

CIDA'S AID EFFECTIVENESS ACTION PLAN (2009 - 2012)

“We recognise the need not only to renew our commitment, but also to re-invigorate our actions. Expressions of commitment alone will not achieve results. Results require action. And success requires all development partners to do their part. Rest assured that the Government of Canada will do its part.”

*Canada is Committed to Building
a New Aid Relationship – Ghana, September 2008*

A Clear Commitment to Aid Effectiveness

The Government of Canada's development priority is to reduce global poverty. To achieve this, CIDA has made aid effectiveness and accountability for development results a hallmark of its performance agenda.

Over the past decade, Canada and the international community have rallied around a consensus on development goals and aid effectiveness principles, anchored primarily by the *Millennium Development Goals* (2000), the *Monterrey Consensus on Financing for Development* (2002), the *Paris Declaration on Aid Effectiveness* (2005) and the *Accra Agenda for Action* (2008).

Action on aid effectiveness is anchored in principles - ownership, alignment, coordination and harmonization, managing for results, and mutual accountability – that provide a reference point for increasing the coherence, impact, and effectiveness of aid efforts. But the Paris Declaration and Accra Agenda for Action are more than international statements of good intentions. They are practical commitments measured through internationally-agreed indicators and targets, to hold the development community as a whole, accountable for global progress towards better and sustainable development results.

Canada is working from a position of strength. CIDA's *Policy Statement on Strengthening Aid Effectiveness* (2002) laid the foundation for positive engagement across the Agency and support for local ownership, donor coordination, enhanced partnerships, and results-based development.

The Government's recent steps forward to strengthen focus, efficiency and accountability, including a commitment to put more people in the field to improve

Already, the Government has taken concrete steps in strengthening the focus, efficiency and the accountability of the aid program:

- ◆ *76 per cent, and growing, of bilateral aid is focussed on 20 countries of focus*
- ◆ *We have untied 100 per cent of food aid and will untie all aid by 2012-13*
- ◆ *We have presented the first CIDA report to Canadians on development results.*

CIDA scored amongst the best performing donors (over 75 per cent) with respect to Paris Declaration indicators in a quarter of its countries of focus. (CIDA Evaluation Study of the 2008 Survey Results)

Priorities in countries of focus, are aligned with national priorities and, in 2007-08, approximately 50 per cent of bilateral aid is delivered through Program-Based Approaches.

responsiveness and make better choices, for example, or to identify 20 countries of focus for our bilateral program in order to improve how we work with those countries and with key partners to achieve results, position Canada to make additional progress in support of its commitment to the Paris Declaration and Accra Agenda for Action.

Purpose

This Action Plan translates into concrete measures all of CIDA's commitments to aid effectiveness. It is meant to focus the Agency's efforts on clear and measurable actions. Guidance to support implementation and monitoring of the actions in this Action Plan, including accountabilities and tracking methodologies, is provided in a separate document.

Application

The actions enumerated in this Action Plan apply to all of CIDA's programmes, as well as corporate and policy functions. Indications for how these commitments are to be reflected in planning, implementation, monitoring and reporting systems are outlined below.

Planning, Implementation, Monitoring and Reporting

Planning, implementation and reporting will be done within the context and existing operating structures of the Agency.

All country programs will consider and implement aid effectiveness commitments in their annual plans (e.g., Country Development Programming Framework/Country Strategy and/or Performance Management Framework).

CIDA will review and update implementation annually and, by the end of 2010-11, will review mid-term performance, and present recommendations for updating the targets, as appropriate, to the President for approval.

Monitoring

While the actions will guide all of CIDA's programming, performance will be monitored and assessed in relation to CIDA's countries of focus.

Baseline data for 2005 and 2007 was drawn from Agency corporate datasets (SAP) and other sources. Where applicable, monitoring will be consistent with the methodology and guidance used for the Paris Declaration survey.

Reporting

Performance against the commitments enumerated in this Action Plan will be reflected, on an annual basis, in the Investment Monitoring and Reporting Tool (IMRT), in program-level performance reports, and in the Country Report Cards. Progress on aid effectiveness will be communicated to Canadians through the Country Report Cards and CIDA's reports on development results.

Effective Date

The Action Plan will take effect upon the President's approval, in order to enable reporting in fiscal year 2009-10.

Actions and Targets

The Action Plan is organized according to seven goals, which contribute to Canada's aid effectiveness agenda. For each goal specific actions are identified.

I - Focus

CIDA's objectives relative to focus are:

- 1.1 Focus Canada's bilateral aid in fewer countries, in a manner that is consistent with our foreign policy objectives
 - 1.1.1 By 2010-11, focus 80% of CIDA's bilateral country program aid on 20 countries of focus.
- 1.2 Concentrate our efforts at country level (including by programme sector), and promote a more effective and coordinated division of labour among donors, under host-country leadership.

II - Efficiency

CIDA's objectives relative to efficiency are:

- 2.1 Untie aid:
 - 2.1.1 Starting now, untie 100% of food aid, and fully untie all Canadian official development assistance by 2012-13.
- 2.2 Increase CIDA's field presence and delegate greater authorities to the field level.
- 2.3 Require our donor missions and analytic work to be conducted in coordination with other donors, to the maximum extent possible.
 - 2.3.1 By 2012-13, conduct at least 33% of country missions jointly with other donors, with any separate initiatives to be clearly justified in advance.
 - 2.3.2 By 2012-13, conduct 50% of analytic work jointly with other donors, with any separate initiatives to be clearly justified in advance.
- 2.4 Apply an aid effectiveness lens to policies and procedures and provide the necessary support to staff:
 - 2.4.1 Develop a policy on Programme-Based Approaches to facilitate CIDA's engagement in common arrangements.
 - 2.4.2 Develop and offer training on implementing aid effectiveness principles in programming.
 - 2.4.3 Provide policy guidance on civil society programming.
 - 2.4.4 Provide policy guidance to limit programme conditions to those based on the partner country's national development strategy, and to make public any conditions linked to disbursements.

- 2.4.5 Update guidelines on consultations.
- 2.5 Improve efficiencies in CIDA's program delivery and operations, while maintaining high level of stewardship and due diligence.

III - Accountability

CIDA's objectives relative to accountability are:

- 3.1 Identify, monitor and assess aid effectiveness commitments in management performance contracts, as committed in Canada's Statement in Accra, September 2008.
- 3.2 Track, and report to Canadians progress on aid effectiveness through Country Report Cards and the reports to Parliament (e.g., Annual Development for Results Reports, *ODA Accountability Act*), and report to Canadians in easy to understand language, the concrete contribution of CIDA's aid program to development results.
- 3.3 Continue to provide active leadership as member of the Multilateral Organizations Performance Assessment Network (MOPAN) to develop and implement the MOPAN Common Approach to assess the effectiveness of key multilateral organizations.
 - 3.3.1 Starting in 2009, review four multilateral organizations (up to six annually in following years), using the MOPAN common approach.
- 3.4 Strengthen the independence and neutrality of the evaluation function at CIDA.
 - 3.4.1 Realize a majority of outside expertise on CIDA's Evaluation Committee.
 - 3.4.2 Prepare an evaluation plan for 100% coverage of CIDA's grant and contribution programs at least once every five years.
 - 3.4.3 Conduct more joint evaluations with other donors and partner countries.
- 3.5 Effectively communicate Canada's aid effectiveness agenda and disseminate results.

IV - Predictability

CIDA's objectives relative to predictability are:

- 4.1 Publish bilateral country programme funding estimates by sector for the next three years, on a rolling annual basis, in order to improve the transparency and predictability of Canadian aid.

- 4.1.1 By 2010-11, publish on an annual basis, in accordance with timelines agreed with partner country authorities, bilateral country programme estimates by sector for the next 3 years.
- 4.2 Provide public authorities in partner countries with timely and accurate information on annual commitments and actual disbursements, in accordance with agreed timelines, in order to enable developing countries to record aid flows accurately in their budget estimates.
 - 4.2.1 By 2010-11, publish information on annual commitments and actual disbursements to the government sector, in accordance with conditions and timelines agreed with partner country authorities.

V - Alignment

CIDA's objectives relative to alignment are:

- 5.1 Continue to align CIDA's country program strategies with local priorities.
- 5.2 When providing support for government programs, use the partner country's public systems (including financial management and procurement systems) to the maximum extent possible.
 - 5.2.1 By 2012-13, channel at least 50% of funding to the government sector through country systems, or state to the host government the rationale for using any separate systems.
- 5.3 Support locally-led efforts to reform and strengthen the effectiveness of relevant country systems.
 - 5.3.1 By 2012-13, all of CIDA country programs will include a targeted component supporting the reform and strengthening of country systems relevant to the delivery of aid programs.
- 5.4 Ensure that CIDA's technical assistance is increasingly coordinated with that of other donors.
 - 5.4.1 By 2012-13, direct at least 50% of technical assistance funding through coordinated programs consistent with demand-driven capacity development strategies.
- 5.5 Increase engagement in coordinated programming efforts at country level.
 - 5.5.1 Recognizing our 2007 baseline of 50% for use of Program-Based Approaches, CIDA will endeavor to increase its use of PBAs when appropriate conditions, as defined in the PBA Policy, are met.
- 5.6 When providing aid for government sector programs, avoid creating project implementation units that operate outside the host government's

management and accountability structure, or state the rationale for using separate systems.

VI - Inclusive partnerships

CIDA's objectives relative to inclusiveness are as follows:

- 6.1 Engage in multi-stakeholder efforts to strengthen the role of civil society in development by promoting a more favourable environment, improved models of donor support, and increased CSO effectiveness and accountability.
- 6.2 Promote improved accountability mechanisms in developing countries by helping to strengthen the roles of parliament, civil society, the independent media and other democratic institutions.

VII - Fragile States

CIDA's objectives relative to fragile states are as follows:

- 7.1 Implement integrated strategies that address the combined objectives of peace-building, state-building, and poverty reduction, while ensuring the protection and participation of women.
- 7.2 Participate in country level exercises with national authorities and civil society organizations to monitor implementation of the *DAC Principles for Good International Engagement in Fragile States and Situations*.
 - 7.2.1 Support the monitoring process in Haiti and Afghanistan in 2009 and 2011, using a methodology prepared by the OECD DAC.
- 7.3 Promote use of joint funding mechanisms and modalities in situations of conflict and fragility, in order to more effectively bridge humanitarian, recovery, and longer-term development phases.