expand, CIDA's current knowledge base. The time-frame for fulfilment of these objectives will be determined by the *CIDA's IM/IT Strategy*, the SDS action plan and the work simplification initiative.

The Performance Review Branch will contribute to CIDA's development effectiveness and management performance by focussing its investments on strategic coherence, accountability, risk identification, information management, institutional learning and management issues. PRB will also provide support to program branches for the design and implementation of performance frameworks against which results may be identified and measured. The overall objective will remain the generation of strategic knowledge.

Table 10: Resources - Corporate Services

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Operating Expenditures:			
- Agency Executive	4,259	4,834	4,851
- Performance Review	2,120	2,367	2,306
- Human Resources and Corporate Services	29,025	36,840	36,048
- Information Management and Technology	26,029	17,164	19,100
	<u>61,433</u>	<u>61,205</u>	<u>62,305</u>
Human Resources (FTE)	314	365	365

SECTION IV: FINANCIAL INFORMATION

Table 11: Summary of Transfer Payments

(thousands of dollars)	Geographic Programs	Countries in Transition	Multilateral Programs	Canadian Partnership	Communications	Planned Spending 2001-02
Grants						
Food Aid	---	---	95,578	---	---	95,578
International Humanitarian Assistance	---	---	88,366	---	---	88,366
United Nations & Commonwealth Programs	9,500	---	36,832	---	---	46,332
Voluntary Sector Support and Special Projects	---	---	---	78,687	---	78,687
Scholarships	---	---	---	8,080	---	8,080
Countries in Transition	---	250	---	---	---	250
	9,500	250	220,776	86,767	---	317,293
Contributions						
Geographic Programs	789,703	---	---	---	---	789,703
Food Aid	---	---	105,622	---	---	105,622
International Humanitarian Assistance	---	---	100	---	---	100
International Financial Institutions	---	---	1,400	---	---	1,400
Voluntary Sector Support and Special Projects	---	---	---	118,030	---	118,030
Industrial Cooperation	---	---	---	58,585	---	58,585
Countries in Transition	---	127,509	---	---	---	127,509
Development Information Program	---	---	---	---	4,856	4,856
	789,703	127,509	107,122	176,615	4,856	1,205,805
Other Transfer Payments						
International Financial Institutions -- (notes encashment)	---	---	151,800	---	---	151,800
	---	---	151,800	---	---	151,800
Total	799,203	127,759	479,698	263,382	4,856	1,674,898

Grants and Contributions and Other Transfer Payments

CIDA grants, contributions and other transfer payments of \$1,679.4 million, including non-budgetary expenditures, account for 90.7% of CIDA's program expenditures. Further information is given below.

Table 12: Details of Transfer Payments

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Grants			
Grants for co-operation with countries in transition in Central and Eastern Europe and the former Soviet Union	1,250	250	250
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions and for special program and project expenses directly related thereto	231,650	135,566	46,332
Programming against hunger and malnutrition through international development and nutritional institutions, international non-governmental organizations or the International Development Research Centre for the benefit of recipients in developing countries and for special program and project expenses directly related thereto	112,321	92,153	95,578
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities and appeals and for special program and project expenses directly related thereto	106,767	84,054	88,366
Grants to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities and for special program and project expenses directly related thereto	44,615	76,743	78,687
Development assistance as education and training for individuals and for special program and project expenses directly related thereto	8,288	8,248	8,080
Total Grants	504,891	397,014	317,293

Table 12: Details of Transfer Payments (cont'd)

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Contributions			
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to developing countries and their agencies and institutions in such countries and contributions to Canadian, international and regional institutions, organizations and agencies, to provincial governments, their organizations and agencies, and to Canadian private-sector firms in support of regional and country-specific projects, programs and activities, and for special program and project expenses directly related thereto	611,375	686,117	789,703
Contributions for co-operation with countries in transition in Central and Eastern Europe and the former Soviet Union	124,274	119,338	127,509
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions and for special program and project expenses directly related thereto	515	100	100
Programming against hunger and malnutrition through international development institutions, international non-governmental organizations or the International Development Research Centre for the benefit of recipients in developing countries and for special program and project expenses directly related thereto	10,149	100	100
Contribution to the Inter-American Development Bank	1,300	1,300	1,300
Programming against hunger and malnutrition through developing countries, their agencies and persons in such countries, Canadian non-governmental organizations or development institutions for the benefit of recipients in developing countries and for special program and project expenses directly related thereto	72,541	97,981	105,522
Humanitarian assistance or disaster preparedness to countries, their agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations and general programs and specific programs, projects, activities, and appeals and for special program and project expenses directly related thereto	14,479	100	100
Contributions to Canadian, international, regional and developing-country institutions, organizations and agencies, developing-country governments, their organizations and agencies, to provincial and municipal governments, their organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities and for special program and project expenses directly related thereto	170,820	115,115	118,030
Incentives to Canadian, international and developing-country private investors, institutions, organizations, and governments in support of industrial co-operation programs, projects and activities as well as special program and project expenses directly related thereto	54,986	59,807	58,585
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor governments and institutions in support of the development information program involving the production and dissemination of development information, educational materials and related activities	4,213	4,957	4,856
Total Contributions	1,064,652	1,084,915	1,205,805

Table 12: Details of Transfer Payments (cont'd)

(thousands of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Other Transfer Payments (1)			
(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>	463,138	151,800	151,800
Total Other Transfer Payments	463,138	151,800	151,800
Total	2,032,681	1,633,729	1,674,898

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

Table 13: Net Cost of Program for the Estimates Year

The total CIDA program cost including \$12.774 million for services provided without charge by other departments are shown in the table below.

(thousands of dollars)	Main Estimates 2001-02	Planned Spending 2001-02
Geographic Programs	742,879	846,669
Multilateral Programs	563,735	489,808
Canadian Partnership Countries in Transition	272,136	275,659
Communications	127,272	135,484
Policy	11,731	11,640
Corporate Services	13,772	12,334
	61,205	62,305
Main Estimates	1,792,730	1,833,899
Services provided without charge by other departments		
Operating Expenditures:		
- Accommodation - Public Works and Government Services Canada	6120	6,120
- Employee benefits covering the employer's share of insurance premiums and costs - Treasury Board Secretariat	6,164	6,164
- Legal services - Department of Justice	432	432
- Employee compensation payment - Human Resources, Development Canada	58	58
	<u>12,774</u>	<u>12,774</u>
Aid Expenditures:		
- Imputed interest on advance payments - Department of Finance (1)	4,500	4,500
	<u>17,274</u>	<u>17,274</u>
Total estimated program cost	1,810,004	1,851,173

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 14: Loans, Investments and Advances (Non-Budgetary)

(millions of dollars)	Forecast Spending 2000-01	Main Estimates 2001-02	Planned Spending 2001-02
Payments to International Financial Institutions - Capital Subscriptions (L35) - African Development Bank	4,300	4,500	4,500

Backgrounder on Accounting Change and IFI

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

As a result of this change, information on IFI expenditures is provided on an **encashment** basis in Part II of the Main Estimates, whereas in Table 1 (page 17) of this *Report on Plans and Priorities*, information is presented on the basis of planned note issuance. The table below, illustrates the difference between the two accounting methods.

Table 15: Reconciliation of the International Assistance Envelope -- Cash Basis to Issuance Basis

(thousands of dollars)	Issuance Basis 2001-02	Cash Basis 2001-02	Variance
Gross International Assistance Envelope	2,260,325	2,260,325	0
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY			
AID PROGRAM			
Geographic Programs	766,821	766,821	0
Partnership Programs	263,382	263,382	0
Multilateral Programs	318,103	318,103	0
- International Financial Institutions	147,100	151,800	4,700
Communications	4,856	4,856	0
Special Funds	82,177	82,177	0
ADMINISTRATION	147,408	147,408	0
CIDA - Official Development Assistance (ODA)	1,729,847	1,734,547	4,700
PLUS OTHER OFFICIAL ASSISTANCE			
- Countries in Transition - Program	87,759	87,759	0
- Countries in Transition - Administration	7,093	7,093	0
CIDA Official Assistance (OA)	94,852	94,852	0
Total CIDA (ODA and OA)	1,824,699	1,829,399	4,700
OTHER DEPARTMENTS AND AGENCIES			
AID PROGRAM			
Department of Finance:			
- International Development Association	202,334	262,022	59,688
Other Government Departments	233,292	233,292	0
Total Other Departments and Agencies (ODA & OA)	435,626	495,314	59,688
Total	2,260,325	2,324,713	64,388

SECTION V: OTHER INFORMATION

Chart of Key Results Commitments

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

References

For additional information about CIDA's programs, activities and operations, please visit our Internet site at the following address:

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

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