



Canadian International Development Agency



For the
period ending
March 31, 1997



Improved Reporting to Parliament —
Pilot Document

Canada

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing what was known as the *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*. It also required 78 departments and agencies to table these reports on a pilot basis.

This decision grew out of work by Treasury Board Secretariat and 16 pilot departments to fulfil the government's commitments to improve the expenditure management information provided to Parliament and to modernize the preparation of this information. These undertakings, aimed at sharpening the focus on results and increasing the transparency of information provided to Parliament, are part of a broader initiative known as "Getting Government Right".

This *Departmental Performance Report* responds to the government's commitments and reflects the goals set by Parliament to improve accountability for results. It covers the period ending March 31, 1997 and reports performance against the plans presented in the department's *Part III of the Main Estimates* for 1996-97.

Accounting and managing for results will involve sustained work across government. Fulfilling the various requirements of results-based management – specifying expected program outcomes, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and report on achievements – is a building block process. Government programs operate in continually changing environments. With the increase in partnering, third party delivery of services and other alliances, challenges of attribution in reporting results will have to be addressed. The performance reports and their preparation must be monitored to make sure that they remain credible and useful.

This report represents one more step in this continuing process. The government intends to refine and develop both managing for results and the reporting of the results. The refinement will come from the experience acquired over the next few years and as users make their information needs more precisely known. For example, the capacity to report results against costs is limited at this time; but doing this remains a goal.

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Canadian International Development Agency

1997 Performance Report

For the
period ending
March 31, 1997

Minister for International Cooperation and
Minister responsible for La Francophonie

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ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
AfDF	African Development Fund
AKRSP	Aga Khan Rural Support Program
APPR	Annual Project Progress Report
AsDB	Asian Development Bank
AsDF	Asian Development Fund
BHN	Basic Human Needs
BINP	Bangladesh Integrated Nutrition Program
CDB	Caribbean Development Bank
CEAA	Canadian Environmental Assessment Act
CEE	Central and Eastern Europe
CESO	Canadian Executive Services Overseas
CFTC	Commonwealth Fund for Technical Cooperation
CGIAR	Consultative Group on International Agricultural Research
CIDA	Canadian International Development Agency
CILSS	Comité inter-états de lutte contre la sécheresse au Sahel
CIT	Countries in Transition
CSD	UN Commission on Sustainable Development
DAC	Development Assistance Committee (of OECD)
DD	Deficiency Disorders
DFAIT	Department of Foreign Affairs and International Trade
DIP	Development Information Program
EWGP	Excess Weapons-Grade Plutonium
FTE	Full Time Equivalent
GCI	General Capital Increase
GEF	Global Environment Facility
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HRDGG	Human Rights, Democracy, Good Governance
HRM	Human Resources Management
IADB	Inter-American Development Bank
IAE	International Assistance Envelope
IBRD	International Bank for Reconstruction and Development
ICHRDD	International Centre for Human Rights and Democratic Development
IDD	Iodine Deficiency Disorder
IDRC	International Development Research Centre
IDW	International Development Week
IFAD	International Fund for Agricultural Development
IFI	International Financial Institution
IHA	International Humanitarian Assistance
IHL	International Humanitarian Law
IM	Information Management
IMF	International Monetary Fund
INC	Industrial Cooperation Program
IPQ	Invitation for Pre-qualification
IT	Information Technology
LBSMP	Land-based Sources of Marine Pollution
LLDC	Least Developed Country
MDB	Multilateral Development Bank
MDI	Multilateral Development Institution
MFMP	Multilateral Fund for the Implementation of the Montreal Protocol
MI	Micronutrient Initiative
NGO	Non-Governmental Organization
NIS	Newly Independent States
OAS	Organization of American States
OAU	Organization of African Unity
OBS	Open Bidding System
OCR	Ordinary Capital Resources
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PRAS	Planning, Reporting and Accountability Structure
PSD	Private Sector Development
PSU	Program Support Unit
RBM	Results-based Management
R/CPFs	Regional or Country Programming Frameworks

RDB	Regional Development Banks
REE	Renaissance Eastern Europe Program
SADC	Southern Africa Development Community
SPPEs	Special Project and Program Expenditures
UN	United Nations
UNCEDAW	UN Convention on the Elimination of all forms of Discrimination Against Women
UNCTAD	UN Conference on Trade and Development
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WFA	Workforce Adjustment
WFP	World Food Program
WID&GE	Women in Development and Gender Equity
WTO	World Trade Organization

SECTION I: MINISTER'S MESSAGE

For almost fifty years, Canadians from all parts of the country have committed their time, energy and know-how to helping the people of the developing world build better lives for themselves and their families. That commitment has been based on the simple belief that the desire to help others should not be bound by national borders. And it is a commitment that has been sustained by the knowledge that development is working and that Canadians are a part of this success story.

Despite the many challenges that remain, Canadians can look with some pride on the enormous advances that have been made throughout the developing world. Overall, living standards in the developing world are far better today than they were a half century ago. Life expectancy has increased - sometimes dramatically - and infant mortality has declined. Literacy rates are up, and more children now have the chance to attend school and get a decent education. Some developing countries have emerged as important trading partners. In the process, they have created jobs, wealth and opportunity not only for themselves, but for Canadians as well. Most of this progress has been due to the hard work and resources of the developing countries themselves, but assistance from Canadians has also helped.

Canadians have helped mainly out of a sense of moral responsibility. But we have also come to understand that in helping others, we help ourselves as well. A world without poverty will be a world of greater security, stability and prosperity. We will all benefit from a world in which more people have the opportunity to live full and productive lives, just as we benefit here in Canada from a healthy, well educated population. And, in a more direct and immediate sense, the links we are building today through our aid program bring new economic opportunities for this country.

Our investments in development are investments in our own well-being. As such, it is important that Canadians be well informed of the results of their aid dollars. And Canadians I have met tell me that they want to know that their tax dollars are being put to good use because they care about the well-being of the people we are trying to help.

This Performance Report represents an attempt to demonstrate to Canadians, in a clear and concrete fashion, the results of their investments in development cooperation. It provides many examples of the benefits Canadian assistance has brought to the people of the developing world, as well as to the countries of Central and Eastern Europe. These benefits have been felt in a very wide range of areas, grouped here under the priorities for the Official Development Assistance program, and under the separate objectives which govern assistance to Central and Eastern Europe.

This report also provides evidence of the Government's commitment to improve the effectiveness and efficiency of its aid programming. It gives examples of how CIDA has streamlined its operations and improved efficiency in a number of areas. And it highlights efforts we have made to better inform Canadians about international cooperation and Canada's role in the world.

This Performance Report to Parliament represents a step forward for CIDA. It reflects the improvements made in recent years in CIDA's ability to more systematically assess its performance and measure the results of its programming. CIDA is continuing to search for improvements in its performance assessment and reporting systems to meet the demands for accountability by Canadians and by Parliament. This is a considerable challenge given the complex nature of CIDA's business. It is made more challenging as well by the fact that development is a long-term, continuing process - for any society - whose results are often not fully understood or felt for many years.

Nevertheless, CIDA has made a great deal of progress in its ability to measure the results of its programming. This progress, along with further advances in coming years, will enable CIDA to keep the public better informed of the returns on their aid dollars. It will also help the Agency to more thoroughly evaluate the lessons learned through its programming and use them to inform its future efforts.

I invite you to read this report and hope that you will find it informative and helpful in understanding the role Canada plays in international cooperation.

Diane Marleau
Minister for International Cooperation and
Minister responsible for La Francophonie

SECTION II: OVERVIEW

INTRODUCTION: WORKING TOGETHER

The International Context

As one century draws to a close and another unfolds, social, economic and technological change takes place with unprecedented rapidity. This fast pace poses particular challenges for CIDA.

This change has generated increasing diversity in the developing world and in Central and Eastern Europe (CEE) and the New Independent States (NIS), which together provide the setting for CIDA's operations. On one hand, some countries in Asia and the Americas are expected to soon number among the top industrial powers. On the other hand, economic stagnation continues to feed poverty, disease and disillusionment in many places.

If CIDA is to function effectively in this milieu, it needs to be both creative and cooperative. The Agency must therefore continue to respond with flexible, innovative programming that incorporates a variety of approaches. It must work ever more closely with all levels of Canadian and recipient-country governments. It must work in unison also with various international and multilateral organizations and a large number of for-profit and not-for-profit organizations and institutions.

Official Development Assistance and the International Assistance Envelope

CIDA manages most of the the International Assistance Envelope (IAE) in support of Canada's international assistance efforts. Other departments and agencies included in the IAE are the Department of Finance, the Department of Foreign Affairs and International Trade (DFAIT) and the International Development Research Centre (IDRC).

The total IAE in 1996-97 was \$2,220 M. About 95 percent of that amount funds Canada's Official Development Assistance¹ (ODA) program. The remaining 5 percent of total IAE resources cover a large portion of CIDA's assistance efforts in countries in transition (CIT) in Central and Eastern Europe (CEE) most of which are not currently eligible for ODA.

In 1996-97, IAE resources remained unchanged from the 1995-96 level, which had been reduced by 15 percent from the 1994-95 Main Estimates level. This downward movement in resources resumed after 1996-97 and by 1998-99 the IAE will be 29 percent lower than it was in 1993-94.

International assistance is a vital instrument for achieving the three objectives outlined in the government's foreign policy statement, *Canada in the World*:

- ... As an investment in **prosperity and employment**, it connects the Canadian economy to some of the world's fastest growing markets and contributes to a stronger global economy in which Canadians, and other peoples, can grow and prosper.
- ... International Assistance contributes to **global security** by tackling many key threats to human security, such as: human rights abuse; conflict and natural disaster; disease; environmental degradation; population growth which exceeds natural resources and overall economic capacity; and the widening gap between rich and poor.
- ... It is one of the clearest expressions abroad of **Canadian values and culture** - of Canadians' desire to help the less fortunate and of their strong sense of social justice. And it is an effective means of sharing these and other values with the rest of the world.

¹ Official Development Assistance is defined by the Development Assistance Committee (DAC) 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 per cent.

Canada's ODA program is also guided by the following four key commitments:

1. A clear mandate and set of priorities.
2. Strengthened development partnerships.
3. Improved effectiveness.
4. Better reporting of results.

MANDATE AND MISSION

Roles and Responsibilities

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. 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.

The Government's foreign policy statement sets out the following purpose, or mission, for Canada's 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."

In support of this 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 CEE and NIS countries. These programs reflect the following mission:

"to support democratic development and economic liberalization in Central and Eastern Europe and the New Independent States by building mutually beneficial partnerships."

OBJECTIVES

The objective of CIDA's programs is:

To facilitate the efforts of the peoples of developing countries and countries in transition to achieve **self-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.

STRATEGIC PRIORITIES

In fulfilling its ODA mission, the Agency pursues the following six program priorities:

- i) **Basic Human Needs (BHN):** Supports efforts to provide primary health care, basic education, family planning, nutrition, water and sanitation and shelter. Canada will continue to respond to emergencies with humanitarian assistance. Canada will commit 25 percent of its ODA to basic human needs as a means of enhancing its focus on addressing the security of the individual.
- ii) **Women in Development and Gender Equity (WID&GE):** Supports the full participation of women as equal partners in the sustainable development of their societies.

- iii) **Infrastructure Services:** Helps developing countries to deliver environmentally-sound infrastructure services, with an emphasis on poorer groups and on capacity building.
- iv) **Human Rights, Democracy, Good Governance (HRDGG):** Increases respect for human rights, including children's rights; promotes democracy and better governance; and strengthens both civil society and the security of the individual.
- v) **Private-Sector Development (PSD):** Promotes sustained and equitable economic growth by supporting private-sector development in developing countries.
- vi) **Environment:** Helps developing countries to protect their environment and to contribute to addressing global and regional environmental issues.

As noted, only a portion of the assistance efforts in countries in transition are currently eligible as ODA. Therefore, beyond the ODA priorities, CEE has its own objectives of: **facilitating closer trade and investment links with Canada; promoting democratic development; assisting in the transition to market-based economies; helping to reduce threats to international and Canadian security; and enhancing nuclear safety.**

ORGANIZATION BY BUSINESS LINE

CIDA's business 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, business, cooperatives, and a variety of international organizations and institutions.

Agency business lines should reflect both the geographic focus of CIDA programming and the range of partners with which it works. To achieve this reflection, CIDA realigned its planning and reporting structure with its program management and delivery, as well as its organization and accountability, during 1996-97.

The CIDA program is now composed of seven business lines:

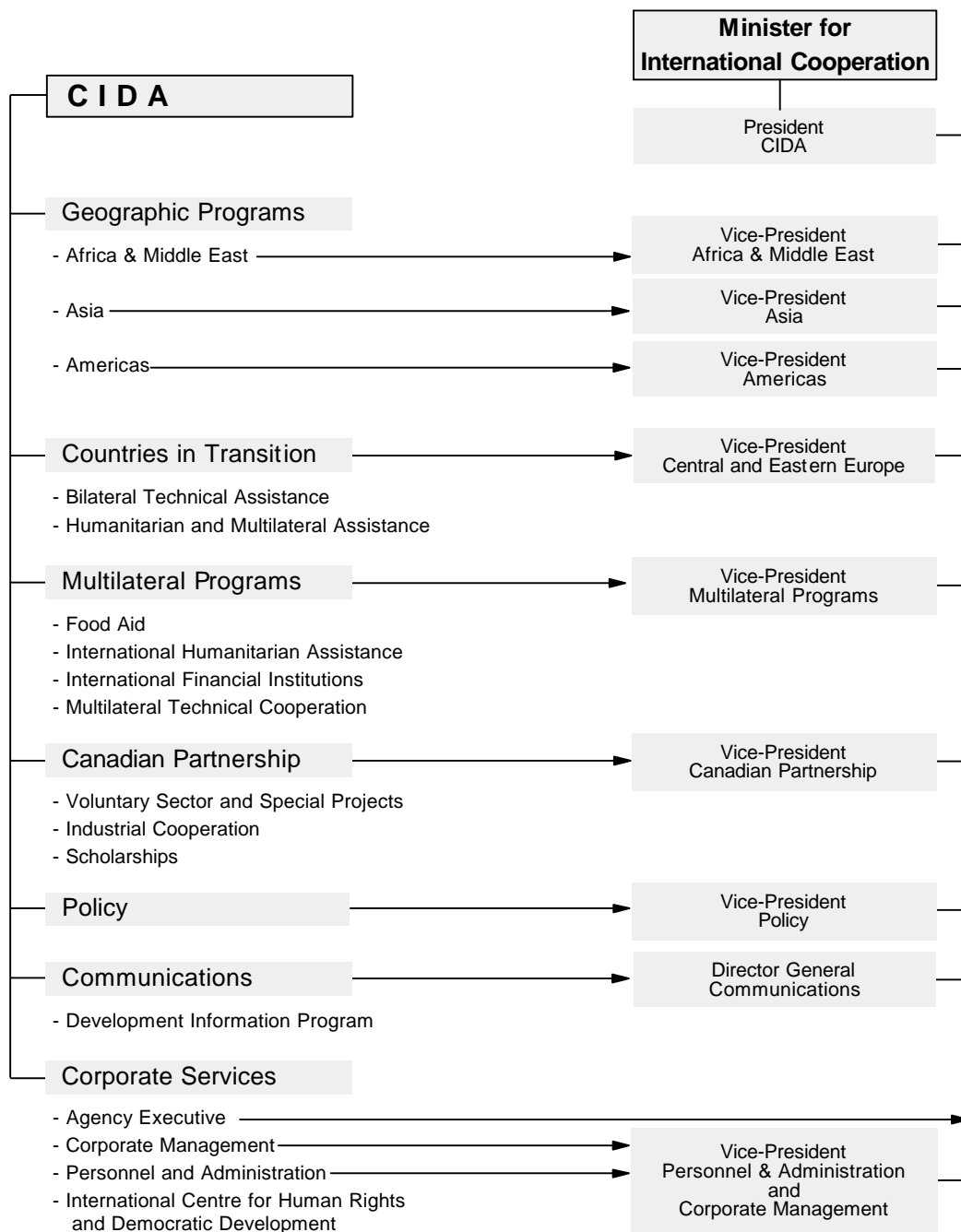
- ... Geographic
- ... Countries in Transition (CIT)
- ... Multilateral
- ... Canadian Partnership
- ... Policy
- ... Communications
- ... Corporate Services (Agency Executive Services, Personnel and Administration , Corporate Management)

Figure 1 on page 4 provides additional detail.

Performance and accomplishments of each business line are highlighted in Section III-B, Details by Business Line (pages 22 to 51).

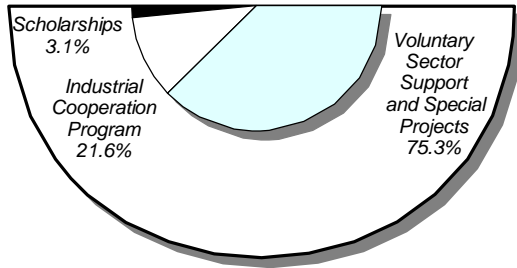
Figure 1: Business Line/Activity and Organization Structure

The new CIDA Business Line structure, outlined in the diagram below, is more clearly in line with the Agency's organization structure and its way of doing business. This new alignment also clearly reflects the existing management accountability structure.

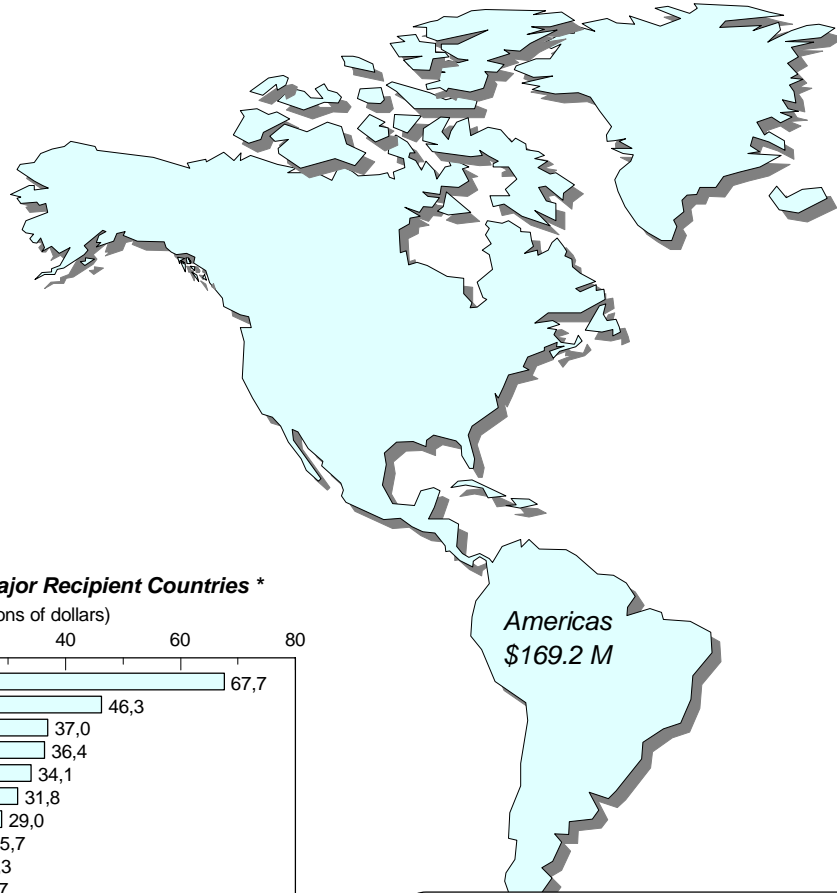
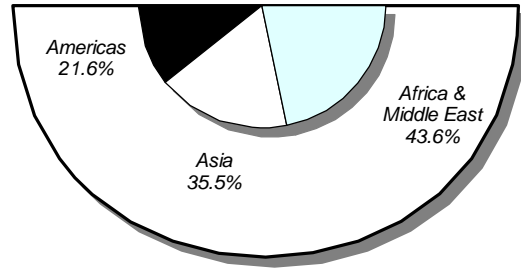


CIDA'S SPENDING IN 1996-97

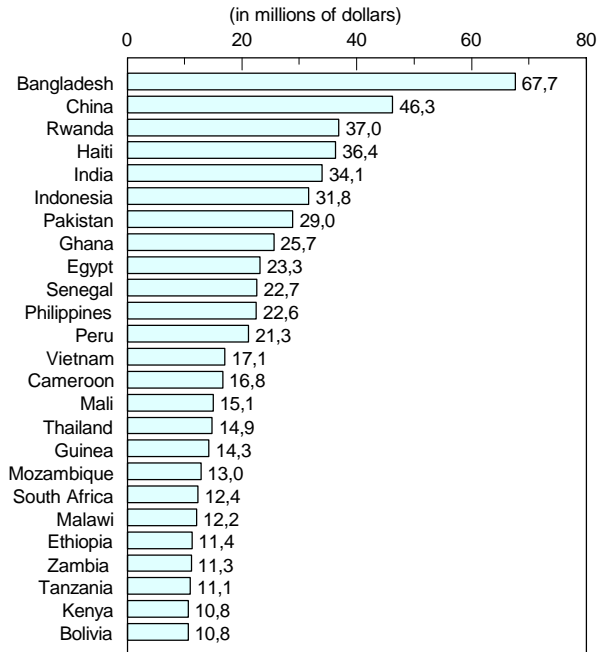
Canadian Partnership



Geographic Programs

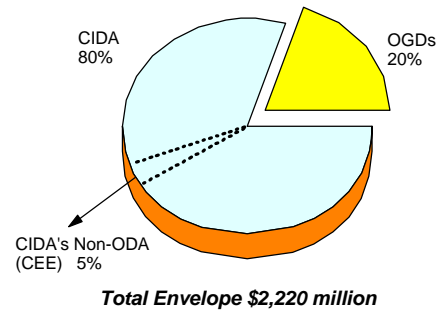


Disbursements in Major Recipient Countries *



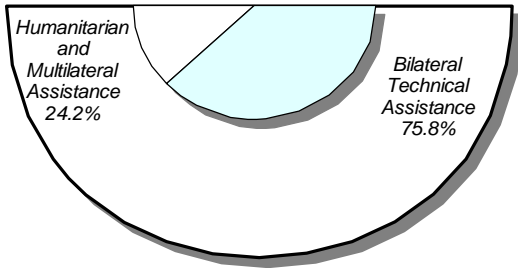
* This excludes expenditures for IFIs and Multilateral Technical Cooperation

**International Assistance Envelope
1996-97 Estimates**

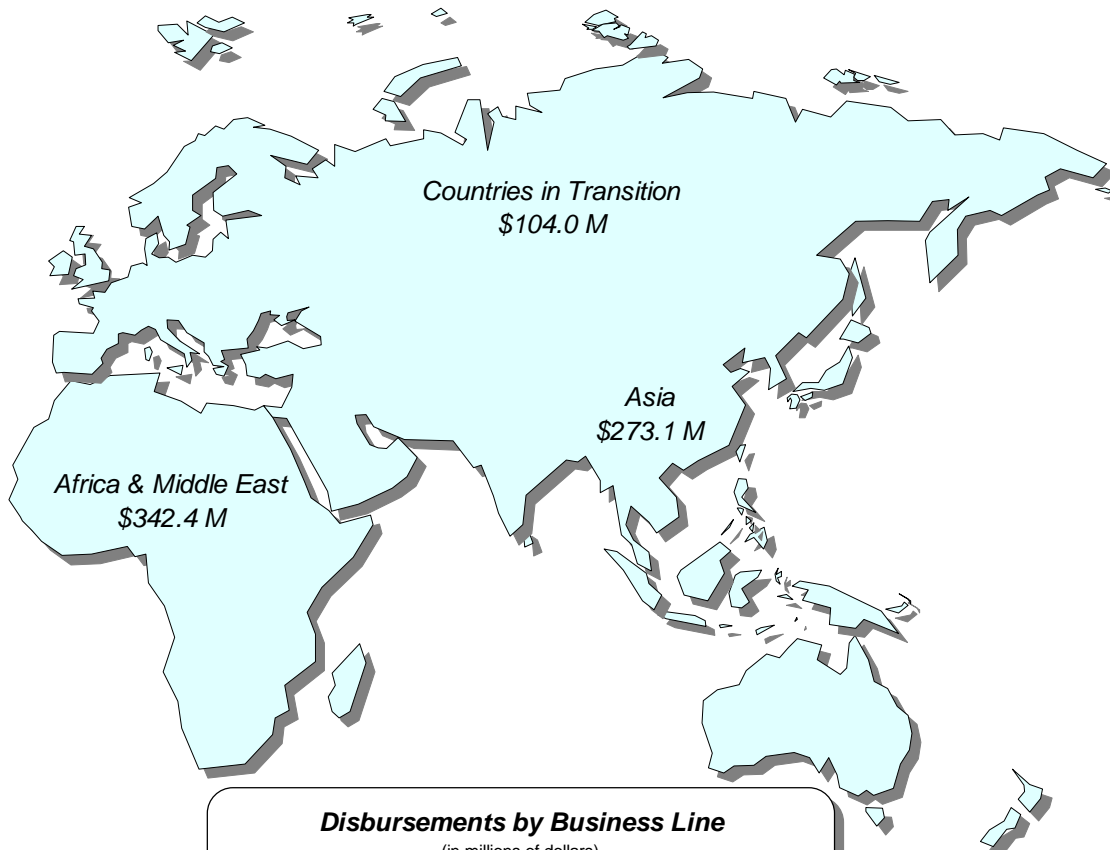
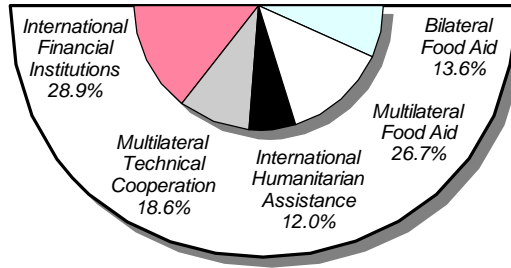


CIDA'S SPENDING IN 1996-97

Countries in Transition

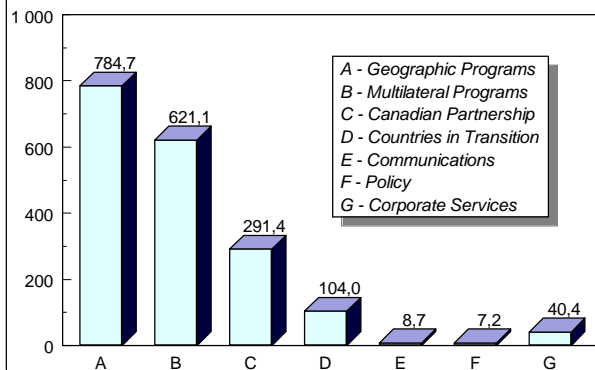


Multilateral Programs



Disbursements by Business Line

(in millions of dollars)



Resource Plans and Financial Tables

The following figures provide financial crosswalks between the old and new program structures using the 1996-97 Main Estimates (below) and actual disbursements (on the following page).

Figure 2: Crosswalk (1996-97 Main Estimates)

(thousands of dollars) OLD STRUCTURE	NEW STRUCTURE							Old Structure (\$\$\$)	Old Structure (FTE)
	Geographic Programs	Countries in Transition	Multilateral Programs	Canadian Partnership	Policy	Communications	Corporate Services		
National Initiatives									
Geographic Programs	774,165							774,165	
Bilateral Food Aid			143,597					143,597	
International Humanitarian Assistance			74,540					74,540	
Scholarships				9,248				9,248	
Development Information Program						4,303		4,303	
Sub-total	774,165		218,137	9,248		4,303		1,005,853	552
Partnership									
Institutional Support (1)				215,035				215,035	
Industrial Cooperation				68,241				68,241	
International Financial Institutions			174,591					174,591	
Multilateral Technical Cooperation			109,778					109,778	
Multilateral Food Aid			109,277					109,277	
International Centre for Human Rights and Democratic Development (ICHRDD)							5,000	5,000	
Sub-total			393,646	283,276			5,000	681,922	177
Countries in Transition									
Bilateral Technical Assistance		89,648						89,648	
Humanitarian and Multilateral Assistance		17,900						17,900	
Sub-total		107,548						107,548	77
Corporate Services									
Agency Executive							2,144	2,144	
Corporate Management							18,417	18,417	
Personnel et Administration							13,110	13,110	
Policy					6,746			6,746	
Communications						5,751		5,751	
Sub-total					6,746	5,751	33,671	46,168	411
New Structure (\$\$\$)	774,165	107,548	611,783	292,524	6,746	10,054	38,671	1,841,491	
New Structure (FTE) (2)	525	77	55	145	76	39	300		1,217

1. "Institutional Support" becomes "Voluntary Sector and Special Projects" under the new CIDA structure.
2. Reference figures 10, 11 and 12 (pages 55 and 56) for additional information on Human Resources.

Figure 3: Crosswalk (1996-97 Actuals)

(thousands of dollars) OLD STRUCTURE	NEW STRUCTURE							Old Structure (\$\$\$)	Old Structure (FTE)
	Geographic Programs	Countries in Transition	Multilateral Programs	Canadian Partnership	Policy	Communications	Corporate Services		
National Initiatives									
Geographic Programs	784,744							784,744	
Bilateral Food Aid			84,741					84,741	
International Humanitarian Assistance			74,815					74,815	
Scholarships				8,918				8,918	
Development Information Program						3,423		3,423	
Sub-total	784,744		159,556	8,918		3,423		956,641	525
Partnership									
Institutional Support (1)				219,482				219,482	
Industrial Cooperation				62,959				62,959	
International Financial Institutions			179,720					179,720	
Multilateral Technical Cooperation			115,759					115,759	
Multilateral Food Aid			166,084					166,084	
International Centre for Human Rights and Democratic Development (ICHRDD)							5,000	5,000	
Sub-total			461,563	282,441			5,000	749,004	180
Countries in Transition									
Bilateral Technical Assistance		78,926						78,926	
Humanitarian and Multilateral Assistance		25,046						25,046	
Sub-total		103,972						103,972	77
Corporate Services									
Agency Executive							3,290	3,290	
Corporate Management							19,452	19,452	
Personnel et Administration							12,679	12,679	
Policy					7,159			7,159	
Communications						5,299		5,299	
Sub-total					7,159	5,299	35,421	47,879	394
New Structure (\$\$\$)	784,744	103,972	621,119	291,359	7,159	8,722	40,421	1,857,496	
New Structure (FTE) (2)	503	77	55	144	77	33	287		1,176

1. "Institutional Support" becomes "Voluntary Sector and Special Projects" under the new CIDA structure.
2. Refer to Figures 10, 11 and 12, (pages 55 and 56) for additional information on human resources.

SECTION III: PERFORMANCE

A. PERFORMANCE EXPECTATIONS

PLANNED VERSUS ACTUAL SPENDING TABLES

In 1996-97, the total resources of the International Assistance Envelope remained unchanged from the 1995-96 level (which represented a reduction of 15 percent from the 1994-95 level). There were, however, minor changes in the distribution of funding between departments within the Envelope, including the full reflection of the 1995-96 transfer of CEE to CIDA from DFAIT. The stability in funding enabled the Agency to continue its work on key program and management challenges without the immediate need to accommodate further resource reductions.

The following three tables provide a comparison of CIDA's planned and actual spending by business line relative to organization, type of expenditure, and prior years' disbursements. It should be noted that the figures presented on the shaded lines are the actual disbursements for 1996-97. The figures shown with no shading, reflect the spending levels approved in the 1996-97 Estimates.

Figure 4: Comparison of Total Planned Spending to Actual Expenditures, 1996-97 by Organization and Business Line

Legend	
	1996-97 Estimates
	1996-97 Actuals

(millions of dollars)	Geographic Programs	Multilateral Programs	Canadian Partnership	Countries in Transition	Communications	Policy	Corporate Services	TOTALS
Africa & Middle East	340.9							340.9
	342.4							342.4
Asia	279.1							279.1
	273.1							273.1
Americas	154.2							154.2
	169.2							169.2
Food Aid:								
- Bilateral Food Aid		143.6						143.6
		84.7						84.7
- Multilateral Food Aid		109.3						109.3
		166.1						166.1
International Humanitarian Assistance		74.5						74.5
		74.8						74.8
International Financial Institutions		174.6						174.6
		179.7						179.7
Multilateral Technical Cooperation		109.8						109.8
		115.8						115.8
Voluntary Sector and Special Projects			215.0					215.0
			219.5					219.5
Industrial Cooperation			68.2					68.2
			63.0					63.0
Scholarships			9.3					9.3
			8.9					8.9
Bilateral Technical Assistance (CEE)				89.6				89.6
				78.9				78.9
Humanitarian and Multilateral Assistance (CEE)				17.9				17.9
				25.1				25.1
Development Information Program					4.3			4.3
					3.4			3.4
International Centre for Human Rights and Democratic Development							5.0	5.0
							5.0	5.0
Communications					5.8			5.8
					5.3			5.3
Policy						6.8		6.8
						7.2		7.2
Agency Executive							2.1	2.1
							3.3	3.3
Corporate Management							18.4	18.4
							19.4	19.4
Personnel and Administration							13.1	13.1
							12.7	12.7
TOTALS	774.2	611.8	292.5	107.5	10.1	6.8	38.6	1,841.5
	784.7	621.1	291.4	104.0	8.7	7.2	40.4	1,857.5
% OF TOTAL	42.2	33.4	15.7	5.6	0.5	0.4	2.2	100.0

Figure 5: Comparison of Total Planned Spending to Actual Expenditures, 1996-97 by Business Line (2)

Legend	
	1996-97 Estimates
	1996-97 Actuals

(millions of dollars)	Operating (1)	Capital	Voted Grants and Contributions	Subtotal: Gross Voted Expenditures	Statutory Payments	Total Gross Expenditures	Less: Revenue Credited to the Vote	Total Net Expenditures
Geographic Programs	39.5		734.7	774.2		774.2		774.2
	60.5		724.2	784.7		784.7		784.7
Multilateral Programs	4.5		449.8	454.4	157.4	611.8		611.8
	4.4		447.1	451.5	169.6	621.1		621.1
Canadian Partnership	10.4		282.1	292.5		292.5		292.5
	10.4		281.0	291.4		291.4		291.4
Countries in Transition	6.5		101.0	107.5		107.5		107.5
	6.6		97.4	104.0		104.0		104.0
Communications	6.2		3.9	10.1		10.1		10.1
	5.7		3.0	8.7		8.7		8.7
Policy	6.8			6.8		6.8		6.8
	7.2			7.2		7.2		7.2
Corporate Services	33.6		5.0	38.6		38.6		38.6
	35.4		5.0	40.4		40.4		40.4
TOTALS	107.5		1,576.5	1,684.1	157.4	1,841.5		1,841.5
	130.2		1,557.7	1,687.9	169.6	1,857.5		1,857.5
Other Revenues and Expenditures								
Revenue credited to the Consolidated Revenue Fund								0
								-15.4
Cost of services provided by other departments								14.8
								15.3
Net Cost of Program								1,856.3
								1,857.4

1. Contributions to employee benefit plans and the Minister's allowances are charged to Operating Expenditures
2. Refer to Figures 2 and 3 for additional information on planned and actual human resources (FTEs).

Figure 6: Departmental Planned versus Actual Spending by Business Line

(millions of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Main Estimates 1996-97	Actuals 1996-97
Budgetary					
Geographic Programs (1)	828.1	828.9	772.5	774.2	784.7
Multilateral Programs	750.7	909.5	622.1	600.6	613.1
Canadian Partnership	356.3	354.1	283.6	292.5	291.4
Countries in Transition (2)			95.3	107.5	104.0
Communications	12.4	12.1	7.8	10.1	8.7
Policy	6.8	6.7	6.9	6.7	7.2
Corporate Services	54.1	44.3	40.6	38.7	40.4
	2,008.4	2,155.6	1,828.8	1,830.3	1,849.5
Non-budgetary					
Multilateral Programs	11.7	11.8	8.0	11.2	8.0
TOTAL AGENCY	2,020.1	2,167.4	1,836.8	1,841.5	1,857.5

1. The 1993-94, 1994-95, 1995-96 and 1996-97, Actuals include \$6.6 million, \$37.4 million, \$11.9 million and \$20.1 million respectively for the forgiveness of debts owed by Latin American countries as a result of the Latin American Debt Conversion initiatives and by Egypt as a result of the global agreement between the Paris Club and Egypt.
2. This Program was transferred from DFAIT to CIDA through the 1995-96 Supplementary Estimates "A", hence no amounts are shown for 1993-94 and 1994-95. Funding for prior years was obtained by DFAIT from the International Assistance Envelope via an annual Treasury Board submission.

SUMMARY OF PERFORMANCE EXPECTATIONS

CIDA's results commitments for 1996-97 and beyond were first published in the 1996 Treasury Board President's Report to Parliament, "Getting Government Right"¹. Development results, expected in selected regions and countries under the six priorities, include:

- f Basic Human Needs (BHN):** Improved access to health, education, sanitation, and pure-water-supply services; timely, effective emergency assistance; increased ability of vulnerable groups to meet their basic needs.
- f Women in Development and Gender Equity (WID&GE):** Full participation by women in development and decision-making; increased opportunities for women to earn income and to influence decisions; more gender-equitable development policies and programs; and better access to education for girls.
- f Infrastructure Services:** Improved energy and transportation services; upgraded infrastructure and physical capital stock to support economic development; development of the environment; and capability to ensure effective and equitable distribution of infrastructure services.
- f Human Rights, Democracy, Good Governance (HRDGG):** Improving legal environment and promoting democratic development through strengthened capacity of institutions; improved election processes; more transparent, accountable and open legislative, judicial and executive systems; more popular participation in governance.
- f Private-Sector Development (PSD):** Policies which make it easier for the private sector to develop; improved capacity of the local private sector to engage in sustainable and equitable development; improved management and operation of credit facilities; strengthened linkages with Canadian businesses.

- f Environment:** Progress towards reversal of desertification; sound management of environmental and natural resources; regional networks of policy researchers and improved coordination among policy and regulatory bodies; enhanced regulatory capacity to curb the growth of substances contributing to global warming.

Programming in CEE countries:

- ... increases Canadian trade and investment links with the region;
- ... encourages good governance, democracy, political pluralism, the rule of law and adherence to international norms and standards;
- ... assists in the transition to market-based economies;
- ... assists international programs to reduce threats to international and Canadian security; and
- ... enhances nuclear safety through strengthened nuclear regulatory regimes in the region.

Programming and other activities in these priority areas are described further in **Details by Business Line** (pages 22 to 50).

This report on Agency performance for 1996-97 is based on the foregoing objectives. And it draws on several methodological advances put in place over the last year. These include:

- ... Further refinement of the coding and counting system which matches expenditures against the six ODA program priorities.
- ... Use of a new "harmonized" reporting format, the Annual Project Progress Report (APPR), to collect results information for all current geographic and CEE projects. This annual progress report is reviewed by the Vice-President of each program and subsequently by the Executive Committee.

¹ Please see the Annual Report to Parliament by the President of the Treasury Board, 1996 (pages 19 and 20).

- ... The continued development of more consistent performance measurement criteria and processes for both the Partnership and Multilateral lines of business. For example, the Multilateral Branch has instituted annual institutional reports for development banks and international organizations.
- ... Experimentation by one geographic branch, Asia, in developing program-level performance assessments of its nine major programs.

Owing to the long-term nature of the development process, outcomes at the project level may better be assessed on the basis of cumulative outputs over a number of years. Each unfinished project provides a progress report on an annual basis. CIDA, like most international aid organizations, is addressing two main issues²:

- ... While it is possible for CIDA and other donors to measure **outputs** (the immediate, visible, concrete and tangible result of a project) and **outcomes** (the achievement of the purpose identified for the particular project), it is much more difficult to measure **impacts** (broader, higher-level, long-term benefits to the community, country or group). There are several reasons making the task highly problematic. A key difficulty is the one of **attribution**. Attribution is the ability to claim that a specific CIDA contribution led directly to a particular developmental result. The result could, in some cases, derive from a related economic or policy change in the recipient country in complement to the CIDA activity. Or, it could be due to a combination of CIDA action and other project or donor contributions. Secondly, there is the problem of **time delays**. There may be a significant amount of time which passes between the end of a CIDA project and the final manifestation of desired long-term results. Third, there are a range of **other factors** (e.g. social, cultural, political, environmental, etc.) which can have the potential to influence or account for the final project impact or can intervene and make it difficult to establish a link between specific project inputs and final impacts.
- ... The feasibility to aggregate or "add up" performance information from the project and institutional level to definitively comment on

the Agency's overall performance or on its performance at the country or program level is questionable and possibly not feasible. The complexity of development inputs and a range of other factors in a given situation all contribute to the results at such a high level of aggregation. To help address this concern, CIDA is learning from, and sharing its approaches to collecting and analyzing performance data with other donor organizations and the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD).

² For further details see, "Improving Effectiveness: Building CIDA's Results Measurement System," Chapter 29, Report of Auditor General of Canada, November 1996.

B. Performance Accomplishments

PERFORMANCE ASSESSMENT

CIDA has for many years been seeking to develop tools and approaches which would enhance its capacity to evaluate and improve program delivery. Some of these have been based on the experiences and efforts of other agencies, particularly agencies in the field of international development. Others grew out of CIDA's own efforts and experiences.

The Agency has in place an extensive system to assess results, progress and lessons of project activities. This includes independent project-level monitoring, audit and evaluations. Also, a standard part of CIDA's performance assessment are performance reviews, internal audits, evaluations and thematic performance reviews which provide independent and objective advice to management. A more recent tool used by the Agency has been a system of reporting during and at the end of each project as a complement to other mechanisms mentioned above.

In 1995-96, in keeping with these efforts to improve its capacity to assess performance, the Agency put in place a new internal monitoring tool to capture the ongoing results of projects in the Geographic and CIT business lines and to compare them with the objectives or expected results. (See CIDA's 1997-98 Part III of the Estimates for details.)

Further progress on improving this mechanism was made in 1996-97. For the first time, the Agency used a harmonized format to analyse results information for its Geographic Program and CIT business lines.

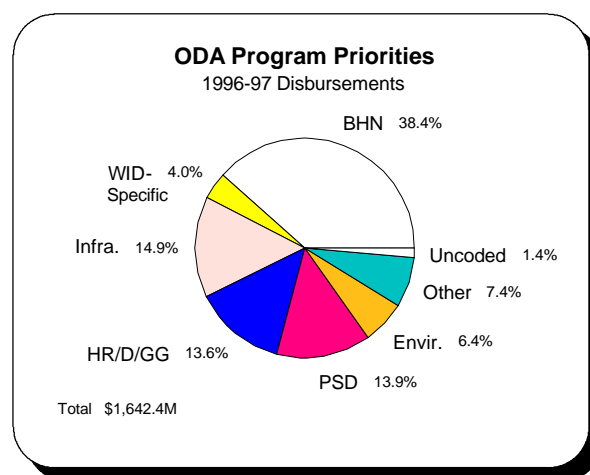
This new Geographic/CIT system, the APPR, aims to capture actual results of projects and compare them with the objectives or results expected, stated at the planning stage for those projects. APPR is designed to allow CIDA to review its progress and performance with a greater degree of clarity. It is used by project teams and Program Managers as a tool to plan required action, including, where necessary, corrective action. This is done on an ongoing basis throughout the project life cycle.

At each new step, more information is obtained and new lessons are learned leading the Agency towards improved performance assessment.

DEVELOPMENTAL RESULTS

This section reports on Agency performance achieved within each of the six ODA program priorities. The approach here is, as far as possible, to relate money spent to the developmental results achieved for intended beneficiaries. Figure 7 shows a breakdown of disbursements by program priority. A further breakdown of aid disbursement information by program priority and business line is provided on page 20.

Figure 7: Disbursements by ODA Priority



Basic Human Needs (BHN)

In 1996-97, the Agency spent approximately \$630 million, or 38.4 percent of its ODA program disbursements, on BHN initiatives. This level exceeds the 25 percent ODA target set out in *Canada and the World*¹. The Multilateral Programs business line represents 65 percent of all of CIDA's BHN expenditures, approximately 60 percent of which is for development purposes, including developmental food aid, while 40 percent takes the form of emergency food and humanitarian assistance. This amount includes food aid distributed on a bilateral basis. If the latter were to be counted as part of each geographic area's expenditures it would increase their levels of

¹ The ODA target is based upon total ODA which includes the cost of administration as well as disbursements made by other Government departments funded by the International Assistance Envelope.

disbursements in BHN (e.g. to 23.3 percent in the case of the Africa and Middle East Branch).

In the Multilateral development system, Canada has actively sought a greater focus on poverty reduction and, within this context, a better balance between economic growth and social investments. Canadian efforts, in conjunction with those of other donors, have resulted in the Asian Development Bank (AsDB), African Development Bank (AfDB), Inter-American Development Bank (IADB), Caribbean Development Bank (CDB), World Bank (WB), World Food Program (WFP), United Nations Development Program (UNDP), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA) and United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) taking steps to increase their focus on the poorest countries and peoples. CIDA's initiatives in the area of micronutrients is not only having a positive impact on reducing micronutrient malnutrition, but has leveraged interest and funding from other donors in an area of health and food security where small investments can lead to significant improvements in well being for the poor.

Approximately 30,000 metric tons of food commodities were provided to support various emergency programs in over 20 countries through United Nations (UN) organizations and NGOs. At least 8.4 million victims of conflicts or natural disasters were direct beneficiaries of life-sustaining food aid delivered via these CIDA-supported multi-donor relief efforts. Core funding support to the WFP allowed CIDA to reach out indirectly to an additional 45 million beneficiaries in 84 countries. Of these, 24.6 million were victims of man-made conflicts or natural disasters. A performance review has been launched to examine how food aid can be most effectively used at all points from emergency relief through to the transition to sustainable, long-term development.

International Humanitarian Assistance (IHA) was also directed towards emergencies associated with human conflicts, and, to a lesser degree, with natural disasters. Refugees, principally women and children, in the Middle East and the African Great Lakes region and other countries, were the principal beneficiaries. About 8.5 million victims were reached with relief assistance providing them with shelter, medical supplies and the basic necessities of life. CIDA support to multi-donor programs and projects implemented by UN organizations and the Red Cross made this

possible. In addition, CIDA worked in partnership with Canadian NGOs to deliver humanitarian assistance directly to over 500,000 people. One in three IHA projects singles out women and children for special attention. Some 200,000 children benefited from either family reunification, immunization, oral rehydration or intensive feeding therapy.

Twenty-three percent of BHN programming, exclusive of food aid, was carried out by the Geographic Programs business line.

AT A GLANCE

- f** CIDA's bilateral programs have, in a single year, supported 150 projects with direct or indirect impact on children. There were projects in fields such as child and maternal health, immunization, basic education, micronutrient deficiencies, and water supply and sanitation. Over 20 percent of bilateral programming was related to children.
- f** In Pakistan, for example, the Government appealed for vaccines to immunize children under the age of five as part of a worldwide initiative to eradicate polio by the year 2000. CIDA provided 27 million doses of ready-to-use vaccines. It gave bulk concentrate for 25 million booster shots.
- f** Results were dramatic. The most recent data show a drop in reported cases from 1,803 in 1994 to 449 in 1995. And Pakistan's capacity to provide booster shots has improved.

Women in Development and Gender Equity (WID&GE)

CIDA has always pursued a two-pronged approach to WID&GE programming. WID&GE-specific efforts target women exclusively. And integrated efforts ensure that gender equity concerns are analyzed and acted upon in all development programs and projects. This section focuses primarily on WID-specific initiatives.

In 1996-97, the Agency spent approximately \$66 million, or 4 percent of its ODA program disbursements, on specific WID&GE initiatives. The Geographic Programs and Canadian Partnership business lines represented 60 percent and 30 percent respectively of all of CIDA's expenditures on this ODA priority.

The Agency's first major performance review was focused on the WID&GE priority² and provided pertinent information for this report. The findings from the review confirmed that CIDA's approach to the implementation of its WID&GE Policy has been in the right direction and is consistent with Canada's domestic gender equity objectives. CIDA has developed a strong reputation in WID&GE programming in the international donor community. Moreover, it has exerted a significant influence on the gender policies and practices of many partner organizations.

The WID&GE performance review has identified actions which could lead to improvements in CIDA's programming in this area. They include planning and setting more measurable WID&GE targets, and more explicit reporting and accounting for results.

Infrastructure Services

Disbursements related to infrastructure services were approximately \$245 million, or 14.9 percent of CIDA's ODA program disbursements, during the reporting period.

Geographic Programs represent 56.7 percent of CIDA's program expenditures on this ODA priority. Verification of the project outcomes, provided in the Details by Business Line section, confirms full coverage of expected results for: the provision of energy and transportation services, upgraded infrastructure and capital stock and the creation of

an enabling environment with an emphasis on building institutional and human capacity. Illustrative of the Agency's success in this area are four "lines of credit" projects in South America which shipped \$16.9 million in Canadian equipment and generated an additional \$12.2M in counterpart funding. This led to the signature of over 40 commercial contracts between Canadian and South American companies in the mining, oil, gas and telecommunications sectors. CIDA has initiated a transition away from large, capital-intensive infrastructure projects towards investments in capacity building.

The Canadian Partnership business line represents 15.3 percent of CIDA's expenditures on this priority, primarily through its Industrial Cooperation Program (INC) which provides, among other things, financial support for feasibility studies of infrastructure projects.

Human Rights, Democracy and Good Governance (HRDGG)

Thirteen percent of the Agency's 1996-97 ODA program disbursements, or \$223 million, was spent on HRDGG initiatives. Sixty-one percent of this amount was implemented by the Geographic Programs through 220 projects located in 56 countries. An additional 24.5 percent flowed through the Canadian Partnership business line which supported the activities of some 199 partner organizations in the Canadian NGO community.

Projects in the Americas focused on enhancing the knowledge and skills of professional staff in key public and private institutions. For example, a regional program in South America completed a baseline study in 12 countries related to the application of international humanitarian law (IHL). In addition, instruction was provided in the application of IHL in situations of armed conflicts and in the tools and methods of IHL instruction. Canadian NGOs are instrumental in CIDA's work in this area. One such organization assisted a progressive legal group in China to evaluate and advise on the implementation of a recently amended *Law of Criminal Procedure*. This law now includes significant democratic provisions such as the presumption of innocence and the right to legal representation during pre-trial detention. Another NGO helped the capital cities of Estonia, Latvia and Lithuania to use committee inputs and

² A full copy of the report can be obtained from CIDA's Public Inquiries Service.

participatory democracy approaches to design economic development plans which more accurately reflect the interests of citizens.

These representative cases illustrate CIDA's commitment to HRDGG programming with its Canadian and developing-country partners to strengthen the fabric of civil society, protect human rights and support responsible government.

Private-Sector Development (PSD)

In 1996-97, the Agency spent approximately \$228 million, or 13.9 percent of its ODA program disbursements, on PSD initiatives. Geographic Programs, with projects concentrated mainly in Africa and Asia, accounted for 52.7 percent of CIDA's expenditures on this ODA priority.

In Africa and the Middle East, \$60 million was disbursed on 72 projects in 25 countries, where PSD was the primary priority. The focus was to contribute to poverty reduction by creating small business employment and income opportunities. CIDA improved the capacity of local NGOs, banks and credit unions to provide services to small and medium sized businesses. Support to Ghana's Central Financing Facility increased the rate of financial viability of credit unions to 55 percent by ensuring an average of at least 248 members. In Mali, 25,945 people (30 percent of whom are women) now belong to the credit union network as a result of CIDA support.

In Asia, \$37.8 million was disbursed on 40 projects in 10 countries. PSD programming in transitional Asian countries, like Malaysia, focused on building linkages between Canadian industry and the emerging private sectors in those countries. As a result, 44 joint venture agreements were signed this year. A recent survey indicates that joint venture partners have earned \$15 million in revenues and have contracts valued at \$67.4 million.

Canadian Partnership programming represents 20.5% of CIDA's PSD expenditures. The majority of partners working on this priority are companies funded by the INC Program and carrying out joint ventures with developing country firms. These private sector ventures generate investment capital as well as the transfer of new technology, managerial, entrepreneurial and technical skills to strengthen the Southern firms. They also generate profits, taxes and jobs in Canada and abroad.

INC remains very active in poorer countries. For example, the proportion of INC disbursements to these countries has risen from 47% in 1993-94 to 54% in 1996-97. Delivering on a commitment made in *Canada in the World*, INC has sharpened the developmental focus of its programming. Last year, INC guidelines for potential private-sector partners were finalized. These guidelines outline expectations related to CIDA's WID&GE and Environment policies. The INC Automated Proposal System (APS) became available to partners in January 1997, clearly stating which development benefits must be demonstrated before INC funding can be approved.

Environment

CIDA's disbursements related to the Environment were approximately \$105 million or 6.4 percent of ODA program disbursements during the reporting period. Sixty-three percent of this amount was implemented by the Geographic Programs, and 25 percent flowed through Multilateral Programs.

In addition to the environment being a cross-cutting theme in all programming areas, it is also the primary focus of projects in the Geographic Programs. Environmental programming in Asia contributed primarily to strengthening national and local institutions through policy formulation, new or enhanced legislation and regulatory frameworks. In West Africa, support to the Comité inter-états de lutte contre la sécheresse au Sahel (CILSS) has contributed to strengthening the capacity of its members to take co-ordinated action against desertification in the region.

Multilateral Programs supported and influenced the efforts of a number of development banks and UN organizations which have recently enhanced their environmental programs. Analysis of AsDB projects reflects greater attention to environmental concerns as a cross-cutting theme with linkages to socio-economic and security issues. The Bank increased its environment-specific projects from 8 percent to 11 percent over the past year. UNDP allocated 21 percent of its core resources to the environment and, with technical assistance from Canada, supported 43 countries with preparatory actions to meet the requirements for implementing the International Convention to Combat Desertification. In 1997, the Consultative Group on International Agricultural Research (CGIAR) also

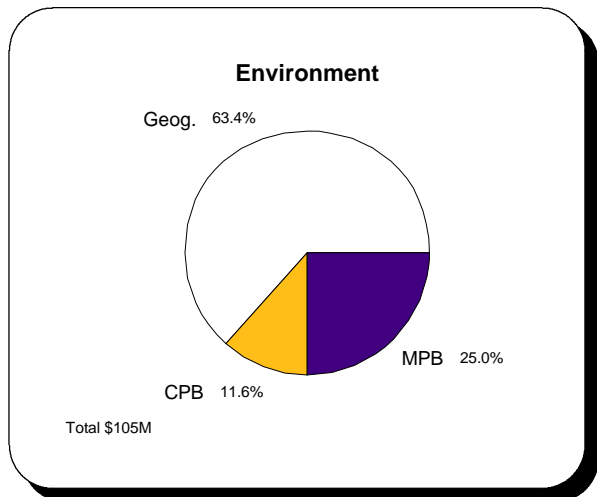
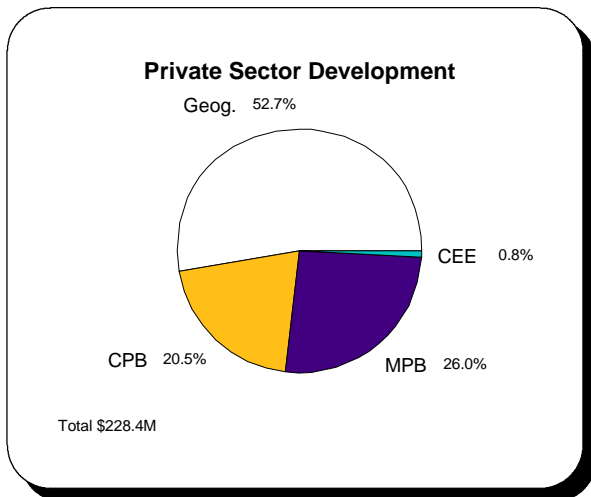
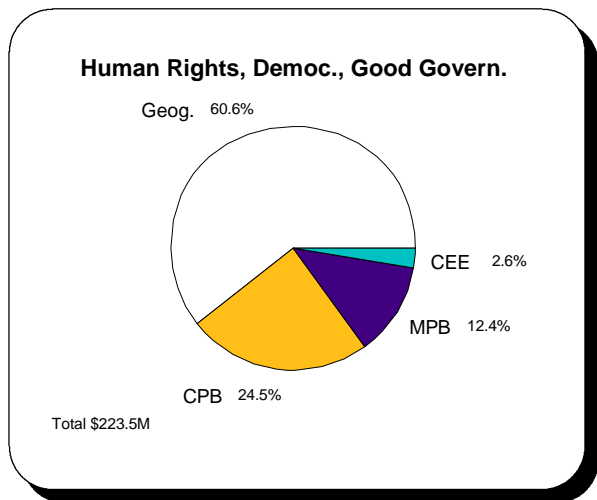
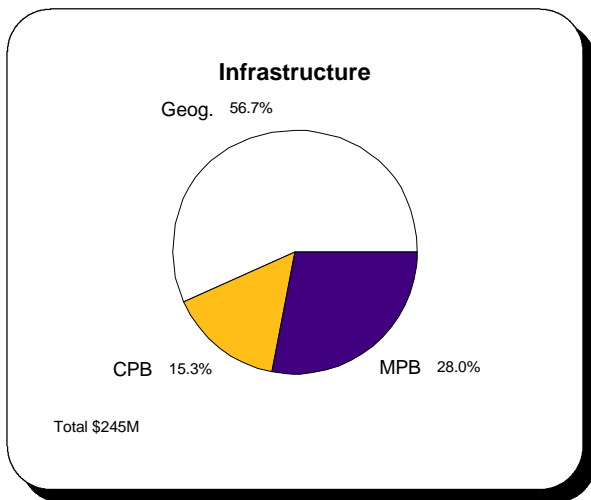
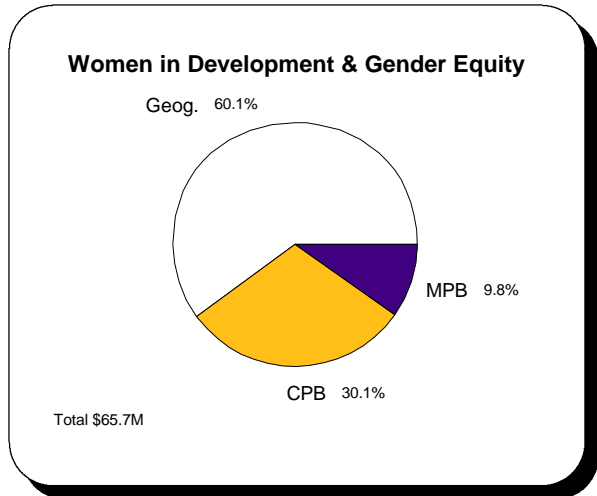
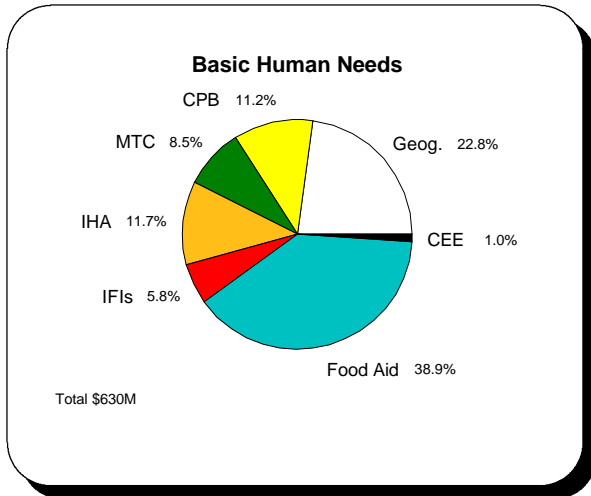
increased, from 16 percent to 23 percent, its allocation for research into environmental protection. In the area of policy influence and advocacy, any claim of direct attribution for these institutional developments is recognized as unjustifiable. Nonetheless, they indicate substantive change in a direction consistent with Canadian policy and values.

Countries in Transition (CIT)

In 1996-97, CIT programming was in its eighth year of operation with ODA program disbursements of approximately \$19.6 million and non-ODA program disbursements of \$77.8 million.

Ninety-three percent of CIT projects are in direct support of one or more of its five unique program objectives. It has assisted countries in their transition to market economies. Attributable results include: the creation of 9 licensed credit unions in Lithuania, an accredited MBA program in Romania with a 95 percent graduate placement rate, and a federally approved farm reorganization and privatization model in Russia. Good governance and democracy projects also generated attributable results such as: the legislation of a pension fund in Poland and the creation of a public health association in Romania. A variety of projects were undertaken with the objective of promoting global security. In Bosnia-Herzegovina a national mine clearance training program and a survey have accelerated the process of mine clearance and reduced the incidence of landmine-related injuries. For more details of results under this business line, see pages 31-34.

Figure 8: 1996-97 Disbursements by ODA Priority



BENEFITS TO CANADIANS

Canadians support international development assistance as a way of meeting the challenge of building a better world. The ODA program is a vital instrument for the achievement of the three key objectives of Canada's Foreign Policy.

- ... **Global Security:** International assistance contributes to global security by tackling key threats to peace and human security in those countries experiencing widespread destabilizing poverty or civil strife.
 - { CIDA contributes to global security, and thus to the security of Canadians, through the provision of programs that support people in their own countries. Hundreds of projects have achieved developmental outcomes that address key issues: shortages of food, water and shelter; human rights abuse; weak institutional structures and poor governance; environmental degradation; population growth which puts undue pressure on resources; and the widening gap between rich and poor.
 - { International assistance contributes directly to conflict prevention and reconciliation. The Agency has played a significant role in Cambodia, Haiti, the Middle East, Rwanda and the former Yugoslavia with particular attention to providing humanitarian assistance, the care of refugees and the monitoring of democratic elections. Canada's interest in enhancing nuclear safety in Central and Eastern Europe is concretized by a number of projects which result in improved safety operations at nuclear power plants through the use of Canadian procedures.
- ... **Prosperity and Employment:** International assistance contributes to a stronger global economy in which Canadians and developing country populations can grow and prosper.
 - { Over 36,000 Canadians and 2,000 Canadian enterprises were direct beneficiaries of international assistance because of the high labour intensity and Canadian content of goods and services utilized by CIDA. Since 1978, CIDA

investments of \$670 million in the INC Program have generated an estimated \$3.6 billion in sales of Canadian goods and services and additional contracts for Canadian suppliers valued at more than \$7 billion. Every \$1 invested by CIDA-INC generates, on average, \$5.27 in commercial benefits for Canada and \$11.42 in commercial benefits for developing countries.

- { Canadian contributions to Multilateral Development Banks (MDBs) result in a proportionate return on investment for Canadian suppliers. In 1996, CIDA's contributions to MDBs provided enterprising Canadian suppliers with access to a pool of capital worth \$27 billion and brought an overall modest return on the dollar of approximately 81 cents. Canada's share of contracts awarded by AsDB however rose from 5.77 percent to 8.8 percent in 1996, making Canada the Bank's fifth largest recipient of consulting contracts.
- ... **Canadian Values:** International assistance is one of the clearest expressions of Canadian values and culture.
 - { CIDA exerts meaningful influence on the policies and programs of MDBs and donor agencies. Canadian participation in the G-7, the UN, the World Bank and the MDBs gives a voice to Canadian values of gender equity, environmental protection, human rights and poverty alleviation.
 - { CIDA's policies and programs reflect the diversity of Canadian culture. Programming in a very wide range of countries and direct support for La Francophonie and the Commonwealth are an expression of Canada's heritage and its increasingly multicultural profile.

DETAILS BY BUSINESS LINES

This section focuses on the performance of each business line. Because international development activity does not yield meaningful results in neat financial-year intervals, many of the activities reported on in this section may span a number of years.

However all activities are linked to the year under review. They were either approved, initiated, continued or concluded -- or yielded outputs or outcomes -- during that year.

The seven reports which follow contain the objective(s) for each business line and a note to put the work under that business line in context. Each report is based on a number of expected results. These are followed, in each case, by at least one brief, concrete example of the achievement of that result.

Only a representative sample of expected results is reported on here. For the Geographic, Multilateral and Canadian Partnership business lines, the expected results are grouped under the six ODA program priorities. The CIT business line follows its own five objectives. Similarly, the non-program business lines - Communications, Policy and Corporate Services - are reported on according to their particular functions.

The information in these reports was taken principally from annual reports prepared by the branches.

What Others Say ...

'Three organizations -- Revenue Canada, CIDA and NRC -- show the most balanced approach to performance management. They are using a range of initiatives designed to address issues related to planning and reporting and corporate management.'

- Consulting and Audit Canada, *Corporate Governance Practices in Support of Performance Management*, prepared for Agriculture and Agri-Food Canada, April, 1997, p. 4.

Frequently asked question

If countries can't show real progress after all these decades, isn't it time to admit that aid money is wasted on them?

In fact, many countries in the South have shown remarkable progress. Some have been growing faster than many European and North American countries did when they were at a comparable stage of economic development.

Some we still describe as developing will be among the major economic powers of the 21st century. Even some of the poorer countries of Africa, America and Asia are beginning to make the kind of social and economic reforms that have led the so-called 'Asian tigers' to register major economic transformation. And Canadians can be proud of their contribution to these positive developments.

GEOGRAPHIC PROGRAMS

OBJECTIVE

P 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.

PUTTING IT IN CONTEXT

Geographic programs, also called bilateral or country-to-country programs, enable Canada to plan and execute development activities through consultation and cooperation with recipient country partners, on the understanding that the prime responsibility for national development rests with governments. The bilateral channel is the main instrument through which the Canadian government can make long-term investments in areas critical to sustainable development. Geographic programs account for about one-third of the international assistance budget.

Projects supported through the geographic programs reflect both the needs of developing countries and Canada's ability to meet those needs. They are delivered directly by Canadian suppliers and executing agents or are procured locally. All projects are based on Canadian policies regarding the procurement of goods and services in Canada and on Canadian content requirements.

Three geographic branches -- Africa and the Middle East, Asia, and Americas -- are responsible for planning Canada's country-to-country ODA assistance and delivering it to eligible recipients.

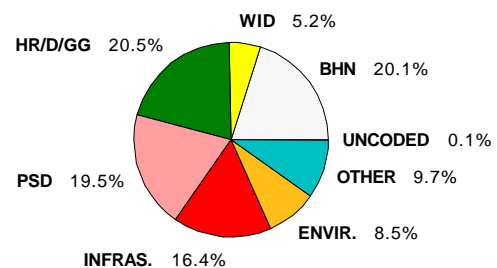
Africa and the Middle East

Africa and the Middle East at present provides the greatest development challenge in the world. This will continue to be the case in the short term. The region encompasses a vast area of 66 countries with about 900 million people and a wide range of cultures, languages and experiences. There are relatively stable and developed countries such as South Africa and Tunisia. There are those such as Ghana, Egypt and Senegal that demonstrate commitment to, and capability for, development and positive change. Then there are those that are clearly in crisis, for example the former Zaire. In general, the region faces significant development challenges. There is rapid population growth. The level of poverty is among the highest in the world. The region's natural resources are under threat.

There is an enormous need for external resource flows. Over the past five years, there has been a significant decline in ODA funding in real terms and a marked inability to attract significant private investment flows.

Despite many signs of hope, much of the region is economically, socially and politically fragile. Such a variable context requires Canada and other donors to remain alert and responsive.

Africa and the Middle East ODA Disbursements for 1996-97

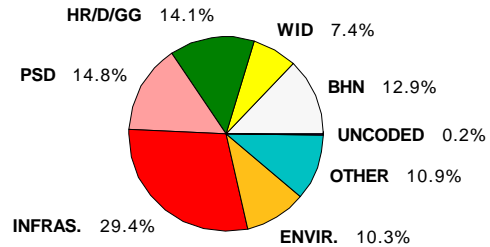


Asia

During 1996-97, Asia continued to be a study in contrasts, from an international development point of view. Economic growth continued to be strong. In fact, by the year 2020, the Asia-Pacific region is expected to account for seven of the world's top ten economies, 40 percent of world trade and half of the global production of goods and services. Meanwhile, Asia is still home to over 70 percent of the world's poor.

The economic transformation taking place, for example, in the Philippines and Thailand illustrates that international assistance does not have to be an unending process. However, even in these countries, growth is taxing the infrastructure, the environment and skill base that link the mass of people to the areas of growth. Major economic reforms initiated by the weaker economies, such as those of Pakistan and Bangladesh, are hampered by inadequate infrastructure and institutions not designed to deal with globally integrated economies. However, there is a noticeable trend towards greater capacity on the part of government, quasi-government, non-government and private-sector organizations and institutions. They are increasingly better able to undertake tasks leading to sustainable development both with regard to specific development activities and, generally, by creating a suitable climate for development to take place.

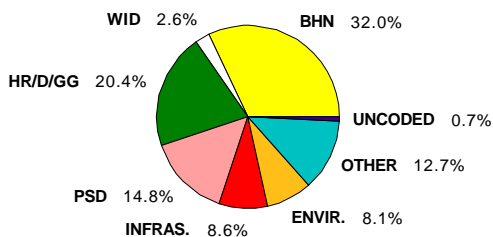
Asia ODA Disbursements for 1996-97



Challenges arise from the very process of economic transformation in Asia. Environmental dangers accompany industrial expansion. Economic growth often brings new forms of inequity, regional security problems and threats to the well-being of women. The dynamic situation provides CIDA with the challenge and the opportunity to make a meaningful contribution to long-term sustainable development in an area of increasing importance to Canada's future.

Americas

Americas ODA Disbursements for 1996-97



History and geography make the Americas a region of political, economic and security interests for Canada. Canada has demonstrated its interest in the region's security, democratic development and socio-economic progress by its active role in such institutions as the Organization of American States (OAS); through the ratification of the North American Free Trade Agreement and the Free Trade Agreement with Chile; and through the commitment to set up a 'free trading system' from Tierra Del Fuego to Alaska by the year 2005. As these interests expand, there is a growing awareness of the complementarity of the business, security and development agendas. This makes ODA priorities in the Americas even more important.

Relations with the Americas provide Canada with a complex challenge. The past decade has been one of economic stabilization, trade liberalization and a change to more democratic forms of governance. In spite of this progress, important obstacles threaten the region. Democratic institutions in some countries are still young and fragile. Often power remains concentrated in the hands of the elite. The poor remain excluded from economic opportunity and political decision-making. Corruption, subordination of women, drug trafficking, urban violence and environmental degradation continue to plague some parts of the region. All this, combined with one of the highest levels of social inequity in the world, poses a threat to the region's stability and democratization process. Free trade alone cannot address these problems. The question facing the region is: How can the poor obtain greater access to the opportunities created through the reforms

undertaken to date? And the challenge facing CIDA in the Americas is to support developing countries there in their efforts towards greater 'equity for sustainable growth.

SOME EXPECTATIONS AND ACHIEVEMENTS

Basic Human Needs

Expected result: Increased ability of vulnerable groups to meet their basic needs and carry out productive activities.

... The Peru/Canada Counterpart Fund has contributed directly to improving the situation of over 230,000 poor Peruvian families. The Fund supported 234 projects in various sectors. These projects targeted mothers and

children, women's groups, micro-enterprises and community organizations. These projects helped improve sanitation, facilitated the commercialization of 23,538 tons of food, and provided training for over 12,000 persons in primary production, commercialization, transformation, management and so on.

AT A GLANCE

f Ghana, formerly a country in crisis, now boasts a functioning parliament, a developing judicial and legal tradition, a vibrant media and an inflation rate which has fallen from 70 percent two years ago to 30 percent today.

f Both government and opposition are committed to market-oriented growth, sustained development and effective poverty-reduction efforts. Ghana's progress at home is matched by its respected role in international and regional affairs.

f Canadians have played a significant role in helping to write this African success story. Canada has invested almost \$1 billion in development assistance to Ghana since independence in 1957. Canada is encouraging Ghana to improve the management of its public finances to reduce inflation further. This country has provided support for economic reform and private-sector-led growth, for government reforms and governance programs and for the media, judiciary and civic education. Canadian companies have established a high reputation in mining, electricity and telecommunications.

... In Haiti, the Emergency Reconstruction Fund is designed to revitalize the economy by supporting the industrial and commercial sector. In 1996-97, the Fund created 148,000 person-hours of work (raising the total person-hours created by the Fund to 532,000). The Fund also supported the building of 54 km of roads, the planting of 132,000 trees, the teaching of 618 literacy sessions of up to six months, and the providing of access by 10 communities to clean drinking water.

... Bangladesh's Proshika Kendra-V Project helped enable 8,500 groups of poor families to participate more fully in the development of their communities. In Pakistan, the Aga Khan Rural Support Program (AKRSP) helped improve community self-management by creating village and women's organizations and training 110,000 villagers (70 percent women) in rural development.

Expected result: Expanded and improved primary health care services.

... CIDA is helping to eliminate Iodine Deficiency Disorders in Bolivia. A 1996 expert study showed that average daily domestic production of iodized salt had increased to 20 grams per person, up from 1 gram in 1980. Medical examinations showed that the prevalence of endemic goitre had fallen from 65 percent in 1980 to 4.5 percent in 1994. Laboratory tests suggest that about 10.2 percent of the people still consumed insufficient iodine and may be at risk. CIDA's support is helping to increase awareness with a view to ensuring long-term change. CIDA is also contributing to the efforts of the Pan American Health Organization (PAHO) to improve health services and increase community participation in health programming. Perinatal coverage for 24,625

expected pregnancies reached 84.5 percent in 1996-97, compared to 61.3 percent in 1991. The early capture or identification of problems reached 50.9 percent, compared to 21 percent in 1991.

Expected result: Increased access to health services and increased efforts to overcome certain diseases.

... A regional project in Africa has succeeded in narrowing the gap between the needs of communities concerning AIDS preventative services and the delivery of those services. An increased awareness of AIDS-related issues is also evident. A series of 'schools without walls', established in cooperation with 180 local partners, is helping to raise AIDS awareness in Mozambique, Tanzania, Zambia and Zimbabwe. There has been a reduction in the number of cases of sexually transmitted diseases (STDs) seen in Nakuru, Kenya, where CIDA has established sustainable arrangements for the sound management and treatment of STD in general outpatient facilities. A similar reduction has been noted in five centres in Nairobi where this project is also active. Success in reducing the incidence of STDs is believed to be a major factor in the eventual reduction in new cases of HIV infection.

Expected Result: Improved access, quality and reliability of potable water facilities and sanitation services.

... Three-quarters of the population of Tarata, Bolivia now have enough high-quality drinking water, thanks to a CIDA project in that region. And in Peru, last year, 183 households in and around Nasca gained 24-hour access to drinking water. They now also have adequate sanitation facilities. In and around Lima, 785 poor families achieved reliable, low-cost connections to drinking water. Another 167 families in this region now have adequate sanitation facilities.

Expected result: Improved access to basic education.

... A CIDA project to help women in Senegal achieve greater access to training and attain a functional level of literacy has received an enthusiastic response from participants. In the first year, 23,000 persons, 77 percent of them women, have participated in literacy training. In the coming years, the project aims to train 50,000 persons each year.

Women in Development and Gender Equity

Expected Result: Increased participation by women in decision-making.

... A training fund supported by CIDA has helped significantly to increase the skill, knowledge and self-confidence of a number of Tanzanian women working in the Public Service and in community organizations. Participants in the project have attained 2 PhDs, 25 Masters degrees, 12 diplomas and 21 certificates. Several have been promoted since benefiting from this training. Many now share the insights gained during their training as part of their work in the government or by advising other women and women's groups.

Expected result: Strengthened capacity of NGOs and women's organizations to promote and foster increased participation of women in local and national development activities.

... Support provided to several NGOs by the Pakistan Gender Fund contributed to the successful efforts to get the government to endorse the UN Convention on the Elimination of all forms of Discrimination Against Women (UNCEDAW). Pressure from an NGO initiative supported by the Sri Lanka Gender Fund is credited with bringing about increased government attention to women migrant workers. As a result, new training programs have been established for these workers. In Bangladesh, the Gender Fund supported strategic-level initiatives attacking the root cause of gender inequalities.

Expected result: Women's organizations and groups more effective in advocating and defending women's rights and interests.

... Through the Brazil Gender Equity Fund, a total of 8,000 people, including government, union and community leaders, were sensitized about gender concerns and women's rights in the workplace. This was made possible through the translation and dissemination of key documents and the funding of seminars, workshops and roundtable discussions. The Colombia Gender Equity Fund supported the development and distribution of 2,000 manuals on political participation from a gender perspective. And over 2,000 women and 50 men received training in leadership, negotiation, local management and public speaking during a total of 182 workshops.

Infrastructure Services

Expected result: Increasing the capacity of people and institutions to manage infrastructure services.

... Ministries and institutions in nine countries increased their capacity to manage, operate and maintain infrastructure services through 33 CIDA projects in Asia. In China, Canadian advisers and trainers helped hundreds of Chinese develop their capacity for modern transport management. Also, five different Chinese units were trained in strategic energy planning to improve the country's capacity to prepare new energy policies which incorporate economic and environmental concerns.

Expected result: The maintenance and replacement of physical capital stock.

... CIDA has contributed to maintaining and replacing physical capital stock through 13 projects in six countries. In India, the Kerala State Electricity Board's Load Dispatch Centre has been made operational; the management of the local electrical network has been improved; and power generation has been increased to the most appropriate level. In Nepal, CIDA is contributing to the rehabilitation of five Twin Otter aircraft and has helped install satellite navigation systems.

Expected result: Creating an enabling environment.

... Government departments in five Asian countries were helped to change their role from monopoly owner, financier and operator of infrastructure services to that of policy developer, supervisor and regulator of private providers. Projects to undertake regulatory reforms and develop strategies to promote and enhance private-sector participation in the provision of infrastructure services were supported in Indonesia, Pakistan, the Philippines and Vietnam.

WHEN PROJECTS HAVE PROBLEMS

- f* The lessons learned through CIDA's performance assessment mechanisms not only lead to long-term change; they sometimes require immediate action. Take the case of a project with five distinct components, three of which have had serious problems. First, the Board of the umbrella organization lost the support of members. Disbursement to the project was suspended until there was a new Board endorsed by member organizations.
- f* Then an audit identified financial irregularities in the way the books of one of the subsidiary groups were kept. Although no funds were lost, disbursement to this component was suspended after several warnings about the importance of good bookkeeping.
- f* Third, another group involved in the project has been having a liquidity problem.
- f* The first two problems are now resolved and the finances should soon start flowing smoothly. However, in the third case, there is the possibility that CIDA support for this group will cease altogether.

Expected result: More rational use of energy.

... Two projects in Africa have led to noticeable improvement in energy use. A project with the Southern Africa Development Community (SADC) provided intensive training to over 190 individuals. Improvements in energy efficiency have been noted in plants employing staff who received the training. Energy management training is also delivered in educational institutions in six countries of the region.

Expected result: Upgrading infrastructure to support economic development.

... The "*Reconstruction of Schools, Clinics and Court Houses*" project helped to improve infrastructure services in Haiti by giving people access to 135 new schools and clinics, of which 40 were built in 1996-97. Six court houses were also opened and turned over to the Ministry of Justice, thus allowing it to hear pending trials and court cases.

Human Rights, Democracy, Good Governance

Expected result: Contribution to joint efforts to create sound bases for peace negotiation.

... CIDA's Pan Africa conflict prevention project with the Organization of African Unity (OAU) is helping to improve the capacity of the OAU and the ability of African countries to engage in peace negotiation and conflict resolution. Survey exercises conducted by the OAU in eight African countries have led to improved knowledge of the state of training in those countries in the area of peacekeeping. The survey, done with assistance from the Lester B. Pearson Peace Building Training Centre, also increased awareness of what must be done to introduce a standard curriculum for this kind of training with a focus on civil society and on development.

Expected result: Support to electoral processes to ensure fair elections.

... In Africa alone, CIDA contributed to election activities in Algeria, Burkina Faso, Ghana, Mali, Senegal, South Africa and the West Bank and Gaza. CIDA's support to the 1996 municipal elections in South Africa facilitated the flow of information to voters and direct, timely feedback of voter concerns to the National Electoral Commission. Some 210,000 callers made use of a national comprehensive system which included toll-free, on-line election-related information established with CIDA support.

Expected result: Increased capacity of legislative, judicial and executive systems (in selected countries) to become more transparent, accountable and open to public participation.

... A project to train judges in China is strengthening that country's judicial system and contributing towards its transparency. Training provided to African journalists has increased their awareness of human rights issues, freedom and limits of the press and freedom of expression and assembly. CIDA supported such training initiatives in various countries, including Cameroon, the Ivory Coast, Guinea and Chad.

Expected results: Enhanced capacity of public-sector institutions to formulate equitable economic and social policies.

... The financial management, budget and taxation systems in various Eastern Caribbean institutions showed evidence of improvement as a result of an economic management program financed by CIDA. Dominica, St. Lucia, Grenada and St. Kitts have all benefited from new or improved systems.

Private-Sector Development

Expected result: Promotion of an appropriate climate for private-sector development.

... In China, CIDA is helping to create a cadre of senior managers conversant with the functioning of a market-based economy. The Agency contributed to the development of MBA and executive development programs at eight Chinese universities.

Expected result: Improved advisory and credit services for small and medium entrepreneurs.

... Ghana's credit union system has been strengthened as a result of CIDA support to the Central Financing Facility. Some 55 percent of the country's credit unions are now viable, with an average membership of 248 per credit union. In Zimbabwe, the CIDA-backed Women in Development Small Projects Fund has provided financial support for women seeking to improve their economic and political status.

Expected result: Expanded and viable business linkages between Asian and Canadian industry (with particular emphasis on small and medium enterprises).

... Three hundred and fourteen jobs were provided in Malaysia and 65 in Canada as a result of joint ventures. During 1996-97 alone, 70 proposals led to 44 joint ventures between the two countries.

Environment

Expected result: Improved co-ordination among various levels to develop, implement, and monitor environmental policies and regulations.

... Thanks in part to CIDA funding, a separate chapter on the environment has been included in Pakistan's development plan -- a first in that country's history. The drafting of a new Environmental Protection Act as well as environmental legislation for the North West Frontier Provinces has been another output of CIDA-supported activities in Pakistan. In Indonesia, as a result of the Clean Rivers Program, which has also received CIDA support, there has been a significant reduction in pollution levels and 2000 firms have signed voluntary pollution control agreements.

Expected result: Enhanced policy and regulatory capacity to curb the growth of gas emissions and substances contributing to global warming and climate change.

... A South East Asia Regional project promoting the use of solar and heat pump technology has led to substantial energy savings.

Expected result: Increasing environment and natural resources management capacity in key institutions.

... Canadian technology helps Brazil manage the natural resources in its tropical rain forests. Large areas of the Amazon basin have never been fully mapped and traditional methods do not suffice to monitor these areas in relation to deforestation and land use. A CIDA project is helping Brazil increase its capacity to use radar remote sensing to address this issue. The project has allowed Brazilian researchers to receive training in Canada. CIDA is also enabling resource management agencies in Bolivia, Colombia, Peru and Venezuela to benefit from increased technical knowledge in radar remote sensing.

Expected result: Improved natural resources management.

... A CIDA project to reduce the effects of drought has resulted in the establishment of water-supply and agricultural systems in Southern Africa. The project has also produced evidence that community building is taking place around water projects, thus helping to ensure local commitment to the maintenance of the water systems. This is particularly critical in a region in need of drought preparedness skills.

COUNTRIES IN TRANSITION

OBJECTIVES

The purpose of this program is to support democratic development and economic liberalization in Central and Eastern Europe (CEE) and the Newly Independent States (NIS) by building mutually beneficial partnerships. The program objectives are:

- P facilitating Canadian trade and investment links with the region;*
- P encouraging good governance, democracy, political pluralism, the rule of law and adherence to international norms and standards;*
- P assisting in the transition to market economies;*
- P assisting international programs to reduce threats to international and Canadian security; and*
- P enhancing nuclear safety through strengthened nuclear regulatory regimes in the region.*

PUTTING IT IN CONTEXT

The CEE program contributes directly to Canada's three foreign policy objectives. Canadian support for CEE and NIS countries promotes Canada's global interests and security, including nuclear safety, while at the same time protecting their security and that of the global community. Initiatives under this program also represent the sharing of such Canadian values as democracy, human rights and social justice. And helping the transformation to market-based economies furthers stability and progress in the region and leads to mutually beneficial links with the Canadian private sector.

During 1996-97, the countries of this region continued to show steady, though uneven, progress in the economic, political and security spheres. In the CEE region, total foreign direct investment in mid-1996 was 60 percent higher than a year earlier. The integration of these countries into European institutions continued as Poland joined Hungary and the Czech Republic as OECD members. Maintaining peace in Bosnia is not easy and the stability of the region is far from certain. Corruption remains a preoccupation in many countries. Political signals remain mixed, with uneven change, sometimes within the same country. Economic progress continues to be hampered by hesitant and piecemeal reform. But as the program entered its eighth year, there was growing evidence of high regard among partner countries for Canada's presence in the region.

SOME EXPECTATIONS AND ACHIEVEMENTS

Assisting the transition to market-based economies

Expected Result: Creation or improvement of the institutional framework to support market economies.

... In Russia, the farm reorganization and privatization model supported by the CEE program has become the federally approved national standard. In Romania, of the 165 graduates of an MBA program created by the Université du Québec à Montréal, 95 percent are now employed by the private sector. And Romania's Loan Guarantee Fund is already a complete success: fully operational, producing profits, paying dividends and audited to international standards.

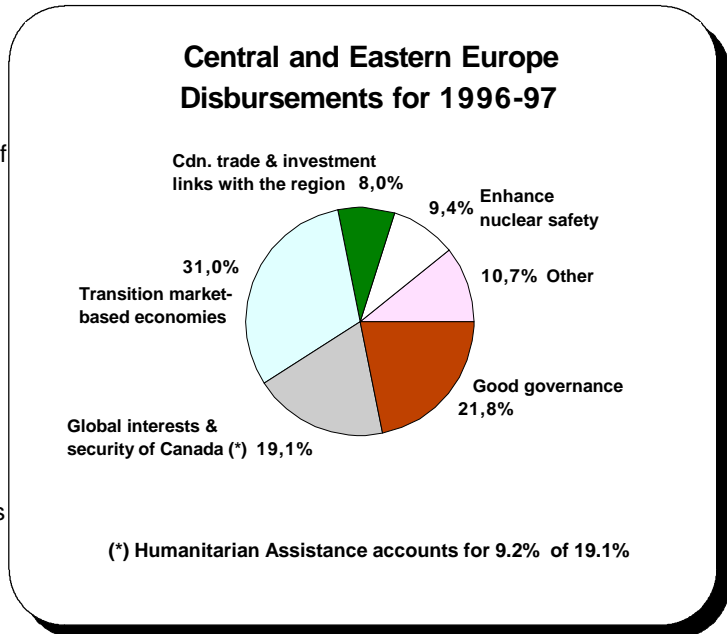
... The Development International Desjardins project was instrumental in encouraging the Lithuanian government to pass a Credit Union Law and create nine licensed credit unions. In many countries, volunteers from the Canadian Executive Services Overseas (CESO) provide effective business advice to clients in areas such as training, management, business planning and company restructuring.

Expected Result: Increased capacity of public and private institutions/businesses through the transfer of skills and knowledge.

... CIDA helped establish curricula, technical schools and other facilities throughout the region. In many cases, the training of trainers will ensure lasting local resources and capacities. This training led to the enactment of new regulations, job creation and new services to citizens. There have also been increased trade and investment opportunities for Canada as a result of the promotion of Canadian technology, services and products.

Expected Result: Changes to laws and regulations needed to support market economies flow from policy advice.

... The Bankruptcy Bill developed with CIDA support has passed second reading in Russia's Duma. Russia is engaged in selected bilateral trade negotiations, after examining 700 separate pieces of trade legislation to address regulatory trade barriers in services.



To facilitate Canadian trade and investment links with the region

Expected result: Joint ventures and trade investment opportunities.

... Efforts made by CIDA to achieve this result can be seen in 17 projects in 13 countries. There has been increased awareness on the part of Canadian companies of the business environment in CEE countries and the opportunities provided by the markets in those countries. CIDA contributions to the trust funds at the European Bank for Reconstruction and the World Bank have helped position Canadian firms and consultants to bid on contracts and purchases valued at over \$2 billion.

... About \$18.5 million in Canadian water- and energy-saving equipment and technology has been sold to Poland with initial support from the Renaissance Eastern Europe Program (REE). The REE program, a distinct part of the CEE Branch program, aims to assist the development of free market enterprise by the transfer of Western business practices and of Canadian expertise, investment and information technology, to the CEE region. During the reporting period, 78 projects were approved and 40 were completed.

To encourage good governance, democracy, political pluralism, the rule of the law and adherence to international norms and standards

AT A GLANCE

f A project to train 25 Russian middle managers in the operation of a large, vertically integrated oil company, and to help the Lukoil company develop its own training capacities, has led to increased trade between Russia and Canada. SNC-Lavalin finalized a \$300 million contract in 1995 with Lukoil to refurbish an oil refinery in Volgograd. A Calgary firm, KMH Technical, signed a \$3.4 million contract to supply tubing to Langepasneftugas.

Expected result: Enhanced capacity of public-sector institutions to formulate and implement equitable economic and social policies.

... CIDA-funded initiatives have paved the way for legislation in Poland's pension system and for the introduction of the merit principle and political neutrality in the Slovak Republic's public service. A Russian city has a planning structure, with community involvement, thanks to the work of the Edmonton Social Planning Council.

Expected result: Increased capacity of public institutions through skill and knowledge transfer.

... Ukraine now has scientific personnel who are fully trained to operate a National Control Agency for biological products. Seven health training centers have been set up. Of 500 students graduating from a public administration masters program, 88 percent exercise major influence working in the public service.

Expected result: Improved organization and delivery of public-sector service resulting from the provision of policy advice.

... CIDA has provided support for free and fair municipal elections in Bosnia-Herzegovina and helped ensure refugee voting under the Dayton Agreement. In Armenia, the system of licensing and accrediting physicians is being reformed and there is also an initiative to create an Armenia Public Health Association along the lines of the Canadian Public Health Association (CPHA). CIDA also helped establish the Polish National Broadcasting Council.

To assist international programs to reduce threats to Canadian and international security

Expected Result: Reduced threats to international and Canadian security.

... CIDA has been participating in the international effort to reduce excess weapons-grade plutonium (EWGP). It has facilitated dialogue among countries with these weapons. Canada is also working to help develop technical options and strategies for disposing of EWGP. In Ukraine, 1600 scientists formerly engaged in the production of weapons of mass destruction are now working on projects with non-military applications. Laboratory analysis is now being conducted to decontaminate and restore that country's missile sites.

Expected result: Suffering alleviated through humanitarian assistance.

... Injuries caused by land-mines have been reduced as a result of CIDA-supported initiatives in Bosnia-Herzegovina where a mine survey has accelerated the process of mine clearance. A national mine clearance training program has been established as part of this initiative.

To enhance nuclear safety

Expected result: Reduced risks at Soviet-designed nuclear power stations in Central and Eastern Europe and the Newly Independent States.

- ... Canadian procedures led to safer operations at nuclear power plants. Canada and the World Bank are helping to reduce reliance on nuclear power through training in the rehabilitation of hydro- and thermal-power plants. Canadian equipment will ensure accurate contamination readings at the Chernobyl nuclear power plant.

MULTILATERAL PROGRAMS

OBJECTIVES

- P To promote effective global and multilateral development approaches which reduce poverty, enhance human security and expand prosperity; and*
- P To ensure that Canadian humanitarian assistance and food aid to developing countries are appropriate, timely and effective.*

PUTTING IT IN CONTEXT

A pivotal element in the achievement of Canadian foreign policy and international assistance objectives is the support provided through multilateral channels. This kind of support provides the basis for Canada's leadership role in key international development organizations within the UN, the Commonwealth and the Francophonie. This is also true in the case of the World Bank and other international financial institutions (IFIs). Canada can achieve a broad impact in the sphere of international development when it works through such organizations. CIDA provides most of its humanitarian assistance through the UN and other international channels, such as the Red Cross Movement, as well as through Canadian NGOs such as CARE and World Vision.

An effective multilateral system facilitates Canada's efforts to help address broad global issues which touch on vital Canadian interests but which cannot be dealt with effectively on a strictly national or bilateral basis. These issues include the environment, security, trade, children's rights and health. The multilateral approach also allows Canada to leverage substantial amounts of additional resources for its international development and humanitarian priorities. Canada is able to exercise meaningful influence on the overall policy directions and programming of multilateral development institutions (MDIs). This is so although Canada generally provides only between three and five percent of the resources of MDIs. A final, important value of the multilateral system is that it provides an environment for consensus building with regard to key international issues and for the sharing of lessons learned.

SOME EXPECTATIONS AND ACHIEVEMENTS

Enhancing the Effectiveness and Efficiency of Multilateral Development Institutions (MDIs) and the Multilateral Development System

In addition to Agency responsibilities for food aid and emergency assistance, Multilateral Programs (MPB) is responsible for managing Canada's core contributions to key institutions of the multilateral development system. MPB has defined its primary level of accountability in managing institutions as the effectiveness of its own interaction with the agency in question. MPB is also accountable to monitor the activities of the organizations of which it is a member in order to ensure that the resources that it and others contribute as core support are used effectively and efficiently and for the purposes and results intended.

In 1996-97 Multilateral channeled core support to MDIs in such a way as to:

1. Advance internationally-agreed development and humanitarian objectives and targets and to help align them with Canadian policies and priorities;
2. Help improve the effectiveness and efficiency of international organizations in achieving those objectives and targets;
3. Contribute to the overall performance of the international development system in achieving established objectives and targets;
4. Maintain Canada's leverage with MDBs while significantly reducing Canada's financial relationship consistent with the Government's fiscal objectives.

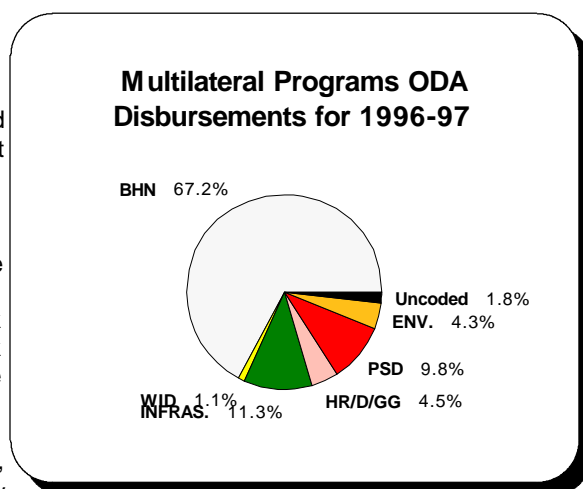
In addition to the program results under the six priorities outlined below, MPB, with support from like-minded countries has had some success in enhancing the effectiveness and efficiency of MDIs and the multilateral development system as a whole:

... Significant progress has been made to support field level coordination. UNICEF, UNFPA and UNDP are jointly preparing UN Development Assistance Frameworks and working together to strengthen the UN Resident Co-ordinator system;

... A wide range of MDIs have taken steps, tentative in some cases, which will see them better positioned to manage for and report on results. The Global Environment Facility has adopted a monitoring and evaluation framework emphasizing a results based approach while WFP took steps to develop more appropriate indicators of the performance of relief operations.

... Progress has been made in key areas of UN reform, which has resulted in decisions and announcements by the UN Secretary General in the summer of 1997. In addition, UNICEF, UNDP, United Nations Women's Fund (UNIFEM) and UNFPA have embarked on their own internal reform processes that complement what the new Secretary General is attempting to achieve on a system-wide basis.

... Through the efforts of MPB staff, Canada was able to maintain its leverage and influence in the Asian and African Development Banks despite reducing its financial contributions to concessional fund replenishments of these organizations by 51 and 48 percent respectively.



Basic Human Needs

Expected Result: Increased focus on poverty reduction by multilateral development institutions (MDIs).

... AsDB has set poverty reduction as one of its five main strategic objectives. In 1996, some 12 percent of new projects were targeted to poverty reduction, double the 1995 percentage. Overall, 41 percent of the Bank's lending now goes to projects directly aimed at social development. IADB, which has met its target of 40 percent for social lending, has approved new strategies for poverty reduction and social service reform. UNDP is focusing 90 percent of its resources on the poorest countries. It has decided to make poverty its over-arching priority. Meanwhile, a mid-decade review has concluded that UNICEF has made significant progress towards the goals set for the year 2000 by the 1990 World Summit for Children.

Expected result: Timely and effective provision of emergency assistance .

... A review of \$53 million of non-food CIDA-supported humanitarian assistance projects indicated that 500,000 beneficiaries were reached through specific Canadian support to Red Cross and UN projects and programs. Core contributions to more general efforts by the Red Cross, the Office of the United Nations High Commissioner for Refugees (UNHCR) and UNRWA touched an additional 30 million refugees and informally displaced persons. Most noteworthy successes were the safe return of 1.2 million Rwandan refugees and the effective maintenance of 3.4 million Palestine refugees. Further, 80 percent of relief objectives were satisfactorily achieved and 70 percent of activities were delivered within planned deadlines. About 8.4 million beneficiaries were reached through UN and NGO food-aid relief efforts with directed CIDA support. An additional 45 million were reached by WFP which continued to receive CIDA core funding. Some \$41 million of food commodities were provided in a timely fashion in support of various emergency programs in over 20 countries through multilateral organizations and NGOs.

AT A GLANCE

f Between 1993 and 1996, IFAD reduced its administrative budget by 23 percent. Between 1992 and 1997, UNDP reduced its administrative budget by more than 15 percent in real terms and reduced headquarters staff by 32 percent. WFP has decentralized senior personnel and increased delegation of authority to the field to make program delivery more cost-effective. IFAD involves clients in project planning and has strengthened its ties with grassroots organizations.

f By implementing serious financial management reforms, UNIFEM has succeeded in putting its financial situation back on track. And UNICEF's program of Management Excellence includes: measures to strengthen financial reporting and zero nominal growth of the administrative program support budget adopted for 1996-97.

Expected result: Greater capacity of certain countries to prevent and deal with natural disasters.

... The Ethiopian Emergency Food Security Reserve established with support from CIDA succeeded in providing immediate resources to meet the requirements for an emergency situation in 1996-97. The target level of 270,000 metric tons was attained. As a result, the Government was able to call upon reserves close at hand rather than having to appeal for emergency supplies from overseas.

... PAHO's disaster preparedness and mitigation activities have significantly enhanced disaster response in Latin America and the Caribbean. These have reduced loss of life, damage to property and calls on the international community for support.

... The International Federation of the Red Cross has strengthened its capacity in information and telecommunications to support disaster preparedness and emergency response among Red Cross delegations and national societies in the most disaster-prone developing countries.

Expected Result: Efficient and effective achievement of the goals to eliminate micronutrient malnutrition worldwide.

... The \$60-million Bangladesh Integrated Nutrition Project has begun to produce results ranging from a highly innovative homestead garden activity to the assessment of the feasibility of fortifying oil and flour with micronutrients. The World Bank, the Government of Bangladesh and the Micronutrient Initiative (MI), with support from CIDA, are financing the project. Meanwhile, support from CIDA to MI's South Asia Program helped the Government of India to secure \$200 million of additional World Bank funds. Support from CIDA to the Micronutrient Initiative's Global Vitamin A project increased national capacities to monitor and plan vitamin A activities, strengthened delivery systems, increased coverage of vitamin A capsule distribution and resulted in valuable lessons learned with respect to involving community organizations in vitamin A interventions. CIDA/MFA support to MI research and development activities has resulted in positive preliminary results of the fortification of micronutrients in food, such as iodine and iron in salt. Increasing the intake of vitamin A and

other micronutrients has saved the lives of thousands -- especially children and pregnant women -- throughout the world.

Women in Development and Gender Equity (WID&GE)

Expected result: Improved implementation of gender equity policies by multilateral development institutions.

- ... Gender has been integrated into all of the activities of the Commonwealth Secretariat. And the Commonwealth for Technical Cooperation (CFTC) has enhanced its efforts to target women, both as beneficiaries of CFTC programs and as providers of technical expertise.
- ... The existing AsDB policy on WID&GE is being revised to reflect the Bank's expanding role and operational agenda in this area. Meanwhile the UNFPA retains a very high representation of women on its staff (48 percent of the professional category and 36 percent of senior managers). However, UNFPA is experiencing difficulty translating its WID&GE policies into programming.
- ... In 1996, each of WFP's country offices and units at headquarters adopted specific action plans designed to ensure gender equality and to give women a stronger voice in local decision-making about food aid and the assets which food aid creates.

Infrastructure Services

Expected result: Contribution by Multilateral Development Banks to improved access to basic infrastructure services, particularly for women and the poor.

- ... The AfDB's infrastructure projects are increasingly devoted to improving the access of the rural poor to services (energy, water) and to markets (transport). Therefore, poverty alleviation, already an overriding objective of the Bank, is reflected more and more in the infrastructure field. Similarly, the WFP's food-for-work activities, which are oriented towards infrastructure, are automatically targeted to the poorest segments of the population. Often, they are specifically designed to reach women. These programs are aimed at building and/or maintaining small-scale infrastructures, such as rural roads, watersheds and small irrigation schemes.

Human Rights, Democracy, Good Governance (HRDGG)

Expected result: Relevant MDIs adopt policies on human rights, democracy, and good governance.

- ... The AsDB has established a separate Governance Unit to coordinate implementation of its Governance Policy. This move is related to the expansion, during 1996, of the Bank's efforts to promote good governance and capacity building. About 65 percent of projects included components in support of these two priorities. Also, individual AsDB members are showing an increasing interest in using bank loans and technical assistance grants in the area of governance.
- ... The UNDP has increased its involvement in good governance. In several countries, it has the lead in donor coordination on governance issues. Since 1994, it has allocated 32 percent of its core resources to governance programming. Recent examples of UNDP activities in the area of governance include technical cooperation to strengthen the parliament and judiciary in Moldova and Peru, support to the electoral process in Bangladesh and Tanzania and assistance to national ombudsmen in El Salvador and Guatemala.

Private Sector Development (PSD)

Expected result: More effective support by relevant MDIs for private-sector development.

- ... AsDB loans to the private sector doubled between 1995 and 1996. Meanwhile, the IADB helped to modernize, strengthen and integrate the Latin American financial markets. The Bank also supported efforts to combat financial crime. And the Caribbean Development Bank (CDB) took steps toward developing a private-sector policy.
- ... The International Trade Centre is developing an integrated technical assistance program to enable private enterprises in least developed countries (LLDCs) to adjust to the trade regime which exists after the Uruguay Round. This initiative, done in cooperation with World Trade Organization (WTO) and United Nations Conference on Trade and Development (UNCTAD), is also helping the LLDCs to improve their export and import operations.

Environment

Expected result: Strengthened environmental programming and consideration of environmental sustainability in all programming by relevant MDIs.

- ... In 1996, the number of AsDB projects aimed at the environment as the primary objective increased from 8 percent to 11 percent. The Bank's emphasis on environment is having a positive impact, with some innovative new approaches and projects being undertaken, for example, in China, India and Indonesia.
- ... The World Bank and IFAD are laying the basis for a joint, pilot Global Environment Facility (GEF) program to help dryland countries control land degradation and alleviate rural poverty. The program will also help these countries to address global environmental objectives. UNDP has identified environmental programming as a priority area. In collaboration with other donors, UNDP supported 43 countries in the implementation of the International Convention to Combat Desertification.

CANADIAN PARTNERSHIP

OBJECTIVE

P The objective of this program is 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

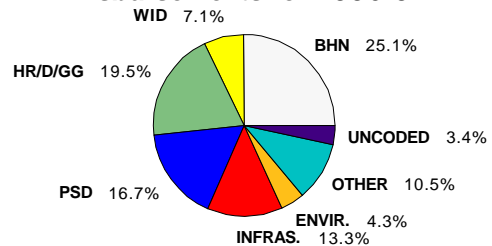
CIDA's Canadian Partnership Program allows the Agency to continue a tradition of involving a wide spectrum of the population in Canada's international development endeavors. Indeed, Canadian Partnership funding is provided in response to proposals initiated by Canadian organizations and businesses. This recognizes the fact that even before government became fully engaged in development cooperation, churches, universities and other non-governmental bodies were active participants in the process.

Such involvement becomes more rather than less crucial as countries in the developing world increasingly need skills and know-how which reside more in these groups than in the public sector. Skills, know-how and partnerships become increasingly the major currency through which this country can continue to make an impact in the realm of international development.

During the year under review, relations with voluntary sector organizations were strengthened, and an important Foreign Policy commitment was met, with the completion of a *Framework for a Renewed Relationship*. Over 500 organizations across the country contributed to this new Framework. This is a living document that outlines principles which guide the work that CIDA and Canadian voluntary organizations will undertake together to promote sustainable development in a fast-changing world. The Framework outlines the ways and means required to meet emerging challenges such as rapidly evolving technology, globalization and the growth of an international civil society.

At any one time, the Canadian Partnership Branch manages relationships with hundreds of Canadian groups from all walks of society. In 1996-97, the Branch had 417 non-profit organizations and 599 for-profit partners on its books. Through the INC program, private-sector partners play a major role in the promotion of equity with growth. Non-government organizations, universities, colleges, professional associations and unions remain central to the program's poverty alleviation efforts. They do so through grassroots interventions; transfer of Canadian technology and know-how to achieve institutional strengthening; and human rights and democratic development activities. The program is also working with youth both in Canada and in developing countries to secure a place in the development field for a new generation of leaders.

Canadian Partnership ODA Disbursements for 1996-97



SOME EXPECTATIONS AND ACHIEVEMENTS

Basic Human Needs (BHN)

Expected Result: Increased capacity of vulnerable groups to meet their basic needs through support for the initiatives of Canadian partners.

... More than 360,000 children and families in 15 countries experienced increased literacy and improved health and nutrition through Foster Parents Plan Canada. For example, incomes increased and health improved for nearly 150,000 families in Thailand, Sierra Leone and the Guineas through projects which developed animal husbandry, fisheries, grain cultivation and storage. These projects are part of a three-year \$15.6 million program

AT A GLANCE

f In just one country, Bolivia, the microcredit program developed by Calmeadow, a Toronto-based NGO, has helped more than 140,000 entrepreneurs start their own small businesses. Calmeadow expects that within five years over 300,000 Bolivians will have been helped to create jobs through access to business credit and other services.

f The Calmeadow program supports six investment corporations in Bangladesh, Bolivia, the Philippines and South Africa. It also supports the Microfinance Network, a global association of leading microfinance practitioners.

to which both CIDA and Foster Parents Plan Canada are contributing. During the year under review, CIDA contributed \$2.6 million and Foster Parents Plan Canada provided \$653,750.

... In India, 98 percent of the potable water systems constructed during the past 15 years by the CIDA-funded organization SOPAR and its Southern partner Bala Vikasa continue to provide safe drinking water for more than 16,000 people in over 150 villages. In 1996-97, this program invested in another 13 projects benefiting 51 villages. Meanwhile, 4,500 people living in rural Uganda received access to clean water after an \$83,000 contribution enabled the NGO African Community Technical Service to extend pipelines. There is strong community 'ownership' for the improved service; a local water committee is helping to maintain the water source.

... Over 86,000 people had their sight restored and more than 17,500 received preventive surgery through the activities of Operation Eyesight Universal. Altogether over two million adults and children were examined or treated in 10 countries including Bangladesh, India, Pakistan, Peru and Zambia. During 1996-97, CIDA contributed \$1.4 million towards these activities.

Women in Development and Gender Equity (WID&GE)

Expected result: Increased ability of government institutions, NGOs, women's groups and organizations to reflect and promote gender equity considerations in their policies and activities.

... A number of Canadian universities and Southern educational institutions have been working together to reinforce the ability of developing country partners to support the full participation of women in the development of their societies. For example, Indonesia's first graduate-level Women's Studies program resulted from a joint project of Newfoundland's Memorial University and Universitas Indonesia. The project, with the help of a CIDA contribution of \$700,000 over a five-year period, also trained professors, developed a new interdisciplinary curriculum and teaching materials and set up a Women's Studies library. About 100 students from all regions of Indonesia have enrolled in the MA program.

Infrastructure Services (PSD)

Expected result: Provision of sustainable infrastructure services through the international activities of Canadian organizations.

- ... A small training grant from CIDA led to a contract for 40,000 telephone lines in Thailand. This contract, in turn, led to the creation of more than 100 manufacturing jobs in Canada. SR Telecom provided telephone service to thousands of people living in isolated rural towns and villages. It did so using a microwave technology which is simpler, more economical and more friendly to the environment than conventional cable loop networks which require many poles and cables. CIDA contributed \$477,000. Additional equipment orders brought the company total sales of \$81 million.
- ... More time for work and study was among the spin-offs when 2,300 families in Ecuador and El Salvador hooked their homes up to electricity during 1996-97 through Foster Parents Plan programming. The families were also better able to conserve trees which would otherwise have been burnt to provide light.

Human Rights, Democracy, Good Governance

Expected result: Strengthened capacity of developing country institutions - governmental and non-governmental - to promote human rights, democracy and good governance. Expanded popular participation in public life in developing countries.

- ... The governments and peoples of Cambodia, Malawi, Nicaragua and Vietnam took concrete steps in 1996-97 to implement the international Convention on the Rights of the Child. They were assisted in their efforts by UNICEF Canada's human rights program. In Vietnam, for example, the program was instrumental in guiding reform of the criminal code and national legislation to comply with the Convention.
- ... The Marine Scholarship Program has improved the ability of 50 partner countries to manage their marine resources. An impact study revealed that over 90 percent of former scholarship holders returned to their countries and to their former jobs. Many had significantly increased responsibilities and some were promoted. The percentage of women benefiting from scholarships in this traditionally male dominated sector was increased to 28 in 1996-97.

Private Sector Development

Expected result: Private-sector development that promotes sustainable development. Increased Canadian investment in the private sector in developing countries.

- ... Programming by Canadian cooperatives continued to help strengthen the effectiveness of cooperatives in 24 developing countries -- mainly in the agricultural, forestry, housing and finance sectors. These cooperatives assisted 300,000 farmers to gain access to credit, improve their cultivation methods and work together for their mutual benefit.
- ... A joint venture between Vancouver-based Chemposite and LYK Company in Zhongshan, China has created, as of 1996-97, 80 new jobs in China and 25 in Canada. The enterprise produces reinforced plastic products. This development has resulted in improved living standards for the workers' families as well as long-term income security; a pension plan exists at the plant. Labour relations are excellent. Workplace health and safety is monitored. There were **309 injury-free days out of a total of 313** in 1996.

Environment

Expected result: Increased ability of developing countries to implement environmentally sound development activities, and to manage environmental and natural resources in a sustainable manner.

... Some 100,000 Chinese engineers will be more environmentally alert following the adoption of a complete set of 'Canadian standard' environmental guidelines for civil engineering. Also engineering students at two Chinese universities will study curricula modified to include environmental concerns. Meanwhile, in Chile, a gas pipeline was re-routed away from a protected area and monetary compensation awarded for environmental damage to property as a result of the enhanced impact of Southern NGO partners on policy and legislation

POLICY

OBJECTIVE

P The objective of Policy Branch is to develop and recommend policies, expert advice and strategic plans in the area of sustainable development and to provide development information resources to CIDA.

PUTTING IT IN CONTEXT

Policy Branch provides advice, information and briefing materials on policy matters and strategic issues to the Minister, CIDA and other government departments. Through its contacts with other government departments, Policy Branch representatives seek to promote greater coherence in the range of policies affecting development cooperation and recipient countries. Policy Branch participation in government-wide exercises - such as the Assistant Deputy Ministers' Policy Research Committee - also helps it to bring development perspectives to bear on the work of government as a whole. The Branch develops and maintains the policy framework required to support CIDA's mandate and its six program priorities, within the context of Canada's broader foreign policy objectives and interests. The Branch monitors new issues and trends in development assistance - such as peacebuilding, military spending and child labour - and prepares strategy or discussion papers on them as required. Policy Branch also takes the lead on the management of the International Assistance Envelope and allocations on behalf of CIDA.

Policy Branch provides specialised expertise on scientific and technical matters to other Agency branches. Specialists in a number of areas represent CIDA in discussions with other government departments and in national and international fora. In certain cases - e.g., environmental assessment - Branch experts verify Agency compliance with legislation. The Branch also manages consultations on policy matters with special interest groups and the general public.

Policy Branch houses the Agency's library and document collections, as well as numerous national and international databases, and produces corporate information required to meet national and international responsibilities for reporting on ODA expenditures.

At the international level, Policy Branch seeks to improve the coordination of Canadian development policies with those of other donor countries - for example, through the DAC. Policy Branch also helps to represent Canada's interests in international fora - such as the UN, the Commonwealth and la Francophonie - and verifies that international commitments undertaken by this country are reflected in Canadian development policies.

SOME EXPECTATIONS AND ACHIEVEMENTS

Expected result: Elaborating the details of the existing policy framework and putting in place effective mechanisms for monitoring and reporting on it.

- ... A Basic Human Needs policy was approved by the Minister. This policy was developed in extensive consultation with Canadian and international partners and will be used to inform and guide programming for this key program priority.
- ... A Health strategy was approved by the Minister. It too was developed with extensive consultations with Canada's development partners and other government departments. It has been widely circulated within the Agency and within the broader development and governmental community.

... Guidelines were developed for a number of themes and sectors that are crucial to development programming. This includes women in development and gender equity, legal/judicial programming, forestry and microenterprise.

AT A GLANCE

Peacebuilding is a relatively new area for Canadian development programming, but one of increasing activity:

- { In recent years CIDA has undertaken programs that specifically reflect peacebuilding priorities in Guatemala, Rwanda and Burundi, Bosnia-Herzegovina, Mozambique, and Sri Lanka.
- { The Canada Funds for Local Initiatives help many local organizations to carry out peacebuilding-related activities in such countries as Afghanistan, Cambodia, Somalia and Sudan.
- { In April 1997, CIDA launched a Peacebuilding Fund valued at \$10 million for 1997-98. The Fund is administered by a new peacebuilding unit within the International Humanitarian Assistance Programme. The purpose of the Fund is to respond rapidly and strategically to gaps in peacebuilding programming and to serve as a catalyst for innovation.
- { In May 1977, the OECD published Guidelines on Conflict, Peace and Development Co-operation, which were prepared by its Development Assistance Committee (DAC). CIDA played a very strong role in the preparation of these guidelines and through its participation was able to ensure that they reflected Canada's interest in conflict prevention, peacebuilding and post-conflict reconstruction, including support for capacity building in landmine removal.

on the issue of child labour.

... Experts from Policy Branch provided advice and guidance to a number of other departments on a wide range of issues, including: the Department of Fisheries and Oceans on the Canada Oceans Act and the UN Commission on Sustainable Development (CSD); Agriculture Canada and Environment Canada on the plan of action for Land-based Sources of Marine Pollution; Transport Canada on amendments to the Canada Shipping Act; and DFAIT on the UN Fishery Agreement, the UN Commission on Human Rights and the CSD.

... CIDA participated in the government-wide Policy Research Committee, with Policy Branch playing the lead role. CIDA made an especially strong contribution to the work of the Global Challenges and Opportunities

... The corporate planning process has been rationalized and cooperation among Branches greatly increased. This has resulted in greater coherence among Agency plans which allows for improved and simplified reporting through the Main Estimates and Business Plan. As a result of these improvements, these documents now serve as better reference sources, including for Canada's Annual Report to the DAC.

Expected result: The effective communications of Canada's International Assistance policies within the Agency, in other government departments and in both the domestic and international development communities.

... CIDA played a major role in preparing Canada's position for the 1997 G7 summit in Denver, which had a strong focus on development issues - particularly those affecting Africa. This is the third G7 summit where development issues were a critical part of the agenda. Development cooperation will also be discussed at the 1998 summit in Birmingham, England, and CIDA is now contributing to Canada's preparations for that meeting.

... Policy Branch played a key role in organizing and providing input into the President's Forums on best practices. These meetings brought together staff to share program experiences and lessons learned that could be used to inform ongoing and future CIDA programming.

... The Branch led in the organization of a national workshop on child labour, which brought together more than 100 Canadian NGOs, as well as other groups and individuals interested in children's rights issues. This workshop led to a preparatory donors' conference on child labour in Canada in September. At that meeting, donor countries discussed the October 1977 Oslo Conference, which is expected to draw up an Agenda for Action

sub-Committee. CIDA's contributions were singled out for praise by the sub-Committee co-chairs and had an important influence over its Interim report.

- ... Policy Branch provided training to Agency staff in such areas as human rights, women in development and gender equity, and environmental assessment. For example, training in environmental assessment - which will be on-going - has been provided to about 350 CIDA project and program managers. This training incorporates a computer program (CIDA Job Aid) for navigating through the Canadian Environmental Assessment Act, available to all CIDA staff at their work stations, as well as a wide range of support materials available at CIDA headquarters and in the field to assist in compliance with the CEAA.

Expected Result: International assistance policies guide CIDA's programs, influence relevant Canadian government policies and influence the international agenda.

- ... CIDA, with Policy Branch lead, worked in close partnerships with several government departments to influence the policies of a number of influential international organizations, including the DAC, CGIAR, UNDP, UNICEF, UNFPA, the WHO and the World Bank.
- ... Policy Branch provided key Canadian input into a number of international conferences and consultations. In addition to the World Food Summit, these included forums on corruption, the sexual exploitation of children, HIV/AIDS, education for girls and women, water supply and sanitation, sustainable development and the Nile Basin initiative.

Expected Result: Identifying and addressing emerging strategic issues affecting Canada's relations with developing countries and countries in transition.

- ... CIDA played a strong role in DAC discussions of peace and conflict issues and was able to ensure that the *Guidelines on Conflict, Peace and Development Co-operation*, published by the OECD in May 1997, reflected Canada's interest in conflict prevention, peacebuilding and post-conflict reconstruction, including support for capacity building in landmine removal.

COMMUNICATIONS

OBJECTIVE

P The objective of the Communications Branch is to raise Canadians' awareness of, and support for, development assistance.

PUTTING IT IN CONTEXT

It is the responsibility of the Communications Branch to assist the Agency in providing timely, accurate and relevant information about CIDA and the aid program. The Branch provides communications support to the Minister, Secretaries of State and key CIDA spokespersons and manages the Agency's corporate communications activities. In addition, through the Development Information Program (DIP), the Branch supports communications initiatives proposed and carried out by partner organizations.

SOME EXPECTATIONS AND ACHIEVEMENTS

Expected result: Providing communications support to the Minister, Secretaries of State and key CIDA spokespersons.

... Communications Branch prepared 185 briefing books and 259 speeches to assist the Minister, the Secretaries of State and CIDA officials in delivering development messages to Canadians during specific events. These included Minister Pettigrew's cross-Canada consultation with partners and stakeholders; donors' meetings on Burundi and Rwanda, held in Geneva and Kigali; meetings with non-governmental organizations and university officials; as well as many project announcements with partners.

Expected result: Showing key publics that CIDA is an effective aid agency with a clear mandate and programming priorities.

... Two new initiatives were successfully undertaken to increase CIDA's outreach capabilities. Through the Speakers' Program, some 50 events brought CIDA's Vice-Presidents in contact with community leaders in many parts of the country. Through the Regional Announcements Program, media events with local partners and Members of Parliament were organized in more than a dozen communities to highlight development projects. Based on the success of these initiatives, both programs will be expanded next year.

... There was an improvement in both the frequency and utility of information provided to parliamentarians; they were kept informed of CIDA's activities through newsletters and mailings. A parliamentary breakfast on how to help companies do business in developing countries was attended by some 60 participants and was well received.

... The Branch responded to more than 500 information requests from journalists and 73,000 requests for information from the general public and distributed more than 620,000 publications. To further facilitate access to CIDA, a 1-800 number was established and CIDA's presence on the Internet was expanded.

Expected result: Promoting greater awareness among key publics about Canada's role and contributions in addressing international development challenges.

- ... Canadians were provided with timely and relevant information. Development stories were featured in *Le Match de la Vie*, *Man Alive* and *Homemakers/Madame au Foyer*. Youth audiences were reached through such popular media as *Les Débrouillards* magazine and co-productions with YTV.
- ... In partnership with NGOs, broadcasters and producers, the Development Information Program reached some seven million Canadians with film, video and print co-productions during 1996-97.

Expected result: Strengthening communications co-operation with partners.

- ... During 1996-97, a more diversified and unified network of 19 organizations worked together to raise awareness of development issues during International Development Week (IDW). A number of communications products, including television vignettes, were produced.
- ... A new initiative, *Partners in Communications*, encourages partners to undertake activities at the community level. A communications guide was produced in consultation with some 50 partners to provide useful information on how to organize communications activities. Training sessions based on the guide will be conducted in the fall of 1997.

CORPORATE SERVICES

OBJECTIVE

P The objective of the Corporate Services activity is 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.

PUTTING IT IN CONTEXT

The work of Corporate Services is to provide the Agency with support services that are not specific to any individual channel of program delivery within a business line. These services are rendered by the Agency Executive, the Personnel and Administration Branch and the Corporate Management Branch. The costs of these services and initiatives are classified as indirect administration, as opposed to direct administration which can easily be identified with a particular channel of delivery. (See figure 5 on page 11 for information on operating costs. Further details on channels of delivery can be found in figure 2, page 5 of the 1997-98 Estimates Part III.)

SOME EXPECTATIONS AND ACHIEVEMENTS

PERSONNEL AND ADMINISTRATION

Expected results: Strengthening the Agency's strategic management of human resources. Empowering CIDA managers with increased decision-making authority. Improving the delivery of personnel and administrative services at the least cost to the Agency.

- ... To strengthen certain aspects of human resources management and to implement renewal, the Branch focused its efforts on recruitment/succession planning, continuous learning, the implementation of an improved upward feedback process, employment equity and the development of competency profiles for each job family -- or each set of related job functions -- at CIDA.
- ... Twenty new graduate-level development officers were hired in September 1996 and the next cycle relaunched aiming to hire more by the spring of 1997. Over the past three years, 372 staff members (about 100 in 1996-97) participated in a Leadership Challenge Program designed to help and encourage staff to increase their self-confidence, initiative and sense of empowerment as well as their ability to manage subordinates. A new Continuous Learning Policy was adopted. A second CIDA employee survey was conducted in June 1996. Among other things, it revealed progress made as a result of recent human resources management initiatives.
- ... The Employment Equity Program at CIDA made consistent progress towards increasing the representation of designated groups. As required by the new Employment Equity Act, the development of the triennial action plan (for 1998-2001) was initiated. It is to be presented to the Treasury Board in the spring of 1998.
- ... To further empower managers, consultations and development work were carried out on a delegation project focusing on personnel issues. The Executive Committee has approved the project in principle and will be approving guidelines for each discipline.

CORPORATE MANAGEMENT

Expected results: Strengthening the Agency's system and capacities related to performance measurement and to both internal and external reporting. Contributing to the strengthening of CIDA's partnership.

- ... Results-Based Management (RBM) training sessions have resulted in increased staff awareness, understanding and skills in identifying expected results, selecting performance indicators, assessing risk, as well as collecting and using performance information to manage for results. Program and project documents increasingly reflect a more results-oriented approach to management.
- ... CIDA continues to take advantage of all opportunities to improve the quality of its reporting to Parliament and to the general public. An example of such effort is the new approach taken to the preparation of the Part III of the 1997-98 Estimates.
- ... In consultation with CIDA partners: (1) Significant changes have been made to CIDA's contracting process, improving the Agency's relations with Canadian suppliers and stakeholders. (2) Discussions have been held concerning competition between for-profit and not-for-profit sectors. As a result, a 15-month pilot project has been initiated and a regular series of follow-up meetings have been planned through 1997-98.
- ... **Accountability** structures throughout the Agency are now better defined and strengthened. The Planning, Reporting and Accountability Structure (PRAS) was approved by the Treasury Board and work has started on a new statement of accountability.

AWARDS TO CIDA

- f** CIDA is the first recipient of the Population Institute's Global Conscience Award. The award, one of many received by the Agency, was presented at a ceremony at the Canadian Embassy in Washington by Bruce Halliday, a former Canadian Member of Parliament and member of the Institute's Board of Directors. Institute President Werner Fornos said CIDA was chosen in recognition of its efforts to deal with threats to society such as population growth, environmental degradation, inequalities and inequities between men and women, disease and the growing gap between rich and poor.
- f** A training project developed and implemented last year earned CIDA a silver medal at the recent Technology in Government Week. The project was one of 25 awarded medals from among more than 150 entries. The awards salute federal projects which show leadership and achievement in applying information technology to the challenge of government service renewal. The CIDA project was recognized for its ability to provide the technology and information needed to support decision-making under the Canadian Environmental Assessment Act.

C. Key Reviews

Performance reviews at CIDA provide independent and objective advice to management on the success, the cost effectiveness and, within the policy framework of the institution, the continued relevance of key policies, programs and projects. These reviews also provide advice on the effectiveness of management systems, processes and practices. During the 1996-97 fiscal year, the Agency completed several initiatives related to review and performance measurement. Several others were initiated and are at varying stages of completion.

COMPLETED REVIEWS

WID&GE Performance Review : This is a corporate review of CIDA's investments in WID&GE amount to approximately 3.2 percent of the Agency's disbursements in financial year 1995-96.

The Review consisted of five separate studies: (i) Audit Component - Preliminary Survey; (ii) Best Practices; (iii) Survey of Southern Women; (iv) Methods on Impact Evaluation; and (v) Implementation of WID&GE and Follow-up to the 1992 WID Evaluation. The studies utilized evidence from past evaluations and audits by CIDA and other donors as well as evaluations conducted expressly for the purposes of the Review. An external Reference Panel provided advice and input to the Review.

The findings from the review confirmed that CIDA's approach to the implementation of its WID&GE policy has been in the right direction:

- ... CIDA's current WID&GE policy (1995) is consistent with Canada's domestic gender-equity objectives, and reflects refinements to CIDA's programming, its experience, and emerging developments in the area.
- ... CIDA has developed a strong reputation in WID&GE programming among donors, and exerted a significant influence on the gender policies and practices of its many partner organizations.

... Many CIDA initiatives have had a positive impact on the lives of women and on gender equity relations in developing countries. These initiatives range from policy initiatives in national and multilateral fora to projects targeted at women.

... There were significant gains in the proportion of women receiving student awards in CIDA programming. For example, the proportion of student awards granted to women increased from 20 percent in 1986 to 40 percent in 1994.

The review also identified actions which could lead to further enhancements of its programs in this area. These actions are related to and consistent with the government's recent thrust in introducing results-based management. They include planning and setting more measurable WID&GE targets, and more explicitly reporting and accounting for results.

Audit of Workforce Adjustment (WFA): This internal audit reviewed the management framework established by CIDA to ensure that the Work Force Adjustment program was implemented cost-effectively and complied with government policy and directives.

The findings from the audit indicate that CIDA set up and operationalized an appropriate administrative infrastructure to manage work force adjustment activities under Program Review 1; however, the Agency needs to closely monitor the pay back situation to ensure that it continues to comply with Treasury Board guidelines.

The audit report was completed and management comments obtained. The report is now ready for presentation to the Executive Committee of CIDA.

CIDA's Follow-up to the Auditor General's 1993 and 1994 Reports: As a follow-up to the Auditor General's 1993 Report, a second self-assessment by the Agency was completed and published in the Auditor General's Report of November 1996. The self-assessment, titled *Improving Development Effectiveness: Building CIDA's Results Measurement System*, outlined the Agency's improvements in implementing a results-based management system. It reported on the design of a bilateral project performance review system including the development of a Framework of

Results and Success Factors for assessing bilateral projects.

The 1996 Report also contains a *Follow-up of the Auditor General's 1994 Report on Technical Assistance Contributions to Central and Eastern Europe and the Former Soviet Union*.

Comments by the Office of the Auditor General on the self-assessment indicate that it was well received. The third and final phase of the follow-up to the 1993 audit consisting of an audit by the Office is scheduled to start in the Fall of 1997.

REVIEWS IN PROGRESS

BHN Review: BHN accounted for approximately 37.0 percent of the Agency's disbursements in fiscal year 1995-96. The focus of the Review will be in the areas of health, integrated basis human needs, international humanitarian assistance and policy dialogues to influence developing countries and multilateral institutions.

The review is well under way and will ultimately consist of about 20 new programmes and project evaluations and 9 other studies. Products completed and disseminated to date include a profile of CIDA's expenditures in the area of BHN, and a literature survey including a synthesis of past reviews in this area and the experiences of other donors.

The review is expected to be completed in the Summer of 1998. The review process includes an external advisory panel.

Food Aid Review: This Review is assessing the effectiveness of food aid both as a development instrument and as emergency assistance, within the broader context of promoting food security and nutrition in developing countries. It consists of 14 evaluations and 8 other studies. Products to date include a profile of CIDA's food aid investments, and a report on lessons learned from the implementation of food aid which have been disseminated.

The review is scheduled for completion in the Fall of 1997. The review process includes an external advisory panel.

Infrastructure Services [Energy; telecommunications and information; transportation; water, irrigation and sanitation]: This is a corporate review of CIDA's investments in the area of Infrastructure Services, one of the six programming priorities, which accounted for roughly 13.6 percent of the Agency's disbursements in fiscal year 1995-96. The review is at the planning stage and scheduled to start in Fall 1997.

Preliminary work to date includes preparation of a profile of Bilateral Infrastructure Expenditures between 1972 and 1996; a literature review; a report on lessons learned from existing project evaluations; and the design and testing of a performance measurement framework for assessing the contribution of information technologies in development activities.

Aid Review by the DAC: The Development Assistance Committee (DAC) of the OECD is carrying out its triennial review of Canada's Aid Program this year. The Netherlands and New Zealand are the examining countries. The final report is expected to be published in early 1998.

Information Technology Survey: This preliminary survey of Information Management (IM) and Information Technology (IT) is in process to assess strengths and weaknesses in the accountability and governance structure for IM/IT, in the planning and implementation of IM/IT Agency-wide, and in co-ordination of IM/IT activities at a corporate level, between branches, and between Head Office and the field. This survey complements the Agency's ongoing IM/IT renewal efforts.

Audit of the Haiti Program : This results-based audit of CIDA's development assistance program in Haiti was carried out to examine development and management performance at the country program and project levels. The audit is presently at the reporting stage.

Audit of Implementation of RBM in CIDA: This internal audit is assessing the status of the implementation of RBM in CIDA and will report on the accomplishments and their sustainability. The audit will also assess whether controls are reasonable to ensure the reliability and accuracy of the performance information that is reported, as part of the Agency's accountability obligations.

SECTION IV: SUPPLEMENTARY INFORMATION

AUTHORITIES FOR 1996-97 - PART II OF THE ESTIMATES

Figure 9: Financial Requirements by Authority

Vote	(thousands of dollars)	1996-97 Main Estimates	1996-97 Actuals
Canadian International Development Agency			
Budgetary			
15	Operating expenditures	97,879	100,093
20	Grants and contributions	1,576,566	1,557,718
21	Forgiveness of certain debts and obligations		20,143
(S)	Minister for International Cooperation - Salary and motor car allowance	49	48
(S)	Payments to the International Financial Institution Funds Accounts	146,200	161,604
(S)	Contributions to employee benefit plans	9,595	9,866
(S)	Spending of proceeds from the disposal of surplus Crown assets		21
(S)	Collection Agency fees		1
Total Budgetary		1,830,289	1,849,494
Non-budgetary			
L25	Issuance of notes to the International Financial Institution Fund Accounts		51,990
L30	Payment and issuance of notes to International Financial Institutions-capital subscriptions	3,020	13,188
(S)	Payments to International Financial Institutions-Capital Subscriptions	8,182	4,943
Total Non-budgetary		11,202	70,121
Total Agency		1,841,491	1,919,615

PERFORMANCE REPORT FTE - 1996-97

Explanation of the 1996-97 Actual: The difference of 41 FTEs, or 3.4 percent, between 1996-97 actual utilization and the *Main Estimates* requirements of 1,217 FTEs, is due primarily to delays in staffing actions and in the external recruitment and hiring of new Aid development personnel.

Figure 10: Personnel Requirements (FTE) by Business Line (1)

	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Actuals 1996-97	Main Estimates 1996-97
Geographic Programs	446	549	510	503	525
Multilateral Programs	60	62	58	55	55
Canadian Partnership	155	151	136	144	145
Countries in Transition (2)			68	77	77
Communications	39	35	35	33	39
Policy	85	85	74	77	76
Corporate Services	341	322	285	287	300
	1,126	1,204	1,166	1,176	1,217

1. Full-time equivalent(FTE) is a measure of human resource consumption based on average levels of employment. FTE factors out the length of time that an employee works during each week by calculating the rate of assigned hours of work over scheduled hours of work. FTEs are not subject to Treasury Board control but are disclosed in Part III of the *Estimates* in support of personnel expenditure requirements specified in the *Estimates*.
2. This program was transferred from DFAIT to CIDA in 1995-96.

Figure 11: Summary by Professional Category (FTEs)

	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Actuals 1996-97	Main Estimates 1996-97
OIC Appointment	1	1	1	1	1
Executive	73	93	91	89	92
Scientific and Professional	113	109	104	104	117
Administrative and Foreign Services	603	691	680	699	713
Technical	12	12	11	14	12
Administrative Support	322	296	278	268	280
Operational	2	2	1	1	2
	1,126	1,204	1,166	1,176	1,217

Figure 12: Details of Personnel Requirements

	FTE Estimates 1996-97	FTE Actuals 1996-97	1996-97 Salary Range	1996-97 Average Salary Provision
OIC Appointment	1	1	117,000-170,500	
Executive	92	89	63,300-128,900	84,353
Scientific and Professional				
Agriculture	11	8	20,970-70,898	68,426
Economics, Sociology and Statistics	32	30	20,600-87,241	65,976
Education	10	7	19,270-74,268	61,920
Engineering and Land Survey	37	33	29,722-80,521	71,643
Forestry	5	5	21,217-73,648	65,928
Physical Sciences	16	16	23,056-79,045	64,268
Other	6	5	-	82,149
Administrative and Foreign Services				
Administrative Services	125	125	17,994-75,002	47,415
Commerce	33	28	19,263-79,497	65,861
Computer Systems Administration	19	19	24,060-78,759	54,665
Financial Administration	48	46	15,981-71,883	56,540
Foreign Services	32	17	32,945-65,225	59,418
Information Services	31	29	17,849-67,814	56,075
Management trainee	7	10	29,562-50,388	37,790
Organization and Methods	5	5	17,635-72,700	51,298
Personnel Administration	29	32	16,882-69,291	48,107
Program Administration	342	344	17,994-75,002	57,314
Purchasing and Supply	42	44	16,781-72,700	51,425
Technical				
Drafting and Illustration	2	2	20,448-52,986	36,351
Social Science Support	7	9	16,608-75,927	39,535
Other	3	3	-	46,699
Administrative Support				
Clerical and Regulatory	166	164	16,999-41,724	31,500 *
Data Processing			17,680-48,804	
Secretarial, Stenographic and Typing	114	104	16,847-41,991	30,730 *
Operational				
General Services	2	1	17,489-53,544	28,327
	1,217	1,176		

* The average salary includes equal pay.

Note: The Current Salary Range column shows the salary ranges by occupational group on October 1, 1996. The Average Salary column reflects the estimated base salary costs including allowance for collective agreements, annual increments, promotions and merit pay. Year-to-year comparison of averages may be affected by changes in the distribution of the components underlying the calculations.

TRANSFER PAYMENTS

Figure 13: Transfer Payments by Business Line

(millions of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Main Estimates 1996-97	Actuals 1996-97
Grants:					
Geographic					4.0
Multilateral	387.6	379.5	301.7	303.3	292.7
Canadian Partnership	108.0	87.6	66.8	133.9	76.8
Countries in Transition			0.3	0.3	
Corporate Services	5.0	5.0	5.0	5.0	5.0
Total Grants	500.6	472.1	373.8	442.5	378.5
Contributions:					
Geographic	789.5	746.4	719.0	734.7	720.2
Multilateral	190.3	188.4	163.3	146.5	154.5
Canadian Partnership	236.9	255.2	206.1	148.2	204.1
Countries in Transition			89.0	100.8	97.4
Communications	4.4	4.7	2.3	3.9	3.0
Total Contributions:	1,221.1	1,194.7	1,179.7	1,134.1	1,179.2
Other Transfer Payments:					
(S) Multilateral Programs	168.4	336.5	152.7	146.2	161.6
Total Other Transfer Payments	168.4	336.5	152.7	146.2	161.6
Total Transfer Payments	1,890.1	2,003.3	1,706.2	1,722.8	1,719.3

GRANTS AND CONTRIBUTIONS

CIDA grants, contributions and other transfer payments of \$1,727.3 million, including non-budgetary expenditures, account for 92.9 percent of CIDA's program expenditures. Further information is given below.

Figure 14: Details of Grants and Contributions

(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Estimates 1996-97	Actuals 1996-97
Grants					
Grants for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union	0	0	250	250	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	165,335	146,638	128,574	122,087	124,605
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	140,196	130,779	99,722	107,593	98,558
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	82,052	102,097	73,356	73,658	73,501
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 cooperation 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	95,426	77,987	58,195	123,952	67,237
Grant to the North South Institute	1,000	1,000	1,000	1,000	1,000
Development assistance as education and training for individuals and for special program and project expenses directly related thereto	11,556	8,600	7,640	8,900	8,605
Grant to the International Centre for Human Rights and Democratic Development	5,000	5,000	5,000	5,000	5,000
Total Grants	500,565	472,101	373,737	442,440	378,506

Figure 14: Details of Grants and Contributions (cont'd)

(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Estimates 1996-97	Actuals 1996-97
<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	789,511	746,409	719,025	734,718	720,242
Contributions for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union	0	0	89,011	100,775	97,361
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	100	188	165	100	705
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	48,849	53,782	26,618	100	66,279
Contribution to the Inter-American Development Bank	2,414	2,513	2,392	2,600	2,343
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	130,378	128,286	134,048	143,597	84,741
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	8,581	3,619	100	100	415

Figure 14: Details of Grants and Contributions (cont'd)

(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Estimates 1996-97	Actuals 1996-97
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 cooperation 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	164,106	184,597	138,631	83,301	143,959
Incentives to Canadian, international and developing country private investors, institutions, organizations, and governments in support of industrial cooperation programs, projects and activities as well as special program and project expenses directly related thereto	72,829	70,631	67,457	64,956	60,148
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor governments and institutions in support of the development information program involving the production and dissemination of development information, educational materials and related activities	4,379	4,726	2,310	3,879	3,017
Total Contributions	1,221,147	1,194,751	1,179,757	1,134,126	1,179,211
<u>Other Transfer Payments *</u>					
(S) Encashment of notes issued to the development assistance funds of the international financial institutions in accordance with the <i>International Development (Financial Institutions) Assistance Act</i>	168,400	336,495	152,702	146,200	161,604
Total Other Transfer Payments	168,400	336,495	152,702	146,200	161,604
Total	1,890,112	2,003,347	1,706,196	1,722,766	1,719,321

* Other Transfer Payments exclude non-budgetary estimated expenditures of \$11.2 million and actual expenditures of \$8.0 million in 1996-97.

INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs) AND INSTRUMENTS

The IFIs are comprised of the following institutions: the Bretton Woods institutions; the four Regional Development Banks (African, Asian, Inter-American and Caribbean); and other development institutions (such as the IFAD, GEF and the Montreal Protocol).

Ordinary Capital Resources: The IFIs' main instruments (with the exception of the International Monetary Fund) for carrying out their lending programs are the Ordinary Capital Resources (OCR), the concessional funds of the Bank, and technical assistance funds. Member countries subscribe to the shares of the ordinary capital of the IFIs, providing both paid-in capital (in the form of cash or demand notes) and callable capital. Callable capital, which represents the vast bulk of IFI share capital, is composed of resources that are not paid to the IFIs but, in essence, act as a "guarantee" to allow the banks to issue bonds on international capital markets to finance their lending programs. Callable capital, which has never been drawn on by the banks, would only be used in extreme circumstances to repay the bonds, should the IFI liquidity and reserves not be sufficient to meet their financial obligations. Loans to developing member countries from ordinary capital resources normally are made at a rate of interest that is slightly above its costs of borrowing (i.e. market rates), but on terms far better than could be achieved if the borrower approached the market directly. Earnings from operations normally are used to finance reserves, to protect the Bank's financial status, and, in some cases, to help fund its concessional lending facility. As institutions mature and become more creditworthy on international capital markets, the proportion of paid-in to callable capital declines.

In addition to their lending programs, the IFIs possess valuable research and analytical capacities and are at the forefront of policy dialogue in areas of economic and environmental sustainability, poverty reduction and, increasingly, good governance.

The following figure provides information on CIDA's position related to Ordinary Capital Resources.

Figure 15: Ordinary Capital Resources, as of March 31, 1997

(thousands of dollars)	Paid-in Capital (1)			Callable Capital (3) (Contingent Liabilities)
	Notes issued		Notes to be issued (commitment) (2)	
	encashed	not encashed		
African Development Bank	93,622			655,352
Asian Development Bank	180,475	9,274	13,398	2,719,553
Caribbean Development Bank	16,844	4,977		67,838
Inter-American Development Bank	211,111	15,737	16,817	5,352,379
	502,052	29,988	30,215	8,795,122

Source: *Public Accounts of Canada 1996-97, Volume 1.*

1. Paid-In Capital subscriptions are made through a combination of cash payments and the issuance of non-interest bearing, non-negotiable notes payable to the organization. Canada's subscriptions to the Paid-In Capital are reported as a non-budgetary asset.
2. These amounts represent a commitment for the portion of the Paid-In Capital to be subscribed to by Canada in future years.
3. These amounts are reflected in US dollars in the annual report of each Bank. For illustrative purposes, these are shown in Canadian dollars, therefore the amount will fluctuate with the foreign exchange rate. These amounts would result in future disbursement of funds only in extreme circumstances, to repay loans should the IFI liquidity and reserves be insufficient.

Concessional Funds: More than 90 percent of Canada's payments to the Regional Development Banks (RDB) are allocated to their concessional funding windows for lending to the poorest developing countries. Lending occurs at very low interest rates, with longer grace and repayment periods. The concessional funds are normally replenished every three to four years as resources become fully committed. CIDA also administers technical assistance funds with some of the RDBs and the World Bank Group to promote Canadian development objectives in areas such as poverty reduction, the environment, and social sectors, and to support Canadian consultants seeking a commercial relationship with the IFIs.

The following figure provides information on the Agency's position related to concessional funds advanced by Canada through International Financial Institutions

Figure 16: Concessional Funds, as of March 31, 1997

(thousands of dollars)	Notes issued (1) (not encashed)	Notes (2) to be issued	Total (3)
African Development Bank	363,266	127,207	490,473
Asian Development Bank	383,245		383,245
Caribbean Development Bank	32,634	12,195	44,829
Inter-American Development Bank	9,182	9,708	18,890
International Fund for Agricultural Development	25,944		25,944
Global Environment Facility Trust Fund	67,900	37,100	105,000
	882,171	186,210	1,068,381

Source: *Public Accounts of Canada 1996-97, Volume 1*.

1. These notes represent the portion of the concessional funds advanced by Canada to these international organizations which has not yet been encashed by them. Payable on demand, these notes are encashed subject to the financial requirements of these organizations.
2. These notes represent a commitment for the portion of the concessional funds to be advanced by Canada to these organizations which will be issued as stipulated in the agreements with the IFI.
3. These amounts may vary due to fluctuation in foreign exchange rates

In 1996-97, replenishment negotiations were completed for the Seventh Replenishment of the African Development Fund (AfDF VII) and the Seventh Replenishment of the Asian Development Fund (AsDF VII), the Fourth Replenishment of the International Fund for Agricultural Development (IFAD IV) and the Second Replenishment of the Multilateral Fund for the Implementation for the Montreal Protocol (MFMP). Negotiations relating to the AfDB's Fifth General Capital Increase (GCI-V) will continue into 1997-98. The negotiation of the Fund Replenishments has been a crucial activity during this fiscal year, given the Canadian objective of reducing its contributions to meet budget constraints while at the same time maintaining policy leverage at the institutions.

BRETTON WOODS INSTITUTIONS

The Department of Finance has the lead for Canada's relationship with the Bretton Woods Institutions. CIDA's role focuses on the development aspects of the Institutions' activities. CIDA's interest is to ensure that the positions taken by Canada at the Bretton Woods Institutions reflect Canada's development objectives and strategies.

World Bank Group: This Group is composed of the International Bank for Reconstruction and Development (IBRD) and its associated institutions, the International Finance Corporation, the International Development Association and the Multilateral Investment Guaranty Agency. The World Bank Group funding is reported to Parliament through the Main Estimates of the Department of Finance.

CIDA seeks to influence the World Bank in a variety of ways. CIDA plays an increasingly large role in developing Canadian interventions at the Board on developmental policy issues and country strategies, in working directly with policy and operational counterparts at the Bank, and in reaching out to Canadians who have an interest in the Bank. Over the past few years, CIDA has concentrated on a number of Bank issues including the ongoing development and implementation of policies and programs pertaining to Poverty Reduction, Gender and Economic Development and more generally the integration of social dimensions into policy and operational work.

International Monetary Fund (IMF): The IMF funding is reported to Parliament through the Main Estimates of the Department of Finance. The Enhanced Structural Adjustment Facility of the IMF provides concessional balance of payments assistance to highly indebted less-developed countries.

FINANCIAL REQUIREMENTS BY STANDARD OBJECT

Figure 17: Details of Financial Requirements by Standard Object

(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Main Estimates 1996-97	Actuals 1996-97
Personnel					
Salaries and wages (1)	60,830	69,167	69,111	65,548	65,112
Contributions to employee benefits plans	8,121	9,353	9,086	9,595	9,866
Other personnel costs (1)	635	657	806	622	1,034
	69,586	79,177	79,003	75,765	76,012
Goods and Services					
Transportation and communications	8,585	8,839	9,032	7,912	10,578
Information	669	966	883	865	657
Professional and special services	20,564	19,396	16,121	17,361	16,488
Rentals	1,082	617	642	552	508
Purchased repairs and upkeep	1,292	1,609	1,935	1,438	1,347
Utilities, materials and supplies	1,574	1,509	1,193	1,349	1,273
Construction and/or acquisition of machinery and equipment	8,217	2,543	1,947	2,131	2,894
All other expenditures (2)	6,779	37,606	11,941	150	20,416
	48,762	73,085	43,694	31,758	54,161
Total operating	118,348	152,262	122,697	107,523	130,173
Transfer payments	1,890,112	2,003,347	1,706,196	1,722,766	1,719,321
Total budgetary expenditures	2,008,460	2,155,609	1,828,893	1,830,289	1,849,494
Non-budgetary (loans, investments and advances)	11,746	11,750	8,045	11,202	8,003
	2,020,206	2,167,359	1,836,938	1,841,491	1,857,497
Less: loan repayments (1)	(63,987)	(49,713)	(66,013)	(57,100)	(57,717)
Total expenditures - net of loan repayments (3)	1,956,219	2,117,646	1,770,925	1,784,391	1,799,780

1. The 1995-96 figures have been re-stated to reflect the corrected amounts for salaries and wages, other personnel costs and loan repayments.
2. The 1993-94, 1994-95 and 1995-96 Actuals include \$6.6 million, \$37.5 million, and \$11.9 million respectively for the forgiveness of debts owed by Latin American countries and by Egypt. The 1996-97 Actuals includes the forgiveness of debts owed by Latin American countries in the amount of \$10.6 million as a result of the Latin American Debt Conversion initiatives and by Egypt in an amount of \$9.5 million as a result of an agreement between the Paris Club and Egypt.
3. The 1996-97 non-cash requirements pertaining to capital subscriptions and advances for issuance of non-interest-bearing non-negotiable demand notes, with respect to Canada's involvement in the Regional International Financial Institutions are presented in the Estimates against Votes L25 and L30 for 1997. These items are not included in this table as it reflects only the cash requirements of the CIDA program.

CONTINGENT LIABILITIES

Figure 18: List of Contingent Liabilities

(millions of dollars)	Current amount of Contingent Liability
Claims for demurrage charges and losses	
- Zamcargo Ltd.	0.1
- Scandia Shipbrokering	0.2
Claims for damages	
- Perera and Ors	1.3
- Pakistan National Shipping Corporation	1.3
- Forage St-Lambert International Canada Inc. vs Kilborn & Associés Ltee et l'ACDI	0.8
Contract claims	
- Cyclone Engineering Sales Ltd.	0.4
Claim for breach of contract	
- Barber Water Products	0.2
Claim for general average	
- Prekookeanska Plovidba	0.8
Total	5.0 *

* This amount does not include the contingent liabilities related to the callable capital shares of the International Financial Institutions

REFERENCES

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

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