

Canadian International Development Agency

Estimates 2005–2006

Part III: Report on Plans and Priorities

Minister of International Cooperation

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Acronyms Used in the Report on Plans and Priorities

AsDB	Asian Development Bank
AsDF	Asian Development Fund
AIDS	Acquired Immunodeficiency Syndrome
CDPF	Country Development Programming Framework
CIDA	Canadian International Development Agency
CIFA	Canada Investment Fund for Africa
CIS	Commonwealth of Independent States
CUSO	Canadian University Services Overseas
DAC	Development Assistance Committee
DART	Disaster Assistance Response Team
DDR	Disarmament, Demobilization and Reintegration
DFAIT	Department of Foreign Affairs and International Trade
EA	Environmental Assessment
FTEs	Full Time Equivalents
GDF	Global Drug Facility
GEF	Global Environment Facility
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GHD	Good Humanitarian Donorship
GPEI	Global Polio Eradication Initiative
HIV	Human Immunodeficiency Virus
HRM	Human Resources Management
IAE	International Assistance Envelope
IFI	International Financial Institution
IMIE	International Mission for Iraqi Elections
IM/IT	Information Management / Information Technology
IPF	Institutional Policy Framework
KARs	Key Agency Results
MAF	Management Accountability Framework
MDG	Millennium Development Goal
MOPAN	Multilateral Organizations' Performance Assessment Network
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAA	Program Activity Architecture
PEDP	Primary Education Development Program
RCMP	Royal Canadian Mounted Police
RMAF	Results-based Management and Accountability Framework
RPP	Report on Plans and Priorities

SARS	Severe Acute Respiratory Syndrome
SEA	Strategic Environmental Assessment
SMEs	Small- and Medium-sized Enterprises
STI	Sexually-Transmitted Infection
TB	Tuberculosis
TBS	Treasury Board of Canada, Secretariat
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNFPA	United Nations Population Fund
VCA	Volunteer Cooperation Agency
VCP	Volunteer Cooperation program
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

Minister's message

The Honourable M. Aileen Carroll
Minister of International Cooperation



Within hours of the December 26, 2004 Indian Ocean earthquake and tsunami, Canadians from coast to coast to coast began mobilizing the largest and most generous disaster response in our history. Government officials staffed emergency services twenty-four hours a day, searching for missing Canadians and organizing delivery of aid money and relief supplies. Volunteer groups and aid organizations set up pledge hotlines and set disaster relief programs in motion. The news media sent reporters to the region and provided around-the-clock coverage of the tsunami and its aftermath. Ordinary Canadians of all ages and all walks of life responded in an unprecedented manner, raising more than \$200 million in less than three weeks.

This extraordinary event had a major impact on our humanitarian assistance operations in the latter part of 2004-2005, and our ongoing response to it will be an important part of the Canadian International Development Agency's (CIDA) work in 2005-2006. In January 2005, the Prime Minister committed \$425 million over five years for humanitarian and reconstruction assistance, and CIDA is now working closely with the affected communities, their governments, and the donor community, including Canadian organizations, to plan and implement this assistance in 2005-2006 and beyond.

Canada will continue to focus and intensify its support in 2005-2006 for the international effort to achieve the Millennium Development Goals (MDGs). The MDGs are targeted for achievement by 2015, and indications are that many of them will not be met. The United Nations Secretary-General, in his most recent report on the progress towards the MDGs, has warned the world that the window of opportunity for meeting our commitments is closing rapidly, and that we must accelerate our efforts now.

Canada shares this sense of urgency. We will build on our initiatives to date, continuing to increase our aid budget by 8% a year to the year 2010 and strategically focusing our resources where the need is most profound, particularly in Africa. We will also further concentrate our efforts in sectors where Canada can make the greatest difference, through our program priorities of health (including HIV/AIDS), basic education, private sector development and governance.

Improved governance was identified as absolutely necessary to the scaling-up effort required to achieve the MDGs, as cited in the newly released UN Millennium Project plan of action for both developing countries and donors. It is generally recognized that governments must have both the commitment to meet the goals and the technical and institutional capacity to plan and deliver the programs that will help them to do so. In 2005-2006, CIDA will build on its already strong record in helping developing and transition countries to strengthen their governance capacity by mobilizing the expertise, creativity and energy of a wide range of Canadian institutions and individuals through its signature program, the Canada Corps.

Canada Corps seeks to address one of the chief underlying causes of instability and poverty in the world—weak governance. Canadians can make a real contribution in developing countries which have a need for governance-related programming, especially in failed and failing states, and the lessons they learn will be shared widely through public outreach programs. Personnel will be deployed in close coordination with those of other government departments to ensure maximum impact in our governance programming.

Broad-based economic growth provides opportunities for the poor to lift themselves out of poverty. It also generates the resources for educational, health and other key social programs that underpin achievement of the MDGs. Based on the work of the United Nations Development Programme (UNDP) Commission on the Private Sector and Development, programming will focus on unleashing the potential of the private sector to strengthen local capacity for poverty-reducing economic growth. Over the coming years, CIDA will increase its support to private sector development where Canadians can make a difference.

Getting the developing world on track involves more than development assistance. A whole-of-government approach is necessary to harness powerful instruments that complement the aid program, such as market access, debt relief, private investment, and intellectual property rights. CIDA will strengthen its efforts to work with its partners in diplomacy, trade and defence, among others, to ensure that all Government of Canada policies complement one another and that developing country needs and priorities are taken into account in interdepartmental policy discussions.

CIDA will continue to implement its policy statement, *Strengthening Aid Effectiveness*, in 2005-2006. The Agency will seek out more opportunities to use new programming approaches, collaborating closely with developing country governments to align administrative practices to their systems and procedures, and to harmonize our support to the needs and priorities they have identified. CIDA will also work more closely with other donor countries and organizations to harmonize aid practices and policies for maximum impact and effectiveness, and will work with the entire development community to make the multilateral development system more effective.

The Agency will sharpen and refine its strategic planning and financial management systems, and will regularly review program results and expenditure forecasts. In addition, within the government-wide program for expenditure reallocation, CIDA will use reallocated resources from lower priority areas to tsunami reconstruction.

And finally, CIDA will also reach out more to Canadians, whose outpouring of concern and support for tsunami victims is a testimony to their compassion and caring for others. In 2005-2006, the Agency will step up its public engagement program, especially for young people, both to increase their knowledge and awareness of development issues and to inspire them to become more involved in the aid program.

This 2005–2006 *Report on Plans and Priorities* outlines in greater detail CIDA’s work in support of the MDGs and the principles of aid effectiveness in Canada and abroad. It outlines our priorities and program of work and the results we expect to achieve. I encourage all Canadians to read it, and I respectfully submit it for the consideration of the Parliament of Canada.

The Honourable M. Aileen Carroll, P.C. M.P.
Minister of International Cooperation

Section I: Overview

The 2005–2006 *Report on Plans and Priorities* (RPP) provides the highlights of CIDA’s plans, priorities, expected results, and resources for the next planning cycle. Based on the Agency’s new Program Activity Architecture (PAA), it corresponds to the new Treasury Board of Canada, Secretariat (TBS) *Guide for the Preparation of 2005–2006 Part III of the Estimates: Reports on Plans and Priorities and Departmental Performance Reports*¹, as well as the new TBS Management, Resources, and Results Structure (MRRS).²

In Section I, the RPP outlines five priorities: health (including HIV/AIDS); basic education; governance (including Canada Corps); private sector development; and CIDA’s contribution to relief and reconstruction, following the Indian Ocean tsunami. It also provides the overall context for CIDA’s programming decisions. In Section II, the RPP reports on planned activities under each of these priorities by the following PAA-structure program activities: Geographic Programs, Partnership Programs, Multilateral Programs, Policy Coherence, and Engaging Canadians. A drill-down profile of a program specific to each of Geographic, Partnership and Multilateral Programs is featured as well. Section III presents the financial tables; and Section IV, Other Items of Interest, provides details on the planned activities in CIDA’s Corporate Services function.

A. Summary Information

Mandate: To support sustainable development in developing countries in order to reduce poverty and contribute to a more secure, equitable and prosperous world; to support democratic development and economic liberalization in the countries of Central and Eastern Europe and Central Asia; and to support international efforts to reduce threats to international and Canadian security.

Strategic Outcome: Sustainable development to reduce poverty in the poorest countries, measured through progress on the development goals of economic well-being, social development, environmental sustainability, and governance.

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

Financial Resources:³ \$2,768,035,000

Human Resources: 1,528 Full Time Equivalents (FTEs)

1. http://www.tbs-sct.gc.ca/est-pre/20052006/p3_e.pdf

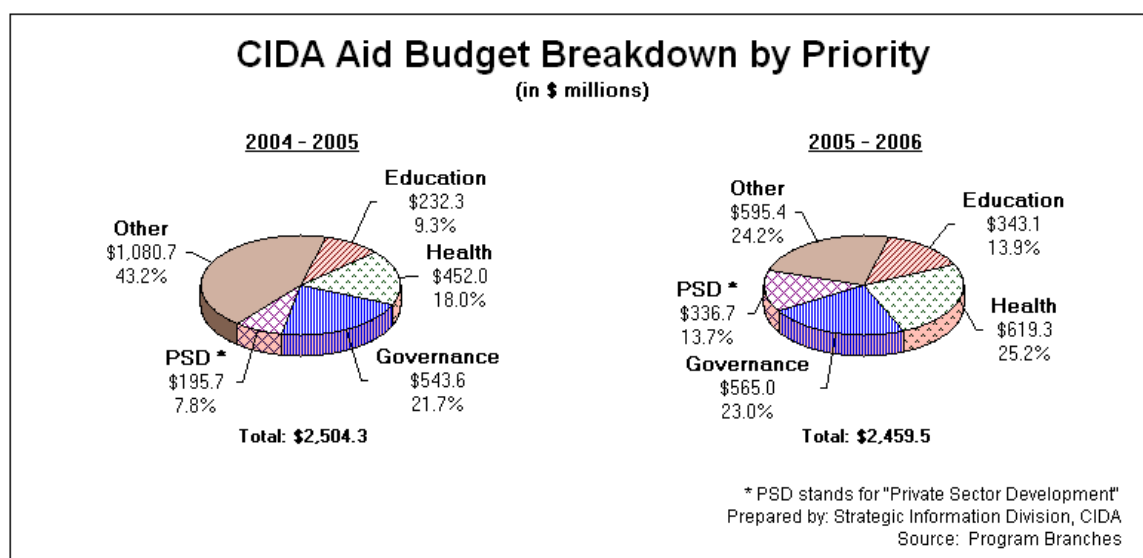
2. http://www.tbs-sct.gc.ca/rma/mrrs-sgrr_e.asp

3. The budget for CIDA’s expenditures is drawn from the International Assistance Envelope (IAE), introduced in the February 1991 budget. In recent years, CIDA was directly responsible for administering approximately 84 percent of the IAE. The remainder is under the responsibility of DFAIT Canada the Department of Finance Canada, and other government departments.

Departmental Priorities: ⁴	Type	Planned Spending (in millions)	
		2004–2005	2005–2006
Health, especially the fight against HIV/AIDS	Ongoing	452.0	619.3
Basic education	Ongoing	232.3	343.1
Governance, including Canada Corps	Ongoing	543.6	565.0
Private sector development	Ongoing	195.7	336.7
Tsunami relief and reconstruction	New	----	Up to 40.0

Reminder: Environmental sustainability and gender equality are two themes that cut across all departmental priorities.

Chart 1:



CIDA has sharpened its performance management and accountability to Canadians over the past few years, linking resources and results through its Key Agency Results (KARs). Developed in 2001, CIDA's key development results are economic well-being, social development, environmental sustainability, and governance with gender equality as a crosscutting issue. The Key Agency Results formed the basis for CIDA's *Report on Plans and Priorities 2002–2003* and for subsequent years. The indicators and targets for the KARs were refined and introduced in *CIDA's Sustainable Development Strategy 2004–2006*.

4. Note: 2005-2006 Departmental priorities represent a significant portion of programming against the Agency's four development results (economic well-being, social development, environmental sustainability and governance). The remainder of the Agency's budget is allocated to activities that do not fit within the parameters of these main priorities.

In late 2003, CIDA introduced costed work planning as an internal planning tool. This tool attributes costs to all activities undertaken as part of projects, programs, operations, and maintenance, and then sums up the total cost of achieving program results according to the KARs. This tool completes the chain of accountability, linking resources to results, from activities to programs to the Key Agency Results, and finally to CIDA's overall mandate. CIDA is now building on this experience, integrating its results and indicators into TBS' new MRSS, as indicated in the Agency's partial PAA below.

Table 1: CIDA's Program Activity Architecture

Strategic Outcome: Sustainable development to reduce poverty in the poorest countries, measured through progress on the development goals of economic well-being, social development, environmental sustainability, and governance.

Program Activity: Geographic Programs

Description: The geographic programs are the government-to-government programs of assistance between Canada and the developing countries of Africa the Middle East, Asia, Latin America and the Caribbean, and the transition countries of Central and Eastern Europe and Central Asia.

Expected Results: Canada's global development assistance efforts have an impact on the achievement of CIDA's Key Agency Results and the Millennium Development Goals (MDGs), as part of a worldwide effort of donors and partner countries working together.

Resources

2004–2005	2005–2006
\$1,387,969,000	\$1,435,240,000

Program Activity: Canadian Partnership

Description: Canadian partnership programming uses responsive and core funding delivery models to support partnerships between Canadian and developing country voluntary sector and private sector organizations that are aligned with CIDA's mandate and objectives.

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

Resources

2004–2005	2005–2006
\$312,726,000	\$292,045,000

Program Activity: Multilateral Programs

Description: Multilateral programs involve managing substantial core contributions to, and high-level participation in, multilateral development institutions, especially with the aim of strengthening their development effectiveness. CIDA's involvement includes programming against hunger, malnutrition and disease; humanitarian assistance, peace and security; international financial institutions; and United Nations, Commonwealth, and La Francophonie programs.

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

Resources

2004–2005	2005–2006
\$857,597,000	\$957,082,000

Program Activity: Policy Coherence

Description: In addition to developing and implementing policies on all aspects of international development, CIDA fosters increased policy coherence between aid and non-aid policies that affect developing countries; ensures the consistency of its internal policies; and works toward consistency between its own policies and those of its Canadian and international partners.

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

Resources

2004–2005	2005–2006
\$82,924,000	\$59,336,000
Note: This decrease of \$23 million is due mainly to the sun setting of the original 5-year Climate Change Development Fund (\$100 million).	

Program Activity: Engaging Canadians

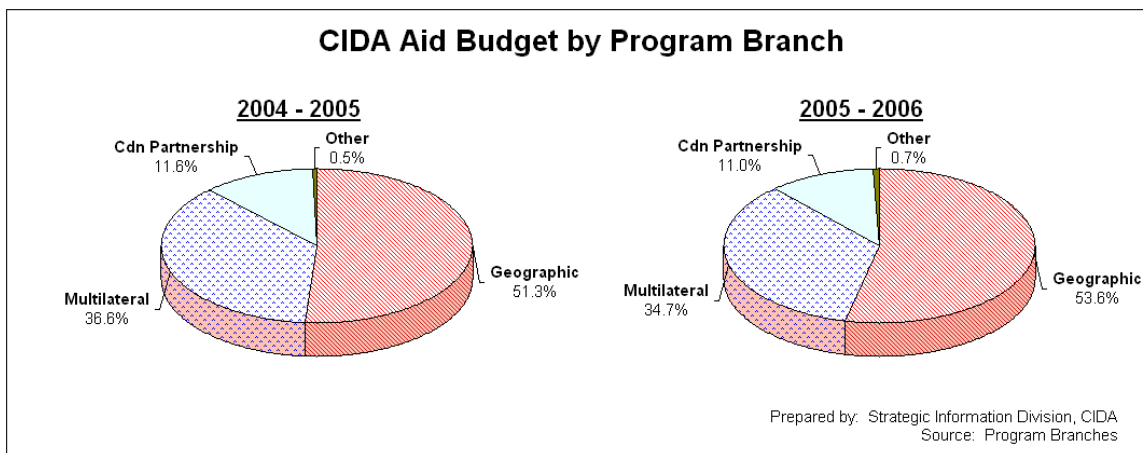
Description: CIDA fosters the support and participation of Canadians in the aid programs by soliciting public participation in policy dialogue and other consultations; inviting Canadian producers of goods and services to participate in aid programs; informing stakeholders and the general public about plans, policies, and programs; and collaborating with partners in awareness-raising efforts about development issues and Canada's contribution to international development.

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

Resources

2004–2005	2005–2006
\$13,765,000	\$24,332,000

Chart 2:



B. Introduction

“We have the opportunity in the coming decade to cut world poverty by half.... The practical solutions exist. The political framework is established. And, for the first time, the cost is utterly affordable. Whatever one’s motivation for attacking the crisis of extreme poverty—human rights, religious values, security, fiscal prudence, ideology—the solutions are the same. All that is needed is action.”

—*Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*⁵

Since the founding of the United Nations and its specialized agencies, following World War II, Canada has been supporting the development efforts of its partner countries and organizations around the world. In 1968, CIDA was formed to administer the bulk of Canada’s Official Development Assistance (ODA) program in Africa and the Middle East, the Americas, and Asia.⁶ In 1995, CIDA took on the responsibility of administering Canada’s official assistance programs in the countries of Central and Eastern Europe and the former Soviet Union—countries in transition—by supporting democratic development and economic liberalization.

CIDA’s focus is reducing poverty in the world’s poorest countries. The Agency collaborates with a wide range of partners to deliver its aid programs, beginning with the government, civil society [non-governmental organizations (NGOs), community groups, institutions, and associations], and the private sector of its developing country partners. CIDA also works with the Canadian counterparts to these groups, such as governments at all levels, churches, unions, professional associations, youth, academic organizations, volunteer-sending agencies, businesses, and industrial organizations. Internationally, CIDA cooperates with United Nations agencies such as the United Nations Children’s Fund (UNICEF) and the UNDP, with international financial institutions such as the World Bank and the regional development banks, with research organizations like the Consultative Group on International Agricultural Research, and with other donor agencies, such as the Department for International Development, in the United Kingdom.

5. Jeffrey D. Sachs, Director, United Nations Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals* (New York: United Nations, 2005).

6. For information on CIDA’s current organizational structure, please refer to Section III, Part B – Organizational Information.

The Agency supports the following types of activities:

- strengthening the capacity of partner countries to address their own development challenges and meet their international commitments;
- providing technical assistance in a wide variety of fields, from HIV/AIDS prevention and treatment, to basic education, and to private sector development;
- responding to humanitarian emergencies;
- generating and disseminating knowledge on all aspects of development;
- engaging in policy dialogue with international partners to promote issues of interest to Canadians; and
- strengthening aid effectiveness and aid organizations.

In Budget 2005 as regards international development, the Government of Canada renewed its commitment to doubling the International Assistance Envelope (IAE). Over the next five years, increases will follow a predictable schedule, facilitating better program planning. The Budget confirms the importance of development cooperation.

The Budget also maps out a new management framework for the IAE (*See Section III:3 Financial Information*), which will now be subdivided into five funding “pools”: Development, International Financial Institutions (IFIs), Peace and Security, Crisis, and Development Research. The new framework should provide greater predictability for each of the pools, with the Crisis Pool serving to provide a separate source of funds to address large, unforeseen crises.

The Budget also allocates new resources for 2004–2005 for the Global Alliance for Vaccines and Immunization, the Global Polio Eradication Initiative and the Global Fund to Fight AIDS, Tuberculosis and Malaria. It is anticipated that the Government’s upcoming International Policy Statement will provide further direction for the aid program.

C. CIDA's Operating Environment

1. The Development Challenge

Since 1970, the developing countries of the world as a group have achieved tremendous progress, cutting infant mortality rates by 50 percent, increasing life expectancy by eight years, halving the illiteracy rate, and reducing poverty. Progress has been especially notable in East Asia and the Pacific, where the number of people living on less than US\$1 a day has dropped by almost half. In the past decade alone, the developing world's population increased from 4 billion to 5 billion, while average per capita incomes rose by more than 21 percent, and the proportion of people living on less than US\$1 a day declined by 7 percent. The under-five mortality rate dropped from 103 to 88 deaths per 1,000 births, and life expectancy rose from 63 years to nearly 65. Eight percent more people had access to safe water, and 15 percent more had access to basic sanitation. Worldwide, there has been a clear trend toward democratically elected governments, increased attention to human rights, public participation in decision-making, and open, free-market economies.

All of these achievements were gained mainly through the efforts of the developing countries themselves, but the support and assistance of the international donor community has played an important role in helping them achieve their objectives. Over its more than 55 years of involvement in development cooperation, Canada has built an enviable reputation as a leader in several key areas of importance to Canadians. These include promoting human rights, gender equality, and child protection; pioneering the involvement of the voluntary and private sectors in development programs; and strengthening the effectiveness of aid programming.

Through their participation in the aid program, Canadians have made concrete contributions to the standard of living and quality of life of individuals and communities in some of the world's poorest countries. Over the years, Canada has won many awards, including most recently the United Nations Foundation Award for Leadership in Global Polio Eradication, which was awarded in January 2005. This award recognized both the Government of Canada and a number of private individuals for their contributions to mobilizing financial resources and heightening public awareness. Canada has been a world leader in Vitamin A supplementation, which has saved the lives of an estimated 1.5 million children between 1998 and 2001. CIDA support to HIV/AIDS prevention programs has led to a drop in the infection rate in Cambodia and Uganda. In concert with other donors, CIDA has helped increase enrolment in primary education in a wide range of countries, including Bangladesh, Senegal, and Tanzania. Canada's support to elections, such as those in Ukraine in December 2004, has helped ensure that the process was fair and democratic. CIDA support to small business and microcredit, especially for women, has increased incomes and status for women in many countries, including Sri Lanka, Cameroon, Egypt, and Ecuador.

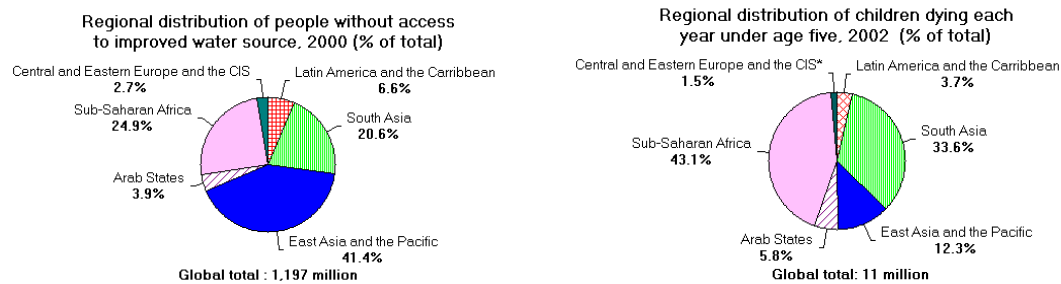
Canada has also contributed to sharing knowledge and understanding of the challenges of development through its participation in the landmark analysis published by the Organisation for Economic Co-operation and Development (OECD), entitled *Shaping the 21st Century*.⁷ This document played an important role in achieving the international consensus that led to the Millennium Declaration and the MDGs, a set of time-bound, measurable objectives to lift millions of people out of extreme poverty by 2015 (*see Appendix II for details*). Adopted by the UN General Assembly in 2000, the Millennium Declaration affirms the importance of human rights, gender equality, and protection of the vulnerable, particularly children. The declaration and the MDGs that are derived from it are now the foundation for development cooperation efforts by developing countries, international aid organizations, and donor countries such as Canada.

The MDGs: Rhetoric and Reality

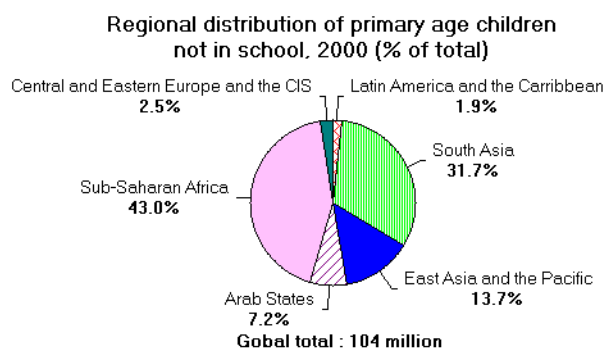
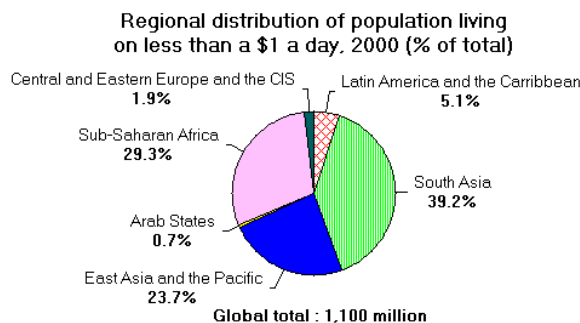
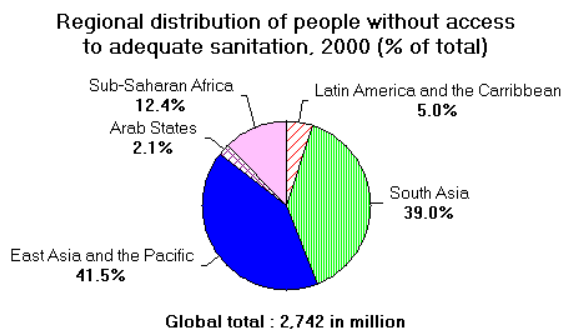
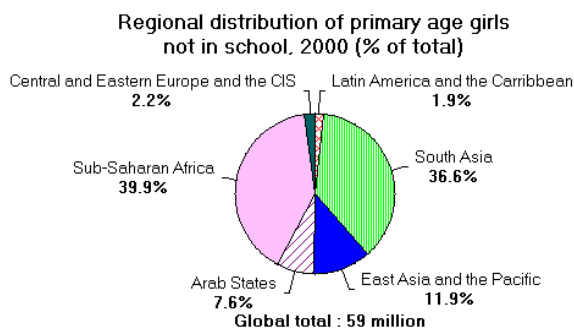
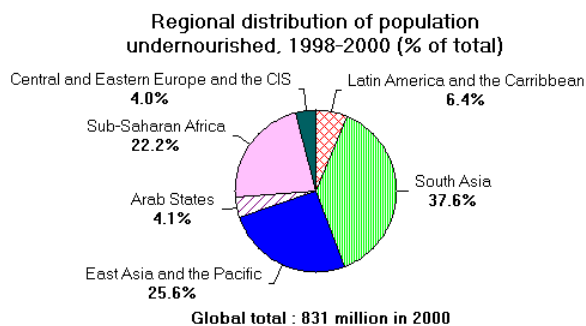
The charts below detail each region’s status for a number of measurable goals at the time of this historic international commitment

Chart 3:

Millennium Development Goals: The State of Human Development



7. OECD, Development Assistance Committee (DAC), *Shaping the 21st Century: The Contribution of Development Co-operation* (Paris: OECD-DAC, May 1996).



Source: UNDP, *Human Development Report 2004* (<http://hdr.undp.org/reports/global/2004/>)
CIS denotes "Commonwealth of Independent States."

The UN Secretary-General reports annually on the progress being made toward the MDGs. The 2004 report clearly shows that, despite the remarkable progress the world has made in health, education, water supply, sanitation, income generation, and many other areas, much remains to be done if the MDGs are to be reached by 2015.⁸

8. United Nations, *Implementation of the United Nations Millennium Declaration: Report of the Secretary-General*, August 2004.

“...a major breakthrough is needed if the 2015 targets are to be met... The Millennium Development Goals are still technically feasible in even the poorest countries, but the window of opportunity is rapidly narrowing...”

*—Implementation of the United Nations Millennium Declaration:
Report of the Secretary-General, August 2004*

All regions of the developing world show progress in access to primary education, including greater parity between girls and boys, although sub-Saharan Africa is not expected to reach its goals by 2015. Progress on child mortality is proceeding well everywhere except Western Asia, sub-Saharan Africa, and Oceania. Save for sub-Saharan Africa and some parts of Latin America, most countries are expected to reach the goal of halving extreme poverty by 2015. However, the world is far short of realizing success in gender equality, especially in terms of maternal health and equality in terms of income and political representation. The threat of HIV/AIDS continues to spread in almost every country on earth, and there is no substantial progress in the fight against malaria or tuberculosis. All regions have improved access to safe drinking water, especially in urban areas, but 2.6 billion people worldwide still have no access to improved sanitation. Progress toward the goal of environmental sustainability is slow, with forest cover diminishing and carbon dioxide emissions increasing. Moreover, the implementation of major accords, such as the Kyoto Protocol and the UN Convention to Combat Desertification, is compromised by a lack of resources and by conflicting perspectives on implementation.

The new global partnership for development—the eighth MDG—plays an essential role in achieving the other seven MDGs. Struck at the International Conference on Financing for Development in 2002, this partnership is a compact between developing countries and the donor community, involving mutual obligations and mutual commitments. Known as the Monterrey Consensus, it is grounded in the understanding that developing countries bear the primary responsibility for their own development, while industrialized countries should provide effective and predictable aid, and remove inconsistencies in their broader economic and trade policies that affect developing countries. The developing countries have committed to improving governance and instituting policy reforms, and the donor countries have agreed to dismantle trade barriers, widen debt relief, and augment development assistance.

There has been progress made toward this goal, the eighth MDG. Total aid flows increased to roughly \$68.5 billion in 2003, representing 0.25 percent of donor countries' gross national income, up from 0.23 percent the year before. However, contributions are still far short of the objective of 0.7 percent.⁹ The UN Millennium Project estimates that

9. The Pearson Commission Report recommended the 0.7% GNP target in 1969 and the target was adopted by the UN in 1970. Cited in *The Reality of Aid 2002*. World Aid Trends. Tony German and Judith Randel, Development Initiatives. 2002. So far, only Denmark, Luxembourg, the Netherlands, Norway, and Sweden have met this target.

donor countries will need to double the share of their national income devoted to foreign aid in order to achieve the MDGs.¹⁰ There has been some progress in trade talks. World Trade Organization (WTO) members have agreed in principle to abolish all forms of agricultural export subsidies and to reduce trade-distorting domestic support for agriculture. These actions have the potential to improve global welfare by about \$120 billion; however, overall agreement in the Doha Trade Round of 2001 remains to be achieved. Debt relief has benefited 13 of the 37 poorest countries; they have invested their debt-relief savings in areas related to the MDGs. Finally, the UN Millennium Project, commissioned by the UN Secretary-General in 2002 to develop a concrete action plan for achieving the MDGs, has submitted its report, which contains 10 key recommendations and scores of specific, cost-effective measures to meet the targets by 2015.

MDG Number 8: Canada and the New Global Partnership for Development

At the International Conference on Financing for Development, Canada committed to doubling its aid budget from its 2001–2002 level by 2010, a process that began with the following federal budget. Canada has already forgiven most of its ODA-related debt and opened its market to duty-free and quota-free imports of most goods and services from the least-developed countries. Legislation has also been passed to make much-needed generic HIV/AIDS drugs and other medicines more accessible to those who need them most in developing countries. Canada is also gradually untying its aid program to enable developing countries to access goods and services from the least expensive source, and eventually to develop their own capacity to provide goods and services.

	2000	2001	2002	2003
% of untied Canadian aid	24.9%	31.7%	61.4%	52.6%

The Regional Perspective

Development challenges are most acute in **Africa**. Despite a return to economic growth in 2003 in many countries, in sub-Saharan Africa the absolute number of people living in poverty is increasing, and one in two people continues to survive on less than US\$1 a day. One in five people is affected by conflict; between 42 million and 52 million African children are not in school; 25.4 million Africans are HIV-positive, 60 percent of whom are women; and 12.3 million African children have lost one or both parents to HIV/AIDS.¹¹ The world’s highest rate of population growth is in sub-Saharan Africa, followed closely by North Africa and the Middle East. To meet these challenges African leaders have launched the New Partnership for Africa’s Development (NEPAD),

10. Jeffrey D. Sachs, Director, UN Millennium Project, 2005. The project also estimates that developing countries will need to spend an additional 4 percent of their gross domestic product on programs to achieve the MDGs.

11. UNICEF, 2004

redefining development in their own terms and committing to take action. Canada is committed to helping African countries develop institutions to foster development at the continental, regional, and national levels, through the Pan-Africa Program, the Canada Fund for Africa, as well as through country-specific programs. Attempts to resolve these problems are often hampered by insufficient human and financial resources, inadequate government capacity, corruption, fragile democratic institutions, periodic drought, and environmental deterioration.

In the **Middle East and Northern Africa**, average income is double that of Sub-Saharan Africa; however, a demographic explosion and political conservatism are limiting economic progress and social stability. In the Middle East, conflict is likely to continue to affect the region and there will be a continuing need for humanitarian assistance and postwar reconstruction. In Iraq, particularly, CIDA has moved quickly to address the problems of post-conflict destabilization through humanitarian relief, peacebuilding and meeting security needs. For most countries of the region, poverty is not as severe as in the Sub-Saharan region; however, governance problems, including corruption, weak public institutions, and varying levels of commitment to human rights, will continue to hamper economic and social development.

Despite its economic progress and continuing dynamism, **Asia** still accounts for some 60 percent of the world's poor. The region has made significant progress in reducing poverty, particularly in China and India—the two most populous countries in the world. Nonetheless, there is growing income inequality; more than 2 billion people in Asia, one third of humanity, earn less than US\$2 a day. The destabilizing effects of international terrorism, which tend to exacerbate existing conflicts and intercommunal violence; the possible re-emergence of trans-border health risks, such as AIDS, Severe Acute Respiratory Syndrome (SARS), and avian flu; and natural disasters like the December 26, 2004 tsunami, all affect the region's stability and economic prospects.

The region of **Latin America and the Caribbean** has the highest levels of social and economic inequality in the world. Economic recovery is still fragile; 44 percent of the population lives below national poverty lines, and a fifth of the region's people live in extreme poverty. Increasing crime and violence, exacerbated by trade in drugs and weapons and by societal acceptance of gender-based violence, threaten personal security. Environmental deterioration and vulnerability to extreme weather limit economic growth. All governments – except for Cuba's – are democratically elected. However, many still need to improve accountability, attack corruption and organized crime, eliminate abuses of power, and address growing public dissatisfaction with democracy's inability to deliver economic growth with equity. Latin America is a region of strategic importance to Canada, given its proximity, with growing trade and civil society links, as well as Canada's participation in regional entities such as the Organization of American States and in free trade negotiations.

Although many countries of **Central and Eastern Europe** have successfully made the transition to democratic governance, and from centrally planned to market economies,

there is a continuing need to build strong social safety nets to protect the poor and vulnerable in all countries. Gross domestic product has fallen, absolute poverty has increased fivefold, and employment and wages have plummeted. Mortality rates have increased sharply, while fertility rates have dropped. Almost half the rural population in this region lives in poverty, particularly in the countries of Southeastern Europe and the Commonwealth of Independent States (former Soviet Union). More than 70 percent of those living in poverty are elderly women. There remain states whose governments and institutions are ineffective. Corruption and crime reduce the resources that can be invested in development, while factors such as undemocratic political systems, human rights abuses, and environmental degradation create formidable barriers to sustainable development.

Each geographic region contains its own unique challenges within the global context of the MDGs. CIDA, in collaboration with its partners, selects those areas where Canada can have the greatest impact. CIDA's cooperation program operates at both the global and regional/national levels. For example, working through its multilateral partners like the World Health Organization (WHO), CIDA supports such initiatives as the Global Fund to Fight AIDS, Tuberculosis and Malaria. Working directly with its partner country governments, CIDA supports country-specific programs, based on national development plans, such as the Mozambique Common Fund of Support to the National AIDS Council.

2. Other Factors Affecting Decision Making

CIDA and its partners work in some of the world's most dangerous environments. These are characterized by armed conflict; poor governance, including lack of respect for human rights and the rule of law; and extreme poverty and social marginalization. Not only is international development cooperation inherently risky, its achievements are also mitigated by cataclysmic events: economic dislocations, such as the Asian financial crisis in 1997; extreme weather, such as the 2003 and 2004 droughts in Eastern and Southern Africa; political crises, such as the collapse of the Haitian government in early 2004; or natural disasters, such as the destruction in Grenada, Jamaica, Cuba, and Cayman Islands caused by Hurricane Ivan in September 2004, and the Indian Ocean tsunami in December 2004.

CIDA is refining an integrated risk assessment framework that includes risks and mitigating strategies that can be applied to its country program strategies, projects and other activities, and external environment, as well as be implemented by its partners to assess their financial, institutional, and management practices. The framework will be continually updated to meet changing conditions.

Internal trends and changes also affect decision-making. Government-wide policies and priorities invariably influence CIDA's planning. Consistent with CIDA's strategy to focus spending on programming that will ensure the highest possible development

impact, CIDA regularly re-allocates resources from less effective programming to higher priorities. This includes CIDA's participation in the work of the Expenditure Review Committee, which re-allocates government resources from lower to higher priorities. A number of proposals were developed to reflect CIDA's strategic direction of concentrating on a limited number of activities in key sectors where Canada has a niche and can have greater impact toward the achievement of the MDGs. Overall, Canada's assistance budget continues to grow.

Over the past year, the federal government has also carried out a wide-ranging review of all aspects of its international policy, including defence, diplomacy, development, and trade. The review is expected to make a major contribution to the government's efforts to improve policy coherence between aid and non-aid policies. It will also provide a framework for CIDA to take new steps toward greater strategic focus, as established in the policy statement on strengthening aid effectiveness,¹² and to make further progress in streamlining administrative processes and harmonizing them with those of our partners in Canada, developing countries, and the donor community.

12. CIDA, *Canada Making a Difference in the World: A Policy Statement on Strengthening Aid Effectiveness*, 2002.

D. Plans for Achieving the Priorities

1. The Agency's Priorities and the MDGs

CIDA's strategic outcome is sustainable development to reduce poverty in the poorest countries, measured through progress against the development results of economic well-being, social development, environmental sustainability, and governance. Within these development results, which constitute part of CIDA's Key Agency Results, CIDA has chosen four main ongoing priorities: health (particularly the fight against HIV/AIDS), basic education, governance including Canada Corps, and private sector development. Cutting across and integrated into these priorities are two major themes: gender equality and environmental sustainability. These priorities were chosen on the basis of several factors. First, in accordance with the principle of local ownership, which is so critical to aid effectiveness, Canada's long-term developing country partners have identified them as being their highest priorities for assistance. Second, they are consistent with Canada's objective of reducing poverty, and are critical to the achievement of several of the MDGs. Third, they also reflect the values and interests of Canadians, as well as being areas in which Canada has the experience and expertise to make a difference. A particular CIDA priority for 2005–2006 is to continue providing relief and reconstruction to the Asian nations that were affected by the devastating tsunami of December 2004.

Canada's objective is to contribute to the achievement of the MDGs through these priorities, as demonstrated in the following chart.

Table 2: CIDA's Priorities and Plans and the MDGs

CIDA Programming Priority	Millennium Development Goal
<p>Health Plan:¹³ Improving health policies, programs, and systems in nutrition, sexual and reproductive health, communicable and non-communicable diseases, and water and sanitation, that are especially responsive to the needs of women, girls and boys; and ensuring equitable access to health care.</p> <p>Increasing the capacity of partner countries to provide a comprehensive HIV/AIDS program of prevention, care and support that responds to those living with HIV/AIDS and those affected by the epidemic, and appropriately incorporate the gender and human rights dimensions of the epidemic.</p>	<p>Reduce by half the proportion of people who suffer from hunger by 2015.</p> <p>Reduce child mortality by two thirds by 2015.</p> <p>Reduce maternal mortality by three quarters by 2015.</p> <p>Halt and reverse the spread of HIV/AIDS.</p> <p>Halt and reverse the incidence of malaria and other major diseases.</p>

13. CIDA, *Sustainable Development Strategy: 2004–2006, Enabling Change*, 2004.

CIDA Programming Priority	Millennium Development Goal
<p>Basic education Plan: Increasing the capacity of partner countries to provide equal access to, and completion of, quality basic education which calls for universal access for all boys and girls to a free and compulsory primary education of good quality, universal completion of primary level; eliminating gender disparities in education, improving the quality of basic education for learners of all ages, and incorporating HIV/AIDS into educational programs.</p> <p>Supporting efforts to re-establish education for children in conflict and postconflict/emergency situations.</p>	<p>Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling. Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education, no later than 2015.</p>
<p>Priority—Governance, including Canada Corps Plan: Promoting public sector reform and the rule of law; building democratic institutions and processes that represent and engage all members of society; supporting the increased promotion and protection of the human rights of men, women, boys, and girls by institutions, governments, and civil society organizations; and, increasing attention to conflict prevention, postconflict reconciliation, peacebuilding, and security.</p>	<p>Although there is no specific MDG connected to governance, it is widely recognized that good governance—democracy; respect for human rights and the rule of law; peace; an effective, transparent and accountable public service; and attention to marginalized men, women, boys, and girls—is key to achieving the MDGs.</p>
<p>Private sector development Plan: Strengthening support for rural entrepreneurs; supporting private sector development that contributes to equitable economic growth, and improved and sustainable standards of living of poor women, men, girls, and boys; building government and private sector capacity to make trade work for poor women, men, girls, and boys; supporting policy and regulatory reform that fosters economic growth and investment.</p>	<p>Reduce by half the proportion of people living on less than a dollar a day, by 2015.</p>
<p>Crosscutting issue—Environmental sustainability Plan: Supporting and promoting the integration of environmental considerations in countries’ policies, programs, and projects in support of the achievement of the MDGs; and contributing to increased capacities to address environmental issues such as desertification, climate change, and water and sanitation in ways that reflect the interests of women, men, girls, and boys.</p>	<p>All MDGs, and more explicitly: Integrate sustainable development into country policies and programs and reverse the losses of environmental resources. Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation by 2015. Have achieved a significant improvement in the lives of at least 100 million slum dwellers, by 2020.</p>
<p>Crosscutting issue—Gender equality Plan: Supporting and promoting the integration of gender equality dimensions in all development policies, programs and projects. Explicit gender equality results will be achieved in the areas of the equal participation of women and men as decision-makers; full human rights of women and girls; and equal benefit to, and control over, the resources and assets of development for women.</p>	<p>All MDGs, and more explicitly: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education, by 2015. Reduce maternal mortality by three quarters by 2015.</p>

2. Plans for Achieving the Priorities

Social Development: Basic Education and Health (including HIV/AIDS)

CIDA's social development priorities, established in 2000, committed the Agency to more than double its spending over a five-year period in health and nutrition, and to quadruple its investments in basic education, child protection, and HIV/AIDS—all areas critical to the achievement of the MDGs. At the G8 Summit in Kananaskis, Canada committed to increasing its annual investments in basic education in Africa to \$100 million by 2005, and to maintaining that annual level thereafter. The initial commitment of \$100 million by 2005 has been met, and CIDA is on-track for maintaining this annual level.

The Government of Canada also announced \$270 million in additional funding this year and next to combat HIV/AIDS in particular, as well as tuberculosis and malaria, through the World Health Organization's "3 by 5" Initiative (\$100 million); the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (an amount of \$70 million previously announced, plus Budget 2005 commitments totalling \$70 million); as well as additional funds for the United Nations Population Fund (UNFPA, \$15 million) and the International Partnerships for Microbicides (\$15 million). Budget 2005 also announced \$160 million for the Global Alliance for Vaccines and Immunization (GAVI).

On January 17, 2005, the Government announced \$42 million in funding to support the Global Polio Eradication Initiative (GPEI). Eighty-six per cent of the world's polio cases are in Africa, and Canada's timely funding put the eradication initiative back on track toward its goal of eliminating polio, worldwide, by the end of this year. In response to the Canadian announcement, Dr. Bruce Aylward, program director of the WHO polio eradication program, said: "The prospects [for eradicating polio] in Africa are much more positive given this contribution from Canada." On January 27, 2005, the United Nations Foundation presented an award to Canada in recognition of its long-established role in the fight against polio and Canadian donations that are among the highest from contributing countries.

CIDA intends to sharpen the focus of social development programming by concentrating on basic education and health, including combatting HIV/AIDS. Canadian expertise and established leadership in these areas are important considerations in making this choice. Also important is the fact that education and health are inextricably linked to, and have an impact on, the achievement of other MDGs. Support in these areas thus has important multiplier effects. Better nourished, healthier, and more literate people can earn more and generate greater economic growth. Poor health, in contrast, is a major constraint on educational progress; HIV/AIDS, for example, can devastate education systems, affecting teachers and students alike. Education, particularly girls' education, can lead to marked improvements in health and nutritional outcomes, and to reductions in infant and child

mortality rates as well as fertility rates. Universal access to quality primary education is also a critical factor in reducing income inequality, achieving gender equality, and supporting fuller and more meaningful participation in decision-making and policy processes.

CIDA's efforts to address health will focus on prevention and control of high-burden, communicable, poverty-linked diseases, including HIV/AIDS, malaria and tuberculosis (TB); strengthening the capacity of health systems and health policy to meet the needs of women, men, girls and boys; improving human resource capacity; surveillance and public health capacity to address new and emerging issues; health promotion and applied research. Efforts will also focus on water and sanitation, reliable medical supplies and sustainable health systems financing. It will also involve improving infant and child health in areas related to diarrhea, immunization, development of new vaccines, acute respiratory infections, and nutrition-related illnesses. Finally, it will include reducing maternal mortality and strengthening sexual and reproductive health through access to quality services in family planning, skilled birth attendants and emergency obstetric care, Sexually-Transmitted Infection (STI) surveillance and treatment, adolescent sexual and reproductive health.

The Agency's efforts to address the HIV/AIDS epidemic will focus on issues such as strengthening health systems by promoting primary health care and effective community-based responses, developing human resources, building capacity, and enhancing research capacities in areas of particular relevance and urgency to our developing country partners. Programming that is sensitive to the human rights and gender equality dimensions of the epidemic will address the full spectrum of needs, ranging from prevention, care, treatment, and research, to strengthening the capacity of families and communities to care for orphaned and vulnerable children. These efforts will be particularly important in sub-Saharan Africa, where 60 percent of those with HIV/AIDS and 82 percent of AIDS orphans live. CIDA intends to focus special attention on ensuring that developing countries are aware of and benefit from Canada's new generic drug legislation, the *Jean Chrétien Pledge to Africa Act*. CIDA will also encourage other countries to follow Canada's lead by adopting similar legislation.

In basic education, Canada will assist countries to accelerate progress towards ensuring that every girl and boy is able to access and complete free, compulsory, quality basic education through a focus on improving the quality, safety and relevance of basic education, removing the barriers that prevent closing the gender gap in education, providing education for prevention of HIV/AIDS, and providing education for boys and girls in conflict, post-conflict and/or emergency situations.

CIDA will support the development of the education sector in selected countries that are committed to sound education reform and universal primary education, and will work to surmount barriers such as conflict, child labour, and human trafficking. CIDA's expertise in learner-centred educational approaches, early childhood education, teacher training,

curriculum development, and the creation of child-friendly, girl-friendly schools is well established. CIDA also has experience in using distance education and information technology for the professional development of educators, as well as to expand access to educational information and resources. By building on the strength of its programming in girls' education and on its commitment to gender equality, CIDA will continue to play a leadership role in closing the gender gap in primary education.

Good Governance and Canada Corps

Poverty reduction and security rest on the existence of sound governance structures. Democratic, pluralistic societies based on the rule of law are not only essential for fostering respect for human rights, they also encourage governments as well as local men, women, girls, and boys to take ownership of their country's development—a critical factor for both economic growth and social development. Moreover, good governance is essential to the enabling environment for private sector investment and economic growth.

Canada Corps is an initiative that promises to further Canadian excellence in governance. CIDA is recognized for its governance programming and is increasingly sought-after for international cooperation in the governance field. Canada's commitment to tolerance and multiculturalism, the promotion and protection of human rights, a federal system that accommodates diversity, strong public institutions, and a vibrant civil society makes CIDA well suited to supporting developing countries' efforts to improve their governance. CIDA's comparative advantage in good governance lies with our constitutional federalism, judicial systems, and our nationally legislated commitments to bilingualism, multiculturalism, tolerance, and Aboriginal self-government. Our system of governing among three levels of government, our strong public institutions, vibrant civil society, and peaceful resolution of conflict have also evolved into an approach to governance that appeals to others.

Advancing this agenda, a whole of government agenda, would require four supporting pillars:

- effectively mobilizing more Canadians, both youth and experts, to become involved in governance programming abroad;
- engaging the Canadian public in a greater awareness of the governance issue and increasing the visibility of Canada's efforts to address better governance abroad;
- bringing a greater degree of coherence to the myriad and dispersed governance activities currently operating, particularly among federal government departments; and
- pursuing knowledge management in the governance field so that lessons learned could be assembled to provide for better briefing of outbound Canadians.

Through the Canada Corps and existing programming channels, CIDA will assist countries to reduce poverty and build the conditions for secure, equitable development by promoting democratization, human rights, the rule of law (including conflict prevention, peacebuilding and security sector reform), and public sector institution and capacity building. CIDA will support democratization by strengthening democratic institutions and practices, including electoral and legislative systems, parliamentary effectiveness, citizen engagement (particularly women) and the role of civil society in policy-making and the political process. Support for greater respect for human rights will include the promotion, protection, monitoring and implementation of human rights, including the rights of women and children, particularly those affected by conflict, gender-based violence and natural disasters or vulnerable to abuse, exploitation and discrimination. CIDA will foster the rule of law by supporting legal and judicial reform with a focus on institutions, including strengthening of the bar and legal aid systems, support for security-sector reform, peacebuilding and conflict prevention. Finally, CIDA will support public sector institution and capacity building by emphasizing building core institutions and technical and managerial competencies, in such areas as coordination, oversight, transparency and accountability, and anti-corruption measures.

To date, human rights approaches to development have been applied primarily to working with children. Canada is recognized internationally as a leader in targeting and focusing programs to reach marginalized children, who often cannot be reached through regular development programming. CIDA will build on and integrate child protection experience, research, and tools developed in recent years. The focus will be to integrate child protection issues into programming across priority sectors.

CIDA will continue to tailor all governance programming to the country's particular circumstances. For instance, in low-income countries with conditions conducive to addressing the MDGs, programming will typically focus on legislative and regulatory reforms in the public sector, parliamentary accountability and the role of civil society in policy-making, and human rights institutions and institutional capacity building to facilitate the delivery of public services. In crisis states, programming will address conflict prevention, child protection, and human rights monitoring (as an early warning indicator). It will also provide support to regional and multilateral peacebuilding efforts.

Low-income countries may have the political will to reform, but not the institutional capacity to move forward. In these countries, activities to address constitutional reform and improve public participation in decision-making can be effective. These countries can also benefit from public sector training, anti-corruption measures, democratic electoral systems, and a stronger role for the media. This contrasts with middle-income countries, where governance programming will typically focus on strengthening systems of public accounts, improving the administration of justice, and increasing civilian oversight of policing.

Canada Corps will share Canadian excellence in governance with others who are determined to improve how they govern. Canadian leadership in pursuing governance excellence will be the catalyst that drives new generations, new ideas, and new programs to meet the needs and desires of our partner countries. It is an initiative that seeks to develop collaborative partnerships across government, NGOs, the private sector, and Canadian citizens to bring greater engagement, expertise, coherence, and recognition to governance interventions abroad. Canada Corps will operate across the full range of developing countries where CIDA is active, including in failed, failing and crisis states.

Canada Corps in Action

In December 2004, Canada Corps programming was launched with a preliminary set of undertakings to mobilize Canadians. Nearly 1,000 Canadians went to Ukraine as election observers, and half of them were affiliated with Canada Corps. Canada Corps is working with the Association of Universities and Colleges of Canada to identify at least one student intern on every university campus across the country, and select 10 faculty/student projects through a competitive process. The UNDP's UN Volunteers program will recruit 30 Canadians to work on governance themes recommended for attention in the recent UN Report of the Secretary-General's High-level Panel on Threats, Challenges and Change. The NetCorps coalition of eight Canadian organizations will recruit 40 young Canadians to pursue information and communications technologies in governance abroad, building on the strengths of their efforts to date, and working with more grass-roots organizations. Finally, Solidarité Haiti brought together another consortium dedicated to governance reform in Haiti, which will mobilize as many as 250 Canadians, including members of the Haitian Canadian diaspora, over the next few years.

Canada Corps must work effectively across all sectors—public, voluntary, and private—and must be accessible to all Canadians. To ensure rapid implementation, a task force is operating at CIDA with staff from various government departments.

Economic Growth: Private Sector Development

Private sector development will be a priority, consistent with the international consensus on the private sector's role in helping to achieve the MDGs and, ultimately, to reduce poverty. No country has been able to meet the material needs of its citizens or to finance social and other key roles of government on an ongoing basis without a dynamic private sector to create new wealth and generate tax revenues. Consistent with the recommendations of the Martin-Zedillo report, *Unleashing Entrepreneurship: Making Business Work for the Poor*,¹⁴ Canada will assist countries to strengthen their private sectors as the main engine of economic growth.

Among the areas CIDA will support are creating the strongest enabling environment, including reducing the costs of setting up a formal business and reforming laws and regulations related to contracts, property and taxes. It will also involve promoting

14. UNDP, Commission on the Private Sector and Development, *Unleashing Entrepreneurship: Making Business Work for the Poor*, Report to the Secretary-General of the United Nations (New York: UNDP, 2004) www.undp.org/cpsd/report/index.html

entrepreneurship by facilitating access to financing options, especially for women, promoting private-sector linkages and assisting in skills and knowledge development. Finally, CIDA will facilitate the connection to markets by developing the capacity of developing countries to participate in the international trading system, and helping entrepreneurs reach local, regional and international markets.

Private sector development resources will be targeted in countries and through delivery channels that make the best use of Canadian expertise (including Canadian business people with proven track records), that are consistent with the priorities set by our development partners, and that have the potential to achieve a critical mass to ensure a meaningful impact on poverty reduction. Private sector development assistance will be concentrated in countries that have identified it as a priority sector, using geographic, multilateral, and partnership channels.

Crosscutting Themes

Gender Equality

CIDA recognizes the central role that gender equality and women's empowerment play in achieving sustainable development. Gender equality and environmental sustainability will continue to be supported as essential crosscutting goals integrated into all areas of programming. These two themes providing an additional lens through which CIDA will focus on its priority programming sectors and determine which policies will be implemented and which priorities set.

The emphasis on gender equality is based on Canadian values of equality, human rights, and social justice. It also reflects the Government of Canada's international commitments made at a series of UN conferences and in other joint international declarations. Gender equality and women's empowerment represent the third MDG, internationally recognized as fundamental to achieving all MDGs. Because gender inequalities intensify poverty and perpetuate it from one generation to the next, empowering women and girls to participate in their communities' political and economic activities is essential to achieving international development goals.

As a crosscutting priority, gender equality programming that is specific and integrated will be undertaken within the departmental priority sectors. CIDA will strive to achieve gender equality results in the following areas: equal participation of women and men as decision-makers; full human rights of women and girls; and equal benefit to, and control over, the resources and assets of development for women.

Environmental Sustainability

Healthy ecosystems are essential to long-term, lasting development. They underpin all aspects of human health, economic livelihood, security, science, and culture. This includes the provision and purification of water, air, and food; the assimilation of wastes; the supply of fuel and materials; and the mitigation of droughts and floods. The poorest

of the poor are often the most vulnerable to environmental damage or loss. For these reasons, ensuring environmental sustainability, by integrating the principles of maintaining healthy ecosystems into decision-making, and halting environmental resource loss, is a key MDG and is factored into all of CIDA's development cooperation programming. CIDA will put particular emphasis on sustainable use and management of land and other natural resources and the importance of water and sanitation, both for basic health and for sustainable livelihoods.

Strategic analyses and program risk assessments will be key to ensuring that environmental sustainability is integrated into decision-making and to promoting sound environmental management. CIDA has a number of tools to achieve environmental and complementary social and economic objectives, including mandated environmental assessments for physical projects and a requirement for strategic policy and program assessments. Canada's multilateral efforts, such as those undertaken through the Global Environment Facility, reinforce bilateral work with priority developing countries, and support Canada's part in addressing global environmental challenges.

Relief and Reconstruction: The Indian Ocean Tsunami

Humanitarian assistance will remain a key part of Canada's international engagement, recognizing that urgent relief and stabilization are preconditions for any kind of development, and human or national security. This commitment is also a reflection of deeply held Canadian values, expressed so tangibly in the recent outpouring of contributions from Canadian individuals, organizations, communities, and businesses for tsunami disaster relief in the Indian Ocean region.

In view of the immense impact of the tsunami—which took more than 300,000 lives; injured half a million people or more; displaced at least a million; and threatened the food security of 2 million, with children making up about 40 percent of the affected population (UNICEF)—CIDA has identified tsunami relief and reconstruction as a special program priority for 2005–2006. On January 10, 2005, the Prime Minister announced a commitment of up to \$425 million over five years for this purpose (*for details on the 2005–2006 program, see Section II*).

Events such as the tsunami are nearly impossible to predict. Nevertheless, CIDA has developed the capacity to respond immediately, even before the full impact of the event is felt. As soon as humanitarian assistance experts have assessed the situation, the Agency is in a position to make major, long-term commitments, working in close collaboration with other donor organizations and countries (*see box entitled "Chronology of Canada's Response to the Indian Ocean Tsunami"*).

CIDA is also working with the affected countries, international organizations and other donors to assess the longer-term reconstruction needs. Reconstruction will address the structures and systems required to help people in the affected areas rebuild their lives and

reduce their vulnerability to future disaster. CIDA funds for reconstruction will come from reinvestments in the IAE over the next four years, as part of the government-wide program for expenditure review. Given the scale of the damage and the reconstruction costs, CIDA will focus its assistance primarily on Indonesia and Sri Lanka.

Chronology of Canada's Response to the Indian Ocean Tsunami

When an earthquake off Sumatra measuring 9.0 on the Richter scale and an ensuing tsunami swept through the Indian Ocean on December 25 (Ottawa time), 2004, Canada was among the first donor countries to respond.

December 25	CIDA and Foreign Affairs Canada (DFAIT) employees are at work gathering information and preparing first response.
December 26	CIDA announces immediate humanitarian assistance and relief of \$1 million.
December 27	CIDA earmarks an additional \$3 million in emergency assistance.
December 29	Prime Minister Paul Martin announces that \$40 million has been set aside for the tsunami.
December 31	Humanitarian relief in the form of 800 rolls of plastic sheeting, 5,000 jerry-cans and 35,000 water purification tablets arrive in Sri Lanka. Canada establishes a debt moratorium for affected countries. The government announces it will match donations made by Canadian individuals.
January 1	Plastic sheeting, jerry-cans and water purification tablets are on their way to Indonesia.
January 2	The government doubles its contribution to \$80 million for relief, recovery, and reconstruction. The government allows Canadians to claim contributions to tsunami relief until January 11, 2005, on their 2004 tax returns. All Canadian flags on federal buildings are lowered to half staff until the national memorial service on January 8, 2005. The Public Health Agency of Canada makes available a portion of the National Emergency Stockpile System for most affected areas. The RCMP deploys a team of 10 forensic specialists to Thailand to help identify human remains. Permanent resident visas for affected family members of Canadian citizens and permanent residents are facilitated.
January 4	An interdepartmental reconnaissance team leaves for the region to assess the situation and recommend further assistance.
January 5	The government begins a series of conference calls and meetings with the provinces and territories to discuss their contribution to Canada's response to the Indian Ocean tsunami. The RCMP establishes a Tsunami Missing Person Task Force to assist family members and friends of missing Canadian citizens..
January 6	Ministers Pettigrew and Carroll attend the Special Association of Southeast Asian Nations Leaders' Meeting on the Aftermath of the Earthquake and Tsunami in Jakarta, Indonesia. The Disaster Assistance Response Team (DART) leaves for Sri Lanka.
January 7	Minister of Foreign Affairs Pierre Pettigrew travels to Phuket, Thailand, to visit tsunami-affected sites, including the Disaster Victim Identification Centre. Minister of International Cooperation Aileen Carroll visits Aceh, the worst-hit area on the island of Sumatra, Indonesia.
January 8	Canada holds a national memorial service in Ottawa for the victims of the tsunami.
January 10	Prime Minister Martin announces a commitment of up to \$425 million over five years for a comprehensive package of disaster relief measures and rehabilitation assistance.
January 14	Generators and collapsible rubber tanks are on their way to Indonesia. Medicine from the National Stockpile and privately donated drugs from pharmaceutical companies are sent to Sri Lanka.
January 15 to 18	Prime Minister Paul Martin visits tsunami-affected countries Thailand, Sri Lanka, and India.

Section II: Analysis of Program Activities by Strategic Outcome

A. Geographic Programs

Description: The geographic programs are the government-to-government programs of assistance between Canada and the developing countries of Africa, the Middle East, Asia, Latin America and the Caribbean, and the countries of Central and Eastern Europe.

Results statement: Canada's global development assistance efforts have an impact on achieving the MDGs, as part of a worldwide effort of donors and partner countries working together.

Indicators: CIDA's contribution to the MDGs are to be measured by a variety of indicators, including increases in school enrolment; decreases in infant, child, or maternal mortality; population with sustainable access to an improved water source and improved sanitation; and population below minimum level of dietary energy consumption.

Human resource requirements, 2005–2006	Financial requirements, 2005–2006
816 FTEs	\$1,435,240,000

These programs account for approximately 52 percent of CIDA's budget.

Geographic programs are based on country-to-country agreements between Canada and its developing country partners. Projects, programs, and activities are undertaken at the request of the partner country, and are grounded in that country's national development plan or poverty reduction strategy as well as in CIDA's own priorities of health, basic education, governance, and private sector development.

In 2005–2006, CIDA will continue its efforts to focus its programs in fewer sectors and fewer countries (*see box entitled "Africa at the Heart of CIDA's Program"*) to achieve maximum impact. An initial list of nine countries of focus has been established, six of which are in Africa: Ethiopia, Ghana, Mali, Mozambique, Senegal, and Tanzania as well as, Bangladesh, Bolivia, and Honduras. The countries were selected on the basis of their need

Africa at the Heart of CIDA's Program

In its February 2003 budget, the Government of Canada pledged to double its international assistance by 2010 with at least 50 percent of the new resources are going to Africa. In Budget 2005 the government committed to double 2003–2004 aid to Africa by 2008–2009.

- The Canada Fund for Africa, a \$500-million initiative developed in support of the G8's Africa Action Plan and NEPAD, is a key program in CIDA's increased focus on Africa (www.cida.gc.ca/canadafundforafrica).
- Since 2002, more than \$490 million in new resources will have gone to the six countries of focus, \$223 million in 2005–2006 alone.
- From 2000 to 2006, spending in CIDA's development priorities will have increased eightfold.
- From 2001 to 2006, investments in agriculture, food security, and rural development will have risen from \$10 million to \$100 million.

for assistance and their capacity to use it effectively. Other countries will be added in the coming years.

CIDA is shifting its approach from supporting a range of traditional stand-alone projects to funding comprehensive programs designed and initiated by partner countries and financed by many donors working together. This not only reduces duplication and administrative workload for the developing country partner, it also helps donors and countries to coordinate policies, harmonize practices and procedures, and increase their effectiveness and impact. In 2005–2006, the Agency will continue to seek out new opportunities for program-based approaches. Among the possibilities now under consideration are health, and water and sanitation in Bolivia; basic education in Burkina Faso, Nicaragua, and Honduras; labour-intensive rural development in Rwanda; and environment and disaster management in the Caribbean.

Program-Based Approaches: the Case of Iraq

In order to make program-based approaches (such as sector-wide approach to programming and direct budget support) work, all partners must collaborate closely in planning, budgeting, monitoring, and evaluating the activity. Increasing transparency and accountability in the use of their funds is important for all partners. About one third of Canada's assistance to Iraq (\$100 million) goes to the International Reconstruction Fund Facility for Iraq, which is managed by the World Bank and the UN, in close collaboration with donors and the Iraqi authorities. Donors and multilateral agencies have drawn lessons from other postconflict responses in designing this single facility to coordinate a significant share of international assistance to the reconstruction of Iraq. As chair of the donor committee, Canada will continue to advocate for a more strategic use of funds, monitoring results and lobbying for a multidonor evaluation of the progress made. Our contributions and active participation are helping to strengthen the multilateral institutions working in Iraq.

1. Key Programs

(a) Health: Four of the Eight MDGs (\$231.6 million in 2005-2006)

CIDA will be funding a number of new programs and activities in the health sector during 2005–2006. For example, the Bolivia program will operationalize its new Comprehensive Health Program (\$20 million), which will improve access to and quality of primary health care, especially with respect to infant and maternal care. Also in Bolivia, a more programmatic approach will be taken to the water and sanitation sector, where Canadian investment (\$12 million) will help enhance national and local management capacities. This will complement a water resources information management system funded by CIDA, which will soon be taken over by the Government of Bolivia.

In Bangladesh, a joint project of the multilateral and geographic programs will aim to promote the health, social status, and incomes of poor rural women through road maintenance work and activities to improve women's awareness of and access to health and nutrition programs. This will benefit approximately 40,000 women and their families, and will specifically target child mortality and maternal health. In Zambia, a new \$8-million program will support the supply of essential drugs, using existing coordinating mechanisms. The program will also provide an opportunity for CIDA to work with the Government of Zambia in defining health policy, including the chance to participate in the next phase of the National Health Strategic Plan.

HIV/AIDS: Scaling Up in Mozambique

CIDA is providing \$7.4 million in support to HIV/AIDS programming in Mozambique in 2005–2006. Part of this amount will go to the Common Fund of Support to the National AIDS Council and the Common Fund of Support to the Health Sector to strengthen the public health system. This will include provision of resources for HIV/AIDS prevention, care, support, and treatment.

CIDA is able to play an active role in shaping the response to HIV/AIDS through policy dialogue with the government and other donors, as well as through capacity development, monitoring, and evaluation. CIDA will be highlighting the gender-specific aspects of HIV/AIDS, urging greater attention to women's higher vulnerability to infection, gender-based violence, and women's economic vulnerability when their husbands can no longer work. CIDA will also support civil society efforts through a responsive fund that will provide rapid, flexible and short-term support to education, agriculture and rural development, gender equality, and governance activities. Health care worker training will also be supported.

The geographic programs will continue to support a wide range of activities to fight the AIDS pandemic, including vaccine research in Africa, prevention programs for transport workers in Southeast Asia, and capacity development in the Caribbean and Haiti. The South African program will target 50 percent of its resources to HIV/AIDS. New projects developed over the coming years will aim at improving service delivery through strengthening human resource and institutional capacities and supporting research and information sharing. In Tanzania, an approximately \$50-million program is being developed with the Government of Tanzania and other donors in 2005–2006. This will complement the \$5 million already invested to purchase antiretroviral drugs for 33,000 people living with AIDS, and should stimulate other donor funding and contribute to the consolidation of the management and delivery structure of the government's Multi-Sectoral Strategic Framework on HIV/AIDS.

(b) Basic Education: Two of the Eight MDGs (\$252.2 million in 2005-2006)

Ongoing basic education programs in Mali, Burkina Faso, Niger, Zambia, Tanzania, Mozambique, Senegal, Kenya, Uganda, Malawi, Iraq, Gaza and the West Bank, Egypt, Morocco, and Jordan are all paying increasing attention to eliminating gender disparities in access and promoting gender equality in education systems. The programs are also addressing barriers to access to education, in cases when services are biased toward

middle- and upper-income classes, including in urban areas. In addition, the programs emphasize better integration of health, nutrition and early education to help ensure that cognitive capacity is not destroyed through hunger or lack of micronutrients. In 2005–2006, CIDA will disburse \$100 million in basic education in Africa, with almost 80 percent going to initiatives in Mozambique, Tanzania (*see box entitled “Primary Education in Tanzania: Some Outputs for 2005–2006”*), Senegal, and Mali. Basic education is the most important sector of CIDA’s program in Senegal, accounting for 60 percent of the geographic program budget. The Agency’s expected results are increased access to basic education, literacy, and professional training, primarily for girls and women. In 2005–2006, CIDA will support curriculum reform, improved management, and the evaluation of a number of national-level programs in Senegal.

In Central America, programming will focus on enhancing the ability of national and local institutions in Honduras, Nicaragua, and Guatemala to improve education quality and to increase access for girls and boys to basic education. Major investments in Education for All programming will take place in Honduras (\$20 million), Nicaragua (\$15 million), and Guatemala, and a focus on bilingual education will help promote the indigenous mother tongue.¹⁵ In Peru, CIDA will continue its support to education in rural areas, and will study the feasibility of developing a comprehensive education program. In Haiti, CIDA will continue to support basic education based on the national plan for education and training. The national plan

Primary Education in Tanzania: Some Outputs for 2005–2006

The Primary Education Development Program (PEDP) in Tanzania has shown remarkable results in the past few years, as detailed in CIDA’s 2003–2004 *Departmental Performance Report*. Chief among these has been the increase in net primary enrolments from 58.8 percent to 88.5 percent. In concert with other donors funding this program, CIDA will continue to build on PEDP achievements in 2005–2006, building and upgrading facilities and enhancing quality.

This year, PEDP activities will include the construction or completion of 17,000 new classrooms, 11,500 pit latrines, and 3,000 new teachers’ homes. The program will also involve the recruitment of 14,000 new teachers, with a shift in emphasis to improving quality. A new curriculum framework will be developed; 136,000 teachers will receive in-service training; 6,800 primary schools and 34 teachers’ colleges will be inspected; and professional support will be provided to teachers. Improved exams will be administered to 1 million Standard 4 and 530,000 Standard 7 pupils, and special needs education programs will also be improved.

Project management will also be strengthened, with stronger integration of PEDP into the day-to-day work of the Ministry of Education. These activities will also include capacity building for ministry and local staff and community education committees, the strengthening of system management, and improved monitoring and evaluation.

15. The Education for All initiative provides a set of goals, action plans, and tools for donors, countries, and civil society to ensure, by 2015, that all children of primary age have more access to and complete free schooling of acceptable quality; that gender disparities in schooling would be eliminated; that levels of adult illiteracy would be halved; early childhood care and education would be expanded; learning opportunities for youth and adults would be greatly increased; and all aspects of education quality would be improved. (<http://www.unesco.org/education/efa/index.shtml>)

combines ongoing and new initiatives, such as supporting the Ministry of Education in the development of an educational statistics system, supporting initiatives in the teacher training area, and providing a program for disadvantaged children. In 2005–2006, CIDA will also develop a more detailed comprehensive education program for Haiti, and will continue to support the Ministry of Education in its national strategy development process, in order to meet the objectives defined in the Education for All framework.

In Bangladesh, CIDA will continue to support its non-formal education programs through the Bangladesh Rural Advancement Committee (\$20 million over three years). CIDA will also provide \$67 million over five years to a ten-donor formal primary education sector-wide approach (SWAp) (with a total value of some \$2.5 billion). CIDA is the chair of the Donor Education Coordination Committee in Dhaka. In Vietnam, CIDA will continue to contribute to that country's basic education trust fund (\$8 million over 8 years), strengthening the Ministry of Education and Training's ability to plan and manage education initiatives including the implementation of the National Education for All Plan. CIDA will continue to invest in a primary education for disadvantaged children program (\$15 million over 6 years) and will study the feasibility of contributing to a Targeted Budget Support initiative designed to enhance basic education quality in the poorest regions. Within La Francophonie, CIDA will engage in policy dialogue to ensure the following: that basic education and training receive a fair share of the national education budget; that programs are well adapted to local realities; and that cultural diversity and local knowledge are valued and promoted within the context of gender equality.¹⁶

(c) Governance: The Foundation for Achieving All the MDGs (\$438.5 million in 2005-2006)

CIDA supports developing country efforts to strengthen governance across the full spectrum of its geographic programs, working with governments, NGOs and non-governmental institutions, public sector entities, and community-based organizations. These efforts will often be carried out under the new Canada Corps initiative described earlier. During 2005–2006, CIDA will continue to fund reforms in public sector organizations. In Bolivia, a new strategic governance mechanism (\$15 million) will enable CIDA to respond quickly to diverse Bolivian requests for public sector support, while at the same time providing core institutional funding to a select number of Bolivian institutions carrying out strategic policy reforms and innovations. In Mali, CIDA will contribute \$10 million for the creation of an Office of the Auditor General and the

16. The Organisation internationale de la Francophonie [international organization of La Francophonie], which comprises 53 states and governments and 10 observers sharing French as a language, is active in the fields of international policy and multilateral cooperation. Its cooperation program focuses on i) promoting peace, democracy, and human rights; ii) supporting education, training, higher education, and research; and iii) developing cooperation to support sustainable development and solidarity.

establishment of a permanent electoral office. In Senegal, CIDA will support the decentralization of government functions by strengthening local institutions and fostering greater citizen participation in decision making. In Ghana, CIDA will contribute \$725,000 to strengthen the role of parliament in overseeing the implementation of Ghana's poverty reduction strategy. The integrated rule of law program in Bosnia and Herzegovina, and Serbia and Montenegro (\$33.3 million over 2004–2010) will deliver a range of programming in judicial reform, both at the institutional level (strategic planning and capacity development) and at the level of the day-to-day functioning of courts, complemented by parliamentary and police reform.

Governance Support for Countries in Crisis: Afghanistan, Haiti, and Iraq

CIDA is working in collaboration with its partners to assist countries in crisis in developing the foundations for conflict resolution and prevention, representative institutions, active participation of civil society, fair laws, an open judicial system, and human rights law enforcement.

In Afghanistan, CIDA is supporting the World Bank's Afghan Stabilization Program through the Afghanistan Reconstruction Trust Fund. CIDA is contributing to two UNDP initiatives: the Law and Order Trust Fund and the Disarmament, Demobilization and Reintegration (DDR) program. In addition, the Agency is supporting the UN Assistance Mission to Afghanistan's Mine Action Program and a project to support justice and the rule of law with Afghanistan's Ministry of Interior. Two new programs in community renewal and girls' education are expected to begin in 2005–2006.

In Haiti, CIDA is contributing to the UN Mission for Stabilization in Haiti through the deployment of 100 police officers (\$15 million); supporting the Ministry of Justice for public security to develop and implement a strategic plan for the national police (\$244,000); providing support to ensure that quality information related to the upcoming elections is provided to citizens by the press (\$2 million); proceeding with the evaluation of the Consolidation of the Rule of Law project to improve the administration of the penal system and enhance the effectiveness of the Office of the Protection of the Citizen, and studying the feasibility of continuing support in this area (\$1.5 million); and providing support to reinforce the independence of the judiciary vis-à-vis the executive and to enhance its ability to render justice that is timely, equitable, and accessible to all (\$3 million).

CIDA is providing \$7 million to Elections Canada for technical assistance and seed funding for the secretariat of the International Mission for Iraqi Elections (IMIE). From its assessment of the January 30, 2005 elections, the IMIE will provide advice and help build the capacities of the Independent Electoral Commission of Iraq. Over the course of the next year, the Electoral Commission will be charged with organizing the constitutional referendum and a subsequent national-level election under the terms of the new constitution. The IMIE is led by a steering committee, chaired by Elections Canada, and comprising members of independent elections commissions and electoral experts from around the world.

Canada has deployed 20 Canadian police officers to help train Iraqi police in Amman, Jordan, and is providing technical assistance in democratic policing (\$10 million). Approximately 18,000 police recruits are expected to graduate in 2005–2006. Meanwhile, Canadian police advisors deployed in Baghdad will continue to contribute to the capacity of Ministry of Interior officials in planning and structuring the security sector in Iraq and integrating new management methodologies and human rights, including gender equality, into their work.

In 2005–2006, CIDA will provide \$7 million to support the implementation of Mali's judicial reform program, which includes developing a courthouse model and strengthening the capacities of the Ministry of Justice and various other judicial authorities across the country. Through the Agency's Inter-American Program, a \$350,000 contribution will help countries improve their legislation, institutions, and

systems to better combat corruption. CIDA supports human rights organizations in a wide range of countries, from Afghanistan to Bolivia. A new project in Zimbabwe, valued at \$2 million over three years (\$600,000 in 2005–2006), will support the Legal Resources Foundation to promote constitutional and human rights, legal education and local capacity building for good governance and accountability in the legal sector.

Election support, now part of the Canada Corps initiative, in the form of provision of equipment, training, reinforcement of a free press, and awareness raising for voters, is a priority for CIDA. Elections projects will continue to be supported in a number of countries, including Iraq, Haiti, and Afghanistan. In Haiti, the Agency will have provided \$17 million in support of Haiti's electoral process, which will cost US\$45.5 million in total. These contributions will enable the Provisional Electoral Council to fulfill its mandate of organizing transparent and credible elections. In Africa and the Middle East, election support will be provided in a number of countries, including Ethiopia (\$1 million in 2005–2006 to support elections, and particularly targeting civil society, including women); Tanzania (\$1.9 million to support the development of a Permanent National Voters Register for the 2005 elections); and the Democratic Republic of Congo (\$2.25 million in 2005–2006 to support a citizenship participation project).

(d) Private Sector Development: MDG Number 1, and CIDA's Long-Term Objective—Poverty Reduction (\$159.9 million in 2005-2006)

In Africa, the emphasis for private sector development assistance is on rural economic development. CIDA's support is often provided as a mix of institution building for government ministries and funding for specific grass-roots initiatives. For example, in Mozambique, the Agency is investing \$10 million in 2005–2006 to support the following initiatives: pooled funding with other donors to support the Ministry of Agriculture and Rural Development in its capacity to implement programs in smallholder agriculture, commercial agriculture, and natural resource management; and initiatives by community-based organizations in microcredit, rural water, and coastal rural livelihoods.

Supporting the Private Sector in Haiti

As the poorest country in the Americas, Haiti has average per capita income of US\$440 per year. However, most of its 8.3 million people struggle to survive on less than US\$1 a day. The transitional Haitian government and the international donor community have agreed on an Interim Framework for Cooperation (2004–2006) which has four priorities: political governance; economic governance and institutional development; economic recovery; and basic social services. CIDA is supporting economic recovery through the following initiatives:

- the mobilization of savings and credit by consolidating the network of savings and credit unions to increase access to credit for individuals and small businesses (\$1 million); and
- support to the local development process across the following activities: agro-forestry, development of agricultural markets, and support to local entrepreneurship.

In 2005–2006, CIDA will disburse approximately \$18 million in support of these initiatives, which represents about 20 percent of the budget for the geographic program in Haiti.

In Central America, the emphasis is on building the ability of vulnerable groups to increase agricultural production, processing, and marketing, especially in the rural areas and among indigenous populations. In the Caribbean, CIDA's portfolio of private sector development projects is valued at \$50 million, and includes support for human resource development, strengthening the enabling environment, microfinance, and the incubation of new enterprises. In Costa Rica, the Costa Rican Competitiveness Development Fund (\$3 million) engages Canadian government partners to work with the Costa Rican government to eliminate technical barriers to trade and competitiveness. For example, activities include simplifying procedures to promote business activity and efficiency; assisting small and medium-sized enterprises (SMEs) to access resources and markets; and developing cost-effective export promotion strategies for targeted products. In Brazil, CIDA is providing \$1.4 million for technical assistance to the São Paulo Secretariat for Employment and Labour Relations. The assistance will improve skills and materials for the delivery of employment development and training services in two or three specific areas (workplace-level adjustment/training; career guidance, counselling, and training needs assessment).

In Asia, SMEs will be developed, particularly in Indonesia, Bangladesh, and the Philippines, through increased access to financing and business development services that will enhance competitiveness and performance. In Pakistan, CIDA will foster economic growth through an increased contribution to the oil and gas sector and help the Government of Pakistan to set appropriate policies, as well as regulate and sustainably manage this sector.

Facilitating Local Ownership: A New Life for the "Fondo" of Ecuador

Since its founding in 1991, the Canada-Ecuador Development Fund, or the Fondo, as it is known locally, has implemented 133 projects, benefiting 55,426 of Ecuador's poorest rural families. During the past two and a half years, these projects have increased participants' incomes by more than 53 percent (against a backdrop of economic crisis, decreasing salaries, and an inflation index of 32 percent). At the same time, participants' production has grown by 48 percent, with a corresponding rise of 49 percent in goods sent to market.

Financed through the sale of Canadian telecommunications and oil and gas equipment and other commodities, the Fondo has received more than \$53 million over the years, and has generated income through investments and other activities totalling \$24 million. It has proven to be an excellent tool for the delivery of CIDA's bilateral program in Ecuador because of its professional management and its achievement of concrete results.

Today, the Fondo has the capacity to deliver more programming than CIDA is able to fund. Over the next three years, CIDA will support the Fondo's transition from a Canadian bilateral aid project to a legally constituted not-for-profit institution, newly named and dedicated to poverty alleviation work in Ecuador. This new Ecuadorian organization will build on the success of the Fondo. It will be able to attract and program additional funds from other donors and extend its reach and impact.

In the five-year development strategy for the Fondo, the stated mission is to reduce poverty of the most vulnerable groups in Ecuador. Its long-term goal is to strengthen the capacity of local organizations to manage their own development, making the Fondo a powerful agent of change for the poor. With its impressive track record and strong reputation among donors and the Government of Ecuador, the future for the Fondo—and for the communities with whom it works—looks very promising.

CIDA supports a large number of microcredit projects to build the capacities of financial institutions that serve the poor. These projects are being carried out in countries as diverse as Bangladesh, Paraguay, and the Democratic Republic of Congo, where services are specifically targeted for women. In Senegal, a new program in the region of Niayes will boost agricultural production and increase access by the poor, especially women, to financial services. In Tanzania, a new \$17.5-million contribution to a pooled fund will support increased access to microfinance services for the poor. The specific goals are to provide access to financial services for an additional 200,000 poor households, 100,000 microenterprises, and 10,000 SMEs; an increase of at least three financial institutions providing financial services to the poor; a 100-percent increase in the volume of credit provided to poorer households, microenterprises, and SMEs; and a 100-percent increase in the volume of deposits mobilized from poorer households, microenterprises, and SMEs.

CIDA is also supporting increased foreign direct investment in Africa. In response to specific African requests for increased investment in commercial ventures that contribute to development, the government will launch the Canada Investment Fund for Africa (CIFA) in 2005. CIFA will have a minimum targeted aggregate capital of \$200 million, half of which will be provided by the Canada Fund for Africa, with the remainder to be raised by third-party investors. CIFA will provide risk capital for investments in Africa that generate economic growth.

Finally, the Agency is supporting the efforts of developing countries to integrate into the multilateral trading system through technical assistance in negotiating and implementing trade agreements. In Central America, trade-related technical assistance will help build the trade capacities in customs, trade policy development and negotiations, and public consultation and consensus building (\$5 million). Increased capacity in trade negotiations is also being supported in the Caribbean, Asia, and Africa.

(e) Crosscutting Issues: Three of the Eight MDGs

CIDA integrates environmental and gender equality considerations into all its programming, planning, and evaluation activities, and takes a leadership role in the donor community to urge its Canadian and international partners do the same. The Agency also funds specific programs and projects in developing countries to build the capacity of local organizations to engage in advocacy and dialogue with governments, as well as to plan and implement programs in environmental conservation and gender equality.

Environment

CIDA helps developing country partners at the community, business, and government levels to sustainably manage their resources in projects that specifically address environmental issues. In Indonesia, a recent environment sector review confirmed the need to address multiple dimensions in natural resource programming. As a result, the largest single program level intervention that is being explored under the Indonesian

Country Development Programming Framework (CDPF) is an estimated \$50 million multi-year Environment Governance Program that will focus on renewable natural resource management in selected watershed areas. This initiative is intended to assist Indonesia with the protection and creation of sustainable livelihoods through equitable access to, and sustainable management of, natural resources. In Afghanistan, a new \$5-million project to manage water resources in the Hari Rud Basin will begin in 2005–2006. In Ghana, two new projects worth \$23 million will improve food security by strengthening local capacity to reverse land degradation and desertification, implement water and land management systems, and promote environmentally sound agricultural development. The Canada Fund for Africa will build African technical and managerial capacity to enhance integrated water management at the national and regional levels, and support the provision of water and sanitation services, especially for the poor, in a series of projects totalling \$50 million. In Latin America, CIDA is supporting a region-wide project that will help the private sector to develop and implement environmental protection technologies, especially in emissions reduction, social impact, and health and safety. Another project helps governments to improve their environmental and regulatory practices in the energy sector.

Gender Equality

CIDA supports specific initiatives to promote gender equality through funds established in a number of countries to respond to requests for support from local governments and civil society organizations. For example, these funds are supporting gender equality in Ethiopia, Zimbabwe, Cameroon, Mali, Morocco, Egypt, Rwanda, Kenya, Malawi, Pakistan, Bangladesh, Haiti, the Caribbean, and the Andes. These funds support strategic activities to promote women's rights, including election support, legislative change, and public awareness raising. They also support institution building and the delivery of services that specifically address women's needs, including legal aid, health care, basic education, and education on human rights. In Sri Lanka, CIDA will focus on improving the participation of women as decision-makers and participants in peace and development activities; and, in the Andes, CIDA continues to foster the increased participation of women as decision-makers in governance at both the local and national levels. In addition, CIDA is working with the international development agencies of Sweden, the Netherlands, and Denmark to provide joint financing to Bolivia's Vice-Ministry of Gender to help it implement its 2004–2007

Gender and Strategic Impact: A Choice for the Tajikistan Program

Women play key roles in agriculture and water resource management in Tajikistan, creating a close link between poverty and gender. This link, and the other gender-related inequalities that exist in all aspects of life in Tajikistan, makes gender equality a priority in CIDA's programming in agriculture and water resource management. In fact, part of the rationale for the focus on water and agriculture is based on an assessment of how to mobilize women in their communities toward poverty reduction.

CIDA will develop a gender equality strategy to guide the program, and, where possible, indicators for program performance will be collected according to gender to capture the project's impact on poverty and gender equality.

national plan for the full realization of women's rights. All donors working on gender in Bolivia take part in this innovative gender equality pooled-funding initiative. CIDA also helps its Canadian and international partners to mainstream gender equality considerations into their own programming, through training and technical assistance.

(f) Reconstruction in Tsunami-affected Countries

On January 10, 2005, the Prime Minister announced a commitment of \$425 million over the next five years towards a comprehensive package of disaster relief, rehabilitation and reconstruction assistance for the tsunami-affected countries in Asia. Much of the region's short-term relief needs have been met but longer-term relief and rehabilitation efforts may well continue for most of 2005–2006. While early support to the UN's Flash Appeal and NGO efforts was managed by CIDA's humanitarian assistance division, it is anticipated that the funds matching the unprecedented contributions by Canadians to eligible organizations, currently estimated at approximately \$200 million, will allow CIDA and Canada to assume a significant role in the ongoing international relief and reconstruction effort.

CIDA has been working closely with the governments of tsunami-affected countries, particularly the two hardest hit, Indonesia and Sri Lanka, as well as with the World Bank, the Asian Development Bank, the UN system and the donor community to develop CIDA's longer-term reconstruction strategies for the region. These strategies, which should be finalized in the near future, will see up to \$160 million spent over four years. They will serve as the framework for both bilateral reconstruction efforts and complementary programming from the matching fund-eligible organizations. Coordination between the governments of affected countries and donors will be critical to the effective reconstruction of the region affected by the tsunami.

(g) “Graduating” From the Aid Program

A number of countries have progressed well along their development paths and are ready for a more mature relationship with Canada. By April 1, 2005, graduation and termination of programming will occur in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia, since these countries have already joined the European Union. CIDA will support their new status as donors, helping them to develop co-funding arrangements for projects in Eastern and Southern Europe, Asia, and Africa.

In Asia, the India¹⁷ and Thailand programs will be phased out in 2005–2006. CIDA will be working more closely with Thailand, Malaysia, Singapore, and Brunei as fellow donors.

17. In 2003, India announced that it was reducing its bilateral donor relationships to a minimum number, and Canada is no longer a part of that group.

2. Country Program Profile: Mozambique

Mozambique has become an increasingly important partner for Canada since it was identified in December 2002 as a “country of focus” for Canadian development cooperation. Consistent with Mozambique’s poverty reduction strategy, Canada’s development programming objective is to contribute to the substantial reduction of the levels of poverty in Mozambique through measures to improve the capacities of, and opportunities available to, Mozambique, especially women, men, girls, and boys living in poverty.

CIDA’s current programming, as outlined in the Country Development Programming Framework 2003–2008, is focused on four priority areas: education, HIV/AIDS, agriculture and rural development, and governance. Two crosscutting themes that permeate all aspects of development in Mozambique (gender equality and the environment) are aggressively pursued. CIDA’s programming in these sectors places Canada squarely within the highly harmonized context of Mozambique-led and donor-subscribed, sector-wide programs targeting the highest priorities of the poverty reduction strategy. Mozambique is one of the most advanced countries in Africa in terms of donor harmonization, with strong national government guidance toward the preferred common approach. This promotes efficiency and reinforces the national capacity for poverty reduction.

Background

Once described as the poorest country on earth, Mozambique has emerged from years of conflict and made tremendous progress over the past 12 years, particularly in the areas of stability, economic reform, and performance. The economic progress of the 1990s, though dramatic, was not fully inclusive of the most vulnerable. Mozambique remains a poor country, ranking 171 out of 177 on the UNDP’s Human Development Index (2004). There are pronounced gender, income, and regional disparities; HIV/AIDS is a significant and growing constraint to development; and this largely rural country is vulnerable to alternating floods and droughts, which regularly threaten livelihoods.

Canada–Mozambique Cooperation

By 2005–2006, CIDA will have increased its annual budget for the Mozambique bilateral program to \$42.3 million, significantly enhancing Canada’s visibility and strategic influence in Mozambique. A comprehensive package of initiatives that responds to and supports Mozambican-led strategies, systems, and mechanisms will be funded by CIDA. This support is channelled through country-led pooled fund mechanisms at the sectoral level, through macro-level budgetary support, and through traditional project initiatives that target those most in need. By pursuing this balanced approach to programming,

CIDA is focusing on development effectiveness and operational results, and addressing considerations such as risk management.

CIDA will soon be a member of the group of donors (the “G15”) providing direct budgetary support in Mozambique. The Agency’s interventions will rely heavily on a strengthened partnership with Mozambique which will be facilitated by the establishment of a full Canadian High Commission in Maputo, and through the planned renewal of the Program Support Unit. This unit hosts a complement of highly skilled, locally recruited, Portuguese-speaking professionals who support the CIDA program.

The Harmonization Context

Mozambique has shown a strong commitment to development. A full poverty reduction strategy is in place and a joint government–donor review of its implementation indicated a significant reduction in extreme poverty from 69.4 percent in 1996–1997 to 54.1 percent in 2002–2003.¹⁸ The level of donor confidence and commitment to the poverty reduction strategy in Mozambique is reasonably high, with donors pledging US\$790 million to support Mozambique in 2004.

Budget support coordination started in the mid-1990s in Mozambique, and was formalized in 2000 with the establishment of the Joint Program for Macro-Financial Support. The number of donors contributing to this program has grown rapidly, from an original four agencies in 1998 to 15 agencies in 2004. A significant proportion of development assistance to Mozambique is now being provided in the form of direct budget support.

Next year’s review of Mozambique’s 2006–2010 poverty reduction strategy will involve substantive policy discussions with the Government of Mozambique on future directions for poverty reduction in the country. CIDA will be well placed to advocate for the pursuit of strategic priorities in the areas of education, rural development, and governance, as well as the mainstreaming of HIV/AIDS and gender equality.

Over the next year, CIDA will work to promote harmonization by piloting Canadian involvement in the direct budgetary support arrangement and by contributing to the new performance assessment framework of development partners involved in this arrangement. Similarly, Canada will complete its tenure as focal donor of the gender coordination group (the joint government, donor and civil society arrangement following

18. The joint government–donor performance assessment framework of the implementation of the poverty reduction strategy will further streamline procedures and establish a number of measures, such as regular and formalized donor meetings, focal donor agreements on a rotating basis, annual joint assessments, sets of agreed performance indicators, work on future joint programming, and policy coordination. These harmonization measures all contribute to develop government accountability and capacity, as well as increased predictability.

gender equality in Mozambique), and assume the role of Focal Donor of the HIV/AIDS Partners Forum (the joint government, donor, and civil society mechanism involved in the National AIDS Council).

Harmonization will remain a critical factor of success in a country with so many donors. Considering Mozambique's good record on donor coordination and harmonization, CIDA is working hard to fulfil its commitments for greater alignment of support on the Mozambique-led poverty reduction strategy. Although problem areas remain, donor harmonization measures have fostered an environment of mutual accountability and a culture of dialogue, optimizing the predictability and transparency of aid, two crucial elements of efficiency.

B. Canadian Partnership

Description: Canadian partnership programming uses responsive and core-funding delivery models in support of partnerships between voluntary and private sector organizations, in Canada and developing countries, that align to CIDA's mandate and objectives.

Results statement: Canada's development assistance, through voluntary and private sector partnerships, contributes to the achievement of CIDA's Key Agency Results and the MDGs as part of the worldwide effort by donors and partner countries working together.

Indicators: CIDA's contribution to the MDGs are to be measured by a variety of indicators, including improved instruments to assess and affirm the development effectiveness of partnerships, and numbers of volunteers.

Human resource requirements, 2005–2006	Financial requirements, 2005–2006
188 FTEs	\$292,045,000

These programs account for approximately 10.5 percent of CIDA's budget.

Canadian Partnership Branch manages CIDA's overall relationship with Canadian private and voluntary sector partners on a responsive basis. In keeping with CIDA's policy statement on strengthening aid effectiveness, the Agency is strengthening its relationship with non-government partners toward one that is strategically focused and supportive of the roles Canadian and local non-government partners can play in achieving the MDGs and addressing the needs of the world's poorest countries. CIDA's non-governmental partnerships contribute to sustainable and equitable development by promoting democratic governance and fostering social and economic development.

Canadian partnership programming supports the Government of Canada's priorities as they relate to Canada's role in the world, including the mobilization of Canadians in support of international development, Canada Corps, the voluntary sector initiative, the role of the private sector, and showcasing Canadian creativity and knowledge abroad. During 2005–2006, CIDA will continue to reinforce its relationship with non-government partners to achieve these objectives and strengthen its ability to support a whole-of-agency approach to development assistance. This will be accomplished by:

- developing and implementing the voluntary sector program management framework and a public engagement strategy;
- enhancing CIDA's strategic focus;
- contributing to a whole-of-agency approach to geographic and sectoral concentration, and to the best application of CIDA's delivery channels (bilateral, multilateral, and partnership);
- reinvigorating the policy dialogue with non-government partners in order to share knowledge and influence international development policy and practice; and
- improving the transparency and effectiveness of CIDA's responsive funding mechanisms.

1. Key Programs

Health and Basic Education (\$84.3 million in 2005-2006)

Social development is a focus for Canadian partnership support, averaging about 30 percent of all allocations annually. Canadian partnership will continue to focus on development of the institutional capacities of local civil society organizations and governments to promote a human rights approach to basic education, health, HIV/AIDS, and gender equality, including special measures to realize the rights of marginalized children. It will also support partners that advance practical policy recommendations on effective ways to reach the MDGs. As in previous years, the Canadian partnership program expects to fund partner-based initiatives in such areas as maternal and child health, HIV/AIDS prevention and care, basic education and literacy, provision of safe water and sanitation, and integrated community development.

Governance (\$53.8 million in 2005-2006)

The Agency will support activities that strengthen many facets of civil society and encourage members of society to actively engage in the promotion of democratic institutions. It will increase the capacity of civil society groups to stimulate grassroots demand for more participation in how they are governed and for the provision of government services, and will continue to send election observers to ensure fair, safe, and transparent elections.

CIDA will support its partners in promoting civil society engagement in national and global policy dialogue by building the policy capacity of global organizations that give voice to the poor, the disabled, women, children, and other marginalized groups in society. In addition, CIDA will enhance the enabling environment for civil society's engagement in policy dialogue. In collaboration with the private sector, the Agency will support firms and institutions that endorse corporate social responsibility, business ethics, and good governance through investment facilitation and institutional development activities. It will also examine the use of public-private partnerships in promoting these values and working together to solve social and community issues.

Consistent with the creation and evolution of Canada Corps, the Agency will be working closely with others to find effective and innovative ways to deliver government projects with and through Canada Corps.

Private Sector Development (\$51.2 million in 2005-2006)

CIDA will continue to implement its private sector development strategy through cooperation between Canadian and developing-country private sector companies and organizations. The Agency will create sustainable long-term relationships in Canada and in developing countries by raising the productivity of local firms and economies through

technology and knowledge transfer. CIDA will also facilitate investment and support enterprises to enhance competitiveness and international linkages.

CIDA manages several private sector development programs and will continue to explore ways to enhance the effectiveness and development impact of its support to private sector partners. Increased emphasis will be put on building the capacities of small and medium-sized enterprises through the creation of joint ventures. Programming with the private sector helps meet the MDGs through job creation to reduce poverty, through technology transfer, through direct investment in key social infrastructure such as water supply, and through management training.

The Agency will also support its partners' knowledge-sharing in economic and trade policies to benefit the poor, advance the interests of developing countries in trade negotiations, and promote social responsibility. In addition, it will support the institution building and/or institution strengthening of local private sector organizations that provide essential services that drive private sector development—which is essential in making private sector development sustainable over the long term.

2. Partnership Profile: Volunteer Cooperation Program

CIDA's volunteer cooperation program (VCP) supports initiatives with volunteer cooperation agencies (VCAs) such as CUSO and Canada World Youth. The VCP disburses about \$40 million annually, with 37 percent targeted toward economic well-being, 41 percent toward social development, 5 percent toward environmental sustainability, and 17 percent toward governance.

VCAs support CIDA's mandate and objectives in meeting the MDGs. They work in a manner consistent with the principles of effective development assistance by building the capacity of developing country partners to improve economic and social well-being. Through the placement of qualified Canadian volunteers, and through volunteer exchange programs, VCAs look to define and meet local needs in a sustainable manner. By engaging a large and diverse spectrum of Canadian volunteers, VCAs promote a better understanding of international development issues to the Canadian public at large.

CIDA and the VCAs have had a productive relationship since the creation of Canada's aid program. Through their strong connection to communities in developing countries, VCAs have been well placed to identify emerging priorities and offer innovative programming. CIDA has played a dual role by being their primary funding body and encouraging innovative policies and programs.

The thousands of Canadian volunteers who have served abroad have returned with a deeper understanding of Canada's place in the world, the need for greater international

cooperation, and the importance of civic values. The VCAs have engaged Canadians directly by offering them opportunities to become involved in programming, providing them with information on development issues, debating international cooperation issues with them, and offering people from the developing world an opportunity to speak with Canadians directly about matters of mutual concern. The work of the VCAs has helped build Canada's capacity to undertake effective international cooperation, and, thus, support sustainable development and the reduction of poverty.

Management of the VCP is unique for a number of reasons:

- Considerable effort has been made to bring about a more systematic and coordinated approach to voluntary action in partnership with CIDA. This is particularly evident through the continuing dialogue process between CIDA and the VCAs as a group, where issues are discussed openly. This dialogue has resulted in a greater degree of transparency and cooperation.
- The VCAs have developed a framework of principles for the work of volunteer cooperation agencies in relation to CIDA's *Canada Making a Difference in the World: A Policy Statement on Strengthening Aid Effectiveness*, which illustrates how volunteer cooperation supports some of the central themes and practices of effective development assistance, including poverty reduction, good governance, engaging civil society, public engagement, local ownership, and strengthening capacity.
- The assessment of program proposals for the 2004–2009 VCP was made within the context of the above-noted framework, and, particularly according to their degree of compatibility with the principles of strengthening aid effectiveness, thus allowing decisions to be made on budget allocations.

C. Multilateral Programs

Description: Multilateral programs involve managing substantial core contributions to, and high-level participation in, multilateral development and humanitarian institutions, especially to strengthen the latter's development effectiveness. They include: programming against hunger, malnutrition, and disease; humanitarian assistance, peace, and security; and international financial institutions, UN, Commonwealth, and La Francophonie programs.

Results statement: Canada's development and humanitarian assistance through multilateral institutions and other partners contributes to the achievement of CIDA's Key Agency Results and the MDGs, as part of the worldwide efforts by donors and partner countries working together.

Indicators: CIDA's contribution to the MDGs are to be measured by a variety of indicators, including delivery of appropriate emergency aid, use of performance measurement, HIV prevalence, and infant mortality.

Human resource requirements, 2005–2006	Financial requirements, 2005–2006
155 FTEs	\$957,082,000

These programs account for approximately 34.5 percent of CIDA's budget.

Canada's reputation is that of a committed multilateralist. This stems from the belief in effective multilateralism as the preferred method of global governance, providing an inclusive process to set the rules of international conduct; and a forum to promote values important to Canada, including democracy, human development, social justice, and respect for human rights. Multilateral organizations deliver more than 40 percent of Canada's aid program. They are essential in supporting states in crisis, and in responding to emergencies and disasters of both human and natural causes. Because of the significant resources they can mobilize, multilateral institutions also enable Canada to extend its reach in support of the MDGs beyond what would be possible through country-to-country programs alone.

CIDA will work to fortify the multilateral system in 2005–2006, through support for ongoing UN reform and work on multilateral effectiveness; replenishment of development bank funds and resources; and preparation for major multilateral events, such as the September 2005 UN Millennium +5 Summit. CIDA will also pursue a more strategic approach, providing support for institutions that achieve the most effective developmental results, particularly with reference to progress toward the MDGs.

1. Key Programs

Health and Basic Education: Six Out of Eight MDGs (\$394.4 million in 2005-2006)

CIDA will continue to contribute to the ongoing health programs of a number of partners annually, including UNICEF, UNFPA, the Global Alliance for Vaccines and Immunization, and the Global Polio Eradication Initiative. CIDA will also support several partners specifically for work in HIV/AIDS: the Joint UN Programme on HIV/AIDS; the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM); and the WHO's "3 by 5" initiative, an ambitious effort aimed at providing treatment to 3 million people suffering from AIDS in developing countries by the end of 2005. These vertically oriented activities will be buttressed by CIDA's ongoing support for the extensive programming of the international financial institutions (IFIs) in health and AIDS—particularly, their work to strengthen health care systems.

CIDA Support Saves Lives

Through better nutrition: Since 1998, CIDA has invested about \$175 million in partnerships with the Micronutrient Initiative, UNICEF, and others (including World Vision Canada and CARE Canada) to increase Vitamin-A coverage in countries most affected by Vitamin-A deficiency. UNICEF has credited CIDA with saving 1.5 million children's lives between 1998 and 2001 as a result of this funding. From 2002–2004, CIDA estimates that 500,000 deaths were averted per year because of the program. In 2005–2006, CIDA-funded programming will deliver about 552 million capsules and avert an estimated 650,000 deaths. CIDA's contributions are expected to range from \$40–\$55 million in 2005–2006.

Through immunization: Since 2002, CIDA has worked with UNICEF to provide about \$40 million to support measles immunization in 16 countries, reaching some 128 million children and preventing more than 180,000 child deaths per year over an estimated three-year period. For every new dollar provided in 2005, an additional child will be immunized. It is estimated that a measles death will be prevented with every additional \$250–\$400 invested, depending on the epidemiological environments in the countries funded. CIDA's contributions are estimated up to \$15 million in 2005–2006.

By fighting TB: CIDA was a leader in establishing the GFATM, a public–private partnership to which Canada has committed some \$170 million. The fund complements other initiatives, including the Global Drug Facility (GDF) for TB, the Stop TB Partnership, and initiatives of the WHO, as well as activities by numerous NGOs, including World Vision Canada and CARE Canada. These initiatives will result in more than 3 million people in more than 40 countries being successfully treated for TB. In 2005–2006, CIDA will contribute up to \$55 million to fight TB, including through new funding of up to \$25 million for the GDF.

Efforts are also being deployed in the education sector, with partners such as the Commonwealth of Learning and UNICEF, supporting distance education, girls' education, and returning war-affected children back to school. CIDA will also continue to provide significant amounts of food and non-food humanitarian assistance.

Governance: The Foundation for Achieving All the MDGs (\$72.7 million in 2005-2006)

Promoting participation, accountability, and effectiveness in governance continues to be a focus for CIDA in all its multilateral cooperation programs, including with IFIs, UN agencies, the Commonwealth, and La Francophonie. The Agency also places priority on promoting effective, democratic public sector management for equitable, sustainable social and economic development. Work will continue in conflict prevention, peacebuilding, and postconflict reconciliation; and mine actions. CIDA will also support the UN Study on Violence Against Children, which will provide an in-depth global picture of violence against children, and will propose clear recommendations for improving legislation, policy, and programs. Providing support for placing Canadian policing capacity at the disposal of UN postconflict programming is an emerging area of CIDA expertise. The Agency will also continue to promote systemic inclusion of stakeholders and civil society in the formulation of national poverty-reduction strategies, the country program strategies of multilateral organizations, and postconflict programming. Some of these efforts with and through multilateral organizations will be undertaken as part of the Canada Corps initiative.

Private Sector Development: MDG Number 1, and CIDA's Long-Term Objective—Poverty Reduction (\$125.6 million in 2005-2006)

CIDA will work with its multilateral partners to develop policies, programs, and enabling environments that support pro-poor economic growth. It will support microfinancing and the development of small and medium-sized enterprises; private sector lending—particularly, through the International Finance Corporation¹⁹; rural development, with special reference to the International Fund for Agricultural Development; and the UN Capital Development Fund, a member of the UNDP group, which pilots small-scale investments in local governance and microfinance. Through the IFIs, in particular, CIDA will continue to support the development of essential infrastructure in developing partner countries. CIDA will also continue to promote trade-related technical assistance to help developing countries become full partners in the global trading system, and will establish a trade facilitation mechanism.

Crosscutting Issues

To support poverty reduction and human health and well-being, CIDA will continue to actively support the integration of environmental considerations in its Multilateral Program-related decision-making and activities. The approach will emphasize the environmental assessments (EA) required by the *Canadian Environmental Assessment*

19. The International Finance Corporation is the private sector lending arm of the World Bank and the largest multilateral source of loan and equity financing for private sector projects in the developing world.

Act and CIDA's *Policy for Environmental Sustainability*; and emphasize strategic environmental assessments (SEAs) of policies, plans, and programs. The Agency will seek opportunities to encourage multilateral organizations to adopt their own EA and SEA processes and will promote harmonization where feasible. Special emphasis will be placed on the completion of SEA reports for CIDA's Multilateral Program, and consideration of disaster-risk reduction through these assessments.

CIDA will continue to provide financial support through contributions to the Global Environment Facility (GEF) and IFI trust funds, as part of Canada's response to its commitments under multilateral environmental agreements dealing with, for example, persistent organic pollutants, ozone-depleting substances, climate change, biodiversity, and land degradation. CIDA will explore synergies between the GEF and its implementing agencies—the UNDP, the UN Environment Program, the World Bank, and the Regional Development Banks—building on the GEF's catalytic role in encouraging these agencies to integrate the environment into their broader mandates.

CIDA supports such organizations as the UN Development Fund for Women and the UNFPA, which work directly on gender equality, a key crosscutting priority for CIDA in all its Multilateral Programs. As a result of CIDA funding for a full-time gender-equality expert to Jeffrey Sachs' Millennium Project, the Sachs Report reaffirmed the critical importance of gender equality for reaching all of the MDGs. CIDA has made important intellectual and financial contributions to the ongoing gender assessments of the UNDP and other institutions, and will contribute to the ongoing efforts to develop a performance assessment framework for CIDA's 1999 *Policy on Gender Equality*, with a specific focus on the assessment of multilateral institutions and the implementation of their commitments to achieve gender-equality results. CIDA will also develop a strategy to facilitate the encouragement and monitoring of progress on gender-equality mainstreaming by major partners, and on specific thematic programming supported by CIDA.

Humanitarian Assistance

Table 3: Humanitarian Assistance

	Actual Spending 2000–2001	Actual Spending 2001–2002	Actual Spending 2002–2003	Actual Spending 2003–2004	Forecast Spending 2004–2005	Planned Spending 2005–2006
Humanitarian assistance and distress relief*	\$158.7 million	\$174.3 million	\$195.3 million	\$228.2 million	\$317.7 million ²⁰	\$91.0 million ²¹

* This includes food aid under humanitarian assistance criteria.

20. This amount includes approximately \$210 million for tsunami relief.

21. This amount is the initial planned spending, but unforeseen emergencies that arise may increase the actual amount.

In 2005–2006, CIDA will continue to provide assistance to populations affected by conflicts and natural disasters in developing countries, by helping them meet their basic needs, including health, shelter, nutrition, water and sanitation, food security, education, and protection. The nature of humanitarian assistance often requires action in response to events that occur unexpectedly. Among the populations that CIDA will continue to help are those that were victims of the December 2004 Indian Ocean tsunami (*see the “Canada’s Assistance to Indian Ocean Tsunami Victims” box below*). During 2005–2006, ongoing rehabilitation efforts, particularly through the matching-funds program, will focus on the worst-affected countries, Sri Lanka and Indonesia, as well as on providing some assistance to India. Initial priorities will be addressing basic needs such as ensured access to safe water systems, health, and child protection; and helping people establish livelihoods and rebuild basic services. The actual activities carried out will depend on the proposals received by eligible NGOs. Longer-term development assistance will be determined in collaboration with the affected countries, other donor countries and organizations, and Canadian partners.

Canada’s Assistance to Indian Ocean Tsunami Victims

The Government of Canada has committed up to \$425 million over five years to the international relief effort for humanitarian, rehabilitation, and reconstruction assistance for tsunami victims; funds matching the generous contributions of individual Canadians to eligible charitable organizations; and ongoing rehabilitation assistance to the affected region from 2005 to 2009. Canada has already pledged up to \$265 million in immediate humanitarian and recovery assistance.

Contributions made to international organizations include the following:

- The International Federation of Red Cross and Red Crescent Societies (\$4.5 million), for the immediate needs of those affected—shelter, food and non-food relief items, health care, water, and sanitation—and to strengthen the operational capacities of national societies in the affected countries.
- UNICEF (\$3.5 million) to provide health care, nutrition, water and sanitation, and protection and education for children throughout the affected region.
- World Food Programme (WFP) (\$2 million), to purchase and distribute food in Sri Lanka, Indonesia, and Thailand.
- UN High Commissioner for Refugees (UNHCR) (\$1 million), to provide non-food relief items in Sri Lanka, including in the rebel-controlled area. In Indonesia, the UNHCR will provide emergency shelter and other non-food items for up to 50,000 displaced persons. In Malaysia, it will help to reunite families on behalf of the 9,000 Acehese refugees under UNHCR protection.

An additional \$29.5 million in contributions against the UN flash appeal has been disbursed, with the exception of \$10 million for UNICEF.

Contributions made to Canadian NGOs include the following:

- OXFAM Canada (\$700,000), to improve potable water and sanitation systems, and to enhance access to shelter and household items for up to 56,000 households in Indonesia and Sri Lanka. OXFAM Canada is also working to improve interagency coordination.

- World Vision Canada (\$600,000), to provide emergency non-food items—mats, blankets, clothing, kitchen utensils, plastic water tanks, and roofing materials—in severely affected areas of Sri Lanka and India. It is anticipated that 15,000 households (75,000 people) will benefit.
- CARE Canada (\$500,000), to distribute safe-water systems and other emergency relief items—including oral rehydration salts, plastic sheets, blankets, and water bladders—to up to 100,000 individuals in Indonesia and India.
- Save the Children Canada (\$400,000), to provide food, shelter, household items, and water purification material to up to 40,000 families, and to reunify children and infants separated from their families in Sri Lanka and Indonesia.

Canada has deployed emergency relief items on commercial and Canadian Forces planes to:

- Sri Lanka: approximately \$600,000 worth of supplies included 35,000 20-litre water purification sachets, 4,290 20-litre jerry cans, and 840 rolls of plastic sheeting (arrived in Colombo on December 31, 2004).
- Indonesia: approximately \$200,000 worth of supplies included 35,000 20-litre water purification sachets, 3 water pumps, 5,760 20-litre jerry cans, 12,702 12-litre buckets, 160 rolls of plastic sheeting, 200 axes, 252 shovels, and 2 temporary warehouses (arrived in Jakarta on January 2, 2005).
- The Maldives: approximately \$200,000 worth of supplies included 5,040 blankets, 1,390 batteries, 3,000 garbage bags, 1,600 flashlights, 2 10,000-litre water bladders, and 1 temporary warehouse (arrived in Male on January 6, 2005).
- Indonesia: approximately \$750,000 worth of generators and collapsible water tanks (arrived January 17, 2005).
- Sri Lanka: approximately \$300,000 worth of medicine from the national stockpile and privately donated drugs for the WHO (arrived on January 16, 2005).

Funds have been made available through Canadian embassies and high commissions in the affected countries for initiatives proposed by the following local organizations, to procure and distribute relief supplies:

- The Indonesian Red Cross (\$650,000);
- The Indonesia Canada Fund for Local Initiatives (\$500,000);
- The Sri Lanka Canada Fund for Local Initiatives (\$316,000);
- The India Canada Fund for Local Initiatives (\$200,000); and
- The Maldives Canada Fund for Local Initiatives (\$50,000).

As reiterated in Budget 2005, on December 30, 2004, in the aftermath of the Asian tsunami, Canada was the first country to announce an immediate moratorium on debt payments owed by those countries affected by the disaster. Since then, Group of Seven (G-7) members have agreed to defer debt payments up to the end of 2005, and to promote this in the Paris Club. If all eligible countries participate, up to \$100 million in debt payments owing to Canada could be deferred in 2005.

CIDA will ensure that attention to the tsunami crisis does not divert resources from equally devastating, but less visible crises, particularly in Africa. The Democratic Republic of Congo, Sudan (including Darfur), Northern Uganda, and West Africa will

continue to remain key geographic areas of concern. Within this context, gender, including sexual and gender-based violence, and protection, particularly of women, girls, and boys, will be key thematic concerns. Support for the voluntary repatriation of refugees will also be an important priority. CIDA's key humanitarian partners will remain the International Committee of the Red Cross, the UN High Commissioner for Refugees and the UN Office for the Coordination of Humanitarian Affairs (UNHCR).

As follow-up to the Nairobi Summit on a Mine-Free World in November 2004, CIDA will be developing a mine action strategy for 2005–2009. CIDA will also develop a mainstreaming framework and operational guidelines, initiating an international consultation as well as an evaluation of the Canadian Landmine Fund.

CIDA is also working with UN partners to ensure a smoother transition between peacekeeping, relief, and long-term development operations.

Institutional Strengthening

One of Canada's foreign policy priorities is strengthening the multilateral development and humanitarian system, which includes a diversity of organizations, including: the multilateral development banks, the UN and its agencies, global funds and partnerships, and international NGOs. Through its participation on the governing boards of multilateral organizations, CIDA will continue to promote good governance in these organizations, including greater openness and accountability, and the development of anti-corruption policies.

To enable multilateral institutions to support programs to improve health and education, develop the private sector, strengthen governance, and provide humanitarian assistance, CIDA will continue to work to strengthen the institutional effectiveness of multilateral institutions, as well as to improve the multilateral system as a whole, with special emphasis on reform of the UN system. One key instrument in this is the Utstein Group, through which CIDA supports UN reform and effectiveness—particularly, increased harmonization and Poverty Reduction Strategy alignment at the country level; enhanced governance of the UN development system, in support of effective program delivery at the country level; and financing for UN development agencies appropriate to the tasks assigned them by the international community. CIDA also participates in several multidonor assessment processes. Through field surveys via MOPAN, CIDA monitors UN performance at the country level.

In 2005, CIDA is working with DFAIT and other government departments to incorporate key objectives regarding multilateral institutional and development effectiveness into the Government of Canada's messaging on the Sachs Report, the upcoming Secretary-General's Report, and the 2005 G8 Gleneagles Summit, and at the UN Millennium +5 Summit in September 2005. The latter summit is expected to confirm a UN structure suited to its roles in achieving the MDGs and enhancing global security.

2. Institutional Program Profile: Asian Development Bank

The Asian Development Bank (AsDB) operates in a region that occupies a critical place on the world's economic, social, and political agenda. The region is home to the world's most populous countries and most dynamic economies, alongside some of the world's poorest countries. Poverty has diminished, but the region still has two thirds of the world's poor. Major challenges remain regarding non-income MDGs.

The AsDB's role has evolved from that of an institution aimed primarily at fostering economic growth—notably, infrastructure development—and cooperation, to one whose overarching goal is poverty reduction. The Poverty Reduction Strategy has become the Bank's key program planning and management tool. It has three pillars (pro-poor economic growth, social inclusion, and good governance) and five thematic priorities (regional cooperation, private sector development, gender equality, the environment, and capacity development). The AsDB invests in transport and communications, social infrastructure, energy, finance, agriculture, and natural resources as well as industry. It also funds equity investments and technical assistance, providing borrowers with the expertise necessary to undertake sector policy and governance reforms, among other things.

The AsDB is well placed to assume a leading role in the fight against poverty in the region, and in the march toward the MDGs. It has endorsed the achievement of the MDGs as a central objective of international development and a major focus of its Poverty Reduction Strategy. It has launched an ambitious and wide-ranging reform agenda, including more rigorous evaluation, stronger country focus, and country-driven development. Managing for development results has become the central component of the Bank's development effectiveness strategy. The AsDB's new human resources strategy sets the stage for improved personnel management and performance. Full implementation of the AsDB's reform agenda is critical for improving development effectiveness.

Canada and the Asian Development Bank

Canada is the seventh-largest shareholder of the AsDB, which approved approximately US\$5.5 billion in new funding in 2004. Canada will provide 4.66 percent (nearly \$207 million) of the resources of the Asian Development Fund (AsDF) for 2005–2008. The AsDF is the AsDB's concessionary window, providing loans at very favourable terms for the poorest countries with limited debt-repayment capacity. Canada is the head of a like-minded constituency of donors that includes The Netherlands, Denmark, Norway, Sweden, and Finland (the second-largest non-regional voting block, with 8.2 percent of the votes). This constituency is a very active, constructive, and well respected member of the AsDB Board of Directors. There were 46 Canadians (6.1 percent) working as professional staff at the AsDB as of June 30, 2004.

Canada has very good credibility with the AsDB Board, and a high profile in Board deliberations, focusing on institutional policy issues and development effectiveness. It has been a constant voice in favour of pro-poor development, and for essential crosscutting issues such as the environment and gender equality. Canada has provided input and guidance on human resource management issues, and has been at the forefront of successful efforts to introduce results-based management at the AsDB.

There has been little recent bilateral co-financing between CIDA and the AsDB. The one notable exception is a \$30-million education sector program in Bangladesh, approved in December 2003, as part of a major AsDB-led education-sector loan. CIDA is more intensively examining the scope for further potential collaboration with the AsDB. For its part, the AsDB is engaging more significantly in donor harmonization, and has made overtures in various countries toward working more closely with CIDA.

CIDA is preparing a pilot institutional policy framework (IPF) for the AsDB. CIDA's greater emphasis on results, development effectiveness, and enhanced due diligence feature prominently in the IPF. CIDA will use the IPF to further its reform agenda at the AsDB in five key areas:

- **Improving strategic focus** by increasing selectivity and synergy in country strategies and programs, and supporting a middle-income country strategy integrating new approaches to middle-income country lending into the Bank's overall poverty focus.
- **Improving capacity** through diligent implementation of the human resources strategy, addressing shortages in human and operational resources; improving gender balance/equality.
- **Improving quality** through improved institutional mechanisms to track quality, and giving greater attention to actual implementation and risk management.
- **Improving efficiency and effectiveness** by executing the AsDB's Action Plan for Managing for Development Results (results-based country strategies and programs) and recommendations from an independent assessment of the 2002 reorganization; and calling for the adoption of SEAs.
- **Improving Canada's support to the AsDB** through quality input on AsDB policies and programming, improved collaboration and co-financing, and exploring possible joint analysis of policies and programs by constituency-member countries.

D. Policy Coherence

Description: In addition to developing and implementing policies on all aspects of international development, CIDA fosters increased policy coherence between aid and non-aid policies that affect developing countries; ensures that all its internal policies are consistent; and works toward consistency between its own policies and that of its Canadian and international partners.

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

Indicators: CIDA's policy coherence can be measured through increases in the official development assistance / gross national income ratio; progress toward the MDGs in countries of focus; and securing agreement on priority issues.

Human resource requirements, 2005–2006	Financial requirements, 2005–2006
343 FTEs	\$59,336,000

These programs account for approximately 2 percent of CIDA's budget.

Development cooperation is a key element in Canada's foreign policy, together with diplomacy, defence, trade, and immigration. Over 2004, the Government of Canada undertook a wide-ranging review of Canada's international policy framework. When it is tabled, the International Policy Statement will play an important role in further strengthening policy coherence, not only for CIDA, but for all government departments involved in foreign policy.

Through its participation on intergovernmental committees, CIDA seeks to ensure that the concerns of developing countries are taken into account, and promotes policies that benefit these countries. During 2005–2006, CIDA will continue to seek greater policy coherence throughout its entire program by working more closely with its partners to ensure that all of CIDA's policies, programs, and practices are aligned and consistent with Canada's foreign policy objectives and the principles of aid effectiveness (*see the "A Common Purpose" box on this page*).

A Common Purpose: Policy Coherence in the CIDA's Central and Eastern Europe Program

The Agency's development cooperation program in Central and Eastern Europe and the former Soviet Union is in close alignment with a number of important Canadian federal government policies. This program directly supports the Government of Canada's interests in stability in the region. The Department of National Defence has finally withdrawn from its peacekeeping role in Bosnia-Herzegovina, but still continues to provide expertise to de-mining operations in Southeastern Europe, through a CIDA-funded project. The RCMP, through CIDA, is supporting the reform of police services in the Balkans, in part to improve domestic security and promote social development in many countries, but also to reduce the flow of illegal drugs and the spread of organized crime from the region to Canada. Citizenship and Immigration Canada would welcome any reduction in human trafficking, an issue that is becoming an important aspect of CIDA's partnership with the Organization for Security and Cooperation in Europe.

1. Key Programs

In terms of policy development, the following issues will be central to CIDA's efforts over the next two years: development of tools to help implement the Agency's policy on strengthening aid effectiveness, in key areas including conflict prevention and peacebuilding, human rights, democracy, good governance and the environment.

Canada Corps, an initiative to further Canadian excellence in governance, has the enhancement of overall coherence and coordination as one of its major objectives. Over time, there will be efforts to encompass the public, private, and voluntary sectors in the initiative. Significant efforts will be made within CIDA to ensure that governance is well organized and more effective.

CIDA will continue to break down the internal "stovepipes" in order to foster intra-Agency cooperation. The Agency's Knowledge Management Initiative fosters and supports collaborative processes in order to develop an integrated vision of the organization. Policy units will continue to actively engage with programming branches to ensure the relevance of policy documents, strategies, and action plans, and to ensure that knowledge products and tools are widely available throughout the Agency. Individual programs are consciously creating linkages, such as hiring a full-time coordinator for Canadian partnership programs at the field office in Vietnam to more closely align programs there with the geographic program. Collaboration across Canadian partnership, multilateral, and geographic programs will continue to increase (*see the "Seeking Coherence at the Working Level" box on this page*). All of CIDA's programs are working toward a whole-of-Agency approach in their programming, agreeing on program priorities and choosing the best delivery mechanisms when planning country-program strategies and individual programs and activities.

Seeking Coherence at the Working Level: the Caribbean Program

CIDA's geographic program in the Caribbean has been achieving a strengthened collaboration with partners within and outside the Agency. For example, CIDA has been consulting regularly with the Department of Finance and the Canadian Executive Directors of the International Monetary Fund and the World Bank to exchange views on specific country issues such as debt in Jamaica, macro-economic stability in Dominica, reconstruction in Grenada, or governance in Guyana, with a view to presenting a coherent and consistent Canadian position.

CIDA also participates in interdepartmental forums on the WTO, the Free Trade Agreement of the Americas, and Canada-CARICOM Free Trade, to ensure the needs and interests of small island developing states are being considered. CIDA is also continuing its participation in interdepartmental forums on security, financial-sector standards, and disaster management and mitigation, to ensure that Caribbean needs for training and institution strengthening are promoted. For example, CIDA has recently received the report of a commissioned study on Caribbean justice and security-sector needs, and has shared this with other interested Canadian government departments.

With most federal, and many provincial and municipal, governments now contributing to international cooperation programs, interdepartmental and intergovernmental collaboration is increasingly common across all CIDA programs. For example, CIDA's Technical Assistance Project Trade Negotiation Readiness program for Central America requires collaboration with seven federal departments. In addition, an interdepartmental committee reviews project applications for support through CIDA's private sector development program.

Perhaps the best illustration of interdepartmental collaboration and policy coherence is the "3-D" approach—diplomacy, defence, and development—in countries in crisis. This approach ensures a coordinated and integrated program across the Government of Canada. For example, the Afghanistan program involves regular contact between three departments to ensure a regular exchange of information, both in Ottawa and at the embassy. A similar whole-of-government approach is being taken in other postconflict countries, including the Democratic Republic of Congo, Iraq, and Haiti.

Since the time of the Haitian political crisis and the departure of then-President Aristide in early 2004, CIDA has worked closely and collaboratively with DFAIT on development assistance programming in Haiti, a hold-over from the wider interdepartmental collaboration that brought together not only DFAIT but also Citizenship and Immigration Canada, the RCMP, DND and the Privy Council Office in articulating Canada's response to the crisis. The Haiti program has, in past, necessitated a systematic interdepartmental approach to CIDA's strategic planning and program implementation, a process that will continue into the foreseeable future. Clearly, in times of crisis, such as the aftermath of Hurricane Jeanne in the autumn of 2004, this collaboration becomes even more intense.

Collaboration and coherence is especially important in the aftermath of complex emergencies. Canada, like most donors, relies mostly on UN development institutions to support fragile peace, especially where the UN Security Council plays a major role. Major funding initially moves through multilateral programs via humanitarian assistance and emergency food aid, peacebuilding, mine actions, and policing programming.

Multilateral programs will help in contributing to the development of a policy/programming framework for countries at risk or in transition from conflict, building on the peace and conflict work already being done. The solutions to these issues will, in part, require using multilateral organizations for guidance and delivery. Generally, CIDA's geographic and partnership programming comes into play later in the process. CIDA's Policy Branch takes the lead on peace and conflict policy.

CIDA will continue to carry out regular due diligence investigations of multilateral institutions prior to further investment, and will continue to support institutional evaluations. Among these are a pilot evaluation system in the UNDP, as well as several reviews and assessments, including of UNICEF, the WHO, and the UN Food and

Agriculture Organization. The Agency will also enhance the capacity of the multilateral system to program, measure, and report on results.

Canada will continue to chair the Good Humanitarian Donorship (GHD) initiative, which seeks further harmonization among key multilateral humanitarian institutions, in reporting and others areas. This will include ensuring follow-up to the GHD implementation plan, and outreach and advocacy on the Principles and Good Practice of Humanitarian Donorship agreed to in Stockholm in June 2003. CIDA will also begin to implement its own domestic strategy for fulfilling GHD principles and good practice, including providing more flexible and timely funding for its key humanitarian partners.

CIDA has a long history of collaboration in multidonor groups, including at the country level. These groups perform a variety of functions: they promote greater harmonization in aid practices, reducing duplication and oversight; allow donors to share knowledge, experience and analysis; and provide a forum for policy discussion. In Central America, CIDA plays a leadership role in harmonizing several efforts among donors. For example, in Honduras, CIDA chairs the donor coordination committee for education; co-chairs the donor coordination committee for health, chairs the subsector committee for Chagas; is Vice-President of the Global Fund country coordination mechanism for Honduras; chairs the national sector table for agro-forestry; chairs the *Poverty Reduction Strategy Paper* follow-up committee; and represents the donor community in civil-society committee follow-up. These efforts are geared toward implementing common monitoring procedures; sharing information and indicators, joint assessments and evaluations; and providing training on harmonization, coordination, and strengthening aid effectiveness.

In 2005–2006, CIDA will continue to implement its harmonization action plan. In the Balkans, all new contribution agreements and contracts will include donor coordination and harmonization work as a reportable activity. In the Development Aid Coordination Unit of the Ministry of International Economic Relations in Serbia, CIDA will deploy a planner to develop draft action plans on harmonization and sector-wide approaches, and to mentor local planners to do the same. More generally, through participation in direct budgetary support and sector-wide pooled-fund arrangements, CIDA is working across its programs to reinforce national capacity in a variety of areas, ranging from financial management and procurement, to HIV/AIDS and gender-equality mainstreaming, to human resource development and monitoring and evaluation.

Tanzania's Joint Assistance Strategy

In the United Republic of Tanzania, CIDA is an active and leading member of the Development Partners Group donor-coordination body; a member of the like-minded donor group that often leads intellectually on coordination and harmonization efforts; and a member of several thematic working groups. In the first quarter of 2005–2006, CIDA will work closely with the Government of Tanzania, civil-society organizations, and other development partners to define a joint assistance strategy (common programming framework) for coordinated, harmonized external support for the implementation of the new Tanzania Poverty Reduction Strategy (the national strategy for growth and the reduction of poverty).

Through its core budget, and both sector and pooled funding to Government of Tanzania programs, CIDA is a member of several joint technical and supervisory committees. CIDA will serve as development-partner coordinator for one or two of these groups. In 2005–2006 CIDA will make a special effort to improve coordination and support government leadership in the HIV/AIDS program, and expects to fund two or three public sector reform programs, contribute to the Poverty Monitoring System, and consider options for supporting the budgetary process through parliamentary and civil-society participation.

The heavy reliance of CIDA's Tanzania Program on program-based mechanisms is not without risks. In supporting such approaches, CIDA is forgoing a degree of direct control over the management of its projects and their immediate results, in favour of greater local ownership, reduced transaction costs, and greater sustainable impact. CIDA recently completed a full analysis of the risks inherent in budget support to Tanzania, and will be incorporating the results of that study into its program management strategy. The main risks lie in the areas of political risk, local institutional capacity (both for implementation and for fiduciary management), transparency, corruption, and results monitoring and reporting. Based on its risk assessment, CIDA deemed these risks to be manageable.

The significant measures undertaken by the government of Tanzania in democratic reforms, public accountability, governance, macroeconomic stability and growth, and poverty reduction, provides a solid basis for CIDA to participate in pooled funding and budget support arrangements.

E. Engaging Canadians

Description: CIDA fosters Canadian support for, and the participation of Canadians in, the aid program by soliciting public participation in policy dialogue and other consultations; inviting Canadian producers of goods and services to participate in the aid program; informing stakeholders and the general public about plans, policies, and programs; and collaborating with partners in awareness-raising efforts about development issues and Canada's contribution to international development.

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

Indicators: CIDA's contribution to the MDGs are to be measured by a variety of indicators, including media coverage of development and international cooperation issues, the number of internships approved; and the reach of publications.

Human resource requirements, 2005–2006	Financial requirements, 2005–2006
26 FTEs	\$24,332,000

These programs account for approximately 1 percent of CIDA's budget.

Canadians have consistently supported their development assistance program over the years, and a growing number of Canadian businesses, institutions, organizations, and individuals are actively contributing by working on aid projects, joining volunteer aid organizations, and advocating on behalf of developing countries. The participation of Canadians is essential to the success of the aid program. Through a variety of communications and engagement approaches, CIDA will continue to raise awareness of development issues and encourage Canadians to participate in activities to help developing countries.

Public engagement is one of the main objectives of CIDA's current business plan (CIDA's *Sustainable Development Strategy 2004–2006*). In 2005–2006, the Agency will be renewing its long-term Public Engagement Strategy in order to strengthen public knowledge of, and support for, Canada's development assistance program.

The key priorities in CIDA's public engagement program are collaboration with partners in pursuit of common public-engagement goals; public education programs and activities targeting government and non-government stakeholders and decision-makers; development and delivery of educational programs and youth outreach activities; and proactive media relations.

1. Key Programs

In 2005–2006, CIDA will continue to solicit input into its policies, plans and programs, through methods similar to the consultations held in Ottawa, Toronto, and Vancouver in 2004 for the country development programming framework for Bangladesh. The Agency will also continue to invite public participation in policy dialogue through its website and other means, and will enhance policy dialogue internally and externally.

Outreach in the regions will continue through CIDA's regional and satellite offices (based in British Columbia, the Prairies, and Atlantic Canada). The Agency will continue to strengthen its partnerships with CIDA stakeholders, provincial government counterparts, and other federal departments located in the regions, in order to facilitate partnerships in development cooperation and to contribute to the overall coherence of Canadian government programs. Further, CIDA will continue to encourage participation by Canadian suppliers of goods and services in the aid program. For example, CIDA will foster the increased participation of Canadian individuals and businesses in its programming in Central and Eastern Europe, through the civilian development program and the TurnAround Management Program.

Canada Corps

The newly created Canada Corps mobilizes citizens, NGOs, and expertise at all levels of government to help promote good governance and institution building in developing countries and fragile states. Canada Corps has been created to enhance Canadian excellence in governance in order to strengthen aid effectiveness. It draws on the experience of a wide variety of experts, and the knowledge and enthusiasm of younger Canadians, to implement its programs. In addition, it gathers Canada's governance activities under one umbrella program with many organizations across several sectors (public, private, and voluntary), all undertaking governance programming.

One of the major objectives of the Canada Corps initiative is to enhance and expand the engagement of Canadians. This engagement ranges, from achieving simple understanding by Canadians of the merits of development and governance work, to mobilizing Canadians to take up the challenge and work abroad.

The program will respond to the requests of partner countries. Among the activities it will support are elections, parliamentary strengthening, and mechanisms to protect human rights. It will also support systems and structures to foster an effective and transparent public sector, and a fair and impartial judiciary that works to resolve conflict fairly and peacefully. Canada Corps will also share knowledge and best practices on governance around the world to raise public awareness, inform policy debates, and guide and influence reform programs.

Canada Corps is responding to the requirements of partner countries through and with a broad range of partners and agencies. Examples include working through the Association of Universities and Colleges of Canada to draw on the strengths of overseas work-study internship placements; establishing a trust fund for peacebuilding at the UN Volunteers program that will send about 40 mid-career volunteers on postconflict transitions programs; and incorporating the help of the NetCorps Canada International coalition to provide up to 50 young Canadians with six-month internships in e-government and information/communication technologies-related projects in developing countries.

Guided by its renewed corporate communications strategy, CIDA will step up its efforts in public engagement in 2005–2006, through a wide range of partners. The Agency will continue to dedicate a portion of its program funding to public engagement in all activities implemented by volunteer-sending agencies. It will also seek out new public engagement partners in Canada and among international partners; and will continue its collaboration with other federal government departments, such as DND and DFAIT to promote knowledge and understanding of Canada’s roles in complex environments like Haiti, Afghanistan, Iraq, and the countries affected by the Indian Ocean tsunami.

In keeping with its focus on youth, CIDA will continue to fund programs aimed at young people, including *Butterfly 208*, an annual art, writing, and multimedia contest. CIDA will expand its reach into Canadian high schools to attract more students and teachers and to mobilize school resources. The Agency will also facilitate additional speaking engagements for its Speakers Program and Youth Speakers Program. The Youth Speakers Program includes a pool of young people who have international experience and are willing to share their experiences with others. Distribution of the new CIDA–Canadian Geographic Enterprises international development map, *A Developing World*, will reach every school in Canada, and the number of teachers using the map will grow as new lesson plans are made available on-line.

In 2005–2006, a new program, the global Youth Ambassadors initiative, will recruit youth leaders returning from overseas internships to mentor and encourage other Canadian youth to take concrete action toward positive global change. The Agency will also support the development and delivery of a new Global Citizenship Award for Canadian youth, as well as other partner-driven youth engagement activities. In addition, CIDA will actively promote the Youth Zone on the Agency’s website, as well as promoting its new “Tribute to Canadian Aid Workers” website. CIDA will also actively market its Global Classroom Initiative, which provides resources to teachers to help them incorporate international development themes into their education programs.

CIDA will also continue to inform and engage Canadians through other approaches, such as regional events with members of Parliament; media relations; and thematic weeks, such as International Development Week. In addition to its regular media relations activities, CIDA will increase its efforts in 2005–2006 to encourage media organizations to inform the Canadian public about development issues. In 2005–2006, CIDA will support a larger number of educational activities and stimulate the production and airing of a greater number of high-quality programs on international development, by encouraging journalists, teachers, and Canadian television broadcasters to participate in greater numbers in development issues. The Agency will also increase its number of new agreements with journalist and professional associations to promote greater understanding of issues and more in-depth reporting.

Section III: Supplementary Information

A. Management Representation Statement

I submit, for tabling in Parliament, the *2005–2006 Report on Plans and Priorities* for the **Canadian International Development Agency**.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of 2005–2006 Part III of the Estimates: Reports on Plans and Priorities*.

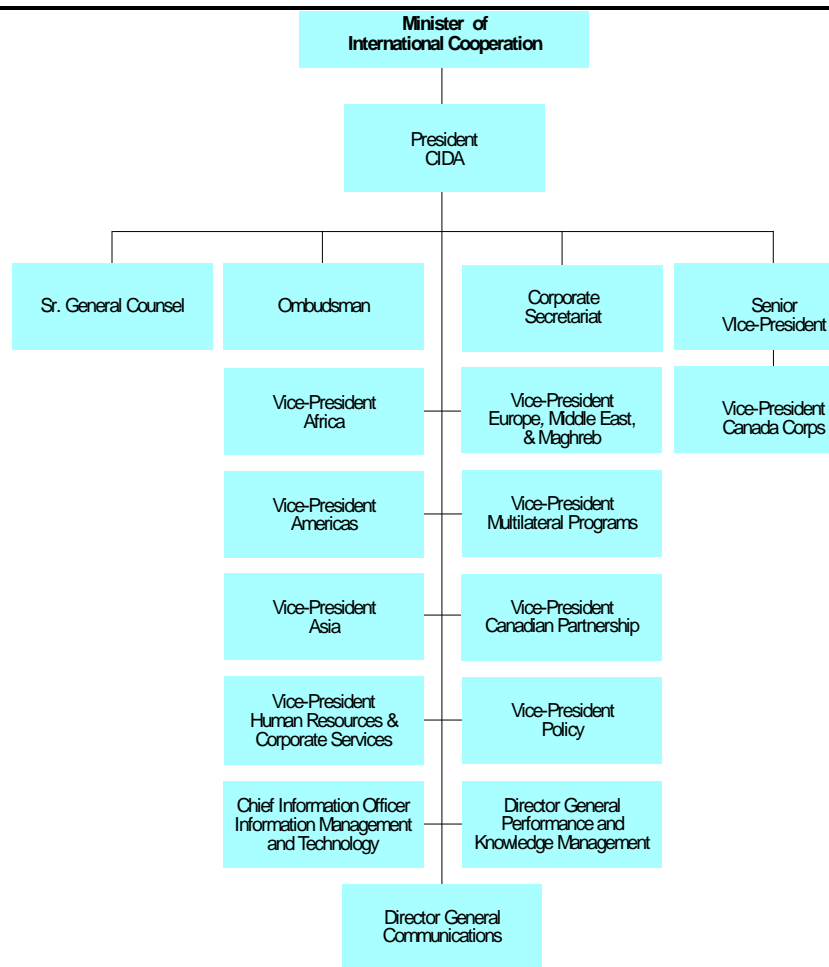
- It adheres to the specific reporting requirements outlined in the Treasury Board of Canada, Secretariat guidance.
- It is based on the department's approved accountability structure, as reflected in its Management, Resources and Results Structure.
- It presents consistent, comprehensive, balanced, and accurate information.
- It provides a basis of accountability for the results achieved by the department with the resources and authorities entrusted to it.
- It reports finances based on approved planned spending numbers from the Treasury Board of Canada, Secretariat in the *Report on Plans and Priorities* and from estimates and public accounts in the *Departmental Performance Report*.

Name: Paul Thibault

Title: President

Date: February 28, 2005

B. Organizational Information



CIDA's Business Lines Structure

(1) *Geographic Programs:*

- Africa
- Asia
- Americas
- Europe, Middle East and Maghreb

(2) *Multilateral Programs*

- Program Against Hunger, Malnutrition, and Disease
- International Humanitarian Assistance
- International Financial Institutions
- United Nations and Commonwealth Programs

(3) *Canadian Partnership*

- Voluntary Sector and Special Projects
- Industrial Cooperation
- Scholarships

(4) *Policy*

(5) *Communications*

- Development Information Program

(6) *Corporate Services*

- Agency Executive
- Human Resources and Corporate Services
- Information Management and Technology
- Performance and Knowledge Management

The six business lines are as follows:

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

Multilateral Programs: Multilateral Programs Branch is responsible for managing Canada's global development programs through substantial core contributions to and high-level participation in multilateral development institutions. It also undertakes targeted programming through multilateral organizations, and international and local NGOs in CIDA's priority areas, including health and nutrition, agriculture, peacebuilding and mine action. The Branch is also responsible for managing the International Humanitarian Assistance Program.

Canadian Partnership: The Canadian Partnership Branch manages a responsive program which is aligned with CIDA's mandate and strategic objectives, through cost-sharing partnerships with civil society and private sector organizations in Canada and developing countries. The Branch provides multi-year funding on the basis of merit to Canadian and international NGOs and volunteer-sending organizations. The Canadian Partnership Branch also provides project funding through competitive mechanisms within the context of either time-bound or open-ended competitions. The Branch manages CIDA's national network of regional and satellite offices; a consultations unit for discussing new policy directions with partners and the Canadian public; a conference secretariat to support the participation of developing-country delegates at international conferences, internships, and exchanges for Canadian youth; and public engagement initiatives to engage Canadians in international development.

Policy: Policy Branch leads policy research, analysis, and development to support and guide the Agency's plans and priorities and Canada's broader international assistance objectives and commitments. Policy Branch sets the strategic vision and priorities for the Agency, and leads the transformation into a knowledge-based and more effective international cooperation Agency. This policy role also includes positioning CIDA on the international cooperation agenda and on the Canadian government policy agenda, as well as representing CIDA in related forums. The Branch takes the lead in managing Canada's IAE and maintaining coherence among corporate policy documents, including aligning them with broader international priorities and commitments.

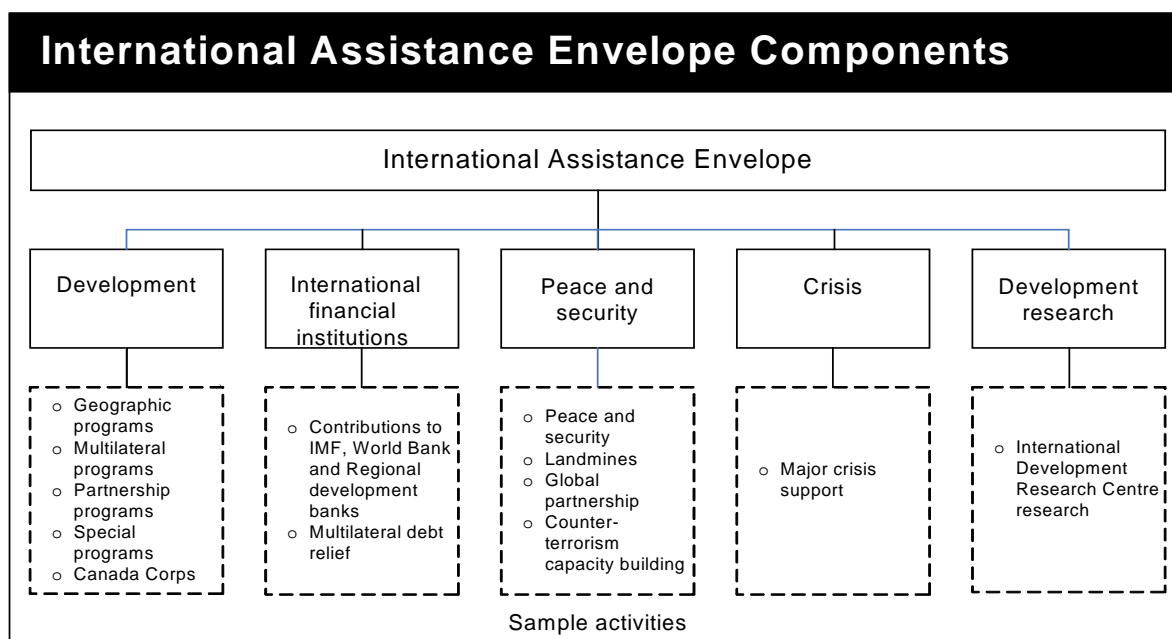
Communications: Communications Branch responds to the communication needs of the Minister of International Cooperation and of the Agency as a whole. The Branch also seeks to improve public awareness of, and support for, the work of CIDA and its development partners.

Corporate Services: Corporate Services ensures that the Agency has the necessary support services for the efficient and effective achievement of international assistance program objectives, through the Agency Executive (the President's Office, Senior Vice-President's Office, Corporate Secretariat, Legal Services and Corporate Planning and Analysis Group) and the Human Resources and Corporate Services Branch, the Performance and Knowledge Management Branch, and the Information Management and Technology Branch.

C. Financial Information

International Assistance Envelope

The IAE was introduced in the February 1991 Budget. It funds Canada's ODA²² and OA²³ initiatives. Budget 2005 established a new management framework for the IAE to provide greater predictability in budgeting and stability in programming while enabling Canada to respond to unforeseen crisis events. This new management framework is designed to provide a coordinated and flexible approach to Canada's international assistance and introduces a transparent process for the allocation of new resources. The framework restructures the IAE into five distinct pools, devoted to development, international financial institutions, peace and security, crises, and development research.



Source: Budget 2005, Department of Finance Canada

22. ODA is defined by the DAC-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%.”

23. OA is funding provided to countries which are not eligible to receive ODA (e.g., most of the “countries in transition” of Central and Eastern Europe).

CIDA manages the bulk of the IAE, and the following departments administer the remainder:

- the **Department of Finance**, for the International Development Association, for the World Bank Group and for the Poverty Reduction and Growth Facility, previously known as the Enhanced Structural Adjustment Facility (ESAF), a facility within the IMF, and multilateral debt relief;
- **DFAIT** for the overseas administrative functions relating to international assistance; certain grants and contributions to cover payments to international organizations; the Canadian Commonwealth Scholarship and Fellowship Plan to enable citizens of other Commonwealth countries (46 of which are developing countries) to study in Canada; for the International Development Research Centre (IDRC), and the International Centre for Human Rights and Democratic Development, both arms-length corporations which report to the Minister of Foreign Affairs Canada; and for programs in Peace and Security, including Landmines, Global Partnership and Counter-Terrorism Capacity Building.
- a number of **other departments** administer a small portion of the IAE, i.e., Public Works and Government Services Canada (PWGSC), Health Canada, Canadian Heritage and the Department of National Defence.

Table 4: *International Assistance Envelope Breakdown* presents a breakdown of the total spending. Information on IFI expenditures is provided on an issuance basis; that is, the full value of the notes is considered expended in the fiscal year in which they are issued, rather than when the actual cash is drawn by the recipient institutions. Chart 4 shows the distribution by channel of delivery.

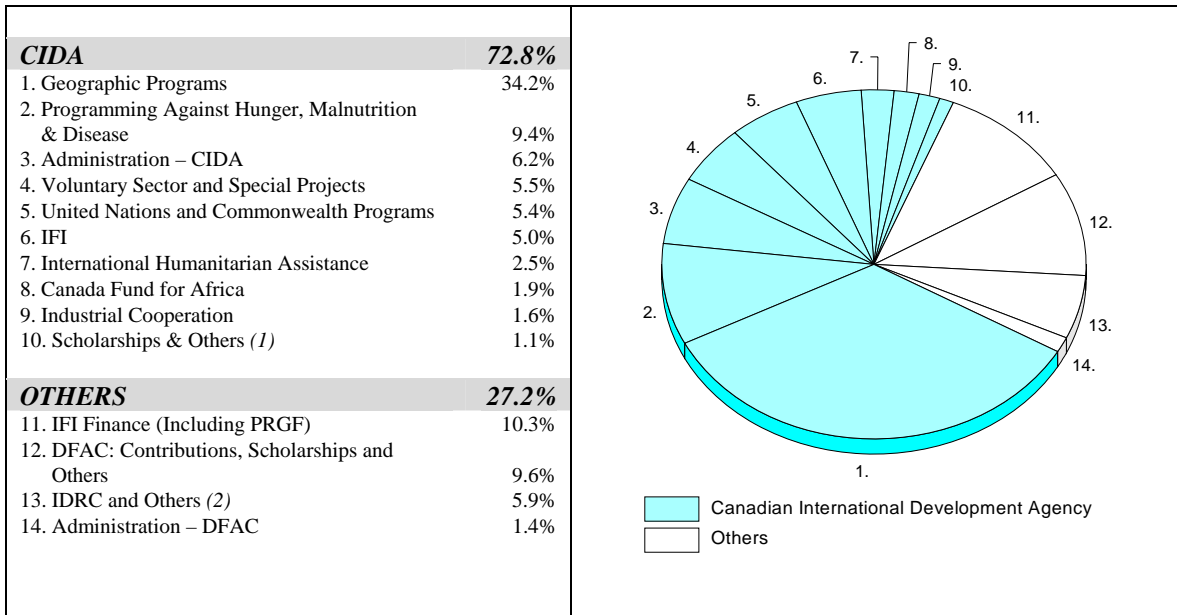
Table 4: International Assistance Envelope Breakdown (Issuance Basis)

(millions of dollars)	Planned Spending 2004-05	Planned Spending 2005-06
INTERNATIONAL ASSISTANCE ENVELOPE	3,193.749	3,601.000
Plus: Repayment of previous years' loans	21.713	21.654
Special Funds (1)	21.808	15.603
Less: Net Expenditures Review Committee Reduction	0.000	(1.200)
Gross International Assistance Envelope	3,237.270	3,637.057
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY		
AID PROGRAM		
Geographic Programs	1,165.849	1,204.588
Canada Fund For Africa	212.350	68.680
Algeria (2)	4.200	0
Canadian Partnership		
– Voluntary Sector and Special Projects	201.413	199.226
– Industrial Co-operation	58.635	58.942
– Scholarships	8.005	8.046
Multilateral Programs		
– Programming Against Hunger, Malnutrition & Disease	311.499	341.239
– International Humanitarian Assistance	91.160	91.065
– International Financial Institutions (IFI)	221.140	183.295
– United Nations and Commonwealth Programs	156.905	195.890
Policy Coherence		
– Development Assistance	11.988	12.535
– Canada Climate Change Development Fund	10.535	0
Engaging Canadians		
– Development Information Program	4.165	4.178
– Youth Initiative	5.952	5.952
– Canada Corps	0	10.000
Administration	212.742	214.917
CIDA – Official Development Assistance (ODA)	2,676.538	2,598.553
OFFICIAL ASSISTANCE		
Geographic Programs	40.582	38.700
Administration	10.076	10.004
CIDA Official Assistance (OA)	50.658	48.704
Total CIDA (ODA and OA)	2,727.196	2,647.257
OTHER DEPARTMENTS AND AGENCIES		
AID PROGRAM		
Dept. of Finance – (International Development Association)	230.134	318.270
Dept. of Finance – Poverty Reduction and Growth Facility	8.200	4.800
Dept. of Finance – Multilateral Debt Initiative	0.000	51.000
International Development Research Centre (IDRC)	113.463	122.463
Health Canada – (for Pan-American Health Organization)	6.500	6.500
Department of National Defence – (Canadian Landmines Fund)	3.000	3.000
DFAIT (Grants and Contributions)		
– Assessed Contributions	66.342	66.836
– Voluntary Contributions	9.065	8.165
– Scholarships	8.288	8.288
– Global Partnership	0.000	143.000
– Peace and Security Program	8.380	118.953
– International Centre for Human Rights and Democratic Development (ICHRDD)	4.859	4.859
Public Works and Government Services Canada	2.100	8.400
Canadian Heritage	0.175	0.175
Crisis Pool	0.000	75.000
ADMINISTRATION		
– DFAIT (for services rendered in the field)	49.568	50.091
Total Other Departments and Agencies (ODA & OA)	510.074	989.800
Total	3,237.270	3,637.057

(1) In 2005-06, includes the non-IAE allocations for the following items: Collective Agreements, \$8.949 million, Youth Initiative, \$6.371 million, Canadian Climate Change Development Fund, \$283,000.

(2) These funds are for a potable water supply project in Algeria.

Chart 4: 2005-2006 International Assistance Envelope by Channel of Delivery



(1) Includes Youth Initiative, Canadian Corps, Development Information Program, and Aid Budget for Policy Coherence.

(2) Includes contributions to the following organizations: Health Canada, PWGSC, Canadian Heritage, Crisis Pool and Department of National Defence.

Accounting Change to International Financial Institutions (IFI)

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

As a result of this change, information on IFI expenditures is provided on an encashment basis in Part II of the Main Estimates, whereas in Table 4 of this Report on Plans and Priorities, information is presented on the basis of planned note issuance. The table below illustrates the difference between the two accounting methods

Table 5: Reconciliation of the International Assistance Envelope – Cash Basis to Issuance Basis

(millions of dollars)	Issuance Basis 2005–06	Cash Basis 2005–06	Variance
Gross International Assistance Envelope	3,637.057	3,679.305	42.248
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)			
OFFICIAL DEVELOPMENT ASSISTANCE (ODA)			
Geographic Programs	1,204.588	1,204.588	0
Canada Fund For Africa	68.680	68.680	0
Canadian Partnership	266.214	266.214	0
Multilateral Programs	645.089	645.089	0
– International Financial Institutions	166.400	287.178	120.778
Policy Coherence	12.535	12.535	0
Engaging Canadians	20.130	20.130	0
Administration	214.917	214.917	0
CIDA – Official Development Assistance (ODA)	2,598.553	2,719.331	120.778
OFFICIAL ASSISTANCE			
Geographic Programs	38.700	38.700	0
Administration	10.004	10.004	0
CIDA Official Assistance (OA)	48.704	48.704	0
Total CIDA (ODA and OA)	2,647.257	2,768.035	120.778
OTHER DEPARTMENTS AND AGENCIES			
AID PROGRAM			
Department of Finance:			
– International Development Association	318.270	239.740	(78.530)
Other Government Departments	671.530	671.530	0
Total Other Departments and Agencies (ODA & OA)	989.800	911.270	(78.530)
Total	3,637.057	3,679.305	42.248

Table 6: Departmental Planned Spending and Full Time Equivalents

(thousands of dollars)	Forecast Spending 2004-05	Planned Spending 2005-06
Budgetary		
Geographic Programs	1,387,969	1,445,225
Canadian Partnership	312,726	292,045
Multilateral Programs	857,597	958,082
Policy Coherence	82,924	59,336
Engaging Canadians	13,765	14,332
Budgetary Main Estimates (gross) (1)	2,654,981	2,769,020
Non-budgetary		
Canadian Investment Fund for Africa		...
Multilateral Programs (IFI)	6,931	7,110
Total Main Estimates (1)	2,661,912	2,776,130
Adjustments (2)	580,567	99,015
Supplementary Estimates A:		
- Additional grants for international assistance in Haiti and Afghanistan, as well as to meet commitments related to combatting malnutrition and disease	161,543	
- Operating budget carry forward	6,745	
- Additional contribution requirement for international assistance related to the 2005 Jeux de la Francophonie in Niger	640	
- Activities in support of greenhouse gas reduction under the Climate Change Action Plan for Canada	256	
- Reduced contribution requirements for international assistance	(148,502)	
- Transfer to Foreign Affairs and International Trade (Foreign Affairs) for the costs of operations abroad	(2,173)	
Supplementary Estimates B:		
- Additional funding related to tsunami disaster relief, rehabilitation and reconstruction initiatives	223,000	
- Additional grants to international organizations and the Canadian Foodgrains Bank for humanitarian activities	185,320	
- Support for the Global Alliance for Vaccines and Immunization	160,000	
- Support for the Global Fund to Fight AIDS, Tuberculosis and Malaria	140,000	
- Increase of encashments of notes issued to the development assistance funds of the international financial institutions	44,545	
- Support to the Global Polio Eradication Initiative aimed at ensuring that no child will ever know the crippling effects of polio	42,000	
- Funding to support and engage Canadians working on governance programs abroad (Canada Corps)	4,406	
- Increase of payments to International Financial Institutions - Capital Subscriptions	775	
- Reduced contribution requirements for international assistance	(236,971)	
- Transfer to Foreign Affairs and International Trade (Foreign Affairs) for support for activities of the Permanent Secretariat of the United Nations convention on Biological Diversity in Montreal	(530)	
- Transfer to Foreign Affairs and International Trade (Foreign Affairs) for public security initiatives	(423)	
- Creation of a centrally managed advertising reserve	(64)	
Supplementary Estimates A:		
Canadian Investment Fund for Africa		100,000
Budget 2005		
- Additional funding related to tsunami disaster relief, rehabilitation and reconstruction initiatives		40,000
- Reduction in Programs - Expenditures Review Committee		(40,910)
- Procurement Savings - Expenditures Review Committee		(290)
- Various adjustments		215
Total Planned Spending	3,242,479	2,875,145
Plus: Cost of services received without charge	22,338	21,749
Net cost of Program	3,264,817	2,896,894
Full Time Equivalents (FTE)	1,534	1,528

(1) For 2005-06 only.

(2) Discrepancies between Table 4 and Tables 6-13 are due to different reporting on IFI expenditures. In table 4, all data are based on the year the notes were issued, whereas in Tables 6-13, all data are based on the year in which the notes were cashed by the recipient institutions. For details, see table 5.

Table 7: Program by Activity

2005-06							
(thousands of dollars)	Budgetary			Non-budgetary	Total Main Estimates	Adjustments (planned spending not in Main Estimates)	Total Planned Spending
	Operating	Grants, Contributions & Other Transfer Payments	Net	Loans, Investments and Advances			
Program Activity							
Geographic Programs	124,162	1,321,063	1,445,225	...	1,445,225	90,015	1,535,240
Canadian Partnership	25,831	266,214	292,045		292,045	0	292,045
Multilateral Programs	24,815	933,267	958,082	7,110	965,192	(1,000)	964,192
Policy Coherence	46,801	12,535	59,336		59,336	0	59,336
Engaging Canadians	4,202	10,130	14,332		14,332	10,000	24,332
Total	225,811	2,543,209	2,769,020	7,110	2,776,130	99,015	2,875,145

Table 8: Voted and Statutory Items Listed in Main Estimates

2005-06			
(thousands of dollars)			
Voted or Statutory Item	Truncated Vote or Statutory Wording	Current Main Estimates	Previous Main Estimates
15	Operating Expenditures	204,083	200,289
20	Grants and Contributions	2,256,031	2,210,878
(S)	Minister of International Cooperation - Salary and motor car allowance	70	70
(S)	Encashment of notes issues to the development assistance funds of the international financial institutions in accordance with the <i>International Development (Financial Institutions) Assistance Act</i>	287,178	221,285
(S)	Contributions to Employee Benefit Plans	21,658	22,459
Total Budgetary		2,769,020	2,654,981
L25	Issuance and payments of notes to the International Financial Institution Fund Accounts
L30	Payment of notes to International Financial Institutions -- Capital Subscriptions	4,600	3,865
L35	Investment contributions pursuant to section 3 of the <i>Canada Fund for Africa Act</i>	...	0
(S)	Payments to International Financial Institutions -- Capital Subscriptions	2,510	3,066
Total Non Budgetary		7,110	6,931
Total Agency		2,776,130	2,661,912

Table 9: Net Cost of Department for the Estimates Year

The total CIDA program costs, including \$21.749 million for services provided without charge by other departments, are shown in the table below.

2005-06	
(thousands of dollars)	CIDA
Total Planned Spending	2,875,145
Services provided without charge by other departments	
Operating Expenditures:	
– Accommodation – Public Works and Government Services Canada	7,683
– Employee benefits covering the employer's share of insurance premiums and costs – Treasury Board Secretariat	8,662
– Legal services – Department of Justice	792
– Employee compensation payment – Human Resources Development Canada	112
	17,249
Aid Expenditures:	
– Imputed interest on advance payments – Department of Finance (1)	4,500
	21,749
2005-06 Net Cost of Department	2,896,894

(1) This covers the imputed interest on advance payments. CIDA has been exempted from the Treasury Board policy on advance payments for grants and contributions. However, the additional interest charges incurred by the federal government as a result are considered to be an imputed ODA program expenditure.

Table 10: Loans, Investments and Advances (Non-Budgetary)

(thousands of dollars)	Forecast	Main	Planned
	Spending 2004-05	Estimates 2005-06	Spending 2005-06
– Capital Subscriptions (L30) – Regional Development Banks	3,865	4,600	4,600
– Canadian Investment Fund for Africa (L35)	0	...	100,000

Table 11: Sources of Respendable and Non-Respendable Revenue

(millions of dollars)	Forecast Revenue 2004-05	Planned Revenue 2005-06
Non-forecastable before fiscal year-end	0	0
Total Revenue		

Table 12: Resource Requirements by Organization and Program Activity (1)

2005-06						
(thousands of dollars)	Geographic Programs	Canadian Partnership	Multilateral Programs	Policy Coherence	Engaging Canadians	Total Planned Spending
CIDA						
VP Africa & Middle East	688,596			4,150		692,746
VP Asia	384,482			3,669		388,151
VP Americas	229,911			2,149		232,060
VP Canadian Partnership		280,982		1,779	7,911	290,672
VP Multilateral Programs			941,409	1,624		943,033
VP Policy				28,966		28,966
VP Central and Eastern Europe	84,468			2,248		86,716
DG Communications					15,499	15,499
Agency Executive	8,931	1,985	2,812	2,646	165	16,539
VP Human Resources and Corporate Services	17,965	4,437	6,285	5,916	369	34,972
CIO Information Management & Technology	16,872	3,749	5,312	4,999	313	31,245
DG Performance Review	4,015	892	1,264	1,190	75	7,436
Total	1,435,240	292,045	957,082	59,336	24,332	2,768,035

(1) Does not include Non Budgetary items.

Table 13: Details on Transfer Payments Programs

CIDA grants, contributions and other transfer payments of \$2,543 million, excluding non-budgetary expenditures, account for 91.9% of CIDA's program expenditures. Further information is given below.

(in thousands of dollars)	Forecast Spending 2004-05	Main Estimates 2005-06	Planned Spending 2005-06
Grants			
Geographic Programs			
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	203,522	312,509	312,509
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions; Canadian, international and local non-governmental organizations; the International Development Research Centre; developing countries, their institutions, their organizations and their agencies in such countries for the benefit of recipients in developing countries	1,700	2,450	2,450
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs projects, activities and appeals	15,300	13,650	13,650
Multilateral Programs			
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	530,708	220,350	220,350
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions; Canadian, international and local non-governmental organizations; the International Development Research Centre; developing countries, their institutions, their organizations and their agencies in such countries for the benefit of recipients in developing countries	380,527	248,977	248,977
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs, projects, activities and appeals	308,216	119,700	119,700
Canadian Partnership			
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	1,800	15,800	15,800
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	29,288	22,000	22,000
Development assistance as education and training for individuals	7,837	8,250	8,250

Policy Coherence			
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	1,400	5,000	5,000
Grants to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development co-operation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	2,700	3,300	3,300
Total Grants	1,482,998	971,986	971,986
Contributions			
Geographic Programs			
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies, and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues	785,128	927,622	918,527
Contributions for cooperation with countries in transition in Central and Eastern Europe and the former Soviet Union	71,681	64,832	64,832
Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	615	0	0
Multilateral Programs			
Development assistance to international development institutions and organizations for operations, programs and projects, and to international financial institutions	1,722	9,035	9,035
Programming against hunger, malnutrition and disease through international development, research and nutrition institutions; Canadian, international and local non-governmental organizations; Canadian individuals and private sector firms, the International Development Research Centre; developing countries, their institutions, organizations, agencies and persons in such countries for the benefit of recipients in developing countries	132,542	46,727	45,727
Contribution to the Inter-American Development Bank	1,200	1,200	1,200
Humanitarian assistance or disaster preparedness to countries, their institutions, organizations and agencies and persons in such countries, and to international institutions and Canadian and international non-governmental organizations for operations, programs, projects, activities, and appeals	6,439	100	100
Incentives to Canadian, international and developing country private sector firms, investors, institutions, organizations, and governments in support of industrial cooperation programs, projects and activities	375	0	0

Canadian Partnership			
Contributions to Canadian, international, regional and developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	179,484	162,022	162,022
Incentives to Canadian, international and developing country private sector firms, investors, institutions, organizations, and governments in support of industrial cooperation programs, projects and activities	57,234	58,142	58,142
Engaging Canadians			
Contributions to Canadian or international communications organizations, other federal, provincial or municipal governments, broadcasters and producers, other donor country governments and institutions, organizations and agencies, and persons in support of the development information program involving the production and dissemination of development information, educational materials and related activities	4,180	4,178	14,178
Contributions to Canadian, international, regional, developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	5,952	5,952	5,952
Policy Coherence			
Development assistance, including payments for loan agreements issued under the authority of previous Appropriation Acts, to all levels of developing country and territories governments, including their institutions, organizations and agencies; and contributions to Canadian, other donor country, international and regional institutions, organizations and agencies, to all levels of other donor country government and provincial governments, their institutions, organizations and agencies, and to private-sector firms in support of regional and country specific development assistance projects, programs and activities, and to persons capable of delivering aid activities or actively engaged in development issues	2,537	1,614	1,614
Contributions to Canadian, international, regional, developing country institutions, organizations and agencies, developing country governments, their institutions, organizations and agencies, to provincial and municipal governments, their institutions, organizations and agencies in support of development cooperation and development education programs and to international non-governmental organizations in support of development assistance programs, projects and activities	5,695	2,621	2,621
Total Contributions	1,254,784	1,284,045	1,283,950
Other Transfer Payments (1)			
Multilateral Programs			
(S) Encashment of notes issued to the development assistance funds of the international financial institutions in accordance with the International Development (Financial Institutions) Assistance Act	265,830	287,178	287,178
Total Other Transfer Payments	265,830	287,178	287,178
Total	3,003,612	2,543,209	2,543,114

(1) Other Transfer Payments exclude non-budgetary forecast expenditures of \$7.706 million for 2004-05 and \$107.110 million for 2005-06.

Section IV: Other Items of Interest

1. Corporate Services

Corporate services are the management functions that support delivery and improve performance of the Canadian aid program, including communications; people management; knowledge and information management/information technology (IM/IT), strategic planning and resource allocation; and management processes, approaches, and support activities. These are CIDA's performance management priorities. Both financial and human resource requirements for 2005–2006 have been incorporated as part of the requirements of the other program activities. In the broader context of integrated modern management and the Management and Accountability Framework (MAF), CIDA continues to improve its performance-management practices.

2. Key Programs and Services

CIDA's objective is to create a motivating work environment that promotes a citizen focus, sound public service values, a focus on achieving results for Canadians; and discipline, due diligence, and value for money in the use of public funds. In 2004, the Agency launched an initiative to align its human resources management (HRM) with CIDA's future business direction and the *Public Service Modernization Act*; strengthen HRM systemic integrity and business effectiveness; and secure CIDA's HRM function. CIDA will also be undertaking a horizontal review of the policy function in the Agency during 2005–2006. The Agency's Executive Committee has adopted a new leadership code that defines key leadership behaviours for all CIDA leaders and serves as a commitment to improving leadership in the Agency. It has also established a Corporate Planning and Analysis Group to provide for more effective integrated planning.

CIDA will continue to align itself with the vision of a modern Public Service and the legislative requirements of the *Public Service Modernization Act*. In 2005–2006, the Agency plans to continue the work started in the context of the HRM initiative to better position CIDA for the implementation of the Act.

Strengthening Canadian International Development Agency's Presence in the Field

Strengthened field presence is essential in enhancing aid effectiveness on the ground. It is especially important as countries increase their use of program approaches that place a premium on country knowledge, being involved at the table as sectoral strategies are developed, and having access to in-country networks where influence and input can be provided through policy dialogue. Field presence also helps donor agencies develop a better sense of what local ownership means in a given country, and can help to improve in-field coordination of the development efforts of both the developing country and its donor partners.

In 2005–2006, CIDA will continue to work proactively to enhance the Agency's presence in the field. For example, the Agency will actively participate in the Field Operations committee, negotiating a new CIDA–DFAIT memorandum of understanding to ensure that adequate resources and services are available to aid sections in missions abroad. CIDA will participate in follow-up from the interdepartmental field representative review of human and financial costs of field operations; work closely with FAC to strengthen security and reduce physical risks to CIDA field personnel, particularly in Haiti, Guatemala, Honduras, Bolivia, Colombia, and Guyana; reduce staff positions in selected graduating countries, and transfer these positions to countries of focus; and support temporary duty assignments for missions experiencing extraordinary workload (such as preparations for the upcoming Organization of American States Summit, and the responses to the crisis in Haiti and the Indian Ocean tsunami).

Corporate communications—comprising communications advice and planning, issues management, media relations, public opinion research, internal communications, events and exhibits, website management and publications—is an important tool in supporting CIDA's mandate. CIDA will continue to inform staff and encourage a dialogue between managers and staff through a number of internal communications activities.

With more than 1.5 million visitors a year, CIDA's website is a critical tool in providing information about Canada's aid programs. In 2005–2006, an evaluation of the site will be conducted to identify areas for improvement. Public opinion research will also be conducted to better understand the views of Canadians on Canada's aid programs, and to improve communications activities and products.

In terms of knowledge management, CIDA will step up its efforts to support and reward employees who systematically create, share, and apply new knowledge in their work, and will develop tools to stimulate a culture change toward greater knowledge sharing, collaboration, teamwork, and learning. The Agency will also continue to facilitate a two-way flow of development and programming information with its partners. For example, CIDA has developed the China InfoNet to share key program information and documentation with both program staff and external partners. In 2005–2006, the Agency will introduce a similar tool for the Afghanistan program. A number of Agency programs are developing similar information sites with a wide range of information holdings and links to other resources.

Performance management is CIDA's overarching discipline for achieving results and improving the Agency's effectiveness, accountability, and transparency. It includes planning for development results; managing risks; undertaking evaluations, internal audits, and ongoing monitoring; and focusing on knowledge management related to decision-making. A number of factors will have an impact on this area. By implementing new approaches in line with aid effectiveness principles, the agency will face new risks. Risk management is addressed corporately through the development of CIDA's integrated risk-management framework; and, at the investment level, increasingly by producing Risk and Results-based Management Accountability Frameworks (RRMAFs). The internal audit and evaluation functions will contribute to the Agency's risk-management efforts by focusing on audits and evaluations of significance, using such risk-based considerations as the level of investment (materiality), coverage of Agency programs, areas of heightened risk, and new approaches, et cetera.

Greater use of direct budgetary support, pooled funding for sector programs, and other program-based approaches will lead to more joint evaluations with international partners. Ongoing support for the development of performance-measurement and evaluation strategies for all new programs and activities will be provided for program planners and managers across the Agency. Implementation of action plans related to reviews of the Agency's internal audit division will continue. CIDA will also undertake policy and procedure changes to align these with the requirements of the new Comptroller General of Canada. In 2005–2006, the Agency will focus on three major areas: corporate and program-led evaluations; evaluation training and mentoring for staff; and continued strengthening of the internal audit function.

The Agency is focusing its IM/IT agenda on quality, integrity, and accessibility of information resources, in response to the business requirements of the Agency and emerging government-wide initiatives such as Common Infrastructure and Service Delivery. CIDA is building on the frameworks introduced in its IM accountability framework by continuing with the development and implementation of foundation pieces, including taxonomies, architecture and standards, policies and procedures, and training material and tools. At the core of its technology agenda is the maintenance of a healthy, stable infrastructure supported by process improvements based on standards and best practices. CIDA will be implementing IT infrastructure library service-management processes, long-term capital planning for IT assets, sharing of appropriate Government of Canada services, security policies, and compliance practices.

In 2005–2006, CIDA will continue to improve its corporate planning processes, refining its performance-measurement framework and following up on recommendations related to the MAF. It will design and maintain an integrated corporate planning system that better allocates resources to priorities; will develop and apply forecasting tools, including benchmarks and standard costs; will coordinate expenditure-reduction and resource-reallocation efforts; and will maintain the continuous monitoring and assessment of trends and issues that could have an impact on the Agency's resource base.

In 2005–2006, CIDA will continue to simplify its business processes, including by streamlining and simplifying its contribution agreements to reduce the amount of time and money devoted to agreement preparation and monitoring by partners and Agency staff. The Agency will also assess the merits of outsourcing some administrative tasks, such as the logistical parts of some proposal calls and selection processes. In addition, CIDA plans to undertake a review of its contracting functions. The Agency will also continue to develop and refine its working tools, standards, and guidelines, such as the Business Process RoadMap and the new Risk and Results-based Management and Accountability Framework.²⁴

24. The Risk and Results-based Management and Accountability Framework is a consolidated guide for submissions to the Treasury Board of Canada, Secretariat.

Appendix 1: Principles of Aid Effectiveness

The principles of effective development are best articulated in a document published in 1996 by the OECD-DAC, *Shaping the 21st Century: The Contribution of Development Assistance*. These priorities are summarized below:

- Local ownership, which means that development strategies, if they are to be sustainable, must be developed by recipient countries—their government and people—and they must reflect their priorities, rather than the priorities of donors;
- Improved donor coordination, with recipient countries bearing the main responsibility for coordinating their development cooperation with other countries and institutions;
- Stronger partnerships, through the development of compacts that would identify the responsibilities of developing countries and their external partners, as well as those shared by all;
- A results-based approach, with improved monitoring and evaluation of the development process; and
- Greater coherence in the non-aid policies of industrialized countries that can have profound effects on the developing world.

In addition to these principles, three other factors are of central importance to the effective use of aid investments.

- Governance provides the broad setting for development, and its quality has a profound effect on development success and aid effectiveness.
- Enhanced capacity—in public and private sectors—is also critical to sustainable development. It is necessary for developing countries to engage effectively in international trade and in the development of multilateral environmental agreements.
- Participatory processes, particularly those that engage civil society and the people who are expected to benefit, are essential to establishing clear, locally owned priorities for development cooperation.

Appendix 2: The Millennium Development Goals

In September 2001, the countries of the world met in a special session at the UN General Assembly and endorsed the MDGs. Canada is a strong supporter of these goals, and our contributions to achieve them form the core of our development assistance program. The eight goals are as follows:

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

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

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

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

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

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

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

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

Appendix 3: Other Information

Websites and Contacts for Further Information

For additional information about CIDA's programs, activities, and operations, please visit the Agency's website at the following address: www.cida.gc.ca

or contact:

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

Telephone:..... (819) 997-5006

Toll-free: 1-800-230-6349

Telecommunications device for hearing and speech impaired persons:... (819) 953-5023

Toll-free: 1-800-331-5018

Fax: (819) 953-6088

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

Legislation Administered

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