



Canadian International Development Agency

Performance Report

For the period ending
March 31, 2000

Canada

Improved Reporting to Parliament Pilot Document

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

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

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

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This ***Departmental Performance Report***, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

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

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Minister for International Co-operation

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Acronyms and Abbreviations

AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AsDB	.....	Asian Development Bank
AMEB	....	Africa and Middle East Branch
BHN	.....	Basic Human Needs
CDF	.....	Comprehensive Development Framework
CEE	.....	Central and Eastern Europe
CIDA	.....	Canadian International Development Agency
CIS	.....	Commonwealth of Independent States
CIT	.....	Countries in Transition
CPB	.....	Canadian Partnership Branch
DAC	.....	Development Assistance Committee (of OECD)
DFAIT	....	Department of Foreign Affairs and International Trade
DG	.....	Director General
DIP	.....	Development Information Program
EU	.....	European Union
GDP	.....	Gross Domestic Product
GE	.....	Gender Equality
GEF	.....	Global Environment Facility
GTIS	.....	Government Telecommunications and Informatics Services
HIPC	.....	Highly Indebted Poor Country
HIV	.....	Human Immunodeficiency Virus
HRDGG	..	Human Rights, Democracy, Good Governance
IAE	.....	International Assistance Envelope
ICHRDD	..	International Centre for Human Rights and Democratic Development
IHA	.....	International Humanitarian Assistance
IMF	.....	International Monetary Fund
NGO	.....	Non-Governmental Organization
NATO	....	North Atlantic Treaty Organization
ODA	.....	Official Development Assistance
OECD	....	Organization for Economic Co-operation and Development
PRB	.....	Performance Review Branch
PSD	.....	Private-Sector Development
PWGSC	...	Public Works and Government Services Canada
RBM	.....	Results-Based Management
RPP	.....	Report on Plans and Priorities
STD	.....	Sexually Transmitted Disease
UCS	.....	Universal Classification System
UNDP	....	United Nations Development Program
UNFPA	...	United Nations Population Fund
UNICEF	..	United Nations Children's Fund
UNIFEM	..	United Nations Development Fund for Women
VP	.....	Vice-President
WFP	.....	World Food Program

Executive Summary

Canada's Official Development Assistance (ODA) program responds to the complexities and challenges of an interdependent world. Advances in telecommunications and the spread of market forces have contributed to a more secure, equitable and prosperous world, particularly for the advanced industrialized countries. However, while some developing countries have responded well to these global changes, many have not. Global communication networks provide immediate awareness of the challenges faced by these countries: wars, the spread of HIV/AIDS and natural disasters (stemming at least in part from climate change), to name a few. The roots of some of the challenges and crises facing the developing world include: population growth, water shortages, lack of job opportunities, ethnic strife, early childhood death and malnutrition.

The Canadian International Development Agency (CIDA) has been working closely with partners, both in Canada and overseas, to help address some of these challenges. Meeting these challenges benefits Canadians by promoting global security, peace and prosperity and by projecting overseas Canadian values, including compassion and integrity. This report provides an overview of some programs and projects through which CIDA sought, during 1999-00, to address some challenges faced by developing countries.

CIDA plans its programs in accordance with six priorities identified in *Canada in the World*, the Government of Canada's 1995 foreign policy statement. Almost all CIDA investments are of a long-term nature. Reporting on an annual basis therefore permits only a snapshot of the existing programs and projects in which the Agency is involved. A deeper review of achievements and lessons learned can be found in other reports and analyses.¹ As a donor with limited resources and broad objectives, CIDA develops close working partnerships with other donors and with civil society. The *Global Knowledge Partnership* network is a case in point. With private investment dwarfing the impact of ODA, and with declining aid flows within the Development Assistance Committee of the OECD, CIDA's value added is to continue to focus its efforts and impact on the poorest of the poor. A summary of CIDA's work and of some core findings for each priority over the period 1999-00 is provided below:

- *Basic Human Needs* (36.9% of ODA program disbursements) targets the poorest of the poor. It includes programming in primary health care, basic education, family planning, nutrition and shelter, and receives the largest allocation of resources. Important lessons have been learned on how to improve impact and sustainability. These include the involvement of women and the encouragement of grassroots participation in the planning and implementation of community-based initiatives.
- *Gender Equality* (5.5% of ODA program disbursements) is an important cross-cutting issue. Gender considerations are included in the design and management of all CIDA programs and projects. Gender-specific initiatives have also been supported, including programs which

¹ See for example, CIDA's Contribution to Meeting Basic Human Needs, 1998.

educate women and girls on their legal rights and build gender-sensitive capacity within judicial systems in the developing world.

- *Infrastructure Services* (12.5% of ODA program disbursements) places particular emphasis on capacity building for the poorest in the transportation, energy, information and telecommunications, and water and sanitation sectors. Basic infrastructure is essential to promote the growth of national economies and the livelihood of the poor.
- *Human Rights, Democracy, Good Governance* (16.6% of ODA program disbursements) is a growing area of programming for many donors, including CIDA. There are projects and programs which target human rights issues (at the community level as well as in legal codes and practices), public-sector competence and civil society (including local NGOs, non-governmental institutions and the private sector). Efforts are being made to monitor closely the Agency's involvement in this area and to learn from "best practices" elsewhere.
- *Private-Sector Development* (13.3% of ODA program disbursements) is another important area. Working with small and medium-size enterprises creates local employment and higher incomes, important preconditions for helping the poorest of the poor to meet their basic human needs.
- The *Environment* (10% of ODA program disbursements), like Gender Equality, is a cross-cutting issue. Each CIDA program or project is subject to environmental impact analysis, though there are also specific projects in this area.

As a mature organization which manages financial and human resources, CIDA has developed sophisticated systems to respond to the changing needs of the Agency and of external stakeholders. Over the past year, the Agency has renewed the information management system for all financial, contracting and project-management activities. Over time these improvements at the operational level will help CIDA to improve its focus as well as plan and report in a manner that is consistent with and supportive of the objectives, priorities and strategies identified in Canada's Foreign Policy.

This report provides a summary of results -- under the Geographic, Multilateral, Canadian Partnership and Central and Eastern European programs and under the non-program business lines -- and of the context in which the results have been achieved. The report also makes available information about some of the factors which have limited the success of CIDA's programs and projects. Similarly, it records some of the lessons learned, and some of the corrective actions taken by the Agency.

Section I - Minister's Message



Maria Minna

Minister for International Co-operation

As Canada's Minister for International Co-operation, I am pleased to submit this performance report which describes how Canada's official development assistance program benefits people around the world.

CIDA develops and manages programs and projects which seek to reduce poverty both in developing countries and in transition economies in Central and Eastern Europe. Reducing poverty in these countries contributes to Canada's broader foreign policy objectives which include peace and security, the creation of employment and prosperity and the projection of Canadian values and culture.

Since being appointed Minister for International Co-operation last August, I have been actively involved in a number of issues. My goal is to ensure that Canada and CIDA make a difference and have a real impact in countries that desperately need our help.

This means educating girls as well as boys and making sure they're healthy enough to lead productive lives. It means sharing our democratic experiences with developing countries to make sure their citizens can exercise their right to vote and make independent decisions. It means extending opportunities to women through education, training, and then providing micro-credit to start small businesses so these women can look after themselves and their families. And it means being there with blankets, and food, and medicine, and shelter, and trauma-counselling services when disaster strikes.

I am happy to say that many years of development effort have produced significant and welcome results. You will notice from this report that since 1970, in developing countries, life expectancy at birth has increased from 55 years to 65. Adult literacy rates in developing countries have increased from less than 50% to almost 70%. As well, some 70% of people in developing countries now have access to safe water, compared to 30% in 1970. This is real progress, real improvements in real lives, though it does not represent the situation in all developing countries.

Over the past year CIDA has been active in a number of areas, including providing over \$21.1 million in emergency assistance to help the refugees whose lives were destroyed by the conflict in Kosovo. CIDA also worked closely with other international partners to rehabilitate child soldiers in Africa, providing education, health care and loans for starting up small businesses.

As well, we have been active over the past year, preparing the foundations for the Social Development Priorities that build on our earlier work in basic human needs, gender in development, human rights and democratic development, environment, private-sector development and development of infrastructure including access to safe water supplies.

Canada continues to be held in high regard by our international partners, like UNICEF, as well as our developing-country partners. CIDA works closely with Canadians from all parts of the country and from all sectors of society, including non-governmental organizations, educational institutions, the private sector, government and individuals. While developing countries themselves often make the lions share of effort, Canada's contribution makes a real difference -- and we should be justifiably proud of our role.

All Canadians have a stake in international development. Events in other parts of the planet increasingly affect our well-being, the state of our economy, and the makeup of our society. Maintaining our quality of life here depends on our helping to solve problems around the globe. Simply put, international co-operation is very important in ensuring a better life for Canadians and for people the world over.

Maria Minna
Minister for International Co-operation

Section II - Departmental Performance

Societal Context

Canada is part of a world of increasing interdependence and growing complexity. Globalization - the ongoing integration of economies and societies owing to modern communications technologies and freer market forces - has been a powerful force for bringing countries together and has helped promote sustainable development and prosperity around the world.

For some developing countries, globalization has led to increased prosperity and wealth. For many others, globalization poses a challenge. Several countries in sub-Saharan Africa, as well as others in Asia and Latin America and the Caribbean, marginalized from these global changes, face increasing poverty. In Central and Eastern Europe, countries continue to make uneven progress in reforming their economies and social systems in the face of political uncertainty and lagging economic performance.

Canadians are concerned about the challenges of globalization. Polling has consistently shown that they believe that Canada, with one of the world's highest standards of living, has a moral obligation to help those in need. At the same time, Canadians, as citizens of an export-dependent nation, can enjoy economic prosperity only in circumstances of global prosperity, strong institutions of global governance and an effective rules-based system.

Helping developing countries is an investment not only in Canada's prosperity, but also in its security. Threats to security come increasingly not from war, but from poverty, disease,

population growth, climate change and environmental degradation, the abuse of human rights and the forced migration of peoples. The answer lies in prevention.

The Development Challenge

Among the pressing issues with which the international community must deal are: poverty and inequity in a world where more than a billion people live on less than \$1 a day; increasing population; climate change and ozone depletion; chronic water shortages; continuing gender inequality; early childhood death -- 30,000 a day; the threat of pandemics, such as HIV/AIDS; and malnutrition which affects more than 800 million people.

These challenges can only be met through increasing international co-operation. Institutions such as the UN, the World Bank, the IMF and the regional development banks will have an important part to play. Equally, partner countries, working closely with Canada, also play a vital role. In this regard, the international co-operation program is a key instrument as Canada works with institutions and with other countries to address global change.

The Role of International Co-operation

Significant and welcome results have been produced by half a century of development effort by Canadians and others. In 1970, life expectancy at birth in developing countries was, on average, 55 years. Now it is 65. Adult literacy rates in developing countries have increased from less than 50% to almost 70%. Some 70% of people in developing countries now have access to safe water, compared to 30% in 1970. Although not reflective of the situation in all developing countries, these

changes nonetheless represent meaningful improvements in the lives of real people.

More can be done and, in recent years, there has been a growing consensus within the international community on the need for a co-operative approach to achieve country-level development results. Canada and other countries have agreed to a number of international targets for reducing poverty and accelerating the development progress of recent decades. These targets, agreed to at a series of world conferences during the last decade, are set out in *Shaping the 21st Century: The Contribution of Development Co-operation*, published by the Development Assistance Committee (DAC) of the OECD in 1996.

Development Targets

These development targets agreed on by the international community include: reducing by half the proportion of people living in extreme poverty by 2015; providing universal primary education in all countries by 2015; eliminating gender disparities in primary and secondary education by 2005; reducing by two-thirds the mortality rate for children under age five and reducing maternal mortality by 75%, both by 2015; universal access to reproductive health services by 2015; and implementing national strategies for sustainable development in all countries by 2005, to reverse current destructive trends by 2015.

The DAC report underlined the importance of partnership and co-ordination. Yet these principles, for the most part, have not been operationalized. In 1998, the World Bank, which is active in researching the question of development effectiveness, published *Assessing Aid: What Works, What Doesn't and Why*. This study demonstrated in a compelling fashion that aid is most effective when provided to countries with good governance, sound socio-economic policies and a willingness to take charge of their future. More thought needs to be given to complementary policies for poverty reduction,

the importance of an equitable distribution of wealth and the role that aid plays in a given country. Each donor must also consider its own comparative advantage, the nature of aid provided, the global context of aid allocation and its own mandate. The importance of better co-ordination of development efforts is a key theme in *Shaping the 21st Century* and has also been reflected in recent work at the World Bank and the United Nations. Canadian development assistance should also be viewed in the broader context of Canada's overall relations with developing countries. Canadian trade policies and international investment flows affect the well-being of developing countries.

Developing or strengthening a strategy for poverty-reduction is on the agenda of about 70 low-income countries, most immediately those receiving debt relief under the enhanced HIPC (Highly Indebted Poor Countries) Initiative. As the year ended, Poverty Reduction Strategy Papers (PRSPs) and/or Interim PRSPs were being prepared in many countries. PRSPs are likely to become a key instrument to strengthen aid co-ordination, particularly in sub-Saharan Africa, and to enhance efforts to reduce poverty.

Benefits to Canadians

International development helps developing countries achieve their development priorities. It also gives Canadians an opportunity to make the world a better and safer place. Canada's participation provides an opportunity to influence international actions in areas of interest to Canadians, such as the environment and human rights. Canadian development co-operation activities contribute to the enhancement of global security, and therefore Canadian security. It provides Canadians with income and employment benefits as well as

longer-term prosperity, while helping people in the developing world improve their own circumstances. It also facilitates the projection of Canadian values, of which the Canadian development assistance program is a vital expression.

Performance Results Expectations and Chart of Key Results Commitments

The 1999-00 Report on Plans and Priorities (RPP) highlighted several issues meriting special attention. These included:

- consolidation of gains in Results Based Management (RBM);
- enhancement of CIDA's role as a knowledge-based organization;
- reinforcement of the Basic Human Needs Policy by strengthening support for health and basic education, ensuring access for the poor to micro credit, particularly as a way of helping them to develop sustainable occupations that increase family income; and seeking opportunities to harness new technologies for development;
- maintaining the focus on good governance as a prerequisite for sustainable and equitable development; and
- updating all critical Agency systems so that they were Y2K-ready and replacing a plethora of management and information systems by a single integrated corporate financial, contracting and programming system.

Initiatives were undertaken during fiscal year 1999-00 to change systems, approaches and processes towards meeting these objectives. Substantive results from these changes are expected to occur over time. Nonetheless, certain accomplishments in these areas over the 1999-00 period are summarized below.

Results Based Management

RBM serves a dual role: better reporting on achievements and more focused and sustainable developmental impact. Since 1995 the Agency has been implementing an RBM approach which is being integrated into the project, program, Branch and Agency planning and reporting systems.

Box 1. The Results Chain: Democratic Development and Good Governance

Foreign Policy Objective

The projection of *Canadian values and culture* comprises the application of values including respect for democracy, the *rule of law*, *human rights* and the environment.

ODA Result Statement

To address the Human Rights, Democracy, Good Governance priority, CIDA has developed six results statements (see the Key Results Commitments Table on page 9 for a full list). One such result statement is: *Improved legal and judicial systems to strengthen the rule of law.*

Asia Branch Result Statement : same as the ODA Statement

China Program Results Statement

The expected result for HRDGG at the program level is improved understanding of *Canadian values* and approaches in HRDGG in governmental and non-governmental entities; *increased capacity to improve the legal system and strengthen the rule of law*; and increased Chinese government capacity to become more transparent, accountable and open to public participation.

Project-Level Results Statement

The Senior Judges Training Project enhanced the capacity of judge-trainers and helped the Supreme People's Court to launch a major reform of the judicial system in China. Experience with understanding of the Canadian legal-aid system is contributing to the adoption of several provisional laws and the development of a national legal-aid law.

This represents significant learning and adaptation by the Agency to the need to better demonstrate results and impact. As part of CIDA's participatory planning and management processes, Canadian and developing-country partners agree on shared goals and objectives, indicators of achievement and critical assumptions which play an important role in risk management. Project results are increasingly linked to program

results, which in turn are linked to the Branch and Agency level results (See **Box 1: The Results Chain**).

Box 2: Challenges to Demonstrate Results

Any developmental intervention relies on a number of critical factors which are often outside the control of the project or program.

- *Risk.* Identifying all risks is not always possible, though good planning will identify most. An area where more work can be done is the development of risk management strategies at the program, branch and corporate levels. Here a tool developed by the Americas Branch may be useful.
- *Attribution.* It is often difficult for CIDA to measure the impact of any particular initiative. The support of a project by many donors makes it difficult to attribute success; isolating the contribution of each donor's intervention is more difficult than in a single-donor activity. These uncertainties are managed at various levels. Within the UN system, increasing emphasis is placed on a results-based approach.¹ At the DAC, efforts are made to develop a shared agenda for the entire donor community.² Meanwhile, at the country level there exists a mechanism which co-ordinates donor activity in terms of both policy and implementation. CIDA's Policy and Multilateral Programs Branches and its various country programs work at each of these levels to help advance Canada's foreign policy agenda in the areas of RBM, transparency and accountability, and better co-ordination within the donor community.
- *Methodology.* Even large international institutions with more staff and resources at their disposal have difficulty developing a cost-effective methodology to measure the impact of any particular initiative. However, CIDA is beginning to use participatory approaches that involve the target group in planning, monitoring and evaluating their own initiatives. This not only reduces the cost, but creates ownership and contributes towards more sustainable efforts.

These results amalgamate, enabling CIDA to address the mandate of poverty reduction and sustainable development which underpins Canada's foreign policy priorities. CIDA was acknowledged in a 1996 DAC study³ as having important RBM lessons to share with the rest of the donor community. It is not easy,

however, to demonstrate results. There are complications, including risk, problems of attribution and the difficulty of developing a cost-effective methodology. CIDA has developed strategies to deal with each of these and they are discussed in **Box 2**.

Despite these complicating factors, the Auditor General has observed that CIDA has made great progress in focusing on results and in developing indicators and approaches to measure impact at the project level. Work is underway to build on the Agency's experience in management and evaluation at this level, extending it up to the Branch and Agency levels. CIDA has defined expected results for each of the six ODA program priorities. (See Chart of Key Results on page 9.) Additional work is required to clarify key results and indicators so as to permit more focused interventions and greater impact.

Towards a Knowledge-Based Institution

CIDA intends to use a more systematic approach to creating, sharing and applying knowledge in order to enhance the impact of Canadian development efforts within the Agency and between CIDA and its partners. During 1999-00 steps were taken to increase the strategic and policy capacity of the Agency in general, and of Policy Branch in particular. This enhanced capacity is expected to lead to concrete measures in 2000-01.

¹ For example, at the urging of Canada and other donors, the UNDP, UNICEF and UNFPA have developed budget plans based on the expected results of individual programmes; they have also agreed upon harmonized budget formats, enabling cross-comparisons and a better understanding of expected results, programming activities and budget allocations.

² See *Shaping the 21st Century: The Contribution of Development Co-operation*, Development Assistance Committee of the Organization for Economic Co-operation and Development, Paris, May 1996.

³ DAC Working Group on Aid Evaluation, February 2000.

Specific Program Priorities

BHN continued to receive special focus in 1999-00. Disbursements in this area of programming increased from just over \$200 million in 1998-99 to almost \$270 million in 1999-00. The Agency continued to strengthen support for *health* (see **Box 6: Long-Term Sectoral Impact at the Country Level**) and *basic education* as sub-priorities within BHN. *Micro credit* remains an important modality for increasing income and providing better livelihood for poor individuals, families and communities. (See **Box 3: Rural Finance**.)

Box 3: Rural Finance

Under the *Vietnam Rural Finance* project, 971 People's Credit Funds with 727,000 members were operationalized in 53 provinces. This contributed to a significant reduction in usurious loans in some communes and a clear improvement in the quality of life of the poor. Overall, this project improved credit services to the poor and provided an entree for them into the formal banking sector in Vietnam. This promises to have long-term positive impact on the lives of the poor. It also made the banking community more aware and appreciative of the creditworthiness of the poor.

Efforts were made to harness new technologies for development by creating an international consensus on "best practices" at the 2000 Global Knowledge Conference (see **Box 4: Global Knowledge**).

Information Management Systems

Y2K compliance was achieved ahead of schedule. CIDA's major corporate information management systems have been updated, integrated and enhanced so as to better meet the needs of the Agency to manage effectively and achieve stated developmental results. For more details, consult the section on Operational Achievements on page 17.

Box 4: Global Knowledge

Global Knowledge Partnership (GKP) -- established following the Global Knowledge '97 Conference held in Toronto and hosted by Canada and the World Bank -- is developing into a major initiative. Implementation of a three-year action plan, approved at the GK-II Conference in Kuala Lumpur in March, 2000, has begun to demonstrate the potential to facilitate the sharing of knowledge about how to use information without which countries cannot operate effectively in this information age. More than 50 partners from developed and developing countries -- governments, NGOs, multilateral donors such as the World Bank, bilateral donors, academic and research institutions, and private-sector bodies -- are already active members of this unique network. GKP is operating on the basis of three tracks: access, empowerment and transforming governance. CIDA is the lead organization for Canada's participation in GKP and hopes to improve opportunities to harness knowledge for all partners involved in the development process. The Agency expects to report on some key findings in next year's Departmental Performance Report.

Corporate-Level Performance Accomplishments

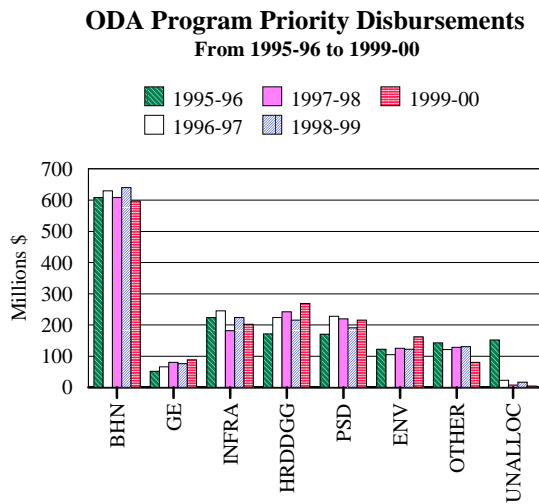
Planning and reporting in CIDA are done at various levels. The first level is by the Agency's six ODA priorities. Reporting on that basis can be found below under corporate-level performance accomplishments. The second level is by Agency business lines within which planning and reporting are done both by ODA program priorities and by country or program. The Countries in Transition Program (CIT) supports the countries of Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS) in their reform efforts towards democratic political systems and market economies. The CIT program represents 5% of the gross International Assistance Envelope⁴ (IAE). The CIT program is discussed in the Business Line section. (See pages 28-32.)

⁴ IAE includes official development assistance (CIDA, IDRC, DFAIT, Department of Finance and other government departments) plus official assistance (i.e. Countries in Transition).

Program Disbursements by ODA Priority⁵

CIDA's new financial and results-based management reporting systems have been refined to the point where total spending by priority and by Business Line over the past five years can be analysed. (See **Chart 1**).

Chart 1
5-year Trend of ODA Program Priority Disbursements

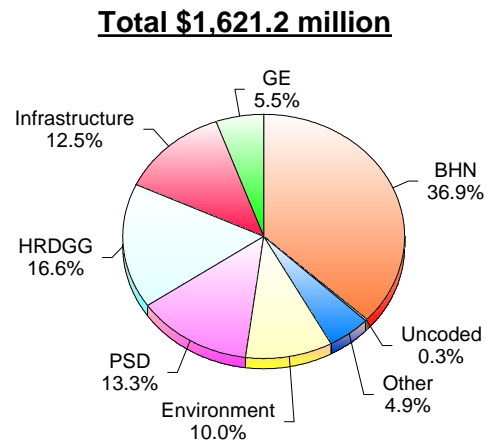


Reflecting Canada's foreign policy commitment as well as its pledge at the DAC and in last year's Report on Plans and Priorities, *Basic Human Needs* continues to receive the lion's share of resources. There are, however, minor downward and upward changes in annual spending in response to emergency demands and other circumstances

from year to year. Spending on Human Rights, Democracy, Good Governance, Private-Sector Development and the Environment has increased steadily.

There has been a steady increase in the value of funds being spent for Gender Equality due to increased gender-focused programming. Also the Agency's new financial and reporting systems can now capture attention to gender equality as a crosscutting theme at the project level. The volume of spending on infrastructure continues to decline as CIDA focuses more on other priorities. **Chart 2** illustrates the value and percentage of CIDA spending by priority for fiscal 1999-00.

Chart 2
Disbursements by ODA Program Priority⁶



⁵ Figures and percentages in this section do not add up to 100% because of uncoded and other expenses.

⁶ Excludes operating expenditures and contributions to DIP and ICHRDD. The other charts in this section are developed on the same basis. Includes corporate funds, Special Program and Project Expenses (SPPEs), Canada Fund and Food Aid.

Chart of Key Results Commitments

Agency Priorities and Expected Result:	Achievement reported on:
<p>Basic Human Needs</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. 	<ul style="list-style-type: none"> pages 11, 22, 34 pages 11, 22, 38 pages 11, 22 pages 34-35
<p>Gender Equality</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. 	<ul style="list-style-type: none"> page 24 pages 13, 24, 35 pages 13, 24, 35
<p>Infrastructure Services</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. 	<ul style="list-style-type: none"> page 24 pages 14, 25 page 14
<p>Human Rights, Democracy, Good Governance</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. 	<ul style="list-style-type: none"> pages 25, 35 page 15 pages 25, 38 pages 15, 38 pages 35-36
<p>Private-Sector Development</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. 	<ul style="list-style-type: none"> pages 26, 36 pages 16, 26 page 16
<p>Environment</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. 	<ul style="list-style-type: none"> pages 16, 26-27 pages 36, 39 page 16 pages 26, 36
<p>Countries in Transition</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. 	<ul style="list-style-type: none"> page 29 page 30
<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. 	<ul style="list-style-type: none"> page 30
<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. 	<ul style="list-style-type: none"> pages 30-31
<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. 	<ul style="list-style-type: none"> page 31 page 31 page 31

Basic Human Needs (BHN)

CIDA's Basic Human Needs Policy⁷ supports efforts to provide primary health care, basic education, family planning, nutrition, water and sanitation, and shelter. Activities at the policy level are as important and can have as much influence as, if not more than, those at the program and project levels (see **Box 5: Policy Influence**).

Box 5: Policy Influence

CIDA, through Policy and Multilateral Programs Branches, enables Canada to influence policies and programs of multilateral institutions. Some examples of core BHN results related to action at the policy level are found below:

- The Asian Development Bank (AsDB) has adopted poverty reduction as its overarching objective and is increasingly shifting resources into the areas of social development and governance. In 1999, for the first time in history, social infrastructure received the highest share of loans ((28%).
- Building on the CIDA Policy on Gender Equality, the Agency assumed leadership of the DAC Working Party on Gender Equality and in this capacity was able to influence the DAC Guidelines on Poverty Reduction. This confirms Canada's international leadership on the Gender Equality issue. The Agency's ability to influence other countries demonstrates one of Canada's foreign policy priorities: the *projection of Canadian values*.

Under this Policy, Canadian co-operation is committed to pursuing four objectives: helping to meet Canada's international commitments in key areas;⁸ building the capacities of developing countries in key areas; reaching and strengthening people and groups most in need; and mobilizing and effectively utilizing resources. This Policy reflects the concerns and *values of Canadians* regarding ODA priorities: respect and dignity for all human beings, emergency relief, more equitable access to essential services, individual responsibility⁹,

efficient management of resources, and co-operation with the international community.

The fulfilment of basic human needs is an essential element of human development and poverty reduction. Without education, health, nutrition, shelter, and water and sanitation, citizens of the developing world will not be able to participate fully in the development process. The ability of countries to sustain human development and the ability of people living in poverty to increase their productive activity are also crucial factors in reducing poverty and increasing equity. A long-term commitment is essential for maximum impact at the policy level (in terms of influencing other donors and partners) and at the implementation level (see **Box 6 : Long-Term Sectoral Impact**).

⁷ CIDA's Policy on Meeting Basic Human Needs, 1997.

⁸ Canada has committed itself to contribute to the achievement of the objectives reiterated in Development Assistance *Committee's Shaping the 21st Century* and therefore works closely with other donors and with each partner government. In 1995, the Government of Canada in its statement on foreign policy entitled *Canada in the World*, pledged to commit 25% of its ODA to BHN.

⁹ An example of individual Canadians taking global responsibility was the participation of individual citizens in giving to the developing world as part of the Millennium campaign, a nation-wide 18 month initiative of the Community Foundations of Canada. (See pages 42-3.)

Box 6: Long Term Sectoral Impact at the Country-Program Level

Substantial and lasting poverty reduction often requires systemic change which demands not only well designed programs but also consistent and sustained commitment. The experience of the Bangladesh program demonstrates this principle. During the 25-year period 1975-2000, CIDA invested a total of \$85 million through this program. By the time the current project ends in 2003-04, that figure will have increased to \$114 million.

Expected Results:

Improved access to health, education, shelter, food/nutrition, and water; improved institutional capacity for sustainable human development; and the ability of vulnerable groups to increase their productive activities.

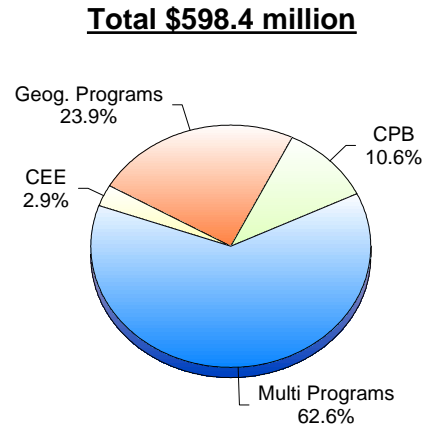
Results Achieved:

The program's long-term involvement in the provision of basic human needs in Bangladesh continued to bear fruit at the policy, organizational and individual levels. Twenty-five years of investment and involvement in health policy and health sector reform by CIDA, in concert with other donors, resulted in the country's being ranked 88th out of 191 countries in terms of health system performance. This is far above its economic ranking and is undoubtedly due to the concerted effort of Bangladesh and its donors. Advances in school enrolment and education attainment are being achieved by the CIDA-supported Non-Formal Education project as more children, especially girls, move into the formal education system. CIDA-supported micro-finance programs not only increased incomes for large numbers of poor people but also moved the sector towards greater overall sustainability and enhanced the life skills and social standing of borrowers. The Rural Maintenance Program works with women too poor to be reached by conventional means and, through a five-year program, increases their income-earning opportunities, integration, and social and political status in their communities. A project with the Unitarian Service Committee of Canada (USC), which works with the poorest of the poor on 'social immunization', significantly reduced divorce, abandonment and family violence. Without any financial support from CIDA or USC, the project is now being copied by 22 other NGOs. The NGO Policy Education Project was instrumental in drafting new legislative instruments on plant protection and biodiversity, while also working with small farmers to diversify and strengthen their agricultural practices and to increase incomes.

In 1999-00, CIDA disbursed \$598 million (36.9% of its ODA program disbursements) on BHN activities.¹⁰ Of this total, \$374.5 million (62.6%) was spent through Multilateral Programs, \$143.1 million (23.9%) through Geographic Programs¹¹, \$63.5 million (10.6%) through Partnership Programs and \$17.2 million (2.9%) through CEE. Given the substantial share of CIDA funding that goes to

BHN, along with activities of other departments involved in ODA, it is safe to say that Canada has reached its target of allocating 25% of ODA towards BHN.

Chart 3**1999-00 ODA Program Disbursements - Basic Human Needs**



The Agency has made significant investments in basic education and improved the ability of vulnerable groups to increase their productive activities. (See **Box 3.**)

Additional programming has focused on capacity building for in-country institutions with a mandate to provide basic services (rural clinics, primary schools, village water-supply schemes, etc.). In *Senegal*, a non-formal education project improved literacy rates for over 95,000 adults, almost 80% of whom were women, and over 6,000 children, 65% of whom were girls. In *Bangladesh*, the Rural Maintenance Program, which reaches the poorest of rural women, employs 40,000 women annually and "graduates" 10,000 each year. Skills training is provided and earnings are saved, permitting the graduates to start

¹⁰ BHN includes food aid, both developmental and emergency, and international humanitarian assistance. However, the recently announced *Social Development Priorities: A Framework for Action* does not include emergency aid in its calculation of BHN.

¹¹ The figures for the Geographic disbursements include Africa and Middle East, Asia, Americas and corporate funds.

their own businesses. In addition, the project maintains 82,000 km of roads, significantly improving rural infrastructure and agricultural production. The Water Supply and Sanitation project in *Peru* provided potable water to over 4,000 poor families in coastal communities, including shantytowns in Lima. The project also fostered greater community empowerment and participation. Women are especially involved in the process and have since joined other community development initiatives.

CIDA has learned from experience that BHN interventions have a greater chance of success if linked to other investments; that the participation of women is critically important to all facets of programming; and that grassroots participation should be present at all stages. **Box 7** provides an example of a CIDA project which meets these criteria.

Box 7: Lessons Learned from 1998-99 Basic Human Needs Review

A Canadian Partnership Branch project achieved its objectives because it was linked closely to other investments, it ensured that women participated and it facilitated grassroots involvement throughout all stages.

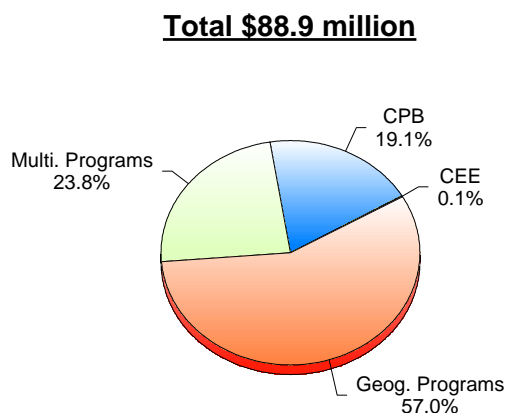
The key result commitment for the project was to improve the ability of vulnerable groups to increase their productive activities to meet their basic human needs.

More than 60,000 Indian women in 1,534 groups based in over 700 villages have benefited from the work of SOPAR (Société de Partage). Together with Bala Vikasa (BV), its Indian partner, SOPAR has provided the women with vegetable seeds at remarkably low cost. The concept of a "special event day", successfully introduced by BV and SOPAR for the simultaneous planting of gardens throughout the region, has been adopted by the Government to promote environmental and other initiatives. Spousal abuse has been reduced in many villages through programs to train women about their rights. A life insurance scheme to save families from falling into extreme debt in times of bereavement registered 5,000 participants, once women overcame their initial concerns with respect to insurance schemes. As the message gets out that programs in favour of women also benefit men, several men have begun advocating for SOPAR programs to be brought to their villages also.

Gender Equality (GE)

CIDA's Gender Equality Policy¹² seeks to support the achievement of equality between women and men to ensure sustainable development. It seeks to advance women's equal participation with men as decision makers in shaping the sustainable development of their societies; to support women and girls in the realization of their full human rights; and to reduce gender inequalities in access to and control over the resources and benefits of development.

Chart 4
1999-00 ODA Program Disbursements - Gender Equality



For CIDA, gender equality is a crosscutting theme. It is integrated into the design and implementation of all of CIDA's programs and projects to ensure that they are aimed at women's needs, interests and participation as much as men's. The Agency also supports initiatives with the specific purpose of promoting gender equality. These reflect *Canadian values* and are closely linked to *prosperity and employment* as investment in women's education and employment has been

¹² CIDA's Policy on Gender Equality, March 1999.

shown to result in a better standard of living for their families.

Women have made real progress towards achieving gender equality over the last 20 years. However, compared to men, women are still poorer, sicker, less educated, less employed and less involved in decision-making at all levels. This lack of equality slows the pace of development in any country. In many cases, it is a major barrier to further growth and prosperity. CIDA's programming is working towards increased participation of women in decision-making, increased realization of their human rights, and improved access to income, education and other benefits of development.

In 1999-00, CIDA spent \$88.9 million (5.5% of its ODA program disbursements) on activities directly addressing gender equality. These expenditures were made through Geographic Programs -- \$ 50.7 million (57%); Multilateral Programs -- \$21.1 million (23.7%); Canadian Partnership Programs -- \$17.0 million (19.1%); and CEE Programs -- \$0.1 million (0.12%).

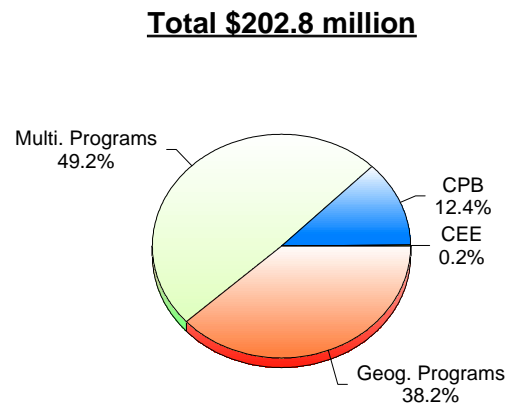
Over the past year CIDA has supported activities with women's groups and networks which advocate law reform, educate women and girls on their rights, provide legal services and train members of the judicial systems (including police) in gender issues. The training of 47 police and law enforcers in the *Inner Mongolia Autonomous Region* had significant results. One of the police stations received several awards for its enforcement of the law and resolution of women's cases. The *Paraguay Gender Equality Fund* finances a domestic violence program supporting new legislation, the training of police and judicial officials, safe houses and improved health care for victims of domestic violence. Most of the Geographic programs, as well as CEE, are

working towards increasing income and employment opportunities for women. These meet Canada's foreign policy objective of *employment and prosperity*. The Asia and Africa programs have demonstrated some notable results in generating new micro-enterprises and businesses which benefit women.

Infrastructure Services

CIDA's policy is to help developing countries deliver environmentally sound infrastructure services, with an emphasis on poorer groups and capacity-building. The focus is on the services provided by physical infrastructure - transportation, energy, information and telecommunications, and access to clean and affordable water and sanitation.

Chart 5
1999-00 ODA Program Disbursements -
Infrastructure Services



In 1999-00 CIDA disbursed some \$202.8 million (12.5% of its ODA program disbursements) on infrastructure services. These disbursements were through the following channels: \$77.5 million (38.2%) through Geographic Programs, \$25.0 million (12.4%) through Canadian Partnership, \$99.8

million (49.2%) through Multilateral Programs and \$0.4 million (0.2%) through the CEE.

In 1999-00 there has been an increased emphasis on providing infrastructure services to the rural poor, as well as improving the enabling environment for infrastructure investment and strengthening institutional capacity. CIDA has also taken measures to improve programming and delivery in this area, through workshops and training, and consultations with both Canadian stakeholders and developing-country partners, in an effort to better integrate the cross-sectoral priorities of environmental sustainability and gender equality.

Activities in infrastructure services have been promoting poverty reduction and building the foundations for sustainable development. Examples of these include investing in a financially viable railway transportation system to service poor areas of Tanzania; bringing Mt. Putuo airport in China up to international safety standards in order to improve access to a remote area and so contribute towards economic development in the region; and, in the Eastern Caribbean, providing small-scale infrastructure in support of 19 productive economic activities for micro and small enterprises including completion of a vendors' market in Grenada, a food laboratory in Saint Kitts and the design for a tourism interpretation centre in Saint Lucia.

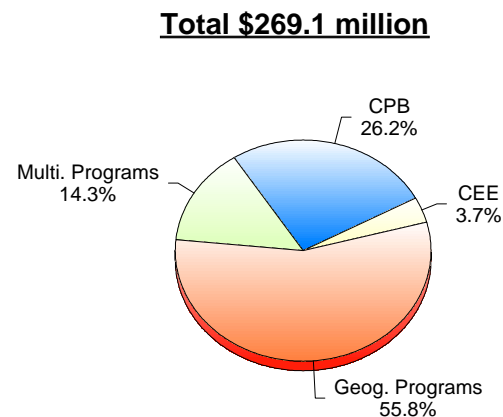
Human Rights, Democracy, Good Governance (HRDGG)

CIDA's policy¹³ is to enhance the will and capacity of developing countries to respect the rights of children, women and men, and to govern effectively and in a democratic manner. CIDA's objectives are to help strengthen: the role and capacity of civil society in developing

countries in order to increase popular participation in decision making; democratic institutions in order to develop and sustain responsible government; the competence of the public sector in order to promote the effective, honest and accountable exercise of power; the capacity of organizations that protect and promote human rights in order to enhance each society's ability to address rights concerns and strengthen the security of the individual; and the will of leaders to respect rights, rule democratically and govern effectively. These objectives support all three Canadian foreign policy priorities (*peace and security, employment and prosperity, and values*).

Chart 6

1999-00 ODA Program Disbursements - Human Rights, Democracy, Good Governance



In 1999-00, CIDA spent some \$269.1 million (16.6% of its ODA program disbursements) on HRDGG activities. Of this total, some \$150.2 million (55.8%) was spent through Geographic Programs; \$38.5 million (14.3%) through Multilateral Programs; \$70.5 million (26.2%) through Canadian Partnership Program; and \$9.9 million (3.7%) through the CEE.

¹³ Government of Canada Policy for CIDA on Human Rights, Democratization and Good Governance.

The 1990s brought a welcome recognition of the importance of governance values, behaviours and systems to the achievement of sustainable development objectives. High among the many challenges which agencies must face is that of strengthening the links between governance and poverty reduction. As CIDA increases its investments in HRDGG,¹⁴ it will be important to ensure that expertise, experience and lessons learned from ongoing projects in other programs and from other donors are integrated into future planning. It will be important to monitor and analyse carefully the impact of the Agency's growing investment portfolio in this priority.

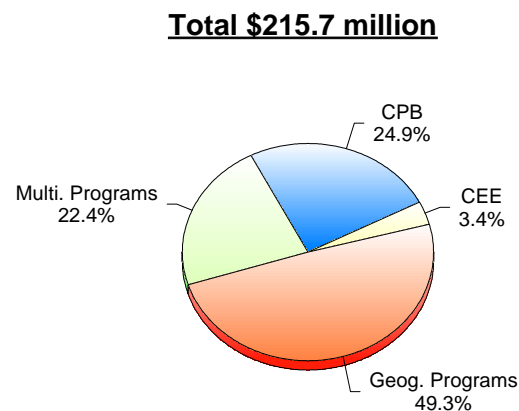
In 1999-00, CIDA strengthened HRDGG activities in the following areas: respect for human rights; democratic institutions and practices; public-sector competence; civil society; and governance. In Asia, the Responsible Governance initiative strengthened the capacity of the Southern Philippines Council for Peace and Development and the Moro National Liberation Front to promote, co-ordinate and monitor development efforts in the 14 provinces (Special Zone of Peace and Development), which have serious human rights problems. In Africa, CIDA's work with human rights institutions helped improve the capacity of those institutions to participate actively in the constitutional reform process in *Zimbabwe* and to improve prison conditions in *Zambia*.

Private-Sector Development (PSD)

CIDA's support for private-sector development aims at increasing a country's access to investment capital and reinforcing capacity building by making available Canadian technology, and managerial, entrepreneurial and technical expertise. An Agency-wide

policy paper on private-sector development has been drafted to help guide programming in this area.

Chart 7
1999-00 ODA Program Disbursements - Private-Sector Development



In 1999-00, CIDA spent \$215.7 million (13.3% of its ODA program disbursements) on private-sector development. Of this amount, \$106.2 million (49.3%) was spent through Geographic Programs, with \$48.3 million (22.4%) through Multilateral Programs, \$53.8 million (24.9%) through Canadian Partnership Programs and \$7.4 million (3.4%) through CEE.

CIDA is well known in the private-sector for its Industrial Cooperation Program which is part of the Canadian Partnership Branch (See **Box 8: Mutual Benefit**). Established in 1978, this program supports projects developed by Canadian private-sector firms and targeting private-sector development and infrastructure services around the world. In 1999-00, this program approved some \$40 million in project contributions in countries such as *China*, *Colombia*, *Egypt*, *Philippines*, *Senegal* and *South Africa*. It has promoted *prosperity and*

¹⁴ CIDA's investments in HRDGG have increased from about \$172 million in 1995-96 to almost \$269 million in 1999-00.

employment around the world by providing incentives to Canadian firms to work in developing countries where their expertise contributes to the transfer of technologies and to economic, including private-sector, development.

Box 8: Mutual Benefit

The \$50-million-a-year Industrial Cooperation Program is a shared-cost development program based on partnerships with the Canadian business community. It was created in 1978 to recognize the potentially positive role of private-sector investment on sustainable development and poverty reduction in developing countries. The Program acts as a bridge between commercial and developmental interests and the projects it supports provide mutual benefit to Canadian and developing-country partners. An audit of the Program conducted by the Performance Review Branch showed that important efforts had been made by the program to measure economic benefits. However, the audit could not determine if the expected results of the Program had been achieved, given that only general targets had been defined. The documentation supporting the progress report mechanism, a support for project monitoring, was found to be weak. The program had taken positive initiatives to improve client services and enhance co-ordination with other CIDA programs. The program has an established set of policies and guidelines but improvements were suggested. Management has taken or is taking action to address the concerns raised in the report.

In the Geographic programs there have been a number of interesting results demonstrating that capacity building and support to micro, small and medium-size firms can reduce poverty by creating employment and increasing incomes. (See also **Box 3** - Rural Finance.) In line with international best practices, more focus is being placed on ensuring the financial and operational sustainability of microfinance institutions. In *Senegal*, 28 savings and loans outlets were established, serving over 45,000 members. In *Bolivia*, the PRODEM project has been successful in transforming small, NGO-based microfinance branches into self sufficient, sustainable financial entities capable of entering the mainstream financial community (BancoSol) while still providing financial services to small clients. This project has earned an international reputation and

serves as a model for microfinance interventions world-wide.

Environment

CIDA's objective is to help developing countries protect their environment. The Agency is also involved in activities that help address global and regional environmental issues (see **Box 9**: Chernobyl Nuclear Plant). CIDA has a two-pronged approach. Environment is treated as a crosscutting theme, with environmental considerations integrated into all Agency decision-making and activities. It is also treated as a programming channel with projects specifically targeting environmental issues.

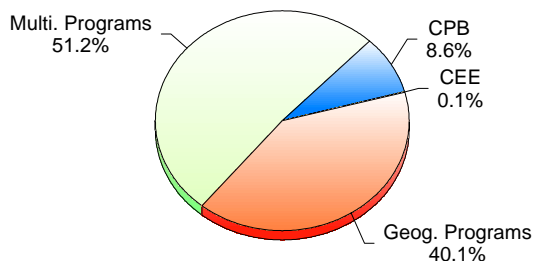
Box 9: Chernobyl Nuclear Plant

The Shelter Implementation Plan (SIP) is a multilateral initiative managed by the *European Bank for Reconstruction and Development* (EBRD). The project to seal off the exploded reactor at the Chernobyl nuclear plant is financed by the G-7 countries and other donors. The total Canadian commitment to SIP is divided into contributions of up to \$6M annually until 2006. Canada is an important partner in this global initiative. The completion of the project will further protect the people of Ukraine and neighbouring Belarus and dramatically reduce the global threat posed by the unstable reactor [core](#).

Canada has been active internationally in this area and now chairs the DAC Working Party on Development Co-operation and Environment. CIDA has successfully refocused the agenda to deal with three core Government priorities (which are all also linked to Canada's international development objectives): national strategies for sustainable development; the role of aid agencies in helping developing countries fulfil their obligations under environmental conventions; and the environmental aspects of the international social and economic goals for developing countries.

Chart 8
1999-00 ODA Program Disbursements -
Environment

Total \$162.1 million



In 1999-00, CIDA spent \$162.1 million (10% of its ODA program disbursements) on environment activities. Of this amount, \$64.9 million (40.1%) was spent through Geographic Programs, \$83.0 million (51.2%) through Multilateral Programs, \$13.9 million (8.6%) through Canadian Partnership and \$0.2 million (0.14%) through the CEE.

CIDA has funded environmentally focused projects in the oil and gas and forestry sectors, facilitating changes at the policy level with partner countries and practices by sector stakeholders. In both *Bolivia* and *Peru*, CIDA has worked to strengthen the capacity of government agencies to effectively develop and regulate the hydrocarbons sector, through the institution of modern information systems and environmentally sound policies, and through the training of key personnel. In the forestry sector, there are projects which aim to protect biodiversity, improve regulation of the forest sector, and demonstrate innovative techniques in forest management. In *Chile*, the Canada-Southern Cone Technology Transfer Fund has supported the Chiloé Model Forest Project, integrating various aspects of forest

resource management, including public participation in forest management, eco-tourism and policy development. In Africa CIDA is supporting NGOs which carry out sensitization campaigns and undertake projects to combat desertification in the Sahelian region.

Operational Achievements

Results from the *CIDA Human Resources Strategy, 1997-2000* include: the development and updating of a human resources strategy that provides information both on achievements and on outstanding tasks.

The introduction in June 1999 of the new Agency Information System -- which integrated Finance, Contracting and Project Systems modules -- was a major achievement. This was particularly so in view of the short time frame for delivery, the large and innovative scope of the systems components and the demands for a data conversion two months after the start of the fiscal year. Difficulties included problems with training, poor data quality and the challenge of using in a government organization software initially designed for the private sector.

These systems will need to be further refined in order to meet fully the Agency's requirements for timely and useful information. While RBM information is available at the project level, additional work will be needed to roll up the data at the program, branch and corporate levels. Some tools developed as part of this system will need to be modified to meet the needs of CIDA's programs, including the need to incorporate Logical Framework Analysis into the planning, monitoring and evaluation components of the system.

Key Reviews

An audit by the Performance Review Branch of the Industrial Cooperation Program was released during 1999-00. (See **Box 8** on page 16.) As the year came to a close, a number of other key reviews were in progress. These were: the *Review of Infrastructure Services*; the *Audit of the Implementation of the Canadian Environmental Assessment Act (CEAA)*; the *Assessment of Private Sector Development Initiatives*; the *Audit of the Voluntary Sector*; and the *Audit of the United Nations and Commonwealth Program*. A summary of the findings of these reviews will be included in the Departmental Performance Report for 2000-01.

Geographic Programs

Planned Spending (1999-00 RPP) . . . \$714.9 million
Total Authorities (Public Accounts) . . . \$718.2 million
1999-00 Actual Expenditures \$711.1 million

Note: These amounts include program and operating expenditures. For more details, see Table 2 on Page 53.

Objectives

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 ODA program and Canada's foreign policy interests.

Putting it in Context

Geographic Programs, comprising CIDA's three bilateral programs -- Africa and the Middle East, Asia and the Americas -- disbursed \$632.6 million (39%) of CIDA's ODA program disbursements, in 1999-00. They are essentially country-to-country programs and enable the Canadian Government to pursue development co-operation objectives through direct relationships with eligible countries. The prime responsibility for development rests with these countries themselves and programs are developed through consultation and co-operation with governments.

Projects supported through the Geographic programs reflect developing countries' needs and Canada's ability to meet those needs. With few exceptions, Geographic programs are delivered in kind rather than cash. They are executed directly by Canadian suppliers and executing agencies. When available and advantageous, the goods or services required for their implementation are procured in the recipient country. All projects are based on Canadian policies regarding the procurement

of goods and services in Canada and on Canadian content requirements.

Africa and the Middle East

Since 1996, Africa and the Middle East Branch has pursued two closely related key objectives: **supporting peace and security** and **contributing to the promotion of poverty reduction**. The past year has shown that these are still of primary importance to the region, which represents the greatest development challenge of the 21st century.

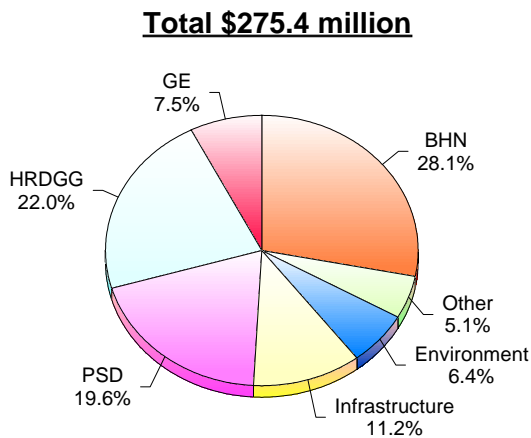
About 55% of global conflicts are concentrated in the Africa and Middle East region:

16 African countries are experiencing open conflict, and another 17 feel the direct or indirect effects of these internal conflicts. In several countries, armed conflict and social tension exact a heavy human cost and create obstacles to development. Also, there is an important link between instability and mass migration, environmental degradation, and access to and control of natural resources. In sub-Saharan Africa, the problem is aggravated by the proliferation of light weapons and antipersonnel mines, as well as the recruitment of girls and boys as soldiers, whether by kidnapping them or by exploiting the extreme poverty facing their families.

Poverty is endemic in many countries; 47% of sub-Saharan Africa's population live on less than US\$1 a day. In 15 African countries, fewer than half of the children are enrolled in primary school. In over 25 countries, the adult literacy rate is less than 50%. Sub-Saharan Africa is seriously affected by the HIV/AIDS pandemic. The disease threatens, not only people's lives, but the region's social and economic development, especially in Eastern and Southern Africa. Of women living with AIDS world-wide, 80% are in Africa. They contract the disease at a younger and younger age, increasing the number of children

orphaned by AIDS. Land degradation continues to worsen. This decline is due to heavy reliance on natural resources for sustenance, widespread poverty, demographic trends, a weak technological base, and unsustainable production practices.

Chart 9
1999-00 ODA Program Disbursements - Africa and the Middle East



These manifestations of poverty should not obscure the progress that has taken place in many areas. The informal nature of the economy makes statistical compilation difficult. Nonetheless, real improvements in the income of some communities have been recorded. Although women and girls still experience serious constraints in exercising control over their lives, important progress has been realized in **gender equality** during the past 20 years. This is evident especially in the enrolment of girls in education and women's participation in decision making. Meanwhile, there is growing evidence that investing in the empowerment of women and girls is crucial for the achievement of Africa's development goals. Many countries have reorganized their finances and adopted sound macro-economic policies. These are promising developments although the positive

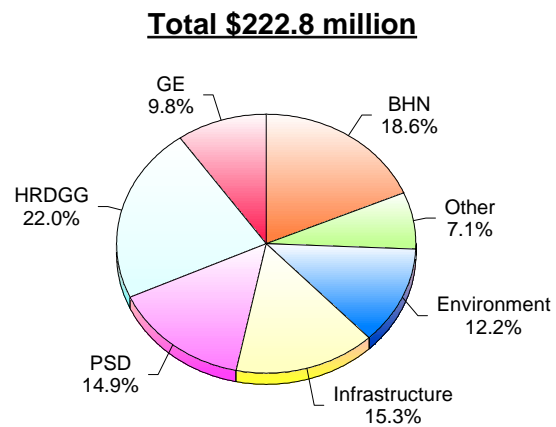
consequences are just beginning to materialize.

The fifth phase of the Strategic Partnership with Africa (SPA) was launched in January 2000. SPA represents a bilateral and multilateral response to the region's severe debt and development crisis. During the fifth phase, donors are expected to adopt a more effective approach and to help develop more efficient aid modalities to strengthen donor co-ordination in sub-Saharan Africa. Also the Global Coalition for Africa continued to support policy dialogue among Africans on democratization and on agricultural development. Work was initiated to prepare for the quinquennial plenary of the Coalition during 2000-01.

Asia

Asia has a huge economic, political and environmental impact on world affairs. It is home to more than half the world's people and also to two-thirds of its poor. Challenges posed by age-old poverty are reinforced by current resource and population constraints.

Chart 10
1999-00 ODA Program Disbursements - Asia



Many countries continue to suffer the ill effects of past unbalanced social and economic policies and of ongoing ethnic, communal or political conflicts. Absolute poverty still limits the lives of some 800 million Asians. Yet Asia is the location of much of the progress in the developing world in recent times. It is the land where the struggle for sustainable human development will mainly be won or lost in the 21st century. For three decades, until the recent economic and financial crisis, many Asian countries had been experiencing high rates of economic growth. Even South Asia (starting from a very low base) grew faster than the industrialized world in the 1990s. Moreover, many Asian societies combined economic growth with better income distribution and rising living standards.

Today, most countries are still recovering from the recent crisis, but despite the reversal which it represents, Asia and its three billion people remain rich in energy and ingenuity. They thirst for education and opportunity as they continue to seek a better future, whatever the obstacles and however unfavourable the odds.

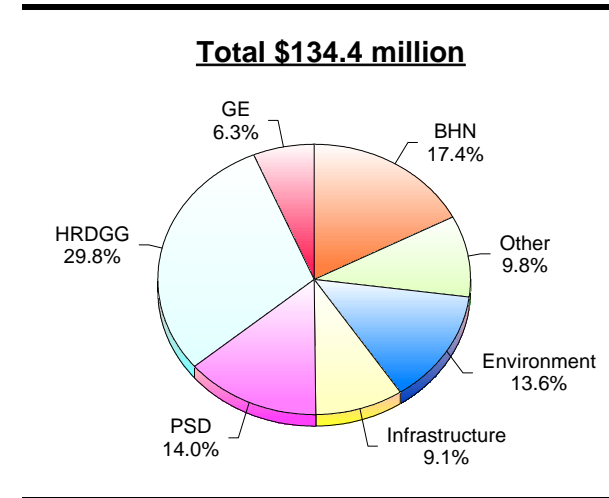
Americas

The remarkable economic and democratic progress experienced by most of the Americas region in recent years continues to stand in stark contrast to the poverty experienced by, and the absence of a voice felt among, its societies' most marginalized groups. Most observers agree that the long-term prospects of Latin America and the Caribbean will depend on the ability of countries in the region to better distribute the opportunities of growth and liberalization. Failure to distribute benefits more equitably will threaten the sustainability of the economic and democratic reforms that have enabled recent progress. The results achieved by Americas Branch in the past year

contribute to the strengthening of democratic institutions, governance and economic growth, while improving the services and opportunities available to the region's poor. In addition to hemispheric programming, the Branch supports numerous sub-regional initiatives to promote co-operation on issues including fisheries, energy, education and human rights.

In recent years, Canada has sought to play an increased role in hemispheric affairs. It will host the Summit of the Americas in Québec City in 2001. Increasingly, CIDA works with regional organizations and institutions to strengthen relationships among countries of the Americas and promote sustainable development and poverty reduction. The recent financial crisis affecting Brazil and other countries of the Americas has placed significant strain on partners, governments, economies and populations. While the effects of the crisis were ultimately far less severe than many had feared, the poor are disproportionately affected.

Chart 11
1999-00 ODA Program Disbursements - Americas



Challenges and Strategies

Each Geographic branch takes strategic approaches based upon the context in which it operates. However, in many cases they take similar approaches in their shared endeavour to support peace, promote poverty reduction, and enhance the enjoyment of human rights. For example, they focus on human capital formation; efforts to reduce the impact of economic and climatic crises on poor households; and ways to extend the opportunities and benefits of globalization to a broader base of the population. They also pursue a meaningful and substantial response to problems in the areas of health (particularly HIV/AIDS), basic education and child protection.

Resources are invested in building the capacities of regional, national and local institutions to negotiate, prevent and resolve conflicts; create systems for a wider, more equitable distribution of benefits and opportunities; and promote strong, resilient and participatory institutions of government and civil society. Other strategies include responding to concerns arising from such important regional fora and initiatives as the Summit of the Americas and the Strategic Partnership with Africa. The branches support efforts to strengthen aid co-ordination and increase impact, for example by taking part, through joint pilot projects, in comprehensive development frameworks (CDFs) and sector-wide approaches (SWAPs). Ensuring that risk management is properly addressed in the delivery of new programs and projects is an increasingly important strategy under the Geographic Programs business line.

Results Commitments, Achievements and Factors Limiting Success

Basic Human Needs

Key result commitment: Improved access for the poor to health, education, shelter, food and nutrition, sanitation and pure-water supply services.

- In Burkina Faso, there has been a rise in the school enrolment rate for girls in 15 provinces involved in the Basic Education Support Project. In Mozambique and Malawi, enrolment has increased in the target regions, but the gender gap has not narrowed. However, the dropout and repeater rates have decreased, especially for girls.
- Each year, 1.1 million children in Bangladesh attend the 34,000 schools operated by the BRAC Non-formal Primary Education project. To date, 66% of the pupils are girls; 93% of the pupils complete the program and transfer to the formal school system. New curriculum and teaching materials were developed for Mathematics, Social Sciences and English. Over 6,000 community-based libraries were opened, serving 196,669 members.
- CIDA projects in Argentina, Bolivia, Brazil, Chile, Guyana and Peru and with the Caribbean Community have led to greater access to, and a higher quality of, health services. In Argentina, a technology transfer project targeted various aspects of community health, including family violence, alcoholism, and women's health.
- The UNICEF-Peru Co-operation Program has helped to ensure equal access to education for girls and indigenous children and is contributing to a decrease in dropout

rates through the implementation of the child-friendly classroom module.

Key result commitment: Improved in-country institutional capacity for sustainable human development.

- In East and West Africa, better screening systems have made possible improved control of the spread of sexually transmitted diseases (STDs). This followed a decentralized approach that forms part of the primary health care system, including an educational program for target groups (prostitutes and truckers). Thousands of sex-trade workers have been reached as a result of CIDA-backed projects.
- The capacity of governments, institutions and communities to organize and deliver basic health services effectively has increased as a result of a regional project involving Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali and Niger. This project has improved the provision of health information, allowing better knowledge of the population's health status, earlier detection, and more timely intervention.
- Although it is recognized that a high rate of population growth has a major impact on community impoverishment, little programming has been undertaken in this area. However, in Tanzania, CIDA helped open seven family planning clinics in 1999. Five are still operating, and all family planning objectives have been exceeded in the districts where they are located. The other two were closed when flooding and other factors led to reduced attendance and after it was recognized that the original estimates of the likely number of clients had been overly optimistic.

Key result commitment: Improved ability of vulnerable groups to increase their productive activities to meet their basic human needs.

- One hundred and sixty-one trainees under the Rural Development Program increased both their technical skills and their ability to implement development projects through community mobilization. The project was made possible by CIDA support to the South Asia Partnership/Pakistan (SAP-PK) and to 99 community-based organizations (CBOs). Some 10,000 families benefited indirectly from SAP-PK's development activities. Increased linkages between CBOs and NGO partners are resulting, among other things, in more effective advocacy campaigns and interaction with government, especially with its Poverty Alleviation Fund and Social Action Program.

Gender Equality (GE)

Results in gender equality are achieved through the work of the Geographic branches in two ways: by integrating GE considerations in projects across sectors and through programming specifically targeted to eliminate gender inequalities. In the Americas, responsive, locally managed Gender Equality Funds remain an important source of CIDA support for gender equality within local government and civil society. In the Asia Branch, country programs have improved the integration of gender equality in results reporting although a small percentage of project reports still do not identify gender equality as a cross-cutting theme. In Africa and Middle East Branch, gender equality has also been a cross-cutting theme, especially in BHN (e.g. education for girls, reproductive health services) and HRDGG projects.

Key result commitment: Advance women's equal participation with men as decision-makers in shaping the sustainable development of their societies.

- A project in Bangladesh is strengthening the capacity of the Ministry of Women's and Children's Affairs, increasing interaction with civil society groups, bringing gender issues fully into government policies and programs, and reinforcing gender as a common theme within civil society. Another project employs female resource experts who are highly mobile and visible throughout rural areas. This has introduced positive and significant changes in attitudes towards women throughout Bangladesh.

Key result commitment: Women and girls supported in the realization of their full human rights.

- In Peru, through support to UNICEF, the quality of maternal health care improved in maternity hospitals. Also, 3,500 health personnel have been trained, seven new maternity services have been certified and cultural adaptation of services has continued. Mass and local media campaigns emphasizing the girl child achieved the enrolment of 94,000 children in primary school during the 1997-99 period. Services have been improved and expanded to serve the poorest population resulting in a reduction in adolescent pregnancies and maternal mortality. Progress has been made by supporting civil society, especially women's groups and networks that advocate law reforms. The increasing effectiveness of such advocacy is seen in the new protocol on women's rights adopted by the African Commission on Human and Peoples' Rights of the Organization of African Unity. In Kenya, pressure from women's groups led Parliament to reverse its previous stand and

pass a resolution favouring affirmative action.

Key result commitment: Reduced gender inequalities in access to and control over the resources and benefits of development.

- There are increasing reports of men being involved in activities to enhance the understanding and promotion of gender equality. In Africa and the Middle East, this has occurred particularly through sensitization activities which enhance the appreciation of women's growing participation in community decision-making. In China, 6,820 grassroots people, 15% of them men, took gender awareness training. One of the men successfully campaigned for his village to reinforce the law related to property rights for women and children.

Infrastructure Services

Key result commitment: Improved institutional capacity to manage reform and ensure the efficient and equitable provision of services.

- A CIDA project in Indonesia led to the formulation of national private-sector participation strategies and policies, guidelines for technical and economic regulation, administrative mechanisms and improved funding arrangements. All these laws enhanced the capacity of the Central Planning Agency to help ministries implement public-private partnerships and to improve and increase the availability of infrastructure services in the country.
- Significant investment has enabled Tanzania to keep its rail system operating, thus facilitating the expansion of trade. Whether this investment will produce sustainable results will be known when the

railway system is privatized. In Senegal, improvement has been noted in the effectiveness of the power supply system, making communities safer and allowing the resumption of small-scale economic activities.

Key result commitment: Increased access of the poor, especially poor women, to infrastructure services.

- The Dominica Water and Sanitation Project provided potable water infrastructure, and improved the efficiency of water delivery to 34,000 rural residents and extended sanitation services to 17,000.

Human Rights, Democracy, Good Governance

Key result commitment: More democratic decision making through increased popular participation and strengthened representative institutions.

- In Bangladesh, CIDA support helped NGOs adopt a participatory planning approach that enabled people in rural areas to play a greater role in local government. Group participation in village courts doubled (from 13% to 29%). An increasing number of village groups supported by the project are more active in the social and political affairs of their villages.
- Support for Parliament in Ghana allowed better knowledge of budget management.

Key result commitment: Greater ability in civil society to address rights concerns and strengthen the security of the individual.

- A CIDA project in Sri Lanka has led to increased civil society involvement in peace-building and in developing ethnic harmony amongst the Muslim, Tamil and Sinhala communities. Six peace committees

facilitate goodwill and understanding among ethnic groups and joint implementation of community development programs. They also forge linkages between displaced and resident population. Conflict resolution training centres were established. Six public forums were organized by the civil society to discuss the benefit of peace-building. Youth rallies promoted the peace-building process.

- There is better access in Malawi to international human rights mechanisms. However, these activities have had limited impact in Mozambique. In Ethiopia, citizens' groups are gradually obtaining more opportunities to make themselves heard by their government on issues such as human rights advocacy, the rule of law and discriminatory practices, through formal consultation processes or by building their organizational and promotional capacity.

Key result commitment: Increased capacity of organizations that protect and promote human rights.

- The \$7 million invested by CIDA in Africa to build the capacity of organizations and institutions advocating human rights has, at the same time, given people better information about their rights. Significant public participation has made it possible to involve people in constitutional reform and in efforts to improve rights legislation in the various countries. Moreover, institutions seem to have become more accountable to citizens. For example, in Ghana, where a CIDA-supported Parliamentary Committee Support project has just ended its second year, independent assessments of the performance of parliamentary sub-committees indicate improved oversight of foreign loans and improved critical analysis of the national budget. For the first time, the Public Accounts Committee

(PAC) has made use of sub-committees for investigative purposes. The PAC itself played a more prominent role than previously in ensuring integrity in the transfer of three government-owned enterprises to private hands.

Private-Sector Development

Key result commitment: 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-size businesses.

- Active microcredit or microfinance initiatives in Bolivia, Haiti, Jamaica, Peru and Central America have succeeded in providing credit to small and micro enterprises that would otherwise not have access to credit. In addition to providing credit for income-generating activities among the poor, these projects help micro-finance institutions achieve financial sustainability.
- In Tunisia, the Private Sector Support Fund has allowed 36 technological transfers in the past four years. Thirteen Canadian and Tunisian businesses have signed partnership agreements in the new technology sector. In Morocco, technology has been transferred to more than 70 local businesses. The Quebec Deposit and Investment Fund plans to set up a Canada-Morocco-Tunisia investment fund totalling over \$50 million to meet the demands of investors in this field. In Egypt, three NGOs provided training and credit to new entrepreneurs, resulting in the creation of 518 new businesses and 2,540 new jobs.

Key result commitment: Stronger enabling environment for private-sector development, including more competitive internal markets

and enhanced connections to the global economy.

- A CIDA program has helped entrepreneurs in five countries in Africa and the Middle East to improve their access to financial services. In Mauritania, small business owners who might not normally qualify for bank loans obtained credit through four new savings and loans credit unions. The 100% repayment level enjoyed by these credit unions marked a step towards their goal of sustainability.

Environment

Key result commitment: Individuals, groups, organizations and institutions are able to address local and environmental issues and to participate in the resolution of global environmental problems.

- A project in Nepal has enabled 17 community, district and national NGOs to undertake community-based environmental planning. Local communities participate in planning and implementing natural resources management projects, renewable energy and water resources development, bio-gas energy and biodiversity projects and parks conservation. Government institutions such as the Ministry of Population and Environment, the Ministry of Local Development and the National Planning Commission integrated a decentralized environmental planning process into the national planning agenda.

Key result commitment: Ecosystems are protected from degradation and destruction and natural resources are used in a sustainable manner.

- Using community-based approaches, the India-Canada Environment Facility (ICEF)

project is undertaking restoration, reforestation and regeneration measures for environmental improvement. About 37,018 hectares of common land was brought under plantation and 1,339 hectares of grassland was regenerated.

- Several CIDA projects in the Americas aim to protect biodiversity, improve regulation of the forest sector and demonstrate innovative forest management. One such project strengthened Jamaica's Forest Department's capacity in forest management and watershed management practices while reforesting selected areas.

Lessons Learned and Factors Limiting Success

Most projects in the Geographic Programs are expected to meet or exceed expected results, but a significant number have manageable problems and a smaller number have serious problems. In the Asia Branch, most projects facing problems were in East Timor, where conditions after the declaration of independence were not conducive to the smooth operation of projects. CIDA steadfastly worked to overcome the problems. Reportedly, the situation in East Timor is improving and the projects should be able to produce preliminary results within the next year or so. In other cases, delays in negotiating agreements with partners, inadequate staffing of counterpart government departments, frequent staff turnover and the resulting lack of continuity created operational problems. The Canada Asean Centre project review indicated that many of the contacts and linkages forged between Canadian and ASEAN partners through the project were unsustainable. The findings of a series of thorough CIDA reviews currently being

undertaken will guide future funding of these projects.

The same obstacles are present in Africa and Middle East. There it was also learned that building the capacity of local partners through training, dialogue, exchange of ideas, conferences or networking, and participation by local populations in the planning, implementation, monitoring and evaluation of projects can empower communities and improve their self worth. The participation of beneficiaries in the construction of infrastructures improves the quality of the end product.

In Africa and Middle East, an increase in women's earnings and economic contribution to the community helps strengthen their influence in public affairs. Gender equality results are more easily seen in women-targeted initiatives: there is not yet consistent incorporation of the gender dimension throughout programming or use of sex-disaggregated data, sometimes because relevant results are not explicitly defined or documented.

In response to lessons learned over the years, the Americas Branch has developed a country-level risk assessment methodology to improve the evaluation and management of the uncertainty associated with operations in developing countries. This methodology has been tested in two cases and will be applied more broadly in 2000-01. Also the Branch has been updating its regional programming framework to reflect the changing realities of the Americas and ensure coherence across the entire range of Branch activities.

Countries in Transition

Planned Spending (1999-00 RPP) . . . \$97.0 million
Total Authorities (Public Accounts) . . . \$124.7 million
1999-00 Actual Expenditures \$124.3 million

Note: These amounts include program and operating expenditures. For more details, see Table 2 on Page 53.

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.

Putting it in Context

CEE Branch spent \$124.3 million in program disbursements during its eleventh year, 1999-00. It is funded under the Official Assistance (OA) component of the IAE, even though 34% of CEE project expenditures qualify as ODA.

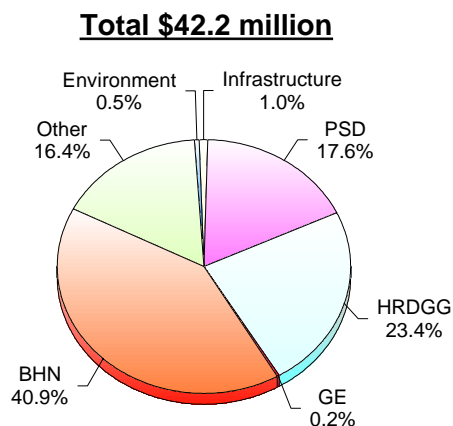
Canada's Countries in Transition (CIT) Program, administered by the Branch, supports the countries of Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS) in their efforts at reform towards democratic political systems and market economies, thereby enhancing Canada's own security and that of the global community. This flexible program contributes directly to Canada's three foreign policy objectives. Many of the reform-related initiatives focus on building and supporting the enabling environment -- that is, the policy, regulatory, institutional, professional and legal framework.

Experience has shown that the promotion of Canadian investment interests, as a programming priority, has been less successful than anticipated, owing mainly to the uninviting circumstances facing business in the region. Corruption and abuse of power continue to plague many parts of the region. Small and medium-size businesses are the hardest hit by these two phenomena.

Progress in democratic and economic reform varies across the region. One third to one half of Russia's 147 million inhabitants now live below the poverty line, coping on less than US \$1 per day. Despite modest economic growth in 1999, the 1998 economic crisis continues to affect ordinary Russians in many ways, from unemployment to deteriorating health and social services. The enormous flight of capital from Russia has left few resources for domestic investment. The far northeastern part of Russia continues to face a decline in health status and socioeconomic conditions. This decline began in the early 1990s with the collapse of the Soviet Union and the subsequent inability of the Russian government to sustain the former extensive regime of subsidies. The Russian government's military response to renewed armed conflict in Chechnya has resulted in the displacement of large numbers of civilians fleeing the conflict.

Ukraine is the only country in the former Soviet bloc not to have experienced GDP growth in any year since independence in 1991. A weak enabling environment remains the main impediment to meaningful democratic and economic reform. Nuclear safety and its impact on the environment continue to be matters of global concern.

Chart 12
1999-00 ODA Program Disbursements -
Central and Eastern Europe



In the other CIS countries, slow reform efforts and a lacklustre investment milieu are the main challenges to sustainable growth. The challenge facing all CIS states is to increase living standards and reduce poverty.

Poland, Hungary and the Czech Republic have been the front-runners in accession to the European Union. This fact validates CIDA's plan to phase out its bilateral program in these three countries by 2001. The Slovak Republic and the Baltic countries are not far behind. Even though Romania and Bulgaria have also achieved applicant status to the European Union, they experience high unemployment rates and increased poverty in the face of failed economic reforms.

The Balkans remain a focal point for post-conflict peace-building and reconciliation. Throughout the year after the Kosovo crisis, the Balkans region continued to experience problems, especially in the areas of human security, human rights, peace-building and European integration. Inter-ethnic violence is a primary security concern. The peace agreement signed in Bosnia is being

maintained by 20,000 NATO-led troops and a multi-donor aid effort. Sustainable peace and prosperity in Bosnia can only be restored through the promotion of good governance, basic human rights and the rule of law.

Challenges and Strategies

In response to the 1999 Kosovo crisis, CIT received significant additional resources, of which \$21.1 million was disbursed during the fiscal year. This program focuses on 4 areas: emergency peace-building; the consolidation of a secure environment; community-based rehabilitation, particularly in the social sector; and regional economic assistance to Kosovo and the neighbouring states most affected by the conflict. CIDA's mine action program in the Balkans forms part of the Kosovo initiative. The social dimension of the program is largely focussed on health and education. This approach is consistent with Canada's ongoing efforts to assist in the return and reintegration of refugees and internally displaced persons in Bosnia and Croatia.

Results Commitments, Achievements and Factors Limiting Success

Assisting in the Transition to a Market-based Economy

Key result commitment: Improved investment and business environment.

- The Multilateral Investment Guarantee Agency (MIGA), with CEE support, has developed an on-line clearinghouse, Privatization Link Russia, that gives free information to investors on privatization-related investment opportunities in Russia. At the same time, MIGA, part of the World Bank Group, provides low-cost means for Russian

privatization agencies to market these investment opportunities worldwide. Hands-on support and a focus on increased capacity within partner firms and agencies have been integrated at all stages of CEE's work to ensure sustainability beyond the life of the project. A presidential order was issued in September 1999, stressing the importance of market research for the effective marketing of investment opportunities resulting from privatization.

Key result commitment: Increased capacity of public and private institutions/businesses to function in a market-based economy.

- Since 1996, the Canada-Poland Entrepreneurs Fund has been in existence to improve the economic viability of Polish SMEs through the introduction of financial assistance products. The Fund also strengthens the risk-based lending skills of the Polish partner bank and provides business advice and training to SMEs. This initiative accelerated dramatically during the past year. For example, the number of approved loans quadrupled between January 1999 and March 2000. In some cases, expectations were exceeded as demonstrated by low loan delinquency rates and an increase in Bank loan capital. In addition, Bank staff demonstrated greater willingness and capacity to analyze SME risk, based on the training they received; 70% adopted a client-based philosophy in dealing with the public.

Encouraging Good Governance, Democracy, Political Pluralism, the Rule of Law, and Adherence to International Norms and Standards

Key result commitment: More effective, equitable and accountable service delivery by all levels of government.

- As a result of a project carried out by the Canadian Department of Justice, the Ukrainian Ministry of Justice has improved its capacity to draft legislation required to support the transformation of Ukraine into a state functioning under the rule of law. This initiative included the development of a policy framework for drafting such legislation, the standardization of the format of laws, the creation of standard legal provisions for certain recurring situations, the development of guidelines regarding gender neutrality in legislation, the development and nurturing of knowledge-based networks with specialists throughout Europe and Canada, and the formulation of recommendations to increase public access to Ukrainian legislation. The unexpected results of this project include the establishment of the School of Legislative Drafting.

Facilitating Canadian trade and Investment Links with the Region

Key result commitment: Canadian commercial benefits realized.

- There are numerous difficulties in operating in CIS and Eastern European countries. Nonetheless, Canadian companies have benefited commercially from CIT's Renaissance Eastern Europe (REE) Program. Just in the past year, the Program supported 26 operational projects with a total value of \$1.2 million. Projects were carried out in Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Latvia, Poland, Romania, Russia, Slovakia, and Ukraine. These projects

encourage Canadian trade and investment links in the region by helping Canadian companies form successful joint ventures with local partner companies, while generating commercial benefits for both. Gemite Products Inc. of Mississauga, Ontario has doubled in size since becoming active in Poland with the help of REE. Pharmascience, of Montreal, Quebec, established Pharmascience-Ukraine in 1993, and received training support from REE. The annual sales of this Ukrainian subsidiary have since reached \$2 million per year. Half of it comes to Canada to pay for raw material from various Canadian firms.

Assisting international efforts to reduce threats to international and Canadian security.

Key Result Commitment: Enhanced nuclear safety.

- The Regulatory Co-operation Program was successfully delivered by the Atomic Energy Control Board (now the Canadian Nuclear Safety Commission). This program, together with projects from other international donors, has increased the capacity of the independent nuclear regulatory regimes in Lithuania, Russia and Ukraine. Persons trained under the program are becoming trainers themselves and are helping to disseminate information among a larger number of regulators. An important impact of the project is an increased awareness of "safety culture" as defined by the international nuclear organizations.

Key result commitment: Enhanced peace and security, stability, prosperity and regional co-operation

- CIDA, in partnership with the RCMP, funded the deployment of approximately 100 police officers and trainers to Kosovo

to contribute to the international peace support operations in the province. Canada is one of the leading contributors of police to UNMIK and Canadian officers occupy influential senior positions within the mission. A small component of the Canadian contingent developed and delivered basic training courses at the OSCE Police school in Kosovo. These courses covered a range of topics including crime investigation, democratic policing, and legal affairs. The school is recognized as one of the few functioning multiethnic organizations in Kosovo. The training is well-accepted and has been integrated into the new Kosovar police force. The security situation continues to cause concern. However, the level of criminality decreased since the activities begun by Canada and other donors in the summer of 1999.

Key result commitment: Reduced human suffering resulting from emergency situations.

- Relief activities in the Northern Caucasus were directed towards shelter, water and sanitation, health and food as well as psycho-social rehabilitation and emergency education for school-aged children. During the latter part of 1999, a renewed outbreak of armed conflict in the area forced over 200,000 Chechens to flee into neighbouring regions. Another 100,000 or so were displaced within Chechnya. Eighty percent of the internally displaced persons (IDPs) are women and children, most of whom are staying with host families while the remainder live in inadequate temporary shelter. The CIT Program contributed \$3.25 million in support of UN (\$2.5 million) and Red Cross (\$750,000) humanitarian assistance activities aimed at alleviating the plight of those displaced by the conflict.

- In Kosovo, through Canadian contributions to the Canadian International Demining Centre, the Wolf's Flat Ordnance Disposal Corporation, and the International Demining Alliance of Canada, progress has been made in enabling the local population to return safely to their homes, as well as allowing for the resumption of economic activity, particularly agriculture. Canada has contributed to the identification and clearance of land mines from schools, homes, medical clinics, telecommunications transmission stations, water pumps and power plants.

Lessons Learned and Factors Limiting Success

Success through effective program management is directly linked to the quality of the relationship involving the Canadian partner, the recipient partner and the CIT program officer. To this end, the CIT Program must work diligently to ensure that the roles and responsibilities of all partners are understood and accepted. Canadian partners are encouraged to recruit reliable local representatives to facilitate program delivery in such areas as cultural differences, language

barriers and challenges associated with tax exemption/customs and clearance/equipment certification. Too often, Canadian embassies are called upon to perform such functions.

CIDA's ability to undertake programming in the Kosovo region was originally hampered by a lack of adequate representation in the field and of adequate staff at headquarters. Over the course of the year, personnel needs were met, notably with the arrival of a CIDA representative in Albania, the opening of a Canadian Liaison Office in Kosovo, the opening of a Kosovo Program Support Unit and an increase in program staff at CIDA headquarters.

On another front, difficulties in establishing UNMIK contributed to programming delays. As all concerned gain experience and build capacity in the region, implementation of the Kosovo program is likely to improve. The region is plagued by serious governance problems, including ethnic division, high levels of corruption and significant risks relating to the potential diversion of aid funds. CIDA has had to implement its programming in full awareness of this situation.

Multilateral Programs

Planned Spending (1999-00 RPP)	. \$642.3 million
Total Authorities (Public Accounts)	\$665.8 million
1999-00 Actual Expenditures	. . . \$665.3 million

Note: These amounts include program and operating expenditures. For more details, see Table 2 on Page 53.

Objectives

To promote effective global and multilateral development approaches to poverty reduction, human security and international prosperity; and ensure that Canadian humanitarian assistance and food aid to developing countries are appropriate, timely and effective.

Putting it in Context

Multilateral programs rest on the recognition that industrialized and developing countries must work together to promote a world free from poverty, disease and conflict, one which is not depleting the resources of the future to meet the needs of the present. As the threats to the global commons become increasingly complex, sustainable solutions require progressively more effective instruments of global governance.

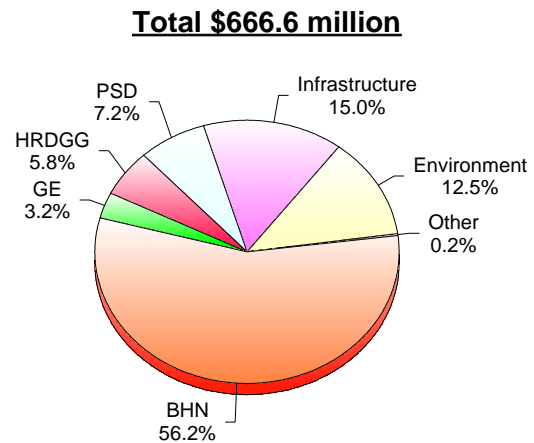
If Canadians are to help meet these challenges, they must continue to play a strong role in the multilateral institutions which help shape the international agenda. Participation in multilateral organizations helps advance Canada's key foreign policy objectives -- prosperity, security and Canadian values.

The Multilateral Programs Branch (MPB) is CIDA's main window to key UN and Commonwealth development and humanitarian organizations as well as to the regional development banks. Multilateral programs allow Canada to leverage substantial resources in pursuit of its international priorities. Canada generally provides 3-5% of

the resources of multilateral development institutions (MDIs), yet influences substantially their policies and program.

Chart 13

1999-00 ODA Program Disbursements - Multilateral Programs



Multilateral programs are effective in delivering development and emergency assistance in a timely manner. Also, multilateral organizations promote adherence to globally-agreed norms and play a critical leadership and advocacy role in areas such as governance, children's rights, population, human development and basic human needs.

Challenges and Strategies

MPB continued to promote a multilateral system able to address the most fundamental development challenge of all: poverty. The World Bank and the IMF adopted an enhanced Heavily Indebted Poor Countries Initiative (HIPC) to provide broader, more generous and more timely debt relief. To ensure the relief is used wisely, providing concessional resources is linked to the development of broadly-based, country-owned poverty reduction strategy papers (PRSPs). Canada, long an advocate of a more generous international debt-relief

strategy, provided an additional \$175 million for HIPC in the February 2000 Budget.

Results Commitments, Achievements and Factors Limiting Success

Special result commitment: Enhancing the effectiveness and efficiency of multilateral development institutions and the multilateral development system.

- Multilateral development banks made further progress in improving co-ordination -- a priority advocated by Canada. The MDBs have harmonized procurement procedures and documentation. The World Bank and IMF are collaborating in implementing the HIPC program. The World Bank signed a Memorandum of Understanding with the AsDB on co-operation in East Timor and one with the AfDB setting out general areas of specialization and collaboration.
- Increasing emphasis is being placed on a results-based approach within UN development organizations. The United Nations Development Program (UNDP), UNICEF and the United Nations Population Fund (UNFPA) have all developed budget plans based on the expected results of individual programs. At the urging of Canada and other donors, the three funds have also agreed upon harmonized budget formats, enabling cross-comparisons and a better understanding of expected results, programming activities and budget allocations.

Basic Human Needs

Key result commitment: Improved access for the poor to health, education, shelter, food and nutrition, sanitation and pure-water-supply services.

- The Micronutrient Initiative (MI) -- along with UNICEF, the World Bank, WHO and national governments -- has been a significant player in one of the most important public-health achievements since the eradication of smallpox: the move towards universal salt iodization. The efforts of MI and its partners have led to iodine being put in close to 70% of the world's salt, thus protecting close to 85 million newborn children annually from various developmental disabilities. MI has also achieved a nutritional breakthrough which has been a goal of researchers for 20 years: the double fortification of salt with iron and iodine for the simultaneous prevention of iron and iodine deficiency. Successful field tests among children in Bangladesh, Ghana and Guatemala reduced iron deficiency by 23%, and iodine deficiency by 50%. Overall, the result of these initiatives has been to protect millions of new-born children annually from various developmental disabilities and from diseases such as goitre while helping to improve school performance and thus make an important contribution to sustainable human development.
- WHO has reported that 60.9 million children were given Vitamin A supplementation during national immunization days for polio in over 50 countries in 1999 -- up from 40 countries in 1998. As a result, over a million children have been saved from early death and over a quarter million people from blindness.

Key result commitment: Timely, effective and appropriate emergency assistance.

- Canada channelled significant support through organizations to meet the rapid onset of the Kosovo crisis. Canadian relief was initially designed to help deliver emergency lifesaving assistance to the

900,000 refugees fleeing the region. However, programming shifted as refugees started returning home following the cessation of hostilities. A subsequent "winterization" phase provided thousands of vulnerable Kosovars with shelter and material support.

- Canada's continued support for international agencies helped provide immediate emergency relief to millions of vulnerable people in a number of ongoing "forgotten" crises. CIDA's support to WFP's emergency food programs helped feed nearly 89 million people -- the highest annual total reached by WFP.
- CIDA's support to the UN Mine Action Service has helped to build the capacity of the multilateral system to respond to landmine emergencies throughout the world, for example in Mozambique where major floods displaced large numbers of people and dislodged landmines placed during the civil conflict.

Gender Equality

Key result commitment: Women and girls supported in the realization of their full human rights.

- The Inter-American Development Bank (IDB) has taken the lead in bringing the issue of domestic violence to the fore in the MDBs. Programs to identify best practices in reducing violence, as well as support to build capacity in government and civil society to address the issue, have been launched.

Key result commitment: Reduced gender inequalities in access to and control over the resources and benefits of development.

- A school system for Palestinian refugees supported by the UN Relief Works Agency is very probably the first in the Middle East to achieve equal enrolment of boys and girls. The percentage of female students reached 49.9% in 1999.

Human Rights, Democracy, Good Governance

Key result commitment: More democratic decision-making through increased popular participation and strengthened representative institutions.

- The UNDP was in the forefront of international efforts to provide technical assistance for Indonesia's general elections in June 1999. The agency helped the government to redraft the electoral laws and co-ordinated the disbursement of \$90 million in donor funds to support the electoral process. UNDP also developed a post-election program which focuses on capacity building for the national, provincial and regional legislatures and on the empowerment of civil-society organizations as actors in the new system of democratic checks and balances.
- The Peacebuilding Fund helped the Afghanistan Training Initiative for Rights-based Programming train local Afghan NGOs to program aid projects in a way that seeks to improve the human rights situation, especially those of women and children. The Initiative undertook the training together with the United Nations Office for the Co-ordination of Humanitarian Affairs.

Key result commitment: Strengthened will of leaders to respect rights, rule democratically and govern effectively.

- Human rights perspectives and concerns arising from the Convention on the Rights

of the Child and the Convention on the Elimination of All Forms of Discrimination against Women are increasingly being incorporated into the design of UNICEF's country programs. As a result, the programs more strongly reflect human rights principles, and promote civil society participation and state accountability in the delivery of basic services, including activities for the survival, growth and development of children.

Private-Sector Development

Key result commitment: Stronger enabling environments for private-sector development, including more competitive internal markets and enhanced connections to the global economy.

- The building of rural roads with support from the African Development Bank (AfDB) has dramatically increased access to markets in Botswana and Cameroon for local livestock and vegetable producers -- most of them women. Small commercial enterprises have sprung up along the new routes. This has led to increased family income and, in turn, to improved health and school attendance.
- An evaluation of 38 projects of the International Fund for Agricultural Development (IFAD) worth \$400 million found that 92% had considerably improved the income and living standards of the intended beneficiaries (1.9 million rural people). In some projects, income increased by as much as 400%. Three-quarters of the projects improved the status of women.

Environment

Key result commitment: Individuals, groups, organizations and institutions are able to address local environmental issues and to

participate in the resolution of global environmental problems.

- The Global Environment Facility (GEF) funded the preparation of China's first national report to the Climate Change Convention -- an important symbolic event, given China's outspoken opposition to the need for developing-country action on climate change.

Key result commitment: The creation of pollutants and waste is avoided.

- The World Bank supported a number of innovative projects under the Montreal Protocol to help developing countries phase out the use of ozone-depleting substances (ODS). The Bank met its commitment to phase out 70% of total ODS under the agreement, using only 40% of the funds budgeted for this purpose.

Lessons Learned and Factors Limiting Success

With complex humanitarian emergencies continuing to grow in scope and magnitude, rapid, co-ordinated responses tailored to meet the needs of those affected remain the greatest challenge to saving lives and setting the stage for long-term development. Lessons learned in CIDA's International Humanitarian Assistance Program have highlighted the need for response preparedness in countries affected by natural disasters. As a result, greater emphasis is now being placed on ensuring that alternative forms of communication (e.g., satellite phones) are available in outlying areas, and on seeking price quotations from suppliers for the most frequently needed supplies at the onset of the hurricane season. An Emergency Response Unit is also being established within MPB to enhance decision making and expedite approvals.

Canadian Partnership

Planned Spending (1999-00 RPP)	\$270.3 million
Total Authorities (Public Accounts)	\$284.0 million
1999-00 Actual Expenditures	\$283.9 million

Note: These amounts include program and operating expenditures. For more details, see Table 2 on Page 53.

Objective

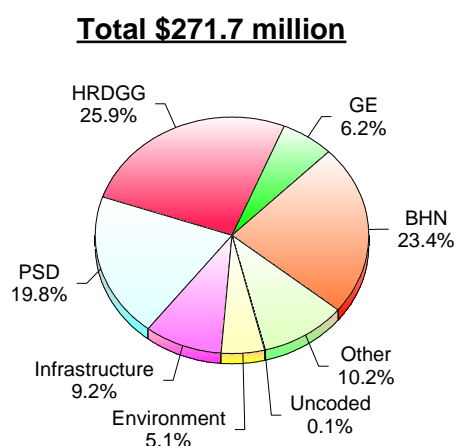
To promote mutually beneficial partnerships between Canadian and developing-country organizations to support sustainable development and reduce poverty in the developing world.

Putting it in Context

In 1999-00, the Canadian Partnership Branch (CPB) disbursed \$271.7 million, or 16.8% of the ODA program disbursements. Some 23.4% of these CPB disbursements went to BHN and 25.9% to HRDGG.

Chart 14

1999-00 ODA Program Disbursements - Canadian Partnership



The CPB program has three primary characteristics. It is responsive: rather than

developing programs on its own, it works with Canadian organizations which design and implement programs and projects in co-operation with their developing-country counterparts. In this way Canadians help shape Canada's ODA program and make available expertise that can be effectively transferred by non-governmental partners. Institutional support to international organizations enhances CPB's ability to focus on significant global issues such as the environment.

The second characteristic is cost-sharing. Canadian and developing-country partners are required to contribute resources to their development initiatives.

The third element is Canadian participation. At any given time, CPB maintains relationships with hundreds of Canadian and international partner organizations and private-sector firms and supports more than 1,300 projects and programs in virtually every sector in over 130 countries. CPB also provides as many as 1,000 scholarships and internships through the Scholarships and International Youth Internship Programs. Partners include business, governmental, non-governmental, academic and other organizations.

Challenges and Strategies

CPB continued working with Canadian partners to meet the challenge of reporting on development results with measurable indicators. They, in turn, helped Southern partners sharpen the focus on results planning and programming. Some challenges, such as reinforcing the criteria encouraging CPB-funded organizations to develop gender-equality policies, are expected to be met over a longer time frame.

Encouraging Canadian private-sector firms to define and enhance partnership opportunities in the developing regions once again proved both feasible and fruitful. Since its establishment in 1978, the Industrial Co-operation Program has supported poverty reduction through the creation of social and economic growth in developing countries by supporting infrastructure and industrial investment projects involving \$9.8 billion in CIDA and private-sector investments. The Program has also contributed to economic prosperity in Canada through the sale of \$5 billion in Canadian goods and services.

Canadian Partnership Branch programs harness and leverage the development knowledge, experience, creativity and resources of Canadian organizations and their developing-country partners. With this in mind, CIDA's International Co-operation Days for 2000 -- the first to include all sectors -- were held. An evaluation showed that three-quarters of the 1400 participants considered the exercise a worthwhile experience in policy dialogue.

Results Commitments, Achievements and Factors Limiting Success

Basic Human Needs

Key result commitment: Improved in-country institutional capacity for sustainable human development.

- Two separate reviews have favoured investing in development work by Canadian educational institutions. The reviews studied the University Partnerships in Cooperation and Development Program and the Canadian College Partnership Program. They affirmed the validity of the program objectives for both Canada and the

developing countries. They felt that the community college and university projects helped developing-country institutions improve administrative and teaching capacity and urged emphasis on developing-country capacity building and monitoring and evaluation at project and program levels.

- The international development volunteer is, in essence, a knowledge worker -- one of the best means of sharing knowledge. This is the major finding of a framework review of CIDA's Volunteer Sending Program. The review reaffirms what has been found by other studies: the voluntary sector is a major contributor of such values as stability, tolerance and democracy.

Human Rights, Democracy, Good Governance

Key result commitment: Greater ability in civil society to address rights concerns and strengthen the security of the individual.

- A five-year program by Inter Pares in Canada and 16 developing countries is helping to lay the basis for social change. In many cases, social transformation has already resulted. The program broadens civil society representation at local, national and regional levels. In Peru, local authorities have begun consulting women's federations on community issues.

Key result commitment: Increased capacity of organizations that protect and promote human rights.

- CoDevelopment Canada (CoDev), as part of its 1997-00 (three-year) CIDA-supported \$970,000 program, established the Civil Society Network for Public Education in the Americas (Red SEPA) in partnership with the British Columbia Teachers' Federation,

to further the interests of civil societies for improved public education. As well, in Latin American countries where CoDev works in partnership with local teachers, women are increasingly holding positions on executive committees such as those of the Union of Educational Workers of Guatemala and the Reform Movement of Panamanian Educators. With financial support from CoDev and the Canadian Teachers' Federation, women teachers from the Union of Educational Workers of Costa Rica produced material to teach gender equality in preschools and elementary schools. The materials should have an impact on correcting gender stereotypes in the country's education system.

Environment

Key result commitment: The creation of pollutants and waste is avoided.

A project by Resource Efficient Agricultural Production Canada (REAP Canada) and its Filipino counterpart, Paghida-et sa Kauswagan Development Group (PDG), promotes crop diversification and ecological farming. The project helps reduce greenhouse gas emissions by decreasing the consumption of fossil fuel, increasing carbon storage in soil and vegetation and promoting the use of cookers which operate on rice residues and therefore reduce consumption of wood.

Lessons Learned and Factors Limiting Success

An analysis showed that 74% of the 1999-00 programs and projects which formed CPB's reporting sample were likely to meet or exceed planned results; 8.7% had manageable problems, 1.9% had serious problems and managers could not rate 15.4% of them, mostly because it was too early to do so.

One lesson yielded by CPB activities during the year is the need to involve all key partners at every stage of the planning and execution processes. This is vital to ensure shared awareness, support and understanding in Canada and in recipient countries. Other lessons included the value to both Canada and developing countries of the goodwill generated by student exchanges and similar interactions, and political risk as a major factor affecting the sustainability of projects. Events such as elections can heighten political tension and disrupt or derail original project priorities and timelines and must be taken into account during project development and approval.

Occasionally, projects with serious problems have to be terminated. However, where problems are manageable, corrective measures are taken with the right mix of speed and deliberation so that the development effort can get back on track. In one case, a change of management was considered necessary to ensure the best results from the program. The change was carried out after consultations between the Board of Directors of the Canadian partner and the Board of its developing-country counterpart. Both Boards felt that the change turned out to be a positive factor in the continuity and solidity of the program.

Policy

Planned Spending (1999-00 RPP) . . .	\$8.0 million
Total Authorities (Public Accounts) . . .	\$8.9 million
1998-99 Actual Expenditures	\$8.9 million

Note: For more details, see Table 2 on Page 53.

Objectives

To develop and recommend policies; provide expert advice; formulate strategic plans in the area of sustainable development; and provide development information resources.

Putting it in Context

Policy Branch formulates and maintains the ODA policy framework in support of CIDA'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 assistance, such as the links between peace-building and development. It gives information and strategic advice to the Prime Minister, the Minister, the Agency and other government departments on a wide range of long- and short-term development policy and strategic issues. It provides specialized scientific and technical expertise and, in cases such as environmental assessment, verifies the Agency's compliance with legislation.

Policy Branch takes the lead in the strategic planning and management of the International Assistance Envelope, including allocations on behalf of CIDA. At the domestic level, the Branch works closely with other departments and agencies on policy development and issue management to ensure that government policy reflects the full diversity of Canada's relationships with developing countries. At the international level, the Branch focuses on improving the co-ordination of Canadian development policies with those of other donor

countries. It also helps to represent Canada's interests in international fora and verifies that relevant international commitments undertaken by Canada are reflected in the government's development policies.

The Branch manages the Agency's Corporate Memory databank and the library, and produces the information required to meet national and international responsibilities for reporting on ODA expenditures.

Challenges and Strategies

Policy Branch sought to ensure that CIDA's priorities and programs support broader Government of Canada objectives, legislation and regulations. This was done through corporate strategic planning activities as well as guidance to the Branches which manage programs and projects within the IAE.

CIDA reorganized its scientific and specialist cadre. The new structure permits specialized resources to be applied to strategic analysis and programming. Also it should, in the climate of results-based management, enable Branches to do more substantive analysis of particular issue areas such as environment and social policies.

Expected Results and Some Achievements

Expected Result: Development and recommendation of timely and accurate policy, scientific and technical advice and information on international assistance issues for the Government, Minister, CIDA and other departments.

- Canada's positions for the UN Special Session on Social Development, the Dakar Education for All Conference and the Global Alliance for Vaccines and Immunization were developed on an

interdepartmental basis. The Branch also provided technical and policy advice to other Branches, other Government departments and external stakeholders on a number of issues. These included: Canada's legislation against bribery of foreign public officials and Status of Women Canada's Gender Equality Consultation with Canadian NGOs.

- The Development Information Centre responded to over 37,000 requests for information from the Canadian public, CIDA staff and the development community -- a 5% increase over 1998-99.

Expected Result: Strategic planning guidance and effective management of the International Assistance Envelope to align CIDA programs with government legislation and priorities.

- CIDA provided technical and financial support for the new global convention for the elimination and management of Persistent Organic Pollutants (POP) in developing countries -- an important Canadian Government priority.

Expected Result: Canadian government positions and CIDA policies on international assistance influence the domestic and international agenda.

- Canada chairs the DAC Working Party on Development Co-operation and Environment and has successfully refocused the Working Party's agenda to deal with core Government priorities which are all

also linked to Canada's international development objectives. They include the environmental aspects of the international social and economic goals for developing countries.

Expected Result: Timely production of comprehensive, pertinent and technically feasible policies, strategies and guidelines. The reflection of CIDA policies in those of other departments and of their policies in CIDA's.

- In collaboration with Multilateral Programs Branch and in consultation with various Canadian partners, Policy Branch developed *Gender Equality and Peacebuilding: An Operational Framework*. This Framework is intended to provide guidance to organizations working in the field of conflict management regarding the inter-relationship of gender equality issues, conflict and peacebuilding. The Framework, available in both official languages, has been widely disseminated in Canada and internationally amongst organizations and institutions involved in peace support operations.
- New tools to facilitate the achievement of CIDA priorities and objectives included a report, *Development Co-operation at Fifty Years: Taking Stock and Looking Forward*, a foundation for further analysis and direction-setting for the Agency. They also included an Action Plan on *HIV/AIDS* prepared in final form for use at the July 2000 Durban AIDS Conference.

Communications

Planned Spending (1999-00 RPP)	. . .	\$11.1 million
Total Authorities (Public Accounts)	. . .	\$12.0 million
1999-00 Actual Expenditures	. . . .	\$12.0 million

Note: These amounts include the funding for Development Information Program (DIP). For more details, see Table 2 on Page 53.

Objectives

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

Putting it in Context

Communications is key to the building of links between CIDA and a range of groups and individuals without whom the work of development co-operation cannot effectively take place. Communications is also a crucial factor in satisfying Canadians' desire and right to know what international development initiatives the government is pursuing in their name and with their tax dollars.

CIDA's increasingly strategic approach to the planning, implementation and evaluation of communications activities is bearing fruit. The growing interest in CIDA's Internet site, the continuing success of projects by the Development Information Program, the growing number of partners which support CIDA's communications efforts -- including NGOs and other government departments -- and the increasing number of CIDA program staff participating in communications activities all suggest that the ongoing investment in communications is necessary and worthwhile.

Challenges and Strategies

In the pursuit of its objective, the Communications Branch made considerable progress in addressing two key challenges. The first is: how to benefit from new communications technologies to put a human face on development. During 1999-00, CIDA responded to this challenge by reorganizing its Internet site to increase the efficiency, user-friendliness and attractiveness of the site to the youth audience and to comply with new Treasury Board guidelines. The site continued to be a major source of up-to-date information on emergency situations in Mozambique, East Timor and Kosovo. An electronic subscription service was implemented to facilitate access to the Agency's press releases, speeches and newsletters. During the year under review, the number of visitors to CIDA's web site increased from 23,000 to 33,000 per month.

The second key challenge is to complement more effectively the communications efforts of CIDA's existing partners and to work with a greater number of new ones. In co-operation with the Canadian Community Newspapers Association (CCNA), CIDA launched an awards program for excellence in writing on international co-operation. CCNA comprises 680 community newspapers with a combined weekly readership of 10.7 million.

CIDA was and continues to be an active participant in the Our Millennium campaign, a nationwide 18-month initiative of the Community Foundations of Canada, which invites Canadians to mark the passage of the millennium by giving gifts to their communities. While continuing throughout 2000, the campaign has already surpassed its goal of engaging 10 percent of Canadians. More than 3.3 million Canadians were

involved in 3,000 community gifts registered with the Millennium web site.

Following extensive consultations with the Agency's traditional partners, the Communications and Partnership Branches developed a public engagement strategy. As part of the implementation of the strategy, CIDA and its partners have agreed to undertake joint projects in such areas as media monitoring and public opinion research.

Some Expected Results and Some Achievements

Expected result: Greater awareness and understanding of international co-operation issues, leading to informed action, is demonstrated by key target audiences.

- Between July 1999 and February 2000, 255 television stations aired public service announcements prepared by the Aga Khan Foundation of Canada on successful projects on health and women's issues in Pakistan, Tajikistan and Bangladesh. The project, funded by the Development Information Program (DIP), also included an insert in the February 2000 issues of *Maclean's Magazine* and *L'Actualité*.
- DIP funded the production of *Children of the Earth*, reaching 500,000 Canadians with a series of 12 radio programs on topics such as children living in situations of violence, child labour, and basic health and education for children.
- In June 1999, the magazines *Homemaker's* (800,000 readers) and *Madame au foyer* (200,000 viewers) featured a 10-page article on female refugees in Kosovo. In October 1999, Vision TV viewers learned about the work of Canadians in Kosovo through a

documentary featuring Judge Louise Arbour, former chief prosecutor at the War Crimes Tribunal, and the Canadian RCMP's forensic team in Kosovo.

- A two-hour television movie, *Dr. Lucille: The Lucille Teasdale Story*, was produced with a view to exposing millions of Canadians to the work of Lucille Teasdale. Dr. Teasdale was a Montreal surgeon who died of AIDS after dedicating 30 years of her life to the Ugandan people. In addition, a Heritage Minute dedicated to Lucille Teasdale was prepared for viewing by 23 million Canadians in 1,000 theatres across Canada.

Expected result: Greater support is garnered for Canada's aid and co-operation program among key target audiences.

- A new publication, *Global Citizenship in Action*, gives Canadians concrete examples of successful projects in developing countries and of Canadians' contributions to those projects. The publication was launched in March 1999 on CIDA's Internet site and 10,000 copies were also distributed to schools and NGOs.
- *Chaque goutte d'eau*, a play for high school students, addresses young Canadians' misconceptions about the aid program. Evaluation of the play, which was shown on a pilot basis in three high schools, shows the interactive and entertaining approach to be highly effective in reaching the youth.
- Exhibits highlighting CIDA's projects and achievements were available at major conferences. These included the annual meeting of the Canadian Association of Journalists in April 1999 and the annual meeting of the Canadian Society for International Health in November 1999.

Corporate Services

Planned Spending (1999-00 RPP)	. . .	\$51.3 million
Total Authorities (Public Accounts)	. . .	\$57.9 million
1998-99 Actual Expenditures	. . . .	\$56.9 million

Note: These amounts include program and operating expenditures. For more details, see Table 2 on Page 53.

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.

Putting it in Context

During the year under review, the Corporate Services business line covered the work of the Agency Executive, the Human Resources and Corporate Services Branch (HRCS) and the Performance Review Branch (PRB). The Corporate Services activity provides the Agency with support services that are not specific to any of the channels through which CIDA directly administers the international development assistance program.

Corporate Services provides the infrastructure of management and information systems, support to Agency leadership, and human, legal and other resources needed to ensure that the Agency operates efficiently and cost-effectively.

The work of the Performance Review Branch (PRB) helps maximize CIDA's impact in support of sustainable development by providing advice to Branches on the application of Results-based Management. The Branch also makes available tools for monitoring and performance measurements.

Further, PRB provides: independent and objective advice on the continued relevance, success and cost-effectiveness of key CIDA policies, programs, partnership arrangements and delivery mechanisms; assurances on the performance of the management framework, the integrity of performance information, and probity and diligence in the use of public funds; and liaison and co-ordination with regard to audits initiated by the Office of the Auditor-General, Treasury Board Secretariat and other agencies.

Challenges and Strategies

HRCS has, in the past few years, and with the active support of other Branches, implemented the Phoenix Project. This Project was designed to improve information management in the Agency, update the financial, contracting and other management systems in line with Treasury Board directives, and ensure that all critical systems are Y2K-compliant. Three other special projects requiring major effort during the year were: the Universal Classification Standard (UCS), the Federal Government's new Financial Information Strategy (FIS), and the implementation of the new Human Resources module in AIS/SAP, i.e. Agency Information System/Systems, Applications and Products.

During 1999-00, the Agency recognized that information and knowledge management needed to be enhanced as part of its long-term efforts to improve effectiveness. Following a major organizational review of information management, information technology and knowledge management, the position of Chief Information Officer was created to highlight the importance of these functions. It was decided to create an Information Management and Technology Branch to enhance visibility, planning and accountability. New governance

models were also identified to better ensure the linkages between business needs and technology and management solutions.

Expectations and Examples of Achievement

Expected result: Strengthening the strategic management of human resources.

- The creation of a dedicated UCS project team, combined with the Human Resources classification unit, contributed to results-based implementation and the application of a corporate approach to UCS. All CIDA positions were initially described and evaluated. The results of an initial organizational impact analysis were submitted to CIDA's Executive Committee.

Expected result: Delivering efficient, effective and high-quality services.

- The Agency retained its Evaluation Review Board after finding that the Board played a positive role in providing quality control and safeguarding the integrity of CIDA's contracting process. Also a field-operations cost review has found conclusively that the cost-allocation model managed by DFAIT is effective as a budgeting tool and provides adequate cost distribution.
- CIDA has improved its ability to communicate electronically with its posts abroad and with its development partners. Through upgrading tools, providing better guidance on how to exploit functionality and creating mechanisms to allow the sharing of information by posts around the world, the Agency has enhanced its ability to support international development effectively and efficiently. Greater use of the capacity of Web-based tools, such as Extranets, has allowed greater sharing of

information. A new partner reporting system has simplified and facilitated the reporting and management of activities funded by CIDA but implemented by its partners.

- Once again efforts were made to reduce the administrative burden of the contracting process. Applications for Approval (AFA) were abolished. They were irritants to the Agency and its partners, who accused CIDA of micro-management.

Expected result: Strengthening partnerships with internal and external clients.

- Acting on suggestions by clients and partners, CIDA implemented measures to increase the satisfaction of both. To make the proposal evaluation process more transparent, bidders are now told their scores on each item in the evaluation grid. Beginning in April 2000, the successful bidder's score on each major category of the request for proposals will also be shared when debriefing sessions are held for unsuccessful bidders. Information sharing with partners was improved by introducing and continuing the posting of projects at the planning stages on CIDA's web site. Presentations were given in Western and Eastern Canada to explain CIDA's contracting process and to promote participation by potential partners. In reply to a CIDA submission on contracting with former public servants in receipt of a pension, Treasury Board Secretariat asked the Agency to play an active role in revising government policy in this regard so other departments could benefit from CIDA's expertise. Along with Treasury Board and other departments, CIDA also played a key role in preparing standards and directives

for advance contract award notices (ACAN) in response to recommendations by the Office of the Auditor General.

- CIDA revised its policy on harassment in the workplace. The policy received praise from within CIDA and from other departments, including Treasury Board.

Section III - Consolidated Reporting

Transfer Payments

Reporting on transfer payments is contained in Section IV - Financial Performance in Tables 7a and 7b. The first table presents CIDA's transfer payments by class of grants and contributions whereas Table 7b provides the information by business line/activity.

As CIDA develops its reporting system within its new SAP integrated financial system, it will be in a position to provide transfer payment information by key program objective.

Procurement and Contracting

Procurement and Contracting in CIDA's Mandate

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

Sources of Public Information

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

- *Your Guide to Working with CIDA* (<http://www.acdi-cida.gc.ca>) assists in the identification of opportunities to work with CIDA. It also provides an overview and useful links relating to CIDA's contracting regime as well as information on CIDA's unsolicited proposal mechanism and funding programs such as the Industrial Cooperation Program and Renaissance Eastern Europe. Also included is information on access to opportunities from multilateral organizations. Specific links for contracting are as follows:
 - i. *Contracting Information* (<http://www.acdi-cida.gc.ca/contractinginfo.htm>) on CIDA's procurement and contract management policies and processes.
 - ii. *Current opportunities* (<http://www.acdi-cida.gc.ca/currentopportunities.htm>) for contracting. Information provided includes:
 - a. Projects at the Planning Stage (Pipeline) - advance information on projects at the concept stage that in most likelihood will be let for tender once fully developed;
 - b. link to MERX - where contracting opportunities will be posted;
 - c. a guide to Standing Offer Arrangements; and
 - d. Service Contracts and Lines of Credit - a listing and short description of projects, contact point of contractors and percentage of undisbursed funds. These are useful in the exploration of subcontracting opportunities.

New Initiatives

- Establishment of a formal dispute resolution pilot project that focuses on the contracting function.
- Participation in the Government on Line (GOL) initiative through which the Federal Government aims to explore the use of the SAP information technology infrastructure as a platform for a Government-wide electronic procurement (e-procurement) facility.
- Adopting the new Treasury Board "best practices" for the use of advance contracting award notices (ACANs) which are required in the issue of certain sole-source contracts.

Sustainable Development

CIDA is updating and revising its Sustainable Development Strategy (SDS), to be tabled in Parliament in December 2000.

A recently established Agency-wide CIDA SDS - 2000 Task Force is developing the revised SDS under the guidance and direction of CIDA's Executive Committee.

Scope of Sustainable Development for CIDA

CIDA's mandate is to promote sustainable development through poverty reduction in the developing world. Given its international context, linked to both developing countries and Canadian interests, CIDA views sustainable development as encompassing a sound environment, economic development, political rights and stability, social equity and development, and cultural diversity.

The fulfilment of this mandate is founded on the knowledge and commitment of staff, the support and engagement of CIDA's Canadian and international partners, and the energy,

drive and vision of developing countries themselves. For CIDA, sustainable development is not simply about introducing new programs and projects to reduce any negative environmental impact. Rather it involves iterative improvements to the ways in which we conduct our business on behalf of the people of Canada. This approach integrates environmental, social and economic factors into decision-making to advance the well-being of the poor around the world while securing the future of Canada.

The development of the Strategy is an important exercise for CIDA:

1. ***Heightened interest of senior Canadian decision-makers in the Federal Government's second-generation SDSs:*** Leadership at all levels is critical, as is the need to unleash the creativity and innovation of public servants. Strong political leadership and commitment are required to ensure that sustainable development is made more relevant to Canadians. International leadership is also key: Canada's role in assisting developing countries must be well defined if it is to provide value-added knowledge and skills. Canada can play a significant role in bridging the differing interests of the North and South. The year 2002 will be one of challenge for Canada. It will be the year of RIO+10 (commemorating the 10th anniversary of the Rio Summit) and the year Canada hosts the G-8 Summit.
2. ***Commitment:*** CIDA is strongly committed to developing a highly credible, strategic and forward-looking Strategy, and in reporting on the Agency's success in achieving the Strategy's objectives.
3. ***Strengthened Agency Integrated Decision-Making:*** CIDA is using the SDS process to strengthen the Agency's capacity

for integrated decision-making, supported by a management framework which builds complementarity between the Agency's planning and reporting processes. Over time, the distinction will blur between CIDA's Report on Plans and Priorities (RPP) and CIDA's SDS: The CIDA Strategy **will** be its Report on Plans and Priorities and its Business Plan.

4. ***Framework for Implementing New Agency Orientations:*** the SDS will be the framework through which future new Agency orientations will be implemented and monitored.

5. ***Guidance of the Commissioner of the Environment and Sustainable Development:*** CIDA is guided by what it has learned in the implementation of its original Strategy and by the Expectations Report of the Commissioner: *Moving Up the Learning Curve: The Second Generation of Sustainable Development Strategies.*

Section IV - Financial Performance

Financial Performance Overview

In its 1999 budget, the Government announced that it was injecting \$68 million into the 1998-99 budget to renew its measure of making early payments to key UN agencies as well as a further \$53 million for accelerated payment of Canada's contribution to the IMF's Poverty Reduction and Growth Facility, allowing greater flexibility for its business plan for fiscal year 1999-00.

The Government implemented several other measures in fiscal year 1999-00 that increased funding available to CIDA. The following measures affected the operating budget (Vote 20):

- \$ 2.7 million in funding to pay employee salary increases as a result of new collective agreements;
- \$4.6 million carried over from the 1998-99 operating budget;
- \$1.1 million for the administration of the Youth Employment Initiative and the assistance to Kosovo.

The following measures affected the grants and contributions budget (Vote 25):

- CIDA received \$99.9 million in order to assist in the international effort in favour of Kosovo and the Balkan region.
- \$10.5 million was received for Canada's assistance following the earthquake in Turkey.
- Two environmental initiatives, the Prototype Carbon Fund and the Persistent Organic Pollutant initiative, received \$15 million and \$20 million respectively.
- \$6.4 million was provided to CIDA for the Youth Employment Initiative.
- Also, additional funding of \$3 million was dedicated to a child labour initiative of the International Labour Organization.

The sum of \$13,626,969 for Vote 21, Forgiveness of Certain Debts and Obligations, represents the cost, for fiscal year 1999-00, of the Latin American Debt Conversion Initiative announced at the Rio Summit in 1992.

Finally, statutory payments to the funds of international financial institutions were lower than originally anticipated, as a result of the delays in finalizing an agreement with the African Development Bank. The payment was actually made early in the new fiscal year.

Financial Summary Tables

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

- what the plan was at the beginning of the year (Planned Spending as shown in Table 11 of CIDA's 1999-00 RPP);
- what additional spending Parliament has approved through Supplementary Estimates to reflect changing priorities and unforeseen events (Total Authorities); and
- what was actually spent (1999-00 Actuals as presented in Public Accounts).

Table 1: Summary of Voted Appropriations

Vote	(thousands of dollars)	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Canadian International Development Agency				
Budgetary				
20a	Operating expenditures	100,717	109,056	108,707
25a	Capital expenditures	17,500	20,500	19,800
30b	Grants and contributions	1,337,327	1,465,461	1,457,442
21b	Forgiveness of certain debts and obligations	0	13,627	13,627
(S)	Minister for International Co-operation - Salary and motor car allowances	49	51	51
(S)	Payments to the International Financial Institution Fund Accounts	325,835	247,355	247,355
(S)	Contributions to employee benefit plans	13,543	15,426	15,426
(S)	Spending of proceeds from the disposal of surplus Crown assets	0	11	0
(S)	Collection Agency fees	0	0	0
Total Budgetary		1,794,971	1,871,487	1,862,408
Non-budgetary				
L35	Issuance of notes to the International Financial Institution Fund Accounts	0	137,700	137,700
L40b	Payment and issuance of notes to International Financial Institutions - Capital Subscriptions	3,362	14,390	11,079
(S)	Payments to International Financial Institutions - Capital Subscriptions	39,835	6,005	6,005
Total Non-budgetary		43,197	158,095	154,784
Total Agency		1,838,168	2,029,582	2,017,192

Table 2: Comparison of Total Planned to Actual Spending in 1999-00

(millions of dollars)									
	FTEs	Operating	Capital	Voted Grants & Contributions	Subtotal: Gross Voted Expenditures	Other Transfer Payments	Total Gross Expenditures	Less: Respendable Revenue (1)	Total Net Expenditures
Business Lines									
Geographic Programs	519	43.8		671.1	714.9		714.9		714.9
<i>(Total Authorities)</i>	<i>519</i>	<i>59.4</i>		<i>658.8</i>	<i>718.2</i>		<i>718.2</i>		<i>718.2</i>
(Actuals)	522	59.4		651.7	711.1		711.1		711.1
Multilateral Programs	55	5.1		311.4	316.5	325.8	642.3		642.3
<i>(Total Authorities)</i>	<i>55</i>	<i>5.6</i>		<i>412.8</i>	<i>418.5</i>	<i>247.4</i>	<i>665.8</i>		<i>665.8</i>
(Actuals)	64	5.6		412.4	418.0	247.4	665.3		665.3
Canadian Partnership	142	10.9		259.5	270.3		270.3		270.3
<i>(Total Authorities)</i>	<i>142</i>	<i>12.2</i>		<i>271.8</i>	<i>284.0</i>		<i>284.0</i>		<i>284.0</i>
(Actuals)	142	12.2		271.7	283.9		283.9		283.9
Countries in Transition	85	6.6		90.4	97.0		97.0		97.0
<i>(Total Authorities)</i>	<i>85</i>	<i>7.9</i>		<i>116.8</i>	<i>124.7</i>		<i>124.7</i>		<i>124.7</i>
(Actuals)	96	7.9		116.4	124.3		124.3		124.3
Communications	38	6.1		5.0	11.1		11.1		11.1
<i>(Total Authorities)</i>	<i>38</i>	<i>6.9</i>		<i>5.2</i>	<i>12.0</i>		<i>12.0</i>		<i>12.0</i>
(Actuals)	37	6.9		5.1	12.0		12.0		12.0
Policy	81	8.0		0.0	8.0		8.0		8.0
<i>(Total Authorities)</i>	<i>81</i>	<i>8.9</i>			<i>8.9</i>		<i>8.9</i>		<i>8.9</i>
(Actuals)	88	8.9		0.0	8.9		8.9		8.9
Corporate Services	291	33.8	17.5		51.3		51.3		51.3
<i>(Total Authorities)</i>	<i>291</i>	<i>37.4</i>	<i>20.5</i>	<i>0.0</i>	<i>57.9</i>		<i>57.9</i>		<i>57.9</i>
(Actuals)	300	37.1	19.8	0.0	56.9		56.9		56.9
Total (Budgetary)	1,211	114.3	17.5	1,337.3	1,469.1	325.8	1,795.0	0.0	1,795.0
<i>(Total Authorities)</i>	<i>1,211</i>	<i>138.2</i>	<i>20.5</i>	<i>1,465.5</i>	<i>1,624.1</i>	<i>247.4</i>	<i>1,871.5</i>	<i>0.0</i>	<i>1,871.5</i>
(Actuals)	1,249	137.8	19.8	1,457.4	1,615.1	247.4	1,862.4	0.0	1,862.4
Other Revenues and Expenditures									
Non-Respendable Revenues (2)									0.0
<i>(Total Authorities)</i>									<i>0.0</i>
(Actuals)									13.7
Cost of services provided by other departments									14.7
<i>(Total Authorities)</i>									<i>15.6</i>
(Actuals)									15.6
Net Cost of Program									1,809.7
<i>(Total Authorities)</i>									<i>1,887.1</i>
(Actuals)									1,891.7

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

Table 3: Historical Comparison of Total Planned to Actual Spending

(millions of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Budgetary					
Geographic Programs	736.8	715.8	714.9	718.2	711.1
Multilateral Programs	651.7	703.0	642.3	665.8	665.3
Canadian Partnership	272.6	272.2	270.3	284.0	283.9
Countries in Transition	86.5	96.1	97.0	124.7	124.3
Communications	9.8	9.0	11.1	12.0	12.0
Policy	7.5	8.2	8.0	8.9	8.9
Corporate Services	38.8	53.9	51.3	57.9	56.9
Total Budgetary	1,803.7	1,858.3	1,795.0	1,871.5	1,862.4
Non-budgetary					
Multilateral Programs (1)	14.4	11.8	43.2	10.6	10.6
Total Agency	1,818.1	1,870.1	1,838.2	1,882.1	1,873.0

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

Table 4: Resource Requirements by Organization and Business Line in 1999-00

(millions of dollars)	Geographic Programs	Multilateral Programs*	Canadian Partnership	Countries in Transition	Communications	Policy	Corporate Services	Total
CIDA								
VP Africa & Middle East	314.3							314.3
<i>(Total Authorities)</i>	305.6							305.6
(Actuals)	302.9							302.9
VP Asia	254.9							254.9
<i>(Total Authorities)</i>	248.0							248.0
(Actuals)	244.8							244.8
VP Americas	145.8							145.8
<i>(Total Authorities)</i>	164.7							164.7
(Actuals)	163.3							163.3
VP Multilateral Programs		642.3						642.3
<i>(Total Authorities)</i>		665.8						665.8
(Actuals)		665.3						665.3
VP Canadian Partnership			270.3					270.3
<i>(Total Authorities)</i>			284.0					284.0
(Actuals)			283.9					283.9
VP Central and Eastern Europe				97.0				97.0
<i>(Total Authorities)</i>				124.7				124.7
(Actuals)				124.3				124.3
DG Communications					11.1			11.1
<i>(Total Authorities)</i>					12.0			12.0
(Actuals)					12.0			12.0
VP Policy						8.0		8.0
<i>(Total Authorities)</i>						8.9		8.9
(Actuals)						8.9		8.9
Agency Executive							4.3	4.3
<i>(Total Authorities)</i>							4.6	4.6
(Actuals)							4.6	4.6
VP Human Resources and Corporate Services							45.2	45.2
<i>(Total Authorities)</i>							51.2	51.2
(Actuals)							50.2	50.2
DG Performance Review							1.8	1.8
<i>(Total Authorities)</i>							2.1	2.1
(Actuals)							2.1	2.1
Total	714.9	642.3	270.3	97.0	11.1	8.0	51.3	1,794.9
<i>(Total Authorities)</i>	718.2	665.8	284.0	124.7	12.0	8.9	57.9	1,871.5
(Actuals)	711.1	665.3	283.9	124.3	12.0	8.9	56.9	1,862.4
% of Total (Actuals)	38.5%	37.8%	14.7%	5.2%	0.5%	0.4%	2.9%	100.0%

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

Table 5: Non-Respendable Revenues⁽¹⁾

(millions of dollars)	Actual 1997-98	Actual 1998-99	Actual 1999-00
Unplanned	15.2	11.7	13.7

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

Table 6: Statutory Payments

(millions of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Multilateral Programs	133.1	238.9	325.8	247.4	247.4

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

CIDA grants, contributions and other transfer payments of \$1,704.8 million account for 91.5% of CIDA's total expenditures. Further information is given below.

Details of Transfer Payments

(thousands of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Grants					
Grants for co-operation with countries in transition in Central and Eastern Europe and the former Soviet Union	0	0	250	0	0
Development assistance to international development institutions and organizations for operations and general programs as well as specific programs and projects, to international financial institutions and for special program and project expenses directly related thereto	185,829	134,268	48,776	100,270	100,207
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	75,573	110,208	77,958	77,133	77,133
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	97,593	87,913	81,910	122,957	122,755
Y2K International Initiative	0	0	0	305	305
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	62,750	62,231	72,000	61,234	61,234
Development assistance as education and training for individuals and for special program and project expenses directly related thereto	8,400	8,273	8,288	8,453	8,451
Grant to the International Centre for Human Rights and Democratic Development	4,586	4,359	4,359	4,359	4,359
Total Grants	434,731	407,252	293,541	374,711	374,444

Details of Transfer Payments (cont'd)

(thousands of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
<u>Contributions</u>					
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	670,178	635,062	663,104	650,047	642,999
Contributions for co-operation with countries in transition in Central and Eastern Europe and the former Soviet Union	80,233	86,681	90,110	113,704	113,381
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	1,855	754	100	954	837
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	20,743	24,057	100	35,526	35,423
Contribution to the Inter-American Development Bank	11,400	1,857	1,800	1,426	1,426
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	120,739	109,540	108,650	79,112	79,112
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	1,878	6,884	100	6,358	6,304
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	136,748	140,872	114,500	155,756	155,653

Details of Transfer Payments (cont'd)

(thousands of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
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	53,466	46,945	60,322	43,232	43,206
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor governments and institutions in support of the development information program involving the production and dissemination of development information, educational materials and related activities	3,386	3,075	5,000	4,636	4,627
Total Contributions	1,100,626	1,055,727	1,043,786	1,090,751	1,082,968
<u>Other Transfer Payments</u>					
(S) Encashment of notes issued to the development assistance funds of the international financial institutions in accordance with the International Development (Financial Institutions) Assistance Act	133,060	238,956	325,835	247,355	247,355
Total Other Transfer Payments	133,060	238,956	325,835	247,355	247,355
<u>Items not Required</u>					
Grant to the North South Institute	962	962	0	0	0
Total Items not Required	962	962	0	0	0
Total	1,669,379	1,702,897	1,663,162	1,712,817	1,704,767

Table 7b: Transfer Payments by Activity

(millions of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Grants:					
Geographic Programs	2.0	11.3	8.0	6.7	6.7
Multilateral Programs	356.9	321.1	200.6	293.9	293.7
Canadian Partnership	72.2	71.5	84.6	74.0	74.0
Countries in Transition	0.0	0.0	0.3	0.0	0.0
Corporate Services	4.6	4.4	0.0		
Total Grants	435.7	408.2	293.5	374.7	374.4
Contributions:					
Geographic Programs	670.2	636.0	663.1	652.1	645.0
Multilateral Programs	157.2	137.8	110.8	118.9	118.7
Canadian Partnership	189.6	189.3	174.8	197.8	197.7
Countries in Transition	80.2	89.2	90.1	116.8	116.4
Communications	3.4	3.5	5.0	5.2	5.1
Total Contributions	1,100.6	1,055.7	1,043.8	1,090.7	1,082.9
Other Transfer Payments:					
(S) Multilateral Programs	133.1	239.0	325.8	247.4	247.4
Total Other Transfer Payments	133.1	239.0	325.8	247.4	247.4
Total Transfer Payments	1,669.4	1,702.9	1,663.2	1,712.8	1,704.7

Table 8: Capital Spending by Business Line

(millions of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Corporate Services:					
New Informatic System (S-EPA)		18.1	17.5	20.5	19.8

Table 9: Loans, Investments and Advances

(millions of dollars)	Actual 1997-98	Actual 1998-99	Planned Spending 1999-00	Total Authorities 1999-00	Actual 1999-00
Multilateral Programs:					
Payments to International Financial Institutions - Capital Subscriptions (L35)	6.3	3.3	3.4	4.6	4.6

Table 10: Contingent Liabilities

(thousands of dollars)	Amount of Contingent Liability		
	March 31 1998	March 31 1999	Current as of March 31 2000
Claims for demurrage charges and losses			
- Zamcargo Ltd.	74		
Claims for damages			
- Perera and Al.	1,300	1,300	2,800
- Alberti	300		
- Pakistan National Shipping Corporation	1,266		
- Forage St-Lambert International Canada Inc. vs Kilborn & Associés Ltée et l'ACDI	817		
Contract claims			
- Amtron Construction International Inc. (El Azab)	50	50	
- Barber Water Products	225	325	
- Edmonton Irrigation Specialists	184		
Claim for general average			
- Prekookeanska Plovidba	748	749	749
Claim for negligence and breach of fiduciary duties			
- L. Larose and P. Hurd and D. Pankhurst	100	1,200	1,200
Total Contingent Liabilities	5,064	3,624	4,749

Section V - Departmental Overview

Mission and Program Objective

Mission

The Government's Foreign Policy Statement, *Canada in the World*, which was released in February 1995, sets out the following purpose, or mission, for Canada's Official Development Assistance (ODA) program:

"The purpose of Canada's Official Development Assistance is to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world."

CIDA is the lead government organization responsible for Canada's ODA program. In support of the ODA mission, the Agency has developed a poverty-reduction policy. The policy commits CIDA to making poverty reduction a key element in each of its six ODA program priorities listed below. The policy is being implemented across all of CIDA's ODA programming channels and includes initiatives that address poverty through both direct and indirect means.

CIDA is also responsible for the delivery of programs to countries in Central and Eastern Europe (CEE). These programs reflect the following mission:

"To support democratic development and economic liberalization in Central and Eastern Europe by building mutually beneficial partnerships."

CIDA Program Objective

The objective of CIDA's programs is:

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 interest abroad in promoting **social justice, international stability and long-term economic relationships**, for the benefit of the global community.

Departmental Organization

Official Development Assistance and the International Assistance Envelope

The International Assistance Envelope (IAE) was introduced in the February 1991 budget. It encompasses funding allocated to Canada's ODA¹⁵ and other official assistance initiatives. ODA accounts for 95% of the Envelope. The remaining 5% goes to the CEE Program.

CIDA is directly responsible for managing about 80% of the IAE. The balance is administered by the following departments:

- The Department of Finance, for the World Bank Group, and for the Enhanced Structural Adjustment Facility of the 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, indirectly, for the International Development Research Centre (IDRC).
- Health Canada for a contribution to the Pan American Health Organization (PAHO).
- 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).

15 Official Development Assistance is defined by the Development Assistance Committee of the Organization for Economic Cooperation 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%".

Business Line Descriptions (*Based on Objectives*)

CIDA's work is global in scope and encompasses a very wide range of sectors. This involves the Agency in international, regional and country-level initiatives undertaken with a number of partners: recipient-country governments, all levels of government in Canada, non-governmental organizations (NGOs), educational institutions, businesses, co-operatives, unions, professional and business associations, volunteer-sending agencies, and a variety of international organizations and institutions.

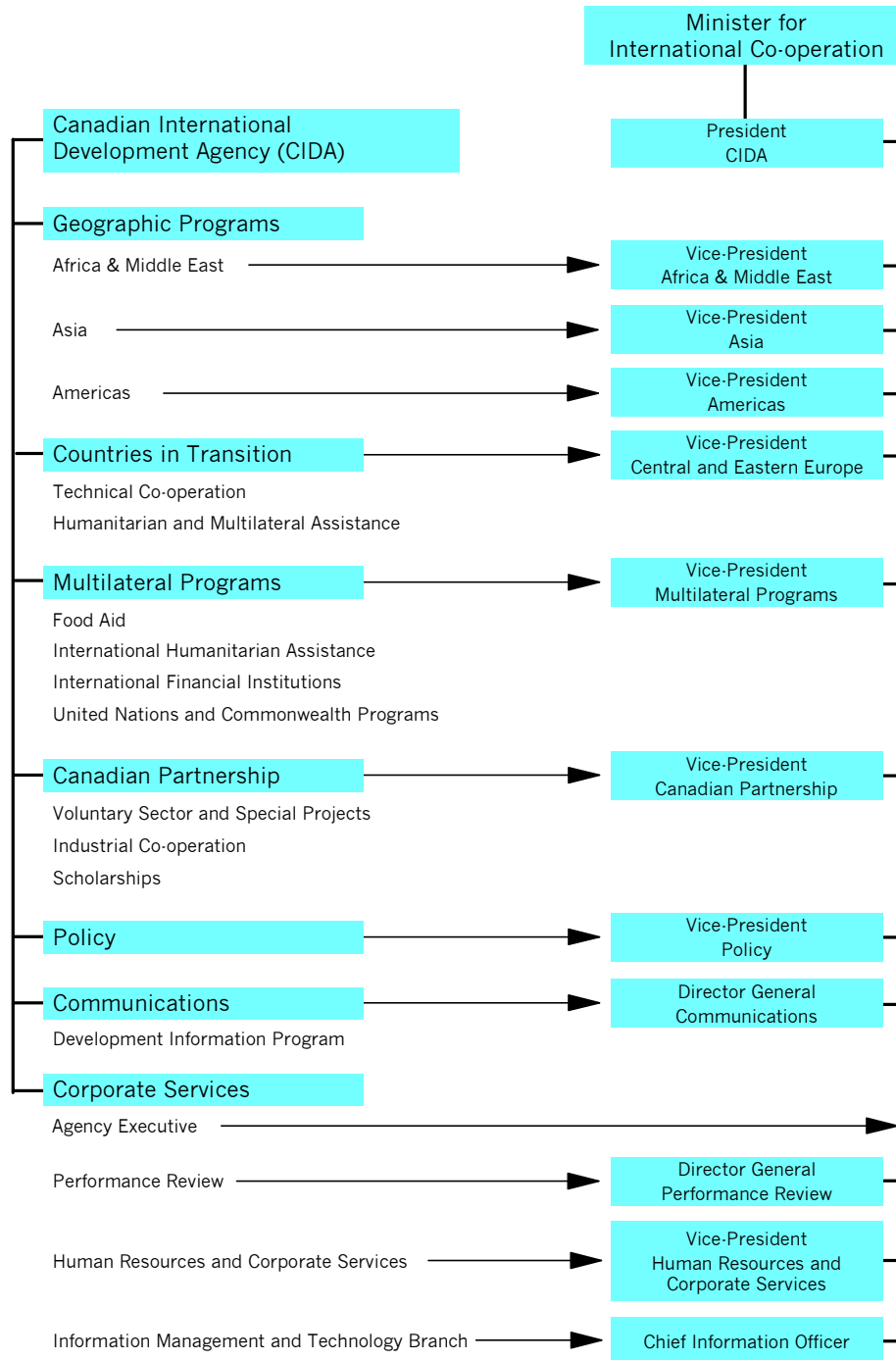
Agency business lines reflect both the geographic focus of CIDA programming and the range of partners with which the Agency works. The CIDA program is composed of the following seven business lines:

Business Lines	Objectives
Geographic Programs	To support sustainable development and poverty reduction by undertaking development programs in specific countries and regions, in keeping with the needs of developing countries, the purpose and priorities of the ODA program and Canada's foreign-policy interests.
Countries in Transition	To support democratic development and economic liberalization in Central and Eastern Europe (CEE) by building mutually beneficial partnerships and by: assisting in the transition to market economies; encouraging good governance, democracy, political pluralism, the rule of law and adherence to international norms and standards; facilitating Canadian trade and investment links with the region; enhancing nuclear safety; and assisting international programs to reduce threats to international and Canadian security.
Multilateral Programs	To promote effective global and multilateral development approaches to poverty reduction, human security and international prosperity; and ensure that Canadian humanitarian assistance and food aid to developing countries are appropriate, timely and effective.
Canadian Partnership	To promote mutually beneficial partnerships between Canadian and developing-country organizations to support sustainable development and reduce poverty in the developing world.
Policy	To develop and recommend policies, expert advice and strategic plans in the area of sustainable development and to provide development information resources to CIDA.
Communications	To improve Canadians' awareness and understanding of and support for Canada's international development assistance and co-operation programs.
Corporate Services	To ensure that the Agency has the necessary support services for the efficient and effective achievement of the international development assistance program objectives within the framework of federal government policies, procedures and controls.

Source: 1998-99 Main Estimates Part II

Organization Chart

CIDA's Business Line structure, outlined in the diagram below, is in keeping with the Agency's organization structure and its way of doing business. This alignment also reflects the existing management accountability structure. In addition, during 1999-00, CIDA provided funding for the International Centre for Human Rights and Democratic Development (ICHRDD), which is independent of CIDA and reports directly to Parliament. With effect from 2000-01, responsibility for providing this funding will be transferred to DFAIT.



Section VI - Other information

Web Sites and Contacts for Further Information

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

or contact:

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

Telephone: 1-819-997-5006

Toll free: 1-800-230-6349

Telecommunications
Device for the Hearing-
and Speech-Impaired: 1-819-953-5023
1-800-331-5018 (toll free)

Fax: 1-819-953-6088

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

Legislation Administered

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