Canada's

Official Development

Assistance System

December 1995

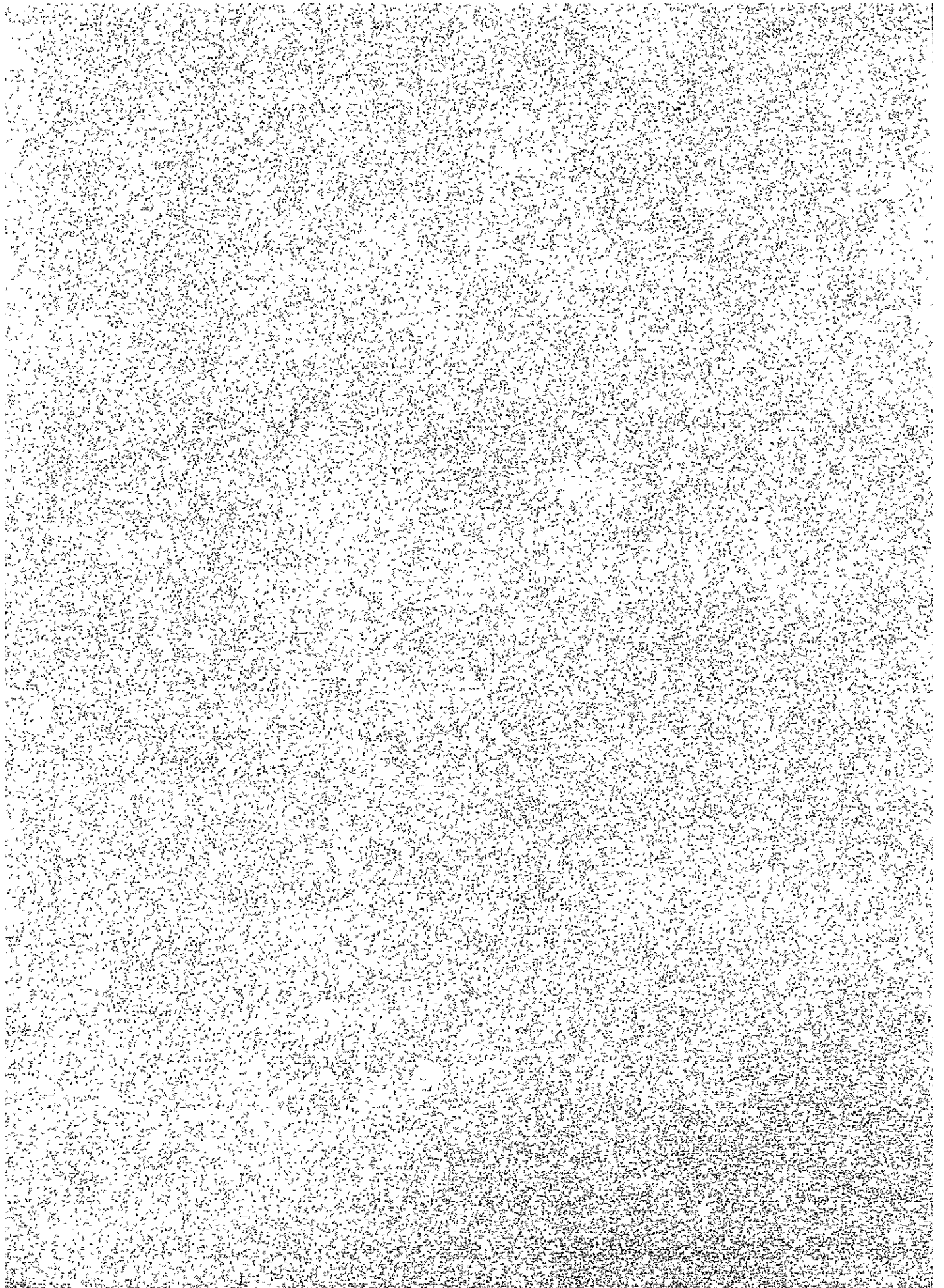JAPAN INTERNATIONAL COOPERATION AGENCY

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Canada's Official Development Assistance System

I. General Outline of ODA / Goals and Operational System of ODA

A. Development Aid Policy

1. Legal Basis and Framework

The Minister of Foreign Affairs[1] -assisted by the Secretary of State (Latin America and Africa) and the Secretary of State (Asia-Pacific)- maintains overall responsibility for Canadian foreign policy, including official development assistance (ODA). The Canadian International Development Agency (CIDA) is the federal agency responsible for the management of 75-80 percent of Canada's ODA budget. The authority of the Minister of Foreign Affairs and of CIDA for the International Development Assistance Program and related purposes is found in the *Department of External Affairs Act,* the *Appropriations Act* (released annually) and in the *International Development (Financial Institutions) Assistance Act* (1980). The Minister of Finance is responsible for Canada's aid relations with the World Bank and the International Monetary Fund (IMF) as well as for Canada's international debt policy.

In March 1994, the Government launched a comprehensive review of Canadian foreign policy and established a Special Joint Parliamentary (House of Commons and Senate) Committee to consult with the Canadian public on foreign policy issues. Although the Committee recommended that "Parliament adopt legislation that spells out the basic principles to guide Canadian ODA", the government concluded that legislation would hamper programming by reducing flexibility and limiting the range of responses that might be required to meet fast-changing conditions in developing countries. However, the government did not rule out the possibility of adopting legislation to govern ODA in the future.

Canadian Environmental Assessment Act

Canada's ODA program is also subject to the *Canadian Environmental Assessment Act (CEAA)* (23 June 1992). On 19 January 1995, the *CEAA* replaced Canada's

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[1] The Liberal government (elected October 1993) replaced the former title of "External Affairs" with the title of "Foreign Affairs". For the sake of simplicity, this report uses only the new title.

previous environmental review process (the Environmental Assessment and Review Process), which had been applied to the federal government since 1984. The CEAA commits the government to review all policy and program proposals, and to assess all projects for which the federal government is a decision making authority, proponent, land manager or funding agency, with respect to their impact on the environment. The CEAA sets forth new requirements and procedures for environmental assessment of federal "projects", as defined in the CEAA. Under the Act, environmental assessment applies to CIDA activities (including those outside Canada), whether these activities are financed directly by CIDA, or by CIDA in agreement with any other party (eg. World Bank). Assessments in countries other than Canada will occur under a special procedural regulation for projects outside of Canada under section S 59(i) of the CEAA.[2] To ensure compliance, an environmental assessment of projects (as defined in the CEAA) must be conducted prior to the release of funds which would allow the partial or whole implementation of a proposed project. CIDA may undertake the environmental assessments itself or require its development partners to undertake the environmental assessment in accordance with CEAA requirements. Projects with a potentially significant environmental impact, or for which there is substantial public concern, are brought to the attention of the Minister of the Environment. Under the CEAA, the Minister of Foreign Affairs is responsible to Parliament for CIDA's compliance with the requirements of environmental assessment, although the day-to-day application of the law rests with the program managers in CIDA's bilateral, partnership and multilateral branches. CIDA encourages its project managers to consult with Environmental Specialists in their Branch for assistance in implementing the CEAA. CIDA's eight guiding principles for Agency compliance with the CEAA are included as Appendix I-1.

2. Philosophy and Principal Goals

In March 1994, the Government launched a comprehensive public review of Canadian foreign policy to ensure it reflected changing domestic and international realities, and to meet the Government's commitment to democratise foreign policy

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[2] Assessments outside Canada will be conducted with respect for foreign sovereignty, international law, and international agreements and arrangements to which Canada is a party.

making. A Special Joint Parliamentary (House of Commons and Senate) Committee was established to consult with the Canadian public on foreign policy issues, including the role of development cooperation. The Committee received more than 550 submissions from individuals and groups across the country, as well as from international sources. It issued a report in November 1994 which set out its recommendations for Canada's foreign and ODA policies. The Minister of Foreign Affairs and the Minister of International Trade, along with the Secretary of State for Asia-Pacific and the Secretary of State for Africa and Latin America, also held extensive consultations with a wide range of Canadians. In addition, a National Forum on Canada's International Relations and special debates within Parliament contributed to the foreign policy review.

Canada in the World

In February 1995, the Government of Canada released its new foreign policy in a statement entitled *Canada in the World*. The new policy reflects the priorities of the present Liberal Government, and takes into account the recommendations of the Joint Parliamentary Committee. The Government's statement outlined three key foreign policy objectives: the promotion of prosperity and employment; the protection of Canadian security within a stable global framework; and the projection of Canadian values and culture abroad. International Assistance was identified as a vital instrument to help achieve these objectives.

Chapter VI of the foreign policy statement was devoted to 'International Assistance' and becomes Canada's new ODA policy, replacing the previous policy outlined in the 1988 document Sharing Our Future. The new ODA policy is based on a reassessment of the ODA program to ensure that it serves clear and identifiable national objectives, and that, in an era of increasing fiscal constraints, the scarce resources dedicated to it are managed with maximum efficiency.

ODA Mandate and Program Priorities

The new Policy provides the following clear mandate for Canadian ODA: *The purpose of Canada's ODA is to support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world.* This new mandate is consistent with Canada's previous

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ODA mandate, which was to support sustainable development, while adding the important elements of poverty reduction and global security.

The new policy also identifies six priority areas for CIDA's programming. They are: Basic Human Needs; Women in Development; Infrastructure Services; Human Rights, Democracy, Good Governance; Private Sector Development; and Environment. A more detailed explanation of these priority areas are presented in the following section.

One month after the release of the Government's Foreign Policy Statement, CIDA introduced a new policy on Poverty Reduction. The Poverty Reduction policy (outlined in Part V, Section B. of this report) is intended to guide programming in each of the six priority areas and to serve as a framework for CIDA's efforts to make poverty reduction an overarching objective of Canada's ODA program.

3. Medium-term Policy Objectives (5-10 years)

To achieve the new Canadian ODA mandate, the following six program priorities were identified in *Canada in the World* as the focus for available ODA resources:

i) *Basic human needs:* - to support efforts to provide primary health care, basic education, family planning, nutrition, water and sanitation, and shelter. Canada will increase its commitment of ODA for basic human needs to 25%, as a means of enhancing its focus on addressing the security of the individual.

ii) *Women in development and Gender Equity (WID/GE):* - to support the full participation of women as equal partners in the sustainable development of their societies.

iii) *Infrastructure services:* - to help developing countries deliver environmentally-sound infrastructure services (ie. rural electricity and communications), with an emphasis on poorer groups and on capacity building.

iv) *Human rights, democracy, good governance (HRDGG):* - to increase respect for human rights, including children's rights; to promote democracy and better

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governance; and to strengthen both civil society and the security of the individual.

v) *Private sector development:* - to promote sustained and equitable economic growth by supporting private sector development in developing countries, particularly through organisations working in the areas of micro-enterprise and small business development to promote income generation.

vi) *The environment:* - to help developing countries to protect their environment and to contribute to addressing global and regional environmental issues.

Some of these new program priorities are different from the priorities outlined in the previous ODA policy, Sharing Our Future (1988). The priorities identified in 1988 included: Poverty Alleviation, Environment, Women in Development, Sound Economic Management, Food Security, and Energy Availability. As already noted, the new ODA policy did not include Poverty Reduction as an area of programming priority. The reason for this is that CIDA's new Poverty Reduction policy is to serve as a framework for CIDA's efforts to make poverty reduction an overarching objective of Canadian ODA. Poverty reduction will guide programming in each of the six new priority areas to help address the root cause and structural factors which cause poverty.

It is CIDA's intention to have a policy for each of the six program priority areas. Official policies already exist in the areas of the Environment (1992), WID and GE (1995), and HRDGG (1995), and a draft policy exists for Private Sector Development. CIDA is in the process of preparing draft policies for Basic Human Needs and Infrastructure Services. A detailed description of CIDA's official and draft policies are provided in Part V, Section B. of this report. In addition, CIDA's operational definitions for each of the ODA program priorities is included as Appendix I-2.

4. Recipient Countries
a. Criteria for Recipient Governments and Aid Allocation
Eligibility
Since 1988, Canada's aid strategy has made it possible for all developing countries to

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receive Canadian ODA channelled through multilateral organisations or institutions. In addition, all independent developing countries (as defined by the OECD-DAC[3]), except for a small excluded list, are eligible for all forms of Canadian ODA. Exclusions to ODA eligibility can still be made for political, human rights or economic reasons.[4] Canadian non-governmental organisations (NGOs) and institutions (NGIs) in the voluntary and business sectors are allowed to determine aid eligibility independently, although public funds are not available for countries on the excluded list.

Allocation Targets

The 1988 ODA Policy identified a number of quantitative objectives to guide CIDA's programming on a geographical basis, including:

(i)   To direct 45% of ODA to Africa, 39% to Asia, and 16% to the Americas
(ii)   To allocate 50% of ODA to Africa and the least developed countries of Asia and the Americas
(iii)   To focus 75% of bilateral aid on 30 countries or regional groupings
(iv)   To direct 65% of ODA to Commonwealth and La Francophonie-member developing countries and small island states

In the 1995 Foreign Policy Statement *Canada in the World*, the Government intentionally refrained from committing itself to any quantitative objectives on a geographical or membership basis (the absence of quantitative commitments is likely a result of budget uncertainties in the existing fiscal environment). However, the new policy did reaffirm that: "Canada will continue to provide most of its ODA to low income countries ... [and] Africa will continue to receive the highest share of resources". In addition, the policy stated that the Government is "committed to focusing [its] efforts on a limited number of countries, while maintaining programs in other countries through low-cost, administratively-simple delivery mechanisms".

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[3] The Development Assistance Committee of the organisation for Economic Cooperation and Development.

[4] For example, Canada suspended aid to Zaire in 1991 for human rights reasons, limited aid to Kenya because of economic governance and human rights issues, and suspended aid to Haiti following the coup of President Aristide in September 1991.

b. Country Strategy Papers

For eligible countries, the Cabinet establishes confidential five-year bilateral Indicative Planning Figures based on a consideration of the following criteria: the recipient country's needs; its commitment and capacity to manage aid effectively; the quality of (or commitment to improve) its economic and social policies; Canada's political and economic relations with the country; the country's human rights record; and its commitment to public involvement in the development process. These figures provide the basis for multi-year operational plans approved in an Allocation Memorandum.[5]

A Regional/Country Development Policy Framework (R/CDPF) is produced for major ODA recipient regions/countries to outline CIDA's intentions in the region/ country, the results pursued and the risks anticipated. The R/CDPFs are based on an analysis of the development "problematique" (ie. the economic, political, social, cultural and environmental needs and aspirations) in a country or region, CIDA's programming priorities, and the role that CIDA can play. The Frameworks should also seek to align programming with Branch Plans and Agency Priorities. The Frameworks are normally produced every five years or less by the geographical branches based on guidelines from CIDA's Policy Branch. The guidelines prescribe the process of consultation to be undertaken and their contents.

Since the R/CDPFs are not publicly available, the regional Branches issue reports on Canadian activities by country ("CIDA Programs in Asia") or by region ("Canadian Development Assistance in Latin America and the Caribbean", and "Regional Profiles in Africa") to meet public requests for information.

c. Top Ten Recipient Countries of Canadian ODA

The top ten recipients of Canadian ODA (country-to-country plus multilateral) in FY 1993 collectively received 29.34% of ODA that is allocable by country ($2,494.48 million), or 23.77% of Total ODA ($3,078.10 million - which also includes ODA that is unallocable by country). Of the top ten recipients, six were from Asia (including the top three) and four were from Sub-Saharan Africa. The volume of ODA

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[5] *Aid to Developing Countries*, Library of Parliament (March 1992)

received by the top ten recipients in fiscal year (FY) 1993 were:

Table 1: Top Recipients of Canadian ODA for FY 1993 ($ million)

Rank	Country	Country-to-Country*	Multilateral	Total
1.	China	71.29	61.33	132.62
2.	Bangladesh	68.35	53.95	122.30
3.	India	58.52	47.90	106.41
4.	Ethiopia	20.92	56.28	77.20
5.	Mozambique	24.46	30.17	54.64
6.	Ghana	36.61	16.15	52.76
7.	Indonesia	38.45	10.48	48.93
8.	Philippines	38.32	10.50	48.81
9.	Kenya	14.96	29.29	44.25
10.	Sri Lanka	6.39	37.45	43.84
Top Ten Recipients		378.27	353.50	731.76
ODA-Allocable by Country		1,448.13	1,046.35	2,494.48
Total ODA		2,031.75	1,046.35	3,078.10
Top Ten as % of Allocable ODA		26.12%	33.78%	29.34%
Top Ten as % of Total ODA		18.62%	33.78%	23.77%

* Includes bilateral and partnership funds.

(Source: Table M, CIDA *ODA Statistics: 1993-94*)

B. Trends in the Volume and Allocation of Aid

1. ODA Budget
a. Position of ODA budget within the Government Budget

Funding for International Assistance fell as a percentage of total government expenditures from 2.15% ($2.6 billion) in the 1994-95 federal budget to 1.93% ($2.2 billion) in the 1995-96 federal budget. These figures represent funding to CIDA and other governmental departments (ie. Finance, Foreign Affairs, etc.) involved in international cooperation activities and include non-ODA funds. The 15% reductions in 1995-96 were part of the government's overall efforts to reduce federal program spending by 21% over the next three years (FY 1995-97). With the cuts, Canada's ODA-GNP ratio falls to approximately 0.36% in 1995-96. In FY 1995, International Assistance represents 1.93% of Total Government Program Spending (TPS), and 1.35% of Total Government Expenditures (TE). The following table shows the position of the International Assistance budget within the Canadian Federal Budget.

Table 2: ODA within Canadian Federal Budget ($ billion)

Expenditure	1993-94	1994-95	1995-96
A. Transfers to individuals	39.3	37.7	37.2
B. Transfers to government	27.1	26.9	26.3
C. Subsidies and other transfers	17.0	17.3	15.4
(i) International Assistance (I.A.)	(2.7)	(2.6)	(2.2)
D. Crown Corporations	5.3	4.8	4.5
E. Defence	10.9	10.8	9.7
F. Other	20.5	23.2	20.1
G. Total Program Spending (T.P.S.)	120.0	120.9	114.0
H. Public Debt charges	38.0	42.0	49.5
K. Total Expenditures (T.E.)	158.0	162.9	163.5
I.A. as % of T.P.S.	(2.25%)	(2.15%)	(1.93%)
I.A. as % of T.E.	(1.71%)	(1.60%)	(1.35%)

(source: *Budget Plan*, Minister of Finance - February 1995)

b. Budget Proportion of Bilateral and Multilateral Aid

About two-thirds of Canadian ODA (or $2,031.75 million) is extended in the form of Bilateral Aid, with the remaining one-third (or $1,046.35 million) extended in the form of Multilateral Aid. A more detailed break-down of Bilateral Aid and Multilateral Aid by their various components has been included as Table 5 and Table 8 respectively. The proportion of Bilateral and Multilateral Aid for each of the past three years are shown below:

Table 3: Breakdown of Bilateral and Multilateral ODA ($ million)

	1991-92	1992-93	1993-94
Bilateral ODA	2,118.24 (66.6%)	1,949.05 (65.6%)	2,031.75 (66.0%)
Multilateral ODA	1,064.23 (33.3%)	1,023.15 (34.4%)	1,046.35 (34.0%)
TOTAL ODA	3,182.47	2,972.20	3,078.10

(source: CIDA *ODA Statistics: 1993-94*)

2. Volume of Bilateral Aid

a. Budgetary system

International Assistance Envelope

In 1991, Canada introduced the concept of the International Assistance Envelope (IAE). The IAE includes both funding for ODA to developing countries (95% of IAE) and the establishment of a reserve fund (5% of IAE) to meet the assistance needs of those countries which do not qualify for official development aid (ie. Central and Eastern Europe and the former Soviet Union). Since 1988, Canada's ODA budget has been divided into two equal components: i) a National Initiatives program; and ii) a Partnership Program - divided into national and international partners. The National Initiatives component involves programs and projects designed and managed by CIDA. The Partnership (national) component includes programs proposed and managed by the voluntary sector (ie. NGOs), and the private sector, educational institutions and other groups (ie. NGIs). The Partnership (international) component includes programs developed and managed by international NGOs (INGOs), International organisations (ie. UNDP) and Multilateral organisations (ie. World Bank). Both parts of the Partnership program

are designed and managed with a minimal amount of direct operational involvement by CIDA.

Budget Process

The Budgetary Process within CIDA begins in late February with the Minister of Finance's Budget Speech, which outlines the Government's budget plan for the upcoming fiscal year (Canada's fiscal year runs from 1 April to 31 March). The Budget Speech is followed closely by the release of the Treasury Board's Main Estimates. The *Main Estimates* describe the expenditure plan by program component for each Government Department (including CIDA), and acts as CIDA's annual reporting to Parliament on the current and previous years.[6] In March, financial resource allocations for each of CIDA's Branches are confirmed, and Branch Plans are finalized. The Branch Plan defines how the Branch will contribute to implementing the ODA Policy and other corporate priorities over the next three years, but mainly focuses on the first year. In March or early April, the Executive Committee prepares the Agency Business Plan, which describes CIDA's strategic directions for the coming three fiscal years to meet foreign policy commitments, program priorities, and other requirements (ie. Treasury Board requirements) within approved expenditure targets. In September, the Branches report on their respective performance over the past 18 months. In October-November, the Branches prepare their draft annual plans, with specific program targets (ie. objectives, expected results, indicators, etc.) and the integration of program strategies, management priorities, and other necessary information. In December-January, CIDA's Agency Estimates Submission is prepared based on Branch performance reports and draft annual plans. The Estimates Submission reports on performance and actual costs over the past 18 months and states planned expenditures by program for the following fiscal year. The submission also forms the basis for the *Main Estimates*, which signals the beginning of a new cycle.[7]

Please note that the Budget Estimates are future projections and that they are usually different from the final budget disbursement figures. Furthermore, it is important to note that ODA funds must be disbursed the same year they are

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[6] The requirement for CIDA to prepare a separate Annual Report to Parliament was recently eliminated.
[7] *The Agency Planning and Reporting Cycle*, CIDA 1995.

appropriated or they lapse. The IAE Budget estimates for 1995-96 and the previous two years are broken down according to program type and source of funding, in Table 4 below. This is followed by Table 5, which provides details about Canada's bilateral ODA disbursements for the past three years.

Table 4: International Assistance Envelope Breakdown ($millions)

	1993-94	1994-95	1995-96
Partnership Program:			
International Financial Institutions:			
CIDA	161	149	150
Department of Finance	264	288	250
Voluntary Sector Support (CIDA)	235	244	199
International NGOs (CIDA)	21	21	10
Industrial Cooperation (CIDA)	72	72	65
IDRC	115	112	96
ICHRDD (CIDA)	5	5	5
Multilateral Technical Cooperation (CIDA)	147	134	109
Multilateral Food Aid (CIDA)	140	141	108
Grants and Contributions (Foreign Affairs)	54	62	62
Sub-total (Partnership Program)	1,214	1,226	1,062
National Initiatives:			
Bilateral Food Aid (CIDA)	166	165	149
Scholarships Program:			
CIDA	11	9	9
Department of Foreign Affairs	10	9	9
International Humanitarian Assistance (CIDA)	78	83	74
Development Information (CIDA)	5	5	4
Geographic Programs (CIDA)	938	881	731
Service Fee (Supply and Services Canada)	2	2	2
Sub-total (National Initiatives)	1,210	1,154	978
Administrative:			
CIDA	113	119	103
Department of Foreign Affairs	55	35	32
Sub-total (Administrative)	168	154	135
Gross ODA	2,592	2,534	2,175
less: Past Year's Loans Repayment/Other	61	62	71
Net ODA	2,531	2,472	2,104
plus: Non-ODA Programming (former Eastern Bloc)	147	122	116
TOTAL INTERNATIONAL ASSISTANCE	2,678	2,594	2,220

(source: *Part III-CIDA Estimates* 1993-94, 1994-95, 1995-96)

Table 5: Bilateral ODA Disbursements by Program ($ millions)

Program	1991-92	1992-93	1993-94
National Initiatives:			
Africa and the Middle East	449.30	398.95	327.22
Americas	156.76	157.93	142.56
Asia (including Europe and Oceania)	310.43	314.12	311.05
Bilateral Food Aid[1]	167.04	140.19	115.28
International Humanitarian Aid (IHA)[2]	91.15	96.60	69.13
Other CIDA[3]	21.16	21.97	18.04
(Sub-total CIDA)	(1,195.84)	(1,129.76)	(983.28)
*Non-CIDA Initiatives[4]	124.77*	124.01*	149.38*
Sub-total (National Initiatives)	1,320.61	1,253.77	1,132.66
Partnership Program:			
Canadian Voluntary Partners[5]	290.09	270.35	273.53
International NGO Partners[6]	33.03	37.09	21.86
Industrial Cooperation	67.25	73.18	69.34
(Sub-total CIDA)	(390.37)	(380.62)	(364.73)
*IDRC	122.60*	120.67*	128.40*
*Non-CIDA Initiatives[7]	14.69*	9.19*	1.12*
Sub-total (Partnership)	527.66	510.48	494.25
Administration:			
CIDA	109.20	104.69	111.71
*Foreign Affairs	74.77*	68.51*	51.44*
*Other	8.55*	8.62*	9.24*
Sub-total (Administration)	192.52	181.83	172.39
Total CIDA (above)	1695.42	1,615.07	1,459.72
Less Loan Repayment	-38.02	-56.15	-63.70
Total CIDA, Net	1657.40	1,558.92	1,396.02
Total Non-CIDA (above)	345.38*	331.00*	339.58*
Other Non-CIDA (Refugee Cost[8])	-	-	237.00*
Total (all above)	2,002.78	1,889.92	1,976.60
UnbudgetedODA:			
Provincial Governments	35.45*	35.18*	21.09*
EDC Section 31	80.01*	23.95*	38.06*
Sub-total (Unbudgeted ODA)	115.46*	59.13*	59.15*
Total Bilateral ODA	2,118.24	1,949.05	2,031.75

(source: Table C, *CIDA ODA Statistics*: 1993-94)

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Notes about Table 5: Bilateral ODA Disbursements

*   denotes Non-CIDA funds

1   Total Bilateral Food Aid includes disbursements ($ millions) through two channels:

	1991-92	1992-93	1993-94
Bilateral	167.04	140.19	115.28
NGOs	23.49	27.97	15.11
Total	190.53	168.16	130.39

2   Total IHA includes disbursements ($ millions) through three channels and from two sources:

CIDA	1991-92	1992-93	1993-94
Bilateral	91.15	96.60	69.13
Multilateral	19.00	20.30	20.00
INGOs	1.40	1.40	1.50
DFAIT			
Bilateral	-	-	16.71
Total	111.55	118.30	107.34

3   Other CIDA includes: CIDA Scholarships; Public Outreach Program; PWGSC fees; miscellaneous.

4   Non-CIDA Government Initiatives include: DFAIT Scholarships; Imputed Student and Interest Costs; DFAIT's IHA contributions (note 2); DFAIT's bilateral contributions to former Soviet Bloc countries; and Multilateral Debt Reduction Initiatives.

5   Canadian Voluntary Partners include: NGOs, universities and other institutions, the International Centre for Human Rights and Democratic Development (ICHRDD), and NGO disbursements of Bilateral Food Aid (note 1).

6   International NGO Partners include: INGOs and INGO's IHA contributions (note 2).

7   Non-CIDA Partnership Initiatives include: the International Centre for Ocean Development (ICOD), Heritage Canada and non-CIDA ICHRDD funds.

8   For 1993-94, OECD-DAC directives make it necessary to include Refugee Costs (during the first year) as part of total ODA funds.

b. Bilateral Aid Distribution by Sector

The Canadian bilateral aid program gives a strong emphasis to Human Resource Development (includes education and institution capacity building), which represents about 28 percent of ODA that is allocable by sector. Other important sectors include: Agriculture (includes fisheries and forestry) at 13 percent, Health and Population (includes nutrition, human settlements, water and sanitation) at 12 percent, and Food Aid at 10 percent. For each of the past three years, the volume and percentage of bilateral ODA disbursements on a sectoral basis were as follows:

Table 6: Bilateral ODA Disbursement by Sector ($ million)

Sector	1991-92	%	1992-93	%	1993-94	%
Agriculture	232.74	(16)	224.21	(15)	176.55	(13)
Human Resource Development	440.69	(30)	445.95	(30)	385.19	(28)
Energy	67.76	(5)	93.76	(6)	67.80	(5)
Health/Population	153.42	(10)	161.62	(11)	165.19	(12)
Communication/Transport	82.80	(6)	92.50	(6)	88.00	(6)
Industry	75.45	(5)	91.79	(6)	68.89	(5)
Economic/Financial Support	203.06	(14)	197.41	(13)	200.06	(15)
Food Aid	190.53	(13)	168.16	(11)	130.91	(10)
Other	18.22	(1)	18.96	(2)	78.67	(6)
Sub-total (all above)	1,464.67	(100)	1,494.36	(100)	1,361.26	(100)
Unallocable by sector	653.57	-	454.69	-	660.49	-
Total	2,118.24		1,949.05		2,031.75	

(Source: Table N, CIDA *Annual Reports*: 1991-92, 1992-93, CIDA *ODA Statistics*: 1993-94)

c. Bilateral Aid Distribution by Country

According to *Canada in the World*, "Canadian ODA will support the purpose and priorities as set out [in the new policy] in key countries in Africa, Asia and the Americas". The largest share of Canadian bilateral ODA goes to Africa, with over 40% of net allocable disbursements. The vast majority of aid to Africa in FY 1993 was directed towards recipient countries in Sub-Saharan Africa, including: Ghana

($36 million - M), Mozambique ($24M), Senegal ($24M), and Mali ($24M). All of these SSA countries are categorized as low-income countries. The only major aid recipient in Northern African is Egypt. While programming in Africa focuses on individual countries, support for regional initiatives will grow as they assume greater importance.

Asia ranks second in Canadian bilateral ODA flows, with close to 35% of net allocable disbursements. In FY 1993, five Asian countries were the largest recipients of Canadian aid, namely: China ($71M), Bangladesh ($68M), India ($58M), Indonesia ($38M), and the Philippines ($38M). Support for regional programs has steadily grown from $37M in FY 1991 to $53M in FY 1993. About 20% of net allocable bilateral ODA disbursements went to the Americas region. The major recipients in the region for FY 1993 were Jamaica ($17M), Haiti ($19M), and Peru ($26M).

About 77% of net bilateral ODA in 1992, was channelled to low-income countries, with more than half of this going to least-developed countries. According to the new ODA policy, Canada will continue to provide most of its ODA to low-income countries, and Africa will continue to receive the highest share of resources.

Although Canada extended ODA to a total of 138 countries in 1993-94, the government believes that a major portion of ODA should be focused on a limited number of countries in order to increase aid effectiveness. Consequently, Canada concentrated about 33% of its bilateral aid to the top 30 recipient countries in 1993.[8] Programs are maintained in other countries through low-cost, administratively simple delivery mechanisms. The following Table provides a list of the major bilateral recipients from all ODA sources (ie. CIDA and others) over the past three years, and identifies the top ten recipients each year and the percentage of allocable bilateral aid disbursed to each region:

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[8] *Annual Aid Review 1993: Memorandum of Canada to the OECD-DAC*, CIDA 1994, p. 23.

Table 7: Bilateral ODA Distribution by Country ($ millions)

	1991-92	Rank/%	1992-93	Rank /%	1993-94	Rank /%
AMERICAS						
Haiti	16.47		16.79		19.06	
Honduras	18.15		17.85		9.21	
Jamaica	29.42		20.86		17.08	
Peru	29.12		35.35	(9)	26.23	(9)
Regional Programs	42.87		40.63		34.51	
Other	186.08		127.35		171.54	
Total Americas	322.11	(21%)	258.83	(20%)	277.65	(23%)
ASIA						
Bangladesh	109.96	(1)	90.04	(1)	68.35	(2)
China	74.99	(2)	63.05	(2)	71.29	(1)
India	46.39	(6)	42.38	(3)	58.52	(3)
Indonesia	58.90	(3)	41.52	(4)	38.45	(4)
Pakistan	44.35	(7)	25.21		1.55	
Philippines	31.49		30.49		38.32	(5)
Thailand	30.31		23.75		18.37	
Regional Programs	36.98		44.42		52.92	
Other	82.08		67.27		71.81	
Total Asia	515.45	(33%)	428.13	(32%)	419.58	(34%)
AFRICA						
Cameroon	33.70	(10)	27.77		16.80	
Egypt	48.45	(4)	37.95	(8)	29.77	(7)
Ethiopia	30.32		28.09		20.92	
Ghana	47.93	(5)	39.13	(6)	36.61	(6)
Kenya	19.61		21.41		14.96	
Mali	30.79		23.52		28.79	(8)
Mozambique	29.50		41.38	(5)	24.46	(10)
Senegal	34.79	(9)	39.12	(7)	23.73	
Tanzania	36.44	(8)	32.80	(10)	12.05	
Zambia	26.60		29.62		4.92	
Zimbabwe	23.31		32.62		16.11	
Regional Programs	76.85		87.77		93.54	
Other	262.89		194.95		170.84	
Total Africa	701.18	(45%)	636.13	(48%)	493.50	(41%)
OCEANIA	13.60	(1%)	6.96	(0%)	4.86	(0%)
EUROPE	5.83	(0%)	0.34	(0%)	20.44	(2%)
Sub-total (all above)	1,558.18	(100%)	1,330.40	(100%)	1,216.03	(100%)
LDCs Unspecified[1]	169.09		237.27		232.10	
Unallocable by Country	390.98		381.38		583.62	
Total Bilateral ODA	2,118.24		1,949.05		2,031.75	

[1] Includes institutions with global program and where it is impossible to allocate funds to a region.

(source: *CIDA Annual Reports* 1991-92, 1992-93, *CIDA ODA Statistics*: 1993-94)

3. Volume of Multilateral Aid

a. Allocations to International organisations

Canada has traditionally had a higher level of multilateral contributions as a percent of ODA than the OECD-DAC average, although this percentage has declined since the late 1970s from 44% to 36% in 1993. Canada has recently pulled out of some multilateral organisations [ie. UN Industrial Development organisation (UNIDO), the Common Fund, and the Colombo Plan]. Budget constraints have also led Canada to reduce its level of contributions in replenishments to the Asian Development Fund (AsDF) and the African Development Fund (AfDF).

Under the multilateral program, the World Bank's International Development Association (IDA) and the World Food Program were the largest recipients of Canadian contributions. Disbursements to the IDA, on a promissory note basis, were $276 million in FY 1993. Canada's contribution to the World Food Program, which has traditionally been the highest or second highest of all donors, was $189 million in FY 1993. Disbursements to the United Nations Development Program (UNDP) were also noteworthy at $53 million.

Canada is one of the few, perhaps the only, OECD-DAC donors to be active in all Regional Development Banks (RDBs). Subscriptions to the RDBs in FY 1993 totalled just less than $230 M, including $108 M to the AsDB and $86 M to the AfDB. Canada is also the only country with membership in both the Commonwealth and La Francophonie. Canada's contributions to these two bodies combined was about $22 M in FY 1993.

Canada's ODA contributions to International organisations and International Financial Institutions over the past three years are detailed below:

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Table 8: Multilateral Assistance by Recipient Organisation and Source ($ millions)

CIDA FUNDS	1991-92	1992-93	1993-94
International organisations (IOs):			
UNDP	64.50	65.00	53.00
UNICEF	17.40	17.40	17.40
UNFPA	13.40	14.50	13.60
UNHCR	8.50	9.00	9.00
WHO-AIDS Program	4.75	4.80	3.95
Commonwealth/Francophonie	27.73	22.35	22.25
World Food Program	209.42	214.74	189.04
Other	52.60	54.92	49.23
Sub-total (IOs)	398.30	402.71	357.47
Regional Development Banks (RDBs):			
AfDB	114.80	109.68	108.78
AsDB	88.59	90.54	86.66
CDB	11.26	12.11	6.98
IDB	17.14	15.86	9.46
Other	6.24	6.86	16.84
Sub-total (RDBs)	238.04	238.15	228.72
Sub-total (CIDA Funds)	636.34	640.86	586.19
FOREIGN AFFAIRS/ OTHER FUNDS			
International organisations:			
WHO	8.97	9.85	12.26
FAO	4.09	4.49	4.33
ACCT	7.09	7.14	9.27
Other	32.01	37.99	42.80
Sub-total (Foreign Affairs/other)	52.20	61.09	68.66
DEPARTMENT OF FINANCE FUNDS			
International Financial Institutions:			
World Bank	335.41	285.20	305.74
(of which: IDA)	(316.21)	(276.21)	(276.33)
IMF	37.65	33.88	83.47
Other	2.63	2.12	2.29
Sub-total (Finance)	375.69	321.20	391.50
TOTAL CANADA	1,064.23	1,023.15	1,046.35

(source: Table E, *CIDA Annual Report*: 1992-93, *CIDA ODA Statistics*: 1993-94)

C. National ODA Implementation System

1. General Structure of ODA

a. Organisations involved in Canada's ODA Program

Canada's ODA program is predominantly centred around one governmental body, the Canadian International Development Agency (CIDA). CIDA (detailed in Part II of this report) is responsible for the management of about 80% of Canada's ODA budget. The remaining 20% of Canada's ODA budget is administered by other governmental departments' and Crown Corporations, which are responsible for various ODA activities. Departments and corporations involved in Canada's ODA program and their responsibilities include:

Government Departments:

i) <u>Department of Finance (DoF)</u>   The DoF is responsible for Canada's contributions to International Financial Institutions such as the World Bank and the Enhanced Structural Adjustment Facilities of the International Monetary Fund (IMF). The DoF is also responsible for Multilateral Debt Reduction Initiatives negotiated through multilateral fora (eg. Paris Club).

(ii) <u>Department of Foreign Affairs and International Trade (DFAIT)</u>   DFAIT is responsible for overseas administrative functions relating to ODA (ie. the maintenance of Embassies and High Commissions), the provision of various grants/contributions to international organisations, as well as some ODA-type scholarships. While DFAIT was responsible for Canada's non-ODA programs in Central/Eastern Europe and the former Soviet Union in the past, this responsibility was transferred to CIDA in March 1995. The Minister of Foreign Affairs has overall responsibility for the activities of CIDA, the International Development Research Centre (IDRC), and the Export Development Corporation (EDC).

(iii) <u>Public Works and Government Services Canada (PWGSC)</u> PWGSC is responsible for funding related to mandatory services such as acquisitions (ie negotiating and administering contracts), transport management (ie.

' Note: Departments in Canada are the equivalent of a Ministry in Japan.

contracting for the movement of personnel and material), and Major Crown Project (ie. the provision of dedicated contracting services in support of large acquisitions).

Crown Corporations:

(iv) <u>The International Development Research Centre (IDRC)</u>   The IDRC (established in 1970) is required to report to Parliament through the Minister of Foreign Affairs. Through funding of scientific research in the Third World and Canada, the IDRC helps communities in developing countries find solutions to social, economic, and environmental problems. Its mandate is to initiate, encourage and support research into the problems of developing regions by local researchers and into the means for applying and adapting scientific, technical and other knowledge to the economic and social advancement of those regions. IDRC-supported projects are designed to alleviate poverty, maximize the use of local resources, and strengthen human and institutional capacity. The IDRC is also Canada's primary agency to work with developing countries on the implementation of Agenda 21, the action plan from the United Nations Conference on Environment and Development (UNCED).

(v)   <u>Export Development Corporation (EDC)</u>   A small amount of Canada's ODA is in the form of concessional export financing for commercial sales in developing countries that are ineligible for other forms of EDC financing. This funding is provided under the authority of Section 23 (Canada Account) of the *Export Development Corporation Act*, and qualifies as ODA if in compliance with the Helsinki package terms. The EDC is under the auspices of the Minister of Foreign Affairs.

(vi) <u>International Centre for Human Rights and Democratic Development (ICHRDD)</u>   The ICHRDD (established in 1988) reports to Parliament through the Minister of Foreign Affairs. The majority of ICHRDD's funding is provided through the *Main Estimates* of CIDA. The ICHRDD began operations in 1990 with a mandate to support cooperation between Canada and other countries in the promotion, development and strengthening of institutions and practices that give effect to rights and freedoms enshrined in the *International Bill of*

Human Rights and to promote democratic development.

Disbanded Crown Corporations:

(vii) <u>International Centre for Ocean Development (ICOD)</u> ICOD (established in 1985) had a mandate to initiate, encourage and support cooperation between Canada and developing countries in the field of Ocean Resource Development. In February 1992, ICOD was dissolved and its programming was transferred to CIDA's Geographic Programs.

(viii) <u>Petro-Canada International Assistance Corporation (PCIAC)</u> The PCIAC was eliminated in February 1991, and its programming was transferred to CIDA's Geographic Programs.

b. Organisational Chart of Canadian ODA

An organisational chart relating the various actors involved in the Canadian ODA program has been included as Appendix I-3.

2. Functional Roles of ODA actors in Policy Formulation system:

The Government in office is responsible for defining Canada's policy in the area of foreign affairs, which includes international assistance. Following its election in 1993, the Liberal Government announced that it would review Canada's foreign policy. In February 1995, the Government of Canada released its new foreign policy in a statement entitled *Canada in the World.* Chapter VI of the foreign policy statement was devoted to 'International Assistance' and becomes Canada's new ODA policy, replacing the previous policy outlined in the 1988 document <u>Sharing Our Future</u>. Although the new policy reflects the priorities of the Liberal Government, it was formulated in consideration of various consultations and recommendations from the Canadian public. To help in this process, the Government established a Special Joint Parliamentary Committee to consult with the Canadian public on foreign policy issues, including the role of development cooperation. The Committee received more than 550 submissions from individuals and groups in all sectors (voluntary/NGO, business, academia, etc.) across Canada,

as well as from international sources. The Department of Foreign Affairs and International Trade also held extensive consultations with a wide range of Canadians and organised a National Forum on Canada's International Relations. In addition, special debates took place both within the House of Commons and the Senate. Consequently, there was an opportunity for CIDA employees and Canada's development partners to participate in the foreign policy review process. The new Foreign Policy, *Canada in the World*, serves as the broader framework into which all other ODA policies must fit.

In terms of policy formulation for specific ODA issues/objectives/geographical areas, CIDA is responsible and accountable within the context of the Foreign Policy framework.[10] As the lead agency in Canada's ODA policy formulation, CIDA undertakes extensive consultations both within and outside of the Agency. External policy consultations can involve technical governmental Departments, including Environment, Agriculture (food aid), Elections Canada (democratic development), and Justice (human rights). CIDA also undertakes consultations on new policy directions with its many development partners, including NGOs, the Private sector, universities, specialists, and Crown Corporations (IDRC, ICHRDD). Consultations have been initiated both by the Canadian Partnership Branch and the Geographical branches on policy issues relating to a particular country or region, or to a specific sector (ie. AIDS, Poverty, etc.).

Canada has an extensive and functioning process of interdepartmental consultations on economic cooperation issues. CIDA has a voice in most government decision-making in areas of policy that have a bearing on development cooperation and the effectiveness of aid. For example, CIDA has played a major role in defining Canada's international foreign policy on the environment. It is one of three departments charged with the administration of the Green Plan International Partnership initiative announced at the UNCED Conference in Brazil in 1992. CIDA's responsibility under this initiative is to administer Canada's participation in the Global Environment Facility.

CIDA has representation on the Board of Directors of the Export Development

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[10] However, the Minister of Foreign Affairs must give his/her approval to all CIDA policies.

Corporation and the IDRC, and CIDA officials maintain close working relationships with both of these institutions. CIDA is taking more active interest in trade policies, particularly with respect to the linkages between trade and development and environmental issues. The Interdepartmental Committee on Economic Relations with Developing Countries, chaired by DFAIT, coordinates issues such as Canada's positions on aid, debt, trade and the environment. CIDA's President is a member of the Committee.

II. Overview of CIDA

A. Profile of CIDA

1. Details of CIDA's Background

CIDA was established on September 12, 1968 by Order-in-Council P.C. 1968-1760 to replace the External Aid Office as the agency through which Canada directs ODA to developing countries. Despite being referred to as an agency, CIDA was designated as a "Department" for the purposes of the *Financial Administration Act* (FAA) by Order in Council P.C. 1968-923 of May 8, 1968. The FAA is the source of authority of the Treasury Board, which approves all grants and contributions used to fund CIDA projects. Lacking any specific enabling legislation that sets out its mandate and accountability for ODA, CIDA acts under the authority of the Minister of Foreign Affairs and is guided by the "International Assistance" section (Chapter VI) of Canada's new Foreign Policy statement *Canada in the World*. CIDA's only basis in law lies in the *Appropriations Act* released annually via the government *Main Estimates* documents. The *Main Estimates* are the means by which Parliament grants expenditure authority to government departments and agencies. This authority is specified in terms of maximum expenditures for separate expenditure categories, known as votes. The "vote wording" which appears in the *Main Estimates*, provides the legislative authority for the content of CIDA's expenditures and provides the broad parameters under which CIDA must operate.

The CIDA program has two objectives. First, to facilitate the efforts of the people of developing countries to achieve self-sustainable economic and social development in accordance with their needs and environment, by cooperating with them in development activities. And second, to provide humanitarian assistance which contributes to Canada's political and economic interests abroad in promoting social justice, international stability and long-term economic relationships, for the benefit of the global community.

CIDA Headquarters is located at:

> 200 Promenade du Portage
> Hull, Quebec, K1A 0G4
> CANADA
> Tel: (819) 997-6100

2. Areas and Scope of Cooperation Activities

CIDA's ODA program comprises three activities: the Partnership Program, National Initiatives and Corporate Services. The resources associated with the first two activities constitute development-related programming and direct administration costs, while the resources related to Corporate Services are indirect administration or general overhead expenses. Details about the three types of activities are provided below:

i) The Partnership Program supports activities by international and Canadian partner agencies (NGOs, development banks, etc.) and includes: contributions to International Financial Institutions; support for the voluntary sector, including International NGOs; the Industrial Cooperation program (to encourage links between Canadian businesses and their counterparts in developing countries); funding for the International Centre for Human Rights and Democratic Development (ICHRDD); multilateral technical cooperation (via grants) with U.N. agencies, the Commonwealth, La Francophonie, and other international agencies; and multilateral food aid to the World Food Programme.

ii) The National Initiatives Program directs funds for bilateral assistance (ie. mainly on a government-to-government basis) and includes: Bilateral Food Aid; Scholarships Program; International Humanitarian Assistance; Development Information to improve Canadian awareness; and bilateral Geographic Programs managed by the three area Branches of CIDA (Americas, Asia, and Africa and the Middle East).

iii) Corporate Services provides policy direction, coordination and common support services to CIDA. Corporate services includes operating expenditures which cannot be easily associated with specific programs, (ie. work relating to the following Branches: Personnel and Administration, Agency Executive, Corporate Management, Communications, and Policy.

CIDA directs ODA funds through three types of programs:

i)   Bilateral Aid: ...is a direct transfer of goods, funds, services and knowledge for

joint projects and programs agreed to by Canada and the recipient government in a wide range of sectors. It also includes the sending of Canadian cooperants and advisors to developing countries and the receipt of Third World students and trainees for training in Canada.

ii) <u>Multilateral Aid</u>: ...is the indirect provision of financial assistance, technical cooperation, humanitarian assistance and food aid to developing countries through one of 85 international agencies (mostly United Nations) and financial institutions. Canada's contributions to UN agencies/programs are mostly grants pledged on an annual basis.

iii) <u>Voluntary Sector Programs, Scholarships and Business Cooperation</u>: CIDA matches donations to over 400 private voluntary agencies and also contributes to the budgets of non-governmental institutions. CIDA's Canadian Partnership Branch (CPB) provides funding and support to Canadian and International NGOs working at the community level, for basic development. It also promotes links between Canadian NGIs (universities, colleges, unions, cooperatives and professional associations) and their counterparts in developing countries so as to encourage joint activities, and provides financing to organisations sending cooperants abroad. Furthermore, the CPB co-finances awareness activities carried out by Canadian NGOs, NGIs and community groups to educate and increase the awareness of Canadians about development cooperation. The CPB also helps Canadian companies to establish and maintain contacts with companies in developing countries and provides financing for starter and viability studies to investigate joint ventures in developing countries.

3. Organisational Structure of CIDA
a) Organisational Chart of CIDA

In the Foreign Policy Statement (February 1995), the Government announced that the delivery of Canada's program of assistance to Central and Eastern Europe and the former Soviet Union would be transferred to CIDA in order to "maximize the program's effectiveness". Consequently, a Central and Eastern Europe Branch has been established in CIDA, bringing the total number of branches in the Agency to

ten. Each of CIDA's branches is headed by a Vice-President or Director-General, who reports directly to the President. The President of CIDA, as Head of the Agency Executive, is responsible to the Minister of Foreign Affairs. The Vice-President-Policy Branch, replaces the President as required.

CIDA's President is guided by an *Executive Committee*, which provides advice on all key issues concerning policies, programming and corporate management. The Committee is chaired by the President, and includes the heads of the 10 Branches and the General Counsel (ex-officio).

CIDA's Organisational Chart is included as Appendix II-1.

b) Headquarters

i. Roles and Functions:

The overall purpose of CIDA's Headquarters is to develop policies for Canada's ODA program within the context of the foreign policy framework, to approve and disburse funds for almost all Agency-supported activities[11], and to ensure that these activities are implemented in accordance with ODA policies and the foreign policy. This purpose is achieved through the division of functions among the ten branches, under the guidance of CIDA's President.

One of the most important functions of CIDA Headquarters is the development of a Corporate Strategic Direction for ODA activities, called the Agency Business Plan. It is the role of the *Executive Committee* to prepare the Agency Business Plan, which outlines the strategic directions for a three year period to meet foreign policy commitments, program priorities, and other requirements (ie. as requested by the Treasury Board or Auditor General). The Agency Business Plan is based on the expenditure target limits announced in the Government's Budget, and the objectives and expected results identified in the Branch Plans (see Part I, Section B-2a).

The majority of CIDA Headquarter's functions are carried out by the following five branches:

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[11] The approval and disbursement of funds for activities under the Canada Fund for Local Initiatives is the function of Canadian Missions overseas (see below).

The three Geographical Branches (Africa and the Middle East, Asia, and Americas) are responsible for decision-making related to the Agency's Bilateral programming within the respective regions, including: the development of Region/Country Development Policy Frameworks[12]; the approval of program/project requests from recipient country governments; the selection of executing agencies for program/ project implementation, and; the management and evaluation of ODA programs/ projects. Such decisions are made based on extensive consultations with CIDA personnel and partners located overseas.

The Canadian Partnership Branch (CPB) is responsible for decision-making related to the Agency's Canadian development partners (ie. NGOs, the Private Sector, Universities, Professional Associations, etc.), including: the development and implementation of an Institutional Policy Framework[13]; the approval of requests and allocation of funds for partner's program/project; the monitoring and evaluation of partner's programs/projects; and, the timely organisation of consultations of on new policy and strategic approaches. CPB is also involved in the formulation of any CIDA policy that impact on Canadian development partners.

The Multilateral Programmes Branch (MPB) is responsible for decision-making related to the Agency's international partners (ie. World Bank, IMF, UN Agencies, the Commonwealth, La Francophonie), including: the development and implementation of an Institutional Policy Framework[14]; the assessment, monitoring, and evaluation of multilateral organisations or NGOs implementing Canada-financed emergency, humanitarian and food aid assistance. The MPB monitors the effectiveness of these organisations and ensure that their activities are compatible with Canada's ODA objectives and overall foreign policy. The MPB also provides input into the policy development of multilateral institutions.

The rest of CIDA Headquarter's functions are carried out by the following branches:

CIDA's Policy Branch is responsible for the development of thematic/sectoral

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[12] The R/CDPFs identify the program priorities and broad development results pursued in a particular geographical area, over a 5-year period.

[13] The CPB's IPF identifies the program priorities to guide relations with partners and defines the broad development results expected from these partners.

[14] The MPB's IPF identifies the program priorities to guide relations with multilateral institutions and defines the broad development results expected from these institutions.

policies on a range of development assistance issues (ie. WID and Gender Equity, the protection of the environment, poverty reduction, etc.). These policies are formulated in consultation with other CIDA Branches, development partners and other governmental departments. Thematic/sectoral policies must also fit within the framework of Canada's overall foreign policy.

The other three branches (**Corporate Management, Personnel and Administration, and Communications**) are responsible for activities related to general overhead (ie. administration/finance/personnel) or in support of the Agency's overseas activities (ie. training of staff and experts, logistical support).

The new **Central and Eastern Europe Branch (CEEB)** is responsible for the delivery of both ODA and non-ODA related programs in this region (including the former Soviet Union). Program delivery is carried out by the CEEB, however policy direction will remain with the Department of Foreign Affairs and International Trade. Close coordination over the continued development and execution of the program is being established between the two organisations.[15]

A detailed list of the roles of Headquarters and Field Operations is included as Appendix II-2.

ii. Authority:
The responsibility for approving the allocation of funds for CIDA programs/ projects and cost increases depends on the total dollar value. Treasury Board (TB) approval is required for all projects with a value of over $15 million. The Minister's approval is required for all projects with a value of $5 million to $15 million. Projects with a value of less than $5 million can be approved by the Vice President. However, since most projects require consultant services of more than $100,000, it is necessary to obtain the Minister's Selection approval for a list of prequalified consultants before project activities can proceed. The existing framework for decision making regarding Funding Authorities for Projects and the Selection Approval of Consultant are outlined in the following two charts:

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[15] The specific roles and functions of the new Central and Eastern Europe Branch were not available at the time of this report's preparation.

Chart II-1: Funding Authority for Project Approval and Cost Increases

Authority	Total Value of Project	Value of Cost Increases
Treasury Board (Ottawa)	over $15 million	over 20% of original value
Minister of Foreign Affairs (Ottawa)	up to $15 million	up to 20% of original value
CIDA President, Geographic Branch Vice President (HQ)	up to $5 million	20% of original value (up to a maximum of $5 million)
Program Director (HQ)	up to $500,000	20% of original value (up to a maximum of $500,000)

(Source: *Geographic Programs Road Map: A Guide to Bilateral Project Cycle*, CIDA: July 1995)

Chart II-2: Selection Authority for Consultants

Authority	Competitive Contracts	Non-Competitive Contracts
Minister of Foreign Affairs	over $100,000	over $100,000
CIDA Vice President	-	between $50,000 and $100,000
R/C Program Director	up to $100,000	up to $50,000

(Source: *Geographic Programs Road Map: A Guide to Bilateral Project Cycle*, CIDA: July 1995)

<u>iii. Staff:</u>

As of November 1995, the number of CIDA staff totalled 1,171. This total represents both staff at Headquarters (Ottawa) and at Canadian Missions in the field. The following table displays the break-down of CIDA staff by branch:

Table 9: Total CIDA Staff by Branch

<u>Branch</u>	<u>Number of Staff</u>
Corporate Secretariat	31
Policy	84
Multilateral	65
Canadian Partnership	148
Americas	105
Africa and Middle East	203
Asia	144
Eastern and Central Europe	56
Corporate management	183
Personnel and Administration	107
<u>Communications</u>	<u>45</u>
CIDA Total	**1,171**

(source: Personnel Management Information System, CIDA: November 1995).

c) Overseas Offices

<u>i. Roles and Functions:</u>

CIDA's field operations are carried out within the Aid Sections of Canadian Diplomatic Missions (ie. Embassies/High Commissions) in developing countries, under the management of the Head of Aid[16] and the authority of the Head of Mission[17]. In addition, CIDA has established Program Support Units in recipient countries to assist the Aid Sections in the programming and implementation of Canadian ODA activities. The basic purpose of Field Operations is to: "support all facets of CIDA's programming in a recipient country or region". The role of field

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[16] The Head of Aid is a senior CIDA staff member at the Mission who has attained a certain employee level (PM-6).

[17] The Head of Mission is the highest ranking diplomat in the Mission (ie. Ambassador/High Commissioner).

operations is to "provide essential knowledge of the recipient country/region realities to support the successful design of CIDA programs and to thereby contribute to the achievement of developmental results."[18]

Aid Section

CIDA's overseas personnel serve within the Aid Section of Canadian Missions in developing countries or at Canadian Missions to International Organisation (ie. the U.N. - New York/Geneva, OECD - Paris, FAO - Rome). CIDA's overseas missions have no official legal status, beyond being part of a Canadian diplomatic office. The Head of Aid (HOA) has overall responsibility for the management of ODA-related field operations. The Head of Mission has the final authority for decision making, based on the recommendations of the Head of Aid.

Program Support Unit

Program Support Units (PSUs) were established by CIDA to provide a variety of support service to field operations. PSUs work on a contract basis, and their structure can take one of three forms: (i) a Canadian Executing Agency; (ii) a Local firm; or (iii) an independent consultant (Canadian or Local). At present, PSUs exist in 34 countries and represent total annual disbursements of $18 million. The purpose of a PSU is "to contribute to the achievement of better development results and to the enhancement of the recipient country's capacity to develop and implement Canadian development assistance".[19] PSUs have become a critical element of CIDA's field operations.

Canada Fund for Local Initiatives

The Canada Fund program was initiated in 1973, as a quick response mechanism to requests for financial support for small-scale, locally identified projects in developing countries. The program aims to provide technical, educational, cultural, economic, or social development assistance that complement CIDA's bilateral activities in the country/region. Canada Fund projects are implemented locally by NGOs, institutions, or individuals. Responsibility and accountability for these funds have been delegated to the Heads of Mission in developing countries. Heads

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[18] *Effective, Accountable and Transparent Field Operations,* Final Report, CIDA: July 1994, p. 4.

[19] *Effective, Accountable and Transparent Field Operations,* Final Report, CIDA: July 1994, Annex C, p.1.

of Missions are authorised to approve contributions for a project to a maximum of $50,000 (and for increases of up to 20%). For projects with a value of between $50,000 and $100,000, the approval of the Regional Vice President is required. The HoM gives approval based on the recommendations of the Head of Aid.

Field Activities

A recent report about effective field operations provided a list of field activities which support and complement those of CIDA Headquarters. The activities were divided into two areas of responsibilities. The first group of activities, entitled "Policy Advice, Intelligence Gathering and Representational Functions", need to be carried out by the Aid Section. These activities include: representing and promoting Canadian ODA policies, objectives, and programs in the recipient country; establishing an on-going dialogue and coordinating with local governments, other donors, and international agencies, and; negotiating agreements related to Canada's ODA programs. According to the Report, these functions are "essential to the development of sound, effective ODA programs in the region".[20]

The second group of activities, entitled "Field Program Support Functions", can be divided to various degrees between the Canadian Mission, the Aid Section and the Program Support Unit (PSU), depending on the country context and the nature of field operations. These activities include: providing economic and social analysis of the country/region and on project/program proposals; monitoring the recipient country's compliance with CIDA program conditionalities; and supporting the recipient country's capacity for programming and implementing Canadian ODA.

The complete list of Field Activities is included as Appendix II-3.

ii. Authority:
The financial authorities delegated to the field are not extensive. In addition to managing the Canada Fund (see above), the Ambassador or High Commissioner of the Canadian Mission is normally entrusted with the effective approval of projects with a value of up to $500,000 for practical purposes. They can also approve service contracts with local firms or individuals with a value of up to $100,000 and

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[20] *Effective, Accountable and Transparent Field Operations,* Final Report, CIDA: July 1994, p.4.

sometimes are delegated responsibility for sub-activities of projects once the overall project has received approval in Canada.

iii. Staff:

Of the 1,171 staff members within the Agency, 106 employees are posted in the field. The number and position(s) of CIDA staff working in the Aid Section depends on the size and importance of the aid program in the country/region. For example, in Zimbabwe there are 7 CIDA staff, while in Sri Lanka there is just one CIDA staff. The following table displays the number of overseas staff by region of placement:

Table 10: CIDA's Overseas Staff By Geographical Region of Placement

Location of Placement	No. of Staff
Africa & Middle East	46
Asia	32
Americas	23
Eastern Europe	2
Multi-lateral	3
Total	106

(source: Personnel Management Information System, CIDA: November 1995)

iv. Address of Overseas Offices:

A list of CIDA missions abroad (including those for International organisations) is included as Appendix II-4.

4. CIDA's Aid Performance

a) Volume of Aid by Country

Table 11: CIDA's Bilateral ODA Distribution by Country ($ millions)

	1991-92	Rank/%	1992-93	Rank /%	1993-94	Rank /%
AMERICAS						
Haiti	16.20		16.79		19.06	
Honduras	18.16		17.55		8.99	
Jamaica	28.21		20.16		16.62	
Peru	26.12		31.85	(10)	23.56	(10)
Regional Programs	40.74		39.72		33.70	
Other	168.69		114.82		159.46	
Total Americas	298.12	(21%)	240.89	(20%)	261.39	(23%)
ASIA						
Bangladesh	109.60	(1)	89.73	(1)	67.71	(1)
China	38.48	(7)	38.88	(4)	40.09	(3)
India	43.78	(6)	36.03	(8)	55.64	(2)
Indonesia	45.67	(4)	40.53	(3)	34.02	(6)
Pakistan	43.96	(5)	24.82		1.22	
Philippines	27.49		27.39		36.04	(4)
Thailand	25.87		21.93		16.67	
Regional Programs	36.13		44.27		52.92	
Other	75.40		62.05		64.65	
Total Asia	446.38	(32%)	385.63	(31%)	368.96	(33%)
AFRICA						
Cameroon	32.92	(9)	27.19		16.57	
Egypt	47.20	(3)	36.35	(7)	28.57	(7)
Ethiopia	29.04		26.42		19.22	
Ghana	47.26	(2)	38.48	(5)	35.88	(5)
Kenya	16.60		19.19		12.54	
Mali	30.32		23.29		28.42	(8)
Mozambique	29.32		41.16	(2)	24.22	(9)
Senegal	32.50	(10)	37.52	(6)	21.90	
Tanzania	35.07	(8)	32.64	(9)	10.75	
Zambia	26.41		29.55		4.89	
Zimbabwe	22.22		31.63		15.21	
Regional Programs	75.39		86.32		91.77	
Other	219.78		182.66		153.19	
Total Africa	644.03	(46%)	612.40	(49%)	463.13	(42%)
OCEANIA/EUROPE	17.06	(1%)	5.86	(0%)	25.16	(2%)
Sub-total (all above)	1,405.59	(100%)	1,244.78	(100%)	1,118.64	(100%)
LDCs Unspecified*	508.81		568.10		759.61	
Total CIDA Bilateral ODA	1,914.40		1,812.96		1,878.25	

* Includes institutions with global program and funds which are unallocable by country or region.

(source: *CIDA Annual Reports* 1991-92, 1992-93, *CIDA ODA Statistics*: 1993-94)

b) Volume of Aid by Sector

Table 12: CIDA's Bilateral ODA Disbursement by Sector ($ million)

Sector	1991-92	%	1992-93	%	1993-94	%
Agriculture	214.24	(15)	195.64	(14)	161.18	(13)
Human Resource Development	434.19	(30)	431.83	(31)	367.24	(29)
Energy	67.76	(5)	93.69	(7)	67.79	(5)
Health/Population	149.14	(10)	141.23	(10)	142.53	(11)
Communication/Transport	78.57	(6)	74.76	(5)	70.38	(6)
Industry	75.45	(5)	84.28	(6)	55.91	(5)
Economic/Financial Support	203.06	(14)	193.40	(14)	194.57	(15)
Food Aid	190.53	(13)	168.16	(12)	130.91	(10)
Other	18.22	(2)	18.85	(1)	78.65	(6)
Sub-total (all above)	1,431.16	(100)	1,401.84	(100)	1,269.17	(100)
Unallocable by sector	549.78	-	397.01	-	628.36	-
Total CIDA Bilateral ODA	1,980.95		1,798.85		1,897.53	

(Source: *CIDA Annual Reports*: 1991-92, 1992-93, *CIDA ODA Statistics*: 1993-94)

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B. Cooperation and Coordination with Other Organisations

Introduction

CIDA has adopted an integrated approach to its country programming in order to increase coordination within the agency as well as with recipient countries, NGOs, the private sector, and bilateral and multilateral donors. Canada focuses its coordination efforts on the following issues:

a) <u>Economic</u> - consultative groups, Paris Club meetings and support groups are all fora which are used to discuss debt, structural adjustment, monetary flow and other issues. Discussions with the World Bank and IMF staff are also proving to be a vital mechanism of dialogue. CIDA also views OECD-DAC deliberations as. an indispensable forum for donor countries.

b) <u>Social</u> - Coordination on issues like WID, equity and economic reform, and child protection and development occurs through Canada's participation in numerous international conferences and in consultations with multilateral agencies.

c) <u>Other</u> - new areas of coordination include AIDS, drug problems, and environmental degradation. These problems place great pressure on the ODA's extremely limited resources. Other issues such as human rights, democratic development, good governance, and excessive military spending will be given even greater attention in the near future, thereby requiring further coordination with other bilateral and multilateral bodies.[21]

1. Multilateral organisations
a. Policy Guidelines

CIDA does not have a policy as such with regard to coordinating ODA. However, there is a general recognition that aid coordination is "an important mechanism for increasing the effectiveness of the Agency's programs and ensuring that the policies of a given country, theme or sector are compatible and comply with the guiding principles of the Canadian government and the strategies of [CIDA's] partners and other donors."[22]

The broad objectives of Canada's Multilateral program are to implement Canadian

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[21] *Annual Aid Review 1993: Memorandum of Canada to the OECD-DAC*, CIDA 1994, pp. 25-6.

[22] *Annual Aid Review 1993: Memorandum of Canada to the OECD-DAC*, CIDA 1994, p.24.

development policies by supporting and promoting effective multilateral systems and institutions, particularly in the fields of humanitarian assistance, food aid, technical cooperation and development finance. For Canada, membership in multilateral institutions enables it to significantly influence the management and design of major global efforts which require coordination and funding at a level beyond the means or abilities of any one government.

b. Periodic Policy-dialogue/consultation

Multilateral Institutional Reform

Over the past three years, Canada has been working with other donor countries to promote reform of both the UN system and the development banks. In addition, Canada has made a significant contribution to discussions on the proposed *Agenda for Development*, which outlines the UN's potential role in promoting social and economic development. Canada also played a prominent role in the establishment of the Department of Humanitarian Affairs, which has improved emergency assistance coordination in the field. Canada has been a leader in multi-donor evaluations of UN voluntary agencies (ie. UNICEF, UNFPA the World Food Program, and UNHCR) and is one of three donors leading the attempt to rationalize the UN's efforts to combat HIV/AIDS through the establishment of a Joint Co-Sponsored Program for HIV/AIDS. Canada, with other members, has sought to make these institutions more responsive to member concerns and to broaden the policy dialogue by strengthening the policy orientation of the institutions in line with their particular mandate.[23]

International Cooperation

Canada, through its active participation in several international networks (particularly in the Bretton Woods institutions and the UN system), can influence the future policy framework by pressing for meaningful reforms of policies, governance and coordination. Canada participates fully in the ongoing debate on global development issues in an effort to promote discussion and build consensus. With membership on the governing bodies of those institutions to which it provides funds, Canada oversees their policies, programs and management and

[23] *Annual Aid Review 1993: Memorandum of Canada to the OECD-DAC*, CIDA 1994, p. 23., and *Multilateral Technical Cooperation Program*, Multilateral Programs Branch, 1993.

carries out institutional appraisals and evaluations to assess their effectiveness, efficiency and accountability.

Canada has been involved in a number of joint projects and programs with various multilateral agencies, especially, UNICEF, UNDP, the World Bank and the regional development banks. Furthermore, Canada participates in all international conferences, including UN conferences on Environment (Rio), AIDS (Yokohama), Population (Cairo), Women (Beijing), and the Social Summit (Copenhagen).

Multilateral Development Banks

Canada has a permanent seat on each of the Boards of Director of the Multilateral Development Banks (the World Bank and the regional development banks - African, Inter-American, and Asian). CIDA has been involved with the regional development banks efforts to modify their policies and programs according to development objectives and encouraged major reform to improve the management of the banks and the projects they fund.

Canada holds its annual consultation to the World Bank in November and June, regarding country specific programs, issues and co-financing opportunities. CIDA is involved in these consultations along with the Department of Foreign Affairs, Department of Finance, and the Export Development Corporation.

Donor Consortium

Canada realizes that in many circumstances, policy dialogue with recipient countries and the development impact of aid programs can be enhanced through effective donor coordination. Canada (represented by Staff in the Aid Sections in Canadian Missions) is an active member of local aid consortium in countries such as Bangladesh, Ghana, Zambia, Guyana, and participates in Consultative Group Meetings organized by the World Bank. Canada supports multilateral mechanisms for enhancing coordination among donors such as the Special Program of Assistance for Africa.[24]

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[24] *Annual Aid Review 1993: Memorandum of Canada to the OECD-DAC*, CIDA 1994, p. 18.

Field Coordination

The real coordination between CIDA and multilateral agencies takes place in the field, where staff from the Aid Sections in Canadian Embassies and High Commissions in developing countries are responsible for establishing a network of contacts for on-going dialogue with international agencies on the evolving development situation in the country. Much of this coordination takes place unofficially through informal information exchanges (ie. lunch meetings, parties, etc.). The Aid Section also coordinate locally with international agencies and report to CIDA's Headquarters in Canada on development programming and implementation by international agencies as it relates to CIDA.[25]

2. Other Bilateral Donors
a. Policy Guidelines

CIDA does not have a policy as such with regard to coordinating ODA. However, there is a general recognition that aid coordination is "an important mechanism for increasing the effectiveness of the Agency's programs and ensuring that the policies of a given country, theme or sector are compatible and comply with the guiding principles of the Canadian government and the strategies of [CIDA's] partners and other donors."[26]

b. Periodic Policy-dialogue/consultation

Canada is working to establish direct operating linkages with other donors in certain developing countries and regions so as to improve the effectiveness of efforts deployed by each individual donor. For example, Canada and France meet regularly to discuss their respective programs in Africa. Similarly, Canada meets with Japan on a regular basis at the senior ODA officials level (see below). CIDA's President also meets regularly with colleagues from other donor Agencies and Ministries for general discussions about development policies.

Canada-Japan Cooperation

1995 marked the sixth year in which Canada and Japan held high-level ODA

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[25] Based on interviews with CIDA personnel.

[26] *Annual Aid Review 1993: Memorandum of Canada to the OECD-DAC*, CIDA 1994, p. 24.

consultations. Cooperation between Canada and Japan has increased significantly over the past three years. In September 1992, CIDA and JICA established a three-year personnel exchange program in order to promote Canada-Japan cooperation on ODA. In September 1995, this Exchange program was renewed for a second phase (two-year duration). In 1994, CIDA and JICA undertook joint evaluations of CIDA's gender strategy in Bangladesh and JICA's technical cooperation projects in Indonesia. In March 1995, CIDA and JICA held a Joint Seminar in Tokyo on "The Prospects for Development and Cooperation in the Southern Africa Region". As a follow-up to this seminar, CIDA and JICA will hold a Joint Workshop in Harare, Zimbabwe in March 1996. The anticipated result of this cooperation is joint field activities between Canada and Japan. At present cooperative activities have been identified in the following five areas: Indonesia, Vietnam, Philippines, Kenya, and the Southern Africa region.

Multi-donor Cooperation

In the past, Canada has participated in multi-donor efforts to evaluate UN agencies, including UNICEF (with Australia, Denmark and Switzerland), and the World Food Program (with Norway and the Netherlands). CIDA also participated in the OECD-DAC sponsored assessment of the implementation of the WID principles among OECD-DAC member countries, and coordinated the review of WID as a cross-sectoral issue in 1994. Joint evaluations represent an increased recognition that greater multi-donor cooperation in the field of evaluation will be needed to achieve the common goal of sustainable development. CIDA recently initiated the establishment within the OECD-DAC of an inventory on lessons learned by donor agencies from their development activities.

Field Coordination

The real coordination between CIDA and other donor agencies takes place in the field, where staff from the Aid Sections in Canadian Embassies and High Commissions in developing countries are responsible for establishing a network of contacts for on-going dialogue with other donor on the evolving development situation in the country. Much of this coordination takes place unofficially through informal information exchanges (ie. lunch meetings, parties, etc.). The Aid Section

also coordinate locally with other donors and reports to CIDA's Headquarters in Canada on development programming and implementation by other donor agencies as it relates to CIDA.[27]

3. NGO Sector

a) Policy Guidelines

i. Stipulations

At the 1994 CIDA-NGO Annual Meeting, CIDA and the Canadian voluntary sector (ie. NGOs) agreed to begin a process to develop a policy statement on the role of the voluntary sector in development and on the relationship between CIDA and voluntary organisations. At the 1995 CIDA-NGO Annual Meeting, a preliminary draft of the policy was tabled to seek the input of NGOs and others in the voluntary sector. The contents of CIDA's draft Policy Framework (October 1995) are summarised below:

CIDA's Draft Policy Framework on the Voluntary Sector (ie. NGOs)

• Purpose of Framework (FW) - "to guide CIDA concerning the purpose and objectives of its relationship with Canadian voluntary organisations."

• FW Statement - "CIDA works with Canadian voluntary organisations in order to achieve the purpose of Canada's ODA program and to achieve the key objectives of Canadian foreign policy."

• Role of the Voluntary Sector (VS) in Sustainable Development Efforts:
    1. Provision of Services - to address community needs by providing services and implementing programs that governments can not or chose not to provide.
    2. Democratic Participation - to articulate the concerns of members and the broader community to decision-makers, and to build participatory approaches for development.
    3. Mobilisation of Resources - to build public awareness, mobilise both financial and human resources for development purposes.

• Commitment of Support - "CIDA seeks ...to support and to utilise the best from the [Voluntary Sector] community in order to meet the purpose and priorities of the ODA program."

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[27] Based on interviews with CIDA personnel.

- FW Objectives:
  1. maintaining a responsive capacity to support the programs and projects conceived by the VS;
  2. utilising voluntary organisations (VOs) to implement CIDA programs, and to deliver food aid and humanitarian assistance;
  3. strengthening the role and capacity of organisations in developing country civil society;
  4. enhancing the international presence and role of VOs;
  5. building public awareness and participation on Canada's development activities via VOs;
  6. improving the effectiveness of Canada's ODA policies and program initiatives.

Most NGOs concluded that CIDA's draft Policy Framework reflects a narrow administrative approach rather than an appreciation of the independent role and potential of the voluntary sector in support of sustainable human development. They also identified a desire to preserve their autonomy and flexibility, while simultaneously acknowledging that they need to be accountable to CIDA. CIDA officials demonstrated considerable openness to the NGO critique (while also identifying the existing fiscal and foreign policy constraints under which the Agency operates). CIDA indicated that it would consider the comments of NGOs while preparing a final policy statement on the role of the voluntary sector in development and on the relationship between CIDA and voluntary organisations. The final statement will be submitted to the Minister of Foreign Affairs for approval in 1996.

ii. Relationship of NGOs to CIDA's Development Strategy

In 1994, CIDA developed a consultation policy to help partners play a stronger role in the development of policies and programs, and in 1993-94, consulted its partners on such matters as the Agency's new contracting procedures and a new policy on human rights, democratization and good governance. In addition, both CIDA's Policy for Environmental Sustainability and WID Policy Statement recognize the importance of promoting long-term relationships between CIDA and its Canadian and developing country partners.

CIDA's Partnership Branch was the first to introduce regular and extensive consultations with its partners on policy, program frameworks, costing formulas

and the funding allocations process. All new programming frameworks developed for each major set of partners over the past two years were developed in collaboration with the umbrella organisations representing the membership of the sector groups (ie. Canadian Council for International Cooperation for the NGOs).[28]

Whereas in the Bilateral programs it is CIDA which determines the overall policy framework and sets priorities, the "responsive" programs of the Canadian Partnership Branch (CPB) gives the full developmental responsibility to the NGOs. Thus, the voluntary sector is exempt from many of the constraints which apply to the Bilateral program, including: the tying of aid to Canadian goods and services; country and sector priorities; and the requirement that prior approval be obtained from a host government.

iii. Quota of NGO Funding

The voluntary sector's total share of ODA from the Canadian Partnership Branch (CPB) increased from 8.9% in FY 1990 to 9.5% in FY 1995. During the same period, CPB's share of the ODA budget has increased from 12% to about 13%. There are no restrictions on the NGO share of bilateral or multilateral program funds (disbursements for NGOs from these two channels increased by 2.9% and 8.7% respectively between FY 1988 and FY 1992). Despite the successive budget cuts to the ODA program in recent years, Canada has remained in the top place among OECD-DAC donors in terms of the volume of support for the voluntary sector.[29]

b) Classifications of Relevant NGOs

The various types of non-governmental partners within Canadian Partnership Branch are: (i) the Canadian private sector/business community (Industrial Cooperation Program); (ii) project NGOs, volunteer-sending NGOs, church-based NGOs, and development services organisations (NGO Program); and (iii) cooperatives, unions, professional associations, and educational institutions - universities and community colleges (Institutional Program). This section will deal only with the second type (NGO program) of non-governmental partners, also

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[28] *The Role of the Non-Profit Sector in Canadian Development Assistance*, Rawkins International Associates, March 1994.

[29] *Fact Sheet: Highlights of the 1995-96 Fiscal Year Canadian Partnership Branch*, CIDA: April 1995.

known as the voluntary sector.

All NGOs are "voluntary organisations", registered and regulated under Part 2 of the Canada Corporation Act. Most NGOs also have 'charitable status' with the Department of Revenue, which allows them to issue tax receipts to Canadian donors. Despite their common legal basis, however, there are enormous variations among NGOs. About 73 percent of Canadian NGOs are secular (ie. non-religious), 13 percent are religious but non-denominational, and 14 percent linked to a specific church.[30]

NGO Classification

It has been suggested that NGOs may be classified by their primary forms of operation as:

(i) Fund-raising branches of international organisations with charitable operations in Developing Countries;

(ii) Fund-raising and directly operational agencies;

(iii) Non-profit development agencies with minimal fund-raising activities;

(iv) Fund-raising agencies that assist overseas 'partner' NGOs with specific activities, including their own capacity-building.[31]

NGO Activities

Canadian NGOs are involved in five broad categories of overseas programs. These categories and the percentage of activities devoted to each by NGOs are as follows:

- emergency relief - (10.5%);
- personal charitable activities (9.3%);
- welfare projects and programs (material assistance) - (8.0%);
- placement of Canadians overseas - (12.6%);
- development projects and programs - (58.9%)

Within Canada, NGOs are involved in development education activities to raise public awareness, fund-raising activities, and advocacy/lobbying to influence

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[30] *The Role of the Non-Profit Sector in Canadian Development Assistance*, Rawkins International Associates, March 1994

[31] Tim Broadhead and Cranford Pratt, "CIDA and NGOs" in C. Pratt, Ed. *Canadian Development Assistance: A Contemporary Appraisal.*

government policies.[32]

CIDA's NGO Division

The NGO Division of CIDA's Partnership Branch is divided into three programming sections, each of which is responsible for one major group of partners: one for (Anglophone) Church-related NGO, a second for (Anglophone) secular NGOs, and a third for smaller NGOs, the decentralised funds and (francophone) NGOs. In addition, each section is responsible for cooperating with one of the three Bilateral branches and for maintaining a general monitoring of NGO activities in the region concerned (ie. Americas, Africa, or Asia).

c) NGO Registration System

A Canadian NGO must submit a project proposal to CIDA in order to be considered eligible as a fundable organisation. In other words, CIDA provides funding only if both a project proposal and an organisation exist. To receive CIDA funding, a project-submitting NGO must be Canadian (ie. legally incorporated in Canada and accountable to a Canadian board of directors, or established and recognised as a Canadian organisation). It must be non-governmental and clearly non-profit in its orientation. NGOs need to show that they are managed effectively and efficiently, and that they are in a financially sound position. Furthermore, NGOs have to be capable of ensuring the successful completion of the project/program for which is requests assistance. Additional characteristics that will enhance an NGO's chances to receive financial support, include: two years of overseas international development experience; financial support from the Canadian public in the amount of $30,000-50,000; and be able to provide CIDA with all necessary information to adequately assess it (ie. audited financial statements, constitution, annual reports, etc.). NGOs which do not have long-term experience with CIDA are encouraged to undertake initial projects in cooperation with another NGO that has already established a relationship with CIDA.[33]

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[32] *The Role of the Non-Profit Sector in Canadian Development Assistance*, Rawkins International Associates, March 1994.

[33] *NGO Division: Introduction and Guide*, CIDA 1986, p. 9.

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d) Ten Major NGOs involved with CIDA[34]

The following ten non-governmental organisations (NGOs) and institutions (NGIs) were the largest recipients of ODA disbursements from CIDA in FY 1993.

1. **CUSO** - $13.12 million - is a Volunteer-sending NGO that shares specific skills and information through the placement of Canadian cooperants and provides funds for locally-controlled development projects and programs that are sustainable and sensitive to the environment and women's issues. CUSO also promotes awareness of the developing world and helps to forge links between similar groups with common concerns in Canada and overseas.

2. Canadian Centre for International Studies and Cooperation (CECI) - $10.34 million - is a Volunteer-sending NGO with three types of programs: send cooperants overseas for two years or more; a long-term rural development program requiring more experienced cooperants; and programs on human resources training and support for small business.

3. Canadian Catholic Organisation for Development and Peace - $9.30 million (FY1994) - is a Church-based NGO that provides financial assistance for socio-economic development projects submitted by local churches, community organisations, movements or social action groups. It is also involved in emergency relief activities.

4. **Canada World Youth** - $8.17 million - is a Volunteer-sending NGO that has various exchange programs to enable young people from Canada and developing countries to familiarise themselves with development issues by participating voluntarily in work projects in fields such as environment, agriculture, cooperatives, community work and communications.

5. **Canadian Organisation for Solidarity and Development (OCSD)** - $6.51 million - is a Volunteer-sending NGO that supports development projects of overseas partners, and promotes projects for refugees, displaced persons and women. It develops, implements and evaluates projects financed by CIDA's bilateral and

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[34] The following information was taken from: *Who's Who in International Development: A Profile of Canadian NGOs*, CCIC: 1995.

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multilateral branches.

6. Canadian Council for International Cooperation (CCIC) - $6.17 million - is an Umbrella Organisation for 100 voluntary NGOs working in Canada and overseas to promote sustainable development in Africa, Asia and Latin America. It acts as a spokesperson for its members, representing their collective views on Canadian foreign policy (including foreign aid) to the Government, media and the public.

7. Jules and Paul Léger Foundation - $4.95 million - is a NGO that contributes to international development through three affiliated organisation by providing financial and material aid to serve the needs of the poor in health, education, food production and the promotion of women.

8. World University Service of Canada (WUSC) - $4.76 million - is a Volunteer-sending NGO that recruits Canadian specialists for extensive technical assistance programs operating in 15 developing countries, particularly in the areas of education, health, water, agricultural development and project management.

9. UNICEF-Canada - $4.60 million - is an NGO that raises funds for overseas activities to protect the lives of children and promote their development. UNICEF works in partnership with developing countries and provides grassroots assistance in the areas of primary health care, water, sanitation, nutrition, housing, training and education, and social services. In Canada it works through a network of provincial committees to promote education of Canadians about major development issues and how they affect children.

10. Canadian Organisation for Development through Education (CODE) - $4.43 million - is an NGO that supports the development of autonomous publishing and provides educational materials from North America and the developing world to partners in the developing world in support of sustainable literate development. It is also involved in development education in Canada, including programs in elementary and secondary schools.

For a list of all Canadian NGOs and NGIs involved with CIDA see Appendix II-5.

e) NGO Funding

<u>Canadian Partnership Branch</u>[35]

Originally, conventional NGOs were the main partners in Canada's development activities. As other types of organisations became partners with CIDA (ie. universities/colleges, unions, professional associations, the private sector), a number of funding regimes and cost-sharing formulas were adopted. For NGOs alone, there exist a variety of cost-sharing formulas, with different financial frameworks applying to different kinds and sizes of organisations.

There are three principal forms of funding within the NGO Division:

i.   <u>Project Funding</u> through which CIDA provides up to 75 percent of an NGO's total project costs on a 3:1 matching basis. In 1991, 30 percent of NGOs received 17 percent of the overall NGO Program funds made available through this mechanism. As NGOs become more established, they move from this category of funding to program funding.

ii.   <u>Program Funding</u> through which CIDA may provide support to an NGO's overall program, or major components of its programs. Larger organisations receive support on a comprehensive basis (ie. in support of the whole program) through 1:1 matching funding. However, particular components of a program may still have funding matched on a 3:1 basis. In 1991, 78 percent of all NGO program funds were made available through this mechanism, with 23 percent of NGOs receiving program funding.

iii. <u>Decentralized Funding</u>[36] though which CIDA delegates responsibility for fund management through contracts with external agencies on a provincial basis. Funding allocations to individual NGOs (usually small and new ones) are limited to a maximum of approximately $250,000. Over time, individual NGOs may "graduate" to project funding and eventually program funding. Decentralized funds support about 41 percent of all NGOs supported by CIDA, but represent only 5 percent of program funds.

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[35] The information in this section was taken from: *The Role of the Non-Profit Sector in Canadian Development Assistance*, Rawkins International Associates, March 1994.

[36] In response to the 1995 Federal budget cuts, CIDA's Canadian Partnership Branch decided to recentralise its Decentralised Fund. CIDA has introduced a Project Funding Mechanism for smaller NGOs within the NGO Division.

The CPB funding is intended to be "responsive" to the development initiatives of Canadian and international partners, and to emphasize the collaboration between Canada and developing country counterparts. Initially, the CPB responsive program involved a general contribution on a "matching fund" (ie. dollar-for-dollar) basis to augment the funds raised by NGOs themselves. This cost-sharing approach was introduced as a way to "emphasize ownership of development initiatives by partners". Over time, the matching formula became less demanding, and now many prominent members of the Canadian NGO community receive up to three dollars from CIDA for each dollar that they raise publicly.

Increasingly, CIDA is moving away from an assessment of individual projects towards support for the broad-based programs of partners, lasting for a period of 3-5 years. Grants and contributions provided to partners by CIDA's CPB are in support of programs and projects developed and managed by the partners themselves. CIDA is accountable to assess both the eligibility of an organisation to receive financial support and to the partner's financial managerial and technical capacities.

Other Funding Windows[37]

In addition to CPB funding, the non-profit sector can also work directly with the Bilateral Branches, principally through the mechanism known as "Country Focus". Furthermore, NGOs have been able to access funds through the Food Aid and International Humanitarian programs of CIDA's Multilateral Branch. Funds are also available through a number of special funds and "Coalition Programs", set up for special thematic purposes or with a specific geographical focus. These special funds are·managed and financed by either Partnership Branch or one of the Bilateral Branches. Through the introduction and growth of alternative sources of partner funds, the value of CPB Core Funding fell from 67 percent of total CIDA flows to NGOs in 1984-85 to 47 percent by 1989-90.

i. Country Focus: The Country Focus program is a mechanism whereby Bilateral country program officers could select a NGO as an implementing agency for a project, without having to go through the lengthy competitive bidding process.

[37] The information in this section was taken from: *The Role of the Non-Profit Sector in Canadian Development Assistance*, Rawkins International Associates, March 1994.

For the non-profit sector, Country Focus projects were substantially larger than those funded under the responsive NGO program. While initially, partner institutions were expected to make a cash or in-kind contribution to the project to demonstrate their commitment, this requirement has since been abandoned. As a result, many non-profit organisations have become dependent on income from Country Focus to cover their core costs.

ii. Thematic funds: Thematic funds are specific pools of funds set aside to support specific thematic activities, focused on a particular region or country, or emphasising particular forms of activity. The CPB administers many of these funds, while others are managed on its behalf by the Canadian Council of International Cooperation (CCIC). The South-Asia Partnership (SAP) is one of the largest examples of thematic funds. With 16 member organisations in Canada and $2.9 million from CIDA in FY 1993, SAP arranges partnerships between Canadian NGOs and local NGOs in the Third World. Canadian NGOs are expected to contribute 25% of the costs from their own funds.[38]

iii. NGO Coalition Programs: NGO Coalition Programs were introduced by the Bilateral branches to provide a variety of funding mechanisms to deal directly with NGOs in recipient countries. Initiatives include direct funding to local NGOs, programs to facilitate partnerships between Canadian NGOs and overseas partners, and other thematic programs. The Coalition initiatives have provided a mechanism though which CIDA may promote the involvement of Canadian NGOs in "target countries and regions". The Grameen Bank in Bangladesh received $10.2 million in CIDA funds through the NGO Coalition Program between FY 1982 and FY 1993.

As a result of the difficult fiscal situation that Canada faces, the Federal Government has been reducing expenditures and cutting programs in all Departments. At CIDA, decisions on expenditure reductions that affect NGOs have been guided by Treasury Board principles outlined in late 1994. Priority is placed on supporting NGOs that provide important services on behalf of the government, and to NGOs which have

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[38] In response to the 1995 Federal budget cuts, CIDA's Canadian Partnership Branch decided to eliminate its Thematic Funds. CIDA will provide small-scale contributions to NGOs like SAP to allow them to develop new approaches to pursue development coordination between Canada and the field. CIDA has introduced a Project Funding Mechanism within the NGO Division for NGOs who previously received Thematic Funds support.

services that are compatible with government priorities.[39]

<u>NGO Division Allocation Process</u>[40]

CIDA's NGO Division has been working on the development of a more transparent and objective allocation process which is linked to an assessment of the relative performance of NGOs being funded. Throughout the development of a new allocation process, CIDA has consulted extensively with the Canadian NGO community. In fact, the development of new allocation criteria and process was in response to concerns expressed by the NGO community (ie. about the way in which funds were allocated in the past), as well as being part of CIDA's results-based management approach. The allocation of funds among NGOs will be "directly linked to the objectives of the NGO Division and the results it is seeking to achieve with the public funds under its responsibility". Allocations will be based on an assessment of the extent to which funding provided to an NGO will contribute to achieving the NGO Division objectives relative to other funding options. The assessment will will be guided by the relative performance of an NGO and its partners in the formulation, implementation, and control of their development program, and their success in achieving results consistent with sound development principles and the NGO Division objectives. The scope of the assessment is limited to those activities which use CIDA funds, and is <u>not</u> intended to be a general judgment of all NGO activities. CIDA's assessment will be based on the professional judgment of NGO Division personnel largely based on the NGO's past performance.

The level of funding provided to an NGO the previous year will serve as the base for establishing a new allocation level.[41] In general, any reductions in funding by CIDA to· an NGO will be incremental and phased in so as not to cause undue disruption to an established program. However, across the board reductions may be necessary when the NGO Division's budget is is substantially reduced (eg. as occurred following the 1995 Federal Budget). In this case, increased and decreases will be established from the new base level.

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[39] Draft Framework on "The Role of the Voluntary Sector in Development and CIDA's Relationship with Canadian Voluntary Organisations", CIDA: November 1995, p.6.

[40] The information in this section was taken from: Draft of "NGO Division's Allocation Criteria and Process", NGO Division - CIDA: September 1994.

[41] The historic funding relationship between CIDA and NGOs is based on the previous year's allocation level.

<u>Allocation Criteria</u>[42]

CIDA's NGO Division is using the following criteria to allocate resources:

  a. capacity building in developing countries;
  b. support for ODA priorities;
  c. leverage or multiplying effect of projects;
  d. benefits to Canadians and development education;
  e. sound program management and sound administration.

In the future, NGOs must reflect the following priorities:

  a. CIDA's priorities in the field (ie. basic human needs, environment, integration of women in development, democratic development, private sector development, and infrastructure services);
  b. CIDA's priorities in Canada (ie. public education and information, and the integration of young Canadians into development activities).

f) Constraints/Considerations in Promoting Further Cooperation with NGO Sector

<u>i. NGO Responsibilities and Accountability</u>

In response to increasing pressure (from the government, the Auditor General and the public) to account for the results of its development spending, CIDA has adopted 'results-based management' throughout the Agency. Similarly, CIDA has found it necessary to ensure that funding for its NGO programs are also achieving positive development results. Consequently, CIDA has concluded that NGOs need to present funding submissions and reports that will provide NGO Division with information about the organisational and development results sought/achieved with CIDA funds. CIDA is referring to this new requirement as 'results-based programming'[43].

In the past, projects were rigidly implemented, monitored and evaluated according to a timetable of "inputs" and "outputs" that were identified in the original proposal. Under 'results-based programming', however, the project is oriented to achieve results (ie. "what is actually achieved within a particular period of time,

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[42] The information in this section was taken from: Draft Framework on "The Role of the Voluntary Sector in Development and CIDA's Relationship with Canadian Voluntary Organisations", CIDA: November 1995

[43] This term is used to underscore the important distinction between CIDA's corporate decision to transform its management system and what it requires from its Canadian partners (including NGOs).

toward the attainment of goals and objectives"). Monitoring of projects would focus on progress to achieve these results. Furthermore, projects would be implemented with greater flexibility to allow for unexpected changes (due to human, political, economic, or environmental factors), so long as such changes promise to achieve better results. Thus, Results-based programming anticipates the uniqueness of each situation.[44]

CIDA's demands for "accountability" by NGOs and for "complimentarity" in the activities of CIDA and NGOs are recognised as legitimate by the NGO Community. Furthermore, the NGO community acknowledges that CIDA has direct interest in and concern for the quality, effectiveness and relevance of NGO programming. However, there is concern among NGOs that CIDA is demanding too many administrative and reporting requirements in their efforts to ensure NGO accountability. In its draft Policy Framework on the Voluntary Sector, CIDA has made a commitment to streamline these administrative and reporting requirements.

ii. Consistency of NGO Autonomy with CIDA's Policy Framework on NGOs
The Canadian Council of International Cooperation (CCIC), which represents 100 NGOs, was pleased that CIDA has stated as one of the objectives in its draft Policy Framework on the Voluntary Sector (ie. NGOs) that it "will continue to place priority on maintaining a responsive capacity to support programs and projects conceived and implemented by Canadian voluntary organizations." However, it is concerned that CIDA's strategy to secure this objective states that responsive support for Voluntary Sector programs and projects will be guided by their "relevance for ODA program priorities and R/CDPF priorities." According to CCIC, the government's February 1995 foreign policy statement *Canada in the World* refers to a CIDA-voluntary sector policy framework "based on the principle of complimentarity of action". For CCIC, "complimentarity" leaves considerable room for autonomous NGO activity which can enhance the government's development approach in different countries. However, CIDA is seen to have adopted a much narrower view of "complimentarity" by linking voluntary sector support to program/project "relevance" to ODA program priorities and Regional/ Country

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[44] "Results-Oriented Programming", NGO Division, Canadian Partnership Branch, CIDA, 1994.

Development Policy Frameworks.

CCIC's concern is based on the following argument. Most NGO programming can easily fit into the current ODA program priorities. In fact, many of CIDA's program priorities have emerged in part from the experience of NGO programming. However, CCIC is concerned about how "relevance to R/CDPFs" will be determined. Some of these frameworks define very particular CIDA priorities for development activities in a given country. NGO activities may be "complementary" to the broad objectives of ODA priorities, but may not conform to specific CIDA priority sectors. For instance, while CIDA may choose to give priority to private sector development in a given country, NGO activities which focus on the participation of women or good governance and civil society could productively complement CIDA initiatives with the private sector, but would fall outside the Country Development Policy Framework for that country. At the 1995 Annual Meeting between CIDA and the Voluntary Sector, CIDA responded to CCIC's critique by stating that there needs to be a better understanding on all sides of "complimentarity" in relation to the question of CIDA "responsiveness".[45]

4. Local Governments

i. International Development Cooperation

Provincial Governments have established various systems for delivering ODA, including contributions to institutional cooperation and matching grants to assist the work of NGOs. For example, the Province of Alberta has a 19 year-old program funded by a lottery which finances a Crown Corporation (Wild Rose Foundation) which in turn provides financing to NGOs. The Province of Manitoba provides its aid through the Manitoba Council for International Cooperation, an umbrella group of 36 NGOs. Aid from the Province of Quebec is coordinated by the Ministère des affaires internationales. Aid from the Province of Nova Scotia is coordinated by the Centre for International Development of Nova Scotia's Agricultural College. The Province of Ontario provides mainly humanitarian aid through its Ministry of Economic Development and Trade. In 1992-93, development aid from Provincial governments totalled about $35 million, similar to the totals over the previous

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[45] Based on discussions at the 1995 Annual Meeting between CIDA and the Voluntary Sector, and CCIC's "Analysis of CIDA Draft Policy on the Role of the Voluntary Sector in Canadian ODA", November 1995.

three years.

At the Municipal Government level, the Federation of Canadian Municipalities (FCM) is the main body for international development activities. FCM opened its International Office in 1987 with the financial support of CIDA. By early 1993, nearly 60 Canadian municipalities and associations (in 7 provinces and 2 territories) had established partnerships in 21 African countries, China and with 22 municipalities globally from Grenada to India. Through FCM's international programs, municipal leaders, senior administrators and technical experts in transportation, sanitation, human resource development and other municipal services participate in technical exchanges and training and research opportunities. The Canadian government has indicated that the empowerment of local governments is a development priority. FCM views itself as the Canadian Institution best suited to facilitate this objective.

ii. Cooperation between CIDA and Local Governments

CIDA as a Federal government department cannot deal directly with either provincial or municipal governments due to Constitutional restrictions. However, CIDA is able to establish some coordination with local governments through various windows. At the Municipal level, CIDA has been able to establish a significant amount of cooperation through the FCM. CIDA provides 55% of the funding for FCM's international programs ($9.9 million until March 1996, plus an additional $7 million for a five year project in China). At the Provincial level, CIDA ability to cooperate is much more limited, since there is no central organisation for provincial governments like the FCM. Consequently, CIDA involvement at the provincial level takes place through individuals working in professional associations (ie. Institute of Public Administration Canada) and universities, which are provincially chartered and funded.[46]

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[46] Based on interviews with CIDA personnel.

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III. Technical Assistance Project

A. Project Components[47]

CIDA's activities in the area of technical cooperation are limited to two types: (i) students and trainees; and (ii) Technical Cooperation Personnel (ie. experts). In 1993, there were 1,736 active technical assistance projects funded through Canadian ODA, including both free-standing technical cooperation and investment-related technical cooperation projects. CIDA has grouped these projects into two categories:

i) Student and Trainees:

Despite a slight decrease in funding over the past two years, Canada continues to emphasize scholarship and training programs both in Canada and overseas. In 1993, Canadian ODA funded 19,655 student and trainees (compared to 22,494 in 1992, 21,256 in 1991, and 15,572 in 1990). Of these, 22% were degree-seeking students and the remaining 78% were short-term trainees. These figures represent a major change from the inverse proportions of five years ago and are based on Canada's realisation that short-term training programs often contribute more to the development process than do long-term scholarships.

Students

CIDA was responsible for funding 3,726 degree-seeking students. The majority of these students (80%) were trained in Canada, with the remaining trained in their country of origin (9%) or in a third country (11%). The largest percentage (54%) came from Africa and the Middle East, with 28% coming from Asia and 18% from the Caribbean. Most (71%) students studied at the graduate level (no change from 1992), a reflection of the fact that most developing countries are increasingly able provide undergraduate education.

Trainees

CIDA was also responsible for funding 15,285 short-term trainees. The proportion of where trainees were trained was reversed from that of students: only 19% of trainees were trained in Canada, while 72% were trained in their country of origin and 9% in a third country.

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[47] The following information is based on *Annual Aid Review 1993: Memorandum of Canada to the OECD-DAC*, CIDA 1994.

More than 75% of students and trainees were involved in 6 main categories: agriculture and animal husbandry; computer science; engineering and technology; education; tourism, hotel management and catering; and management and administration. The emphasis of their programs was placed on management skills and the development of institutional linkages.

Female Participation

Canada still aims to increase its average female participation rate to 50% across all its training and scholarship programs, despite a small decrease in 1993 from the 37% level of 1992. Of those females that did participate in the training and scholarship program, 63% followed programs in their country of origin, indicating that this type of training is most attractive to women. Recognising this and other lessons learned other programs, CIDA's new initiative "Women, Science and Technology", will address the need for more training for women in science and technology at the high school level in their own countries.

ii) Canadian Technical Cooperation Personnel Overseas:

The number of experts hired by CIDA in 1993 was 7,705, an increase of 10% from the 7,024 in 1992 (compared to 6,426 in 1991). Nearly all Canadian ODA personnel serving in developing countries are recruited and managed by Canadian firms, educational institutions or NGOs, rather than from CIDA directly. Most are in free-standing projects, as opposed to investment related projects. The number of female experts working overseas has increased to about 1,770 (ie. 23%), up from 1,684 in 1991 and 1,718 in 1992.

Canadian Technical Personnel

As has been the trend over the past few years, the number of short-term technical cooperation personnel has increased to 73% of all personnel, (compared to 69% in 1992 and 63% in 1991). Bilateral free-standing technical cooperation personnel are found in more than 100 countries, although one third are concentrated in 10 countries. Sixty percent work in the following five sectors: education, agriculture; institutional support, industry, and energy. Capacity development is an increasingly important theme in CIDA's programming. CIDA has also developed new screening

and selection techniques to help identify more appropriate personnel for overseas assignments, in order to improve the effective transfer of technology by Canadian technical assistance personnel. CIDA is also implementing systems to ensure that lessons learned are better disseminated within the Agency and to make program officers much more responsible for considering past experience in the planning of new activities.

Local Personnel

To improve efficiency and effectiveness, CIDA is utilising the increasing number of well-trained nationals available in most developing countries to fill positions previously occupied by Canadians. In 1993, there were 591 such locally-engaged personnel, more than double the 274 locally engaged personnel of 1992. Of these, 84% worked in their country of origin, and 25% were women (compared to 29%in 1992). CIDA's use of more local personnel in Canadian Embassies and High Commissions abroad is based on their familiarity with the local language and culture and their ability to perform the required tasks.

B. Project Cycle[48]

The bilateral project cycle is part of CIDA's broader program cycle. The program cycle begins with program level sectoral, thematic and institutional analyses in a country or region, which are used to develop a Regional/Country Development Policy Framework (R/CDPF). The R/CDPFs, which must be approved by the Minister of Foreign Affairs, identify CIDA's overall intentions in a country or region, including the results sought and the risks anticipated. A bilateral section of the R/CDPF is focused on the themes and sectors of CIDA's bilateral activities in a region or country, including the results sought and the risks anticipated. It is only within the context of the bilateral section of the R/CDPFs that the project cycle can be understood, since it (ie. the bilateral section) forms the basis for project selection.

CIDA groups the major activities of the bilateral project into five distinct stages: identification, planning, approval, implementation, and evaluation/termination. The cycle is managed by a Project Manager, who is accountable and under the direction of the Regional/Country Program Director (R/CPD). An important element in the new project cycle in the involvement of the Minister of Foreign Affairs both early in the process and at appropriate times throughout the project life. CIDA's Vice President, in consultation with the R/CPD, will determine the necessity for and timing of *ad hoc* memoranda about a proposed project to seek the Minister's views, advice or approval to proceed.

Canadian Environmental Assessment Act

The Canadian Environmental Assessment Act (CEAA) sets forth requirement and procedures for the environmental assessment of federal projects. The CEAA, which came into force on 19 January 1995, is applicable to CIDA for all "projects" as defined in the CEAA.[49] To ensure compliance with the CEAA, CIDA must conduct an environmental assessment of CEAA-defined "projects" prior to releasing funds which would enable proposed projects to be carried out in whole or in part. A detailed description of the environmental assessment procedures applied at each stage of the project cycle is attached as Appendix III-1.

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[48] The information in the following section comes from *Geographic Programs Road Map: A Guide to the Bilateral Project Cycle*, CIDA: July 1995.

[49] Note: not all CIDA projects are subject to the CEAA because they are not defined as "projects" according to the Act.

1. Preliminary Stages

1. *Project Identification*: The purpose of this stage is to prepare a Concept Paper to determine whether a project request warrants further analysis and planning by CIDA. The stage begins with the receipt of a project request from organisations in recipient countries. This request undergoes preliminary screening followed by a decision by the Regional/Country Program Director (R/CPD) whether or not to proceed with the project. If the proposed project receives initial approval, the R/CPD -in consultation with the Director/Chief of Operations (D/CO)- determines the initial composition of the Project Team and appoints a Project Manger (PM) to be the project team leader. The PM (based in Ottawa) is responsible for the composition and management of the Project Team, which may include a Branch Specialist in the sector of the proposed project (eg. WID, forestry, etc.), a Branch Financial Management Advisor, and/or a contract officer from Corporate Management Branch. Normally, the D/CO and PM determine the specific resources required to develop the Concept Paper, finalise the initial composition of the project team, and establish the need for outside experts.

A Concept Paper provides a brief summary (2 pages) of basic project information to allow a decision in principle by the Vice President. The Concept Paper is normally prepared based on information available within CIDA, although it may require discussion with the recipient government to clarify project requirements. It should provide the link with Agency programming priorities and the bilateral section of the R/CDPFs, identify the expected results and major risks/strategy to mitigate them, and indicate the design and delivery mechanism (Line of Business) to be used. The Concept Paper may also include an annex on contracting options and recommendations for project implementation. Concept Papers are required for all projects over $500,000,[50] and are approved by the Vice President (VP). The approval of the Concept Paper provides preliminary project approval, which may include the authority to expend funds and personnel resources on appraisal and design activities, and to undertake more detailed discussions with the recipient on the proposed project. The D/CO, via the Head of Aid (HOA) at the Country/ Regional Post, informs the recipient government of decisions made regarding the Concept

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[50] For project developed under CIDA's Quick Transfer Mechanism - LOB 3, a concept paper is not required.

Paper.

Seven Lines of Business (LOB) have been introduced by CIDA to describe different design and delivery mechanisms to guide a project through the project cycle. Each LOB involves specific design, approval, selection, contracting and implementation parameters. The most appropriate LOB for a proposed project is selected at the Concept Paper stage. The seven LOBs are as follows[51]:

LOB 1: The Blueprint Model - integrated projects involving infrastructure, human resource development and institutional strengthening.

LOB 2: The Transfer/Support Mechanism - resource transfer to recipient country/ organisation (eg. lines of credit, multilateral co-financing).

LOB 3: The Quick Transfer Mechanism - small, low-cost, quick response initiatives involving transfer of technology/knowledge.

LOB 4: The Responsive Development Fund - responsive fund according to precise criteria defined by CIDA (eg. decentralised funds).

LOB 5: The Iterative Model - long-term activities/results are developed through extensive review of short-term outputs/results (ie. learn by doing).

LOB 6: Policy and Advocacy - development of analytical policies/strategies (eg. gender strategies, R/CDPFs)

LOB 7: Local Initiatives Projects - field administered, locally implemented activities (eg. Canada Fund, counterpart funds).

2. *Planning*: The purpose of this stage is to determine the overall feasibility of a project (based on an appraisal of the proposed project's contribution to sustainable development) and to prepare a Management Plan, which details the project design. Together, appraisal and design constitute the two major processes in project planning.

Project Appraisal Process

In broadest terms, the project appraisal process seeks to determine the extent to which a proposed project contributes to sustainable development. More specifically, the objective of the appraisal is to provide relevant information about the overall

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[51] A description of the seven LOBs is included as Appendix III-2. (p. 13-14 Map)

environment in which the proposed project must operate so as to enable CIDA officials to make enlightened appraisals on the rationale and anticipated results of the proposed project. CIDA has established an analytical framework that is based on seven major appraisal criteria[52] (ie. compatibility with R/CDPFs, consideration for political imperatives, clear indication of expected results, incorporation of lessons learned from previous projects, identification of risks/alternative, implementation strategy, indication of benefits to Canada) and thirteen analytical techniques[53] (ie. gender and development, environment, social, political, financial, etc.). While all proposed projects must meet the seven appraisal criteria, the implementation of these criteria will not always require a systematic application of all thirteen techniques. The PM, in consultation with the CPD, D/CO and other team members, determines the extent and type of appraisal activities to be undertaken based on the nature and extent of the project's interventions, and the availability of information. The level of detail required in project appraisal activities must be balanced against potential delays in project approval and implementation.

Project Design Process
Based on the findings of the project appraisal, the PM selects and develops a project design. The project design process establishes the main operational and management parameters for the proposed project. The PM should ensure that the recipient country is involved throughout the process, and that they fully understand and support the project design selected. The principle output of design activities is the Management Plan (MP), which integrates the various design parameters of a project. The MP includes a comprehensive description of the project (logical framework analysis), a detailed breakdown of the roles and responsibilities of the project participants (work breakdown structure), a definition of all contractual components of the project (contract plan and terms of reference), an outline of the management approach for project implementation (management strategy), and other relevant information (ie. budget, procurement, monitoring/ control and evaluation plans).[54] A MP is required for Blueprint (LOB 1) and Iterative (LOB 5) projects. Less complex projects require the preparation of a Management

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[52] A description of the seven appraisal criteria is included as Appendix III-3. (p. 41-42 Map).

[53] A description of the 13 techniques is included as Appendix III-4. (p. 46+ Map)

[54] The suggested contents for a Management Plan are included as Appendix III-5, (Plan, p.76-77).

Strategy, which provides an explanation about the incorporation of thematic issues (eg. environment and gender concerns) into the management approach and about strategies to deal with risks, constraints and other uncertainties. Although the MP/Management Strategy is the principal output of the design process, it is not submitted to the Minister as part of the project approval documentation package.

The Logical Framework Analysis (LFA) is essential to clarify and analyse assumptions about the expected results and anticipated risks of a proposed project. The LFA allows CIDA to clearly define the expected results of its investment in a proposed project, and establish links between the results at the project and the corporate/programming levels. The LFA[55] is a basic design tool used to conceptualise the project, and to analyse and confirm linkages among the design components (ie. goal, purpose, output, results, indicators, etc.). Although the LFA may be prepared in parallel with the concept paper, it is finalised during project design. The contents of the LFA include:

- a clear and precise statement of project purpose;
- a clear statement of project inputs and outputs that will contribute to the achievement of the project purpose;
- critical assumptions about the project and major risk factors that allow the potential impact on successful implementation to be assessed;
- a clear definition of objectively verifiable indicators at various levels as a basis for subsequent project monitoring and evaluation;
- the specification/quantification of target groups and beneficiaries (by gender).

The Contract Plan is another major feature of the project design process. The contract plan is prepared by the PM with the assistance of a Contract Officer (who ensures consistency with corporate contracting policies, practices and information systems) and the participation of other team members. The contract plan provides a list of all anticipated contracts that the project team anticipates will be required at each stage of the project cycle to carry out the project. It also indicates linkages between the various contractual components, as well as with the project design. Since the contract plan is not submitted as part of the project approval

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[55] The LFAs for the two projects profiled in Part V, Section C are included as Appendix V-6 and V-7.

documentation package, its contents[56] must be consistent with and integrated into other project management documents. The contract plan is used both as a section of the management plan, as well as the basis for requests to the Minister for approval of services contract selection.

The **Work Breakdown Structure (WBS)** is another important document prepared during the design process. The WBS divides the project in terms of major activities and defines these activities according to results, inputs, outputs, cost, duration, links with other activities, and responsibilities of participants. In doing so, the WBS provides a framework for the development of a project schedule by activity, project milestones, a project budget by activity, and an activity-responsibility matrix. The WBS is used as a section of the Management Plan.

Services Contracting Selection prior to Project Approval
CIDA may require the use of consultant(s) from as early on as the initial feasibility study and the development of the Concept Paper.[57] Similarly, during the Planning stage, it may be effective to contract a consultant to undertake appraisal and design studies on behalf of CIDA. If this is the case, the PM must prepare **Terms of Reference (TORs)** for the required studies and for any contracted resources. Where contracted resources are used, the Contract Officer must be involved in their selection and supervision. Since the value of contracts for such services would be rather small (ie. less than $50,000), the R/CPD would have Selection authority to approve the consultant(s).

For more complex, higher cost, longer-term projects, CIDA may decide to use the services of an Executing Agency or recipient organisation for the appraisal, feasibility, design and implementation of the proposed project. If an Executing Agency (EA) is to be engaged, the PM undertakes pre-qualification exercises, and prepares a list of eligible firms to be submitted to the Minister for approval, prior to/ jointly with the project approval request. The prequalified firms will not be asked to submit proposals until after the project has been approved. To increase the effectiveness of CIDA's projects, contracts should allow for staging (ie. allow the

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[56] The suggested contents for a Contract Plan are included as Appendix III-6, (Plan, p.79)

[57] An exception occurs where the project has been identified from within CIDA (or by a Canadian partner). In this case, CIDA may involve an Executing Agency from the beginning to develop the project.

same EA to be contracted during the implementation stage) and/or phasing (ie. allow the same EA to be contracted during future phases of the project). If a recipient organisation is involved, CIDA must seek the Minister's approval of the recipient organisation before it can enter into a contribution agreement to further refine their proposal.

3. *Project Approval:* The purpose of this stage is to obtain funding approval for the proposed project and Selection approval for contracted consultants from the relevant Canadian authorities, so as to make the project operational. The PM and the project team prepare a project approval documentation package to enable the relevant authority to assess the merit of the proposed project.

The Project Approval Document (PAD) is at the centre of the approval documentation. It provides essential information (4 pages) about the proposed project (ie. description, links to R/CDPF, objectives, expected results, anticipated risks, and financial context) to demonstrate that the project has met the required assessment criteria. The contents of the PAD should be based on and consistent with the information contained in the Management Plan. The other documents that make up the project approval documentation package are: a summary of the analyses conducted, the LFA, women in development and environmental screening forms, budgetary/ costing information and (if not previously submitted) an Appendix for Selection approval for a prequalified consultant short list. The Management and Contract Plans should also be available in the event that additional information is required.

The actual request for project approval depends on the relevant approval authority. If Treasury Board (TB) approval is required (over $15 million), a TB submission must be sent via the Minister (which he/she signs) to the TB. If the Minister's approval is required (from $5 million to $15 million), a memorandum is sent to the Minister. If the project is to be approved by the Vice President (less than $5 million), a memorandum is sent to the Vice President. Since almost all projects require Selection approval for consultant services with a value of more than $100,000, the Minister's authorisation of a list of prequalified consultants must be obtained before project activities can proceed.

The approval of the project signals the formal authority to allocate funds for the project. At this point, a **Memorandum of Understanding (MOU)** or **Exchange of Letters (EOL)** is prepared by the PM in consultation with the project team and CIDA Legal Services. The MOU/EOL is used to ensure that there is mutual understanding about the project between Canada and the recipient government. The MOU/EOL is negotiated with the recipient country under the leadership of the Head of Aid at the Country/Regional Post. It may also be necessary to negotiate a Management Plan with the recipient country, either separately or together with the MOU/EOL. If this is the case, the Management Plan prepared during the project design phase is used as the basis of negotiations. Following the approval of these two documents, the project becomes "operational" and is ready to be implemented.

2. Implementation Stage

4. *Project Implementation*: A project becomes operational when approval of funds has been obtained from the appropriate authority and an agreement has been signed with the recipient government. The first major activity for CIDA during this stage is the selection of an Executing Agency (EA).

Contractual Process for an Executing Agency

Assuming a pre-qualification short list has already been approved by the Minister,[58] the contract process continues with the PM's issuing of a Request for Proposal to the prequalified consultants for EA and monitoring contracts. Eligibility for contract services with CIDA are as follows: Companies must be Canadian owned (51% minimum), and based in Canada; Individuals must be Canadian citizens or have permanent resident status. It is the PM's responsibility to establish appropriate selection criteria and an evaluation team. Proposals are evaluated by the evaluation team, and the results are submitted to the Evaluation Review Board (ERB), via the PM and D/CO. The ERB validates the selection process and advises the VP, who approves the selection. The winning consultant is notified by the Minister for contracts with a value of more than $100,000 (or by the VP for contracts of lesser value). The PM and the R/CPD inform the recipient country about the selection of the EA. Following the successful completion of negotiation and contract activities

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[58] If the value of consultant contracts is less than $100,000, either the VP or the R/CPD can provide selection authority.

between CIDA (the PM, D/CO, and contract officer) with the winning consultant, the EA's contract is signed by the VP. (Treasury Board approval may be necessary depending on the contract value).

Implementation

Prior to the commencement of project activities, the PM must identify appropriate reporting requirements for the EA. The EA is responsible for executing project activities, including the preparation of an various reports. An inception report which details the EA's implementation plan (includes an implementation schedule by activity, and a project disbursement plan), must be approved by CIDA and the Recipient Country. Regularly scheduled progress and financial reports provide comparisons between the progress achieved and progress planned, the variances from the planned schedule and budget, and a list of problems encountered and actions taken or recommended. These reports should include a brief accounting of both progress and budget costs for each activity featured in the Work Breakdown Structure. All Progress and Financial reports must include a financial statement. Longer-term projects will also require annual work plans. These plans include: a summary of achievements and major areas of concern; the status of project implementation; and planned activities for the year to come.

Monitoring/Control

The PM is responsible for establishing an appropriate system for monitoring and control, in accordance with the Management Plan. Based on consultations with the recipient country, the PM establishes a **Project Steering Committee** at the policy and management levels for monitoring and modification purposes. In most cases, consultant are contracted to undertake project monitoring activities. Consultant reports are both financial and progress, and should highlight areas which require CIDA/Recipient Country action or decision. The PM is responsible for analysing all progress, financial and monitoring reports and for taking appropriate measures when necessary. These reports must reveal that CIDA has adequate control measures in place to ensure that both value for money and full accountability for public funds are achieved. In addition to administering contracts with the EA and monitors, the PM also manages all financial components of the project. Any liaison

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with the recipient country is done in the field, through the Aid Section at the Canadian Post.

3. Final Stage

5. *Evaluation / Termination*: The purpose of the termination stage is to ensure that lessons learned are fed into the Agency's corporate information system and that the project is closed in an orderly fashion. The post-project evaluation is usually contracted out to a consultant. After conducting the necessary field work, the consultant prepares a detailed report that includes an assessment of project achievements towards expected results, a summary of operational and developmental lessons derived from the project, and recommendations for the future. The report and recommendations are analyzed by the PM and fed into the Agency's corporate information system to ensure that lessons learned can be applied to future projects. The PM also initiates any necessary follow-up action. Finally, the PM must ensure that all contracts and agreements are terminated, any remaining funds are liquidated, and that an end of project report is prepared.

C. Project Management and Monitoring Methods for Implementation

Results-based Management

In 1993, CIDA's Executive Committee endorsed the concept of Results-based Management (RBM). Over the past few years, CIDA has been making a transition to a RBM approach for all operations (eg. projects) at all levels of management (eg. project managers). The concept of RBM suggests that by clearly defining expected results and by emphasising and evaluating results at all levels (ie. project, program, branch, etc.), CIDA can meet its sustainable development objectives.[59]

In the past, projects were rigidly implemented, monitored and evaluated according to a timetable of "inputs" and "outputs" that were identified in the original project proposal. Under RBM, however, the project is oriented to achieve results - "what is actually achieved, within a particular period of time, toward the attainment of goals and purposes".[60] Project implementation permits greater flexibility in response to unexpected changes (due to human, political, economic, or environmental factors), so long as any adjustment promises to better achieve expected results. Thus, RBM anticipates the uniqueness of each situation and provides the flexibility needed to increase the likelihood that a project will achieve good development.

Although CIDA has not yet defined a policy on Results-based Management, the following elements have been identified as essential ingredients of a RBM system:[61]

- making good investment choices;
- defining realistic expected results (ie. on the basis of appropriate analyses);
- monitoring progress towards the achievement of results and the amount of resources consumed (ie. on the basis of appropriate indicators);
- identifying and managing risks, in consideration of expected results and resources involved;
- identifying lessons learned and integrating them into decisions; and
- providing reports with a focus on achievements and resources involved.

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[59] *A Hitchhiker's Guide to Managing for Results*, (Working Document), CIDA: July 1994.
[60] *Results-Oriented Programming*, (Draft Document), CIDA, NGO Division: Sept. 1994.
[61] *The Bilateral Performance Measurement Model* (Draft), CIDA: July 1995.

Results on Three Levels[62]

The developmental results of CIDA's projects occur over a three-step time sequence, comparable to the three levels in the Logical Framework Analysis: outputs (output level), outcomes (purpose level) and impacts (goal level). Results should be clearly defined in terms of the outputs (immediate tangible consequences), outcomes (short-term effects), and impacts (medium and long-term effects) of planned project activities on the beneficiaries. By defining results in this way, any progress towards achieving them can be clearly demonstrated. While it is often not possible to directly attribute impacts to CIDA's intervention, CIDA must be able to demonstrate a plausible linkage(s) between the intended impacts and the preceding activities and results.[63]

Risk Assessment and Management

In order for expected results to be defined as realistically as possible, an assessment of the potential risks to the project is required. Risk assessment involves identifying the preconditions of success (ie. the conditions that must exist for results to be achieved) and evaluating the stability of these conditions.[64] Once risks have been identified, the PM is responsible for ensuring that risks are managed. Risk management involves the continuous monitoring of identified risks in order to reduce the influence/potential harm of events beyond CIDA's control. Risk management increases the chances for project success by examining ways to reduce the high-risk nature of certain preconditions of success.

RBM Performance Indicators and Monitoring

In order for RBM to be successful, progress towards the achievement of results must be monitored periodically on the basis of clearly defined performance indicators. Performance indicators should be few, meaningful, and straightforward to apply, so that an effective assessment of progress can be made. The PM is responsible for analysing all progress, financial and monitoring reports, to determine discrepancies between the progress towards expected results (ie. as presented in the Logical

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[62] The information in this sub-section is taken from *The Bilateral Performance Measurement Model* (Draft), CIDA: July 1995.

[63] The information in the following five sub-sections are taken from: *A Hitchhiker's Guide to Managing for Results*, (Working Document), CIDA: July 1994.

[64] For example, if funding of a certain project component is a precondition of success, the risk assessment would determine the likelihood that this funding would continue to be available.

Framework Analysis) and actual project performance. Periodic performance assessment enables CIDA to learn lessons from its experiences so as to reallocate resources to priority areas or to re-adjust priorities.

RBM Performance Reports

Detailed reports prepared by the Executing Agency (EA) and contracted monitors are the main instruments that allow CIDA to assess the success of the EA to achieve expected results within the estimated parameters of time and budget, or to take corrective measures when necessary. The contents of these reports are outlined above (Project Cycle - Implementation Stage).

Accountability for RBM

RBM requires that the accountability of each participant (CIDA, Recipient Country, and EAs) for the achievement of results is clearly stated in contracts, agreements and memoranda of understanding. These documents must specify: the expected results; ways to measure/demonstrate progress towards the achievement of results; and (for consultants) payment based on satisfying performance towards results.

Managing Information on Results

RBM would be of limited value if the lessons learned from completed projects were not incorporated into the design parameters of future initiatives. The PM is responsible to establish an information strategy to ensure that information about results is captured, analysed, and communicated effectively. All reports and recommendations about the success/failure to achieve expected results must be fed into the Agency's corporate information system to ensure that lessons learned can be applied to future projects.

Other Management Approaches: PMBA[65]

Despite the introduction of Results-based Management, CIDA continues to use the Project Management by Activity (PMBA) approach. The PMBA approach forms a natural extension to the Logical Framework Analysis approach (see above) because it focuses the planning, organizing, monitoring and controlling of a project on the achievement of immediate outputs, as they contribute to the realization of a

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[65] The information in this sub-section is taken from *Geographic Programs Road Map: A Guide to the Bilateral Project Cycle*, CIDA: July 1995.

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project's expected results (ie. short-term purposes and long-term goals). The fundamental principle behind this approach is that a project can only be manageable if it is defined in terms of result-oriented work packages that can be identified, costed, scheduled, organized, implemented, monitored and controlled. The Work Breakdown Structure (see above) is central to PMBA design. The PMBA approach to project management enables the project team to focus its project management efforts at the macro-level through the delegation of implementation responsibilities to executing agencies. In addition, it allows the project team to increase control of project implementation in a way that relates achievement of expected results to costs incurred.

D. ODA Personnel and Experts

In the past, the majority of Canadian technical advisors in CIDA projects were managed by CIDA, under direct contract. They were selected and fielded by experienced staff according to standard selection criteria, procedures and contracts. In recent years, executing agencies (EAs) have replaced CIDA staff in this role. More than 90% of Canadian personnel involved in CIDA projects are presently managed by one of the hundreds of Canadian EAs. While the recruitment and selection of suitable advisors are the responsibility of the EA, CIDA does impose a certain number of requirements to ensure that general policy goals are met. These requirements are outlined below.

1. Training of ODA Personnel
a) In-House Training System

While all technical advisors are expected to have sufficient professional experience prior to their selection for an overseas assignment, they do not necessarily have the ability to live and work in the cross-cultural setting of a foreign country. Consequently, most standard contracts with CIDA require executing agencies (EAs) to ensure that its technical advisors receive sufficient intercultural training. Training increases the likelihood that an advisor is able to transfer skills, knowledge and expertise to host country nationals with the greatest effectiveness. Since most EAs have neither sufficient resources nor the expertise to adequately prepare advisors for their assignments or to provide support services in the field, they tend to take advantage of the training programs provided by CIDA's Centre for Intercultural Training (CIT).

Training at CIDA for Technical Advisors:
The main objective of CIDA's training programs is to increase intercultural awareness at both the professional and personal level in order to promote greater effectiveness and sustainability in CIDA programs/projects. CIDA's Centre for Intercultural Training (CIT) has more than 20 years of experience in preparing Canadian advisors for overseas development assignments. The Briefing Centre also provides training for CIDA staff and for trainees and students of developing countries who come to Canada. Recently, the CIT has been transformed into an

intercultural effectiveness training centre. The Centre's mandate is to support the technical assistance component of CIDA projects by helping development partners (both Canadian and local counterparts) to understand the cultural dimensions of their work. All of CIDA's training programs are available to CIDA-funded technical advisors, as well as to personnel in other development organizations and government departments. The costs of all training program are borne by CIDA.

The Centre offers three types of human resource management activities on a continuous basis to assist executing agencies and advisors in preparing for overseas assignments. The three activities are: 1. Pre-departure training session; 2. In-country Orientation Program (ICOP); and 3. Debriefing programs. The training focus of each activity is detailed below.[66]

1.   Pre-departure training session: The CIT offers pre-departure orientation programs for four regions: Asia, Americas, Francophone Africa and Anglophone Africa. The programs are for two to five days and tailored to persons on long or short-term assignment. Participants are given access to a wide range of information and cross-cultural effectiveness strategies as well as the opportunity to exchange information and ideas with administrative officers for the project, both from CIDA and the executing agency. Pre-departure programs are conducted by specialised training firms, which are under contract to the CIT. The specific objectives of this training session are included as Appendix III-7.

2. In-Country Orientation Program (ICOP): As an extension of the pre-departure activities, the ICOP provides a variety of services designed to enhance the professional effectiveness of advisors and their host national counterparts, as well as to further prepare them for life in their host country. The objective of the ICOP is to maximise project effectiveness by: (i) assisting advisors and their family to integrate into the host culture; and (ii) fostering cross-cultural communication between advisors and nationals. The CIT has ICOPs in more than 40 countries worldwide. Programs are usually administered by locally-contracted organisations, under the supervision of CIDA field staff/partners. ICOP activities include: on-arrival

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[66] Source: Corporate Management Branch, CIDA. *Management of Overseas Personnel: Manual for the Executing Agency,* September 1993. pp. 24-28.

orientation; language training; on-going support; cultural awareness activities; cross-cultural effectiveness; newsletter; and pre-return orientation. In addition, the ICOP provides assistance to students and trainees from the host country who will be studying or receiving training in Canada. Details about these activities are included as Appendix III-8.

3. Debriefing programs: At the request of the geographic branch and the executing agency, the CIT will hire specialised firms to undertake the debriefing of overseas advisors. The debriefing is a means of gathering feedback on the project and on conditions in the country. It provides valuable information which can be used for project evaluation and future planning. In addition, the CIT holds regular debriefing/re-entry programs for advisors and their families to ease their re-integration into Canadian society. Debriefings also exist for students and trainees returning to their home country from Canada to sensitise them about the challenges of re-adapting to their culture after living in another country.

In addition to the three main training activities above, the CIT offers a Pre-selection Program at the request of an executing agency. This one-day session is offered to provide candidates for an overseas assignment with information about the country of assignment (ie. the environment and working conditions), in order to help them decide whether to remain as candidates.

In-house Training
In addition to training provided to technical advisors on overseas assignments, other types of in-house training are available at CIDA. Although CIDA staff are also expected· to have sufficient technical abilities to perform their duties prior to their recruitment, CIDA offers in-house training courses on a variety of relevant subjects that any of its Canadian-based staff may attend.

The Professional Development Section of CIDA's Personnel and Administration Branch offers a range of in-house courses for CIDA's Ottawa-based staff. The courses are intended to make CIDA staff more aware of important development issues or to make them more effective in their daily work. The types of courses offered include: Orientation (eg. CIDA's business); Program Management (eg. negotiation techniques,

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aid coordination, etc.); Human Resources Management (eg. effective leadership); Development Issues (eg. environment, social gender analysis, sustainable development, human rights programming, etc.); and other courses (eg. stress management). All courses can be completed in one week or less.

The Canadian Partnership Branch also makes special efforts to sensitize CIDA's partners in the private sector to concepts such as WID/gender, human rights, sustainable development, etc. During its annual consultations with the Canadian Exporters' Association (usually held in June), CIDA has discussed and provided information on the concept of sustainable development. Similarly, seminars on WID/gender were provided for Canadian companies.

b) Training Courses Provided by Other Organisations

There are some EAs which chooses to conduct its own training programs. However, these EAs must meet certain requirements. If an EA chooses to conduct its own pre-departure program, it must offer a program comparable to the one provided by CIDA. A detailed outline of the intended program of activities must be submitted to the Centre for Intercultural Training for approval.

In those countries where CIDA does offer an ICOP program, it is usually required in an EA's contract that it ensure all advisors participate. CIDA requires the EA to provide advance information both to the CIT (about the advisors, their families and their project) and to the advisors (about the availability of ICOP). As well, EAs must ensure that sufficient time is made available for the advisors to attend the ICOP and any necessary language training courses.

2. Security Measures for Overseas Personnel and Experts

a) Systematic Measures for Emergency Situations

In emergency situations, the Canadian Mission (Embassy or High Commission) will do everything possible to contact advisors in the field, either directly or through a voluntary warden system, to provide information and advice concerning safety precautions and (as a last resort) evacuation measures. The warden system designates persons located throughout a region or country as responsible for

contacting a specific group of Canadians. Executing agencies are encouraged to provide the Mission with information about their project and personnel/accompanying dependents prior to their departure from Canada. Once overseas, advisors should register with the local (or nearest) Canadian Mission, or with a mission of Australia, the United States, Britain or France. In addition, they should learn the name and location of their warden.

Most crises develop over a period of time, so CIDA personnel and technical advisors should be prepared for three stages of response. The three stages are:

1. Apprehensive - a period when CIDA staff/advisors and their families should stay at home and under cover. They should avoid crowds in the event of hostilities, and minimise their time outdoors, especially after dark.

2. Warning - unless designated as "essential personnel", advisors or staff should leave the country while there is still commercial transport operating. Advisors have responsibility to leave, since at a later stage, the Mission may not be able to arrange transport.

3. Evacuation - The entire families of CIDA staff and advisors will be evacuated, regardless of nationality. However, persons carrying local nationality are subject to local laws, which may preclude their evacuation. The Mission will advise project personnel on the most appropriate destination of any evacuation (eg. the capital city, neighbouring country, transit point in Europe, Canada). Financial arrangements should be discussed between CIDA and the Executing Agency.

b) Office Responsible for Emergency Situations

All Canadian Diplomatic Missions (Embassies or High Commissions) have contingency plans to deal with local emergency situation resulting from civil strife or natural disaster. These Missions are responsible for coordinating the Canadian response to any local crisis situation abroad. They will advise precautions for the local Canadian community, and where necessary, implement their emergency plan.

Executing agencies must inform advisors about the Mission's responsibilities in the event of a local emergency situation and should authorise and encourage overseas advisors to cooperate in the planning and operation of emergency measures. Advisors may be asked to participate in the warden system, and the Mission will

rely heavily on information about local situations relayed to it by advisors in various regions of the country. In the event of an evacuation, the project may have resources (ie. vehicles, supplies of gasoline, food or radios) which could prove invaluable.

Evacuation Authority

Evacuation decisions are taken by Department of Foreign Affairs (DFAIT) in Ottawa on the advice of the Head of Mission. CIDA will evacuate project personnel and their families when the DFAIT decides to evacuate their non-essential Mission personnel. Executing Agencies may decide to repatriate their personnel at their own expense in the absence of an overall evacuation decision. Such decisions should be preceded by consultations with CIDA officials in Ottawa and at the Mission. The final decision is up to the organisations and individuals.

c) Manuals for Emergency Situations

The Department of Foreign Affairs and Canada's overseas Missions are in the process of preparing Consular Emergency Contingency Plan manuals for most countries. The manuals explain about the warden network, and special concerns of living in a foreign country (ie. children in school, personal vehicles, etc.). The manuals also explain who is eligible for evacuation assistance, their role in an evacuation, and information about the three steps in an evacuation (ie. assembly at designated point, relocation to an evacuation point, and the evacuation). Detailed maps of major cities and assembly points, and an emergency kit checklist are included as appendices to the manuals.

CIDA advises its Executing agencies to prepare an information package for advisors containing important information about their project including: the means of communication available or suggested alternatives; important contact names and numbers; and the methods of transportation available within or to leave the region or country. CIDA also encourages executing agencies to have advisors make a variety of preparations for emergency situations, such as: the possession of a short-wave radio, ensuring that their residence is secure at all times, establishing a good communication network with other Canadians, and keeping a supply of important items available (ie. a moderate reserve of money and food, first aid kit, flashlight,

maps, etc.). Advisors and families must ensure that their identification papers (passport and visas) are valid at all times. It is also suggested that advisors carry a letter in the local language that identifies them, and confirms their presence on an approved project.

3. Welfare and Benefits System for Personnel and Experts

More than 90% of Canadian personnel involved in CIDA projects are presently managed by one of the hundreds of Canadian EAs. While the recruitment and selection of suitable advisors are the responsibility of the EA, CIDA does impose a certain number of requirements to ensure that general policy goals are met. The requirements for welfare and benefits system are outlined below.

a) Insurance

All personnel should be advised to maintain their provincial health plan coverage while serving abroad. Furthermore, CIDA requires that all advisors, short-term consultants and accompanying dependents have additional insurance coverage that meet the following minimum standards:

i.   Medical expense benefits, $250,000 coverage per person, including emergency medical travel;
ii. Extension of medical benefits coverage to allow re-enrollment in Canadian medical plans;
iii. Medical evacuation, to cover costs related when the required medical care is not available locally;
iv. Disability insurance for the lesser of 60% of the advisor's basic salary or $3,000 per month.
v. $50,000 coverage for accidental death or dismemberment

While CIDA normally provides for 50% of the total cost of premiums for the minimum standard coverage described above for the advisor and accompanying dependents, CIDA does not assume liability for death, disease, illness, injury, medical evacuation, or disability suffered by advisors or consultants or their dependents as a result of, or attributable to, service abroad, or which results from conditions encountered during the period of assignment. If an advisor or an

accompanying dependent dies during the period of assignment, the executing agency may authorize the payment of all necessary expenses incurred in repatriating the body to Canada. As there have been very few incidents in the past of serious accidents / death of Canadian personnel serving overseas, CIDA does not maintain records of this nature.

b) Availability of Medical Services

Health risks in most CIDA program countries are higher than in Canada, and local medical facilities are rarely equivalent to those available in Canada. Overseas personnel must be provided with information on health maintenance in the country of assignment. The Executing Agency (EA) must take reasonable action to protect advisors from foreseeable risk of harm for each specific assignment. As a minimum, this should include ensuring that fielded personnel are physically and mentally fit for the posting, ensure that all overseas staff and accompanying dependents have all relevant vaccinations, are covered by adequate health insurance and have complete and accurate information about foreseeable risks and what to do in an emergency. CIDA assists EAs in preparing for these responsibilities by making available the services of the CIT, the Health Support Service and Health Canada.

The Centre for Intercultural Training (CIT) provides an awareness of health condition in the host country and the safeguards necessary to endure good health for all family members as part of its pre-departure training session.

Health Support Services (HSS) is a CIDA project carried out by CUSO (a Canadian voluntary-sending NGO). HSS provides twos types of services:
  i. information to individuals about maintaining their physical and mental health while overseas;
  ii. system and procedure advise to support the advisor health policies of executing agencies (including provision of a document on medical emergency planning).

Health Canada will make available the services of a specialised doctor to revise medical files and provide pre-departure medical authorisation.

c) Holidays

Annual leave credit (normally 20 working days) are established during negotiations between CIDA and the EA. Advisors and accompanying dependents are entitled to Vacation Travel Assistance between Canada and the place of assignment provided that the term overseas is 24 months or more. For the purpose of Family Reunions, advisors are entitled to one return trip per 12-month period of separation from each dependent or non-dependent child under 21 years of age.

d) Benefits and Privileges

Benefits for individuals on long-term assignments (minimum of 6 months, but usually 2 years or more) are based on the Technical Assistance Regulations as approved by the Treasury Board. Insurance for household or personal effects is the responsibility of the advisor, as is insurance for the use of a private motor vehicle abroad. Advisors are also responsible for arranging both the continued receipt of family allowance payments and for maintaining appropriate social benefits, including their pension plans. Pension contributions may be made by an executing agency as part of a "fringe benefit" or, if no employer contributions are made, the advisor may claim a taxable amount equal to 50% of the individuals registered pension contribution.

In addition to the contract fee, the advisor receives an overseas allowance consisting of salary equalization (for variations in the costs of goods/services between Canada and the place of assignment), an Overseas Service Premium (as an incentive to serve overseas), and a Post Differential Allowance (to compensate for hardship conditions at the place of assignment).

e) Post Assignment Social Security System

Post-assignment services that can be provided by an EA to advisors include: temporary living expenses for a limited period of time; a letter of attestation that the advisor served overseas, including an evaluation of their performance; and information about job opportunities (if the EA cannot offer job). Advisors are responsible for maintaining their pension plans while overseas. However, pension contributions may be made by an executing agency as part of a "fringe benefit".