

**CIDA's Social Development Priorities:
A Framework for Action
A CCIC Summary and Analysis**

**Policy Team
Canadian Aid Briefing Note #3
Canadian Council for International Cooperation
September 2000**

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CIDA's Social Development Priorities: A Framework for Action
A CCIC Summary and Analysis
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Introduction

On September 5th, Minister Minna launched her long-awaited Social Development Priorities for CIDA, elaborating a five-year strategy to give priority to four important areas of social development in CIDA programming - health and nutrition, basic education, HIV/AIDS and child protection. The *Framework for Action* provides an overview of the rationale for each priority and some suggested areas for CIDA programming. It also sets out a financial *Framework* for significant increases in CIDA funding in each of these priority areas, CIDA programming codes that are included for each area, and new approaches for CIDA programming that will affect the implementation of new programming for the Social Agenda.(1)

The Minister's Social Development Priorities were announced in the March 2000 CIDA Part III Expenditure Report on Plans and Priorities. The *Framework for Action* has now been approved by Cabinet over the summer. As noted in a letter to CCIC at the end of June, the Minister is directing CIDA to prepare an Action Plan for each area and expects that CIDA will do so in consultation with experienced Canadian and Southern partners, including NGOs. The Action Plan on HIV/AIDS was released for consultation at the beginning of June and finalized for delivery at International AIDS Conference in Durban at the beginning of July. Other Action Plans are expected to be released during the next 4 months and CIDA will organize consultations on their content before they are finalized.

Part I of this CCIC Briefing Note summarizes the overall approach and key features of each of the Minister's social development priorities, as outlined in the *Framework for Action*, and any additional information that is available. Part II provides some CCIC analysis and commentary on the *Framework* and a number of outstanding issues that should be kept in mind as CIDA adjusts to implement a more focused poverty agenda in its aid programming, drawing also on reflections of members since its launch.

Part I: What is included in the *Framework for Action's* International Social Development Priorities?

1. Overarching Priorities

CCIC's 1999 call to renew Canadian aid policy and practice, *A Call to End Global Poverty*, advocated for an exclusive focus for Canadian ODA on the elimination of poverty and proposed that 60% of CIDA's budget be devoted to programs that directly improve conditions and rights for people living in poverty. (2) Within this renewed *Framework* for Canadian aid, CCIC's Open Letter to the Prime Minister at that time sought funding targets for programming resources to meet the basic human needs of the poor (exclusive of emergency food aid and humanitarian assistance), with priority to measures that support sustainable livelihoods, gender equality and the natural ecosystems that support life. The *Framework for Action* addresses very important

parts of CCIC's in common Agenda for Ending Poverty by setting out a plan to shift significant CIDA resources towards the priority needs of the poor.

The *Framework for Action* reiterates in its first sentence that "the primary goal of the Canadian International Development Agency (CIDA) is to reduce poverty", and that despite some progress "poverty remains the daunting challenge" (7). In its own words,

"The heart of the *Framework* is poverty reduction. This overarching objective will be supported by investments in other areas - not least of which is achieving broad-based sustainable and equitable economic growth in developing countries. However, without investments in the key areas of social development, economic growth will not reduce poverty, and many hundreds of millions of people will continue to be left behind." (11)

The *Framework for Action* seeks to improve the focus of CIDA "where CIDA's assistance can make the biggest difference". For example, it points to World Bank "evidence that sound investments in basic health and nutrition and basic education can significantly outweigh the return on investments in other areas of programming". (9) Unlike previously agreed priorities for basic human needs, the Minister is explicitly excluding CIDA funding of emergency food aid and humanitarian assistance as part of the International Social Development Priorities.

The *Framework* reiterates for CIDA the centrality of gender equality for social development, noting also the continued importance of rights, particularly for child protection programming (see Part II, section 2.2 below). Work in the four areas will be based "on sound gender analysis, build on opportunities to empower women and men, promote respect for human rights, and help close gender gaps that block or slow human development" (11).

Separate chapters set out the challenge and the goals for each priority, some lessons learned in existing programming, highlighting existing programming and some examples of new initiatives to be pursued. An appendix defines the four priorities in terms of CIDA's programming codes and gives a much more complete picture of what is included in each area.

2. Health and Nutrition

The goals for health and nutrition are taken from the specific donor targets in the OECD's *Shaping the 21st Century* for reduction in mortality rates for infants and children and maternal mortality, access through primary health care for reproductive health services for all, eradication of polio, reduction in iron-deficiency anaemia, reduction in measles deaths and deaths due to malaria, and the reduction in the number of undernourished people.

While building on CIDA's programming in immunization and micronutrient deficiencies and work to fight malaria and tuberculosis, CIDA will devote more attention to reproductive health and safe motherhood programs, as well as strengthening health systems in the developing world. CIDA has developed a Leadership Initiative for Canada in Health and Nutrition to accelerate the implementation of the 1996 Strategy for Health.

Included in this priority area will be programming

- in primary health care, including prevention and control of diseases, basic curative care, health education, health personnel development (excluding medical training for tertiary care), capacity building of institutions delivering primary health care and policies to improve primary health;
- in family planning and reproductive health care, including family planning services, basic reproductive health services, capacity building for gender disaggregated health statistics;
- in food and nutrition, including household food security to improve access to food at the household and community level, food security for landless workers and urban and peri-urban poor households, improved local food production, micronutrient malnutrition programs, and capacity building and community participation and empowerment for improved nutritional policies and strategies and long-term food security policies;
- in water and sanitation, including drinking water supply, water treatment, sanitation, control of water borne diseases, health education and capacity building, community participation and empowerment.

While food security and food production is included within this priority, the *Framework's* chapter on health and nutrition only focuses on micronutrient programs. New or accentuated initiatives proposed for CIDA include work in immunization, supporting the global Stop Tuberculosis Initiative, the Roll Back Malaria campaign, supporting safe motherhood and family planning programs, and a water and sanitation plan.

3. Basic Education

The basic education priority takes its goals from the April 2000 World Education Forum in Dakar where Canada and the international community affirmed specific education targets for universal primary education for all by 2015. CIDA has been developing an education strategy and action plan prior to Dakar with considerable input from Canadian NGOs concerned about increasing CIDA programming in this area.

Included under the basic education priority will be

- early childhood development, including education for children in difficult circumstances, stimulation and learning through family and community based programs;
- primary education and alternative programs, infrastructure development, curriculum, teacher training, provision of learning materials, school feeding programs;
- basic education for youth and adults, including literacy and numeracy programs, formal and non-formal education and basic skills training in health or agriculture, education programs through traditional or modern media; and
- capacity building, including improved institutional management, coordinated policies to deliver basic education programs, programs to remove barriers that prevent girls and women to gain access to education.

While in Africa this past April, Minister Minna announced \$73 million for basic education programming in Sub-Saharan Africa to be implemented over several years, where CIDA has had experience in programming with UNICEF and other partners. The *Framework for Action* suggests that CIDA will

- Support the development of the education sector in selected countries committed to sound education reform and universal primary education;
- Improve programming in the education sector;
- Invest in girls' education;
- Strengthen action against HIV/AIDS through education;
- Support better integration of the educational efforts of local communities and non-governmental organizations within the context of broader reforms undertaken by the formal education system; and
- Strengthen political commitment to the agreed global basic education goals.

4. HIV/AIDS

The priority for HIV/AIDS is rooted in "an ever-expanding global pandemic that threatens the lives of millions", which is "a daunting challenge to poor countries and their governments", particularly in Sub-Saharan Africa. The spread of HIV/AIDS is "compromising the ability of people in developing countries to shape their society's development and continue to make social and economic progress." (29) The goals for this priority are taken from internationally agreed objectives relating to access to information, education and services to develop life skills required to reduce vulnerability to HIV infection, and reductions in prevalence in the 15 to 24 age group. Released at the beginning of June, CIDA's HIV/AIDS Action Plan sets out guiding principles, lessons learned, planned projects and opportunities for greater impact, and challenges for future CIDA programming. The Action Plan was developed within CIDA and in various consultations with CIDA staff, but it seems, from the Action Plan document, with no NGO input prior to its publication in June. It was finalized by the beginning of July.

For this priority, HIV/AIDS interventions are defined to include activities related to sexually transmitted diseases and HIV/AIDS control, e.g. information, education, and communication; testing; prevention; treatment; care; research; and care for HIV/AIDS orphans. Aspects of basic health and nutrition and child protection relating to HIV/AIDS will be counted towards this priority.

The *Framework for Action* identifies the importance of treating and controlling all sexually transmitted diseases to minimize the risk of HIV infection, building community support and supporting peer counseling among its lessons learned. Gender issues, social stigma, dependence on donor support, inflexibility in adapting new approaches and a lack of attention to integrated reproductive health programming remain important areas for future work. The Action Plan also identifies programming initiatives for improving the linkage between reproductive health programming and HIV/AIDS, involving the education sector to involve youth, focusing research on female controlled preventive methods and enhancing support for vaccine development.

5. Child Protection

The Child Protection priority takes its goals from international agreements on children to which Canada is a signatory. These include the Convention on the Rights of the Child, with special mention of Article 32 on the protection of the child from economic exploitation, and Article 39 on taking appropriate measures to promote physical and psychological recovery and social

reintegration of children who are victims of abuse, degrading treatment or war. It also includes the 1999 ILO convention on child labour. The *Framework for Action* suggests that "CIDA will be guided in its work by treating children as active participants in their own development". (38)

The focus of activities are for children in need of special protection, working children (under 14, bonded labour, workers facing hazardous conditions including working in the sex trade), children affected by armed conflict, street children, sexually exploited and trafficked children, ethnic minority children.

The *Framework* states that CIDA will focus on two areas -- child labour and war-affected children - to achieve maximum impact in efforts for child protection and several examples of programming approaches in each area is set out in the document.

6. Other Programming

The appendix to the *Framework* identifies two categories of programming that are also included within the definition of the Social Development Priorities - integrated basic human needs and contributions to multilateral institutions that have large concentrations in the area of social development.

Integrated basic human needs include projects that support

- integrated strategies involving several sectors (such as health, education and water, food production and distribution);
- community development (local development funds, funds to minimize the impacts of structural adjustment, support to community organizations and counterpart funds); and
- institution building to build the capacity to improve the delivery of essential social services, public sector reform related to redesigning social policy on meeting basic human needs.

Funding to multilateral institutions will be allocated to the *Framework* priorities ex-ante according to the proportion of Canada's overall contributions to that institution. Several UN institutions can be considered to contribute virtually 100% of Canada's contributions to the social development priorities - UNICEF, UNFPA, WHO and UNIFEM.

7. Implementing the Social Priorities through New Approaches

The *Framework* picks up concerns about current CIDA approaches to implementing its development mandate that were also highlighted in CIDA's 2000/01 Part III Expenditures Report on Plans and Priorities. It reiterates that "CIDA will...adopt a more focused, strategic approach to programming--one that relies less on separate projects and more on broad, coordinated approaches." (43) Four principles will define this new approach and new initiatives under the Social Development Priorities are likely to pilot these approaches:

- Knowledge-based development assistance: CIDA will seek to become a "knowledge leader" in each of the four areas and determine programming priorities based on careful review of programming options and current knowledge about effectiveness.
- Impact at the sector level: CIDA will increasingly participate in sector approaches that start from a comprehensive analysis and plans for a sector in coordination with other donors.
- Impact at the country level: According to the *Framework for Action* "CIDA will concentrate its resources [for the social development priorities] on a limited number of countries where Canadian support can be expected to make a difference", based on existing well-established CIDA programming, demonstration of need in at least one area, and a demonstrated commitment by the country to making progress in these areas. (44-45) These focus countries will be identified in the coming months.
- Coordinated approach and local ownership: CIDA will explore more opportunities to coordinate with donors that share its vision and with key multilateral development agencies (eg UNICEF's Girls' Education Initiative). In all cases, CIDA will make improved donor coordination and local ownership - "putting the developing country in the driver's seat" - the fundamental principles of all Canadian aid programming.

8. Funding the Priorities

Perhaps the most unique aspect of the *Framework for Action*, which differentiates it from other CIDA policies and sectoral strategies in the 1990s, is the identification of year-by-year disbursement targets for each of the priorities up to 2005/06. The *Framework for Action* is an aggressive five-year investment plan for each priority area. It also notes that "funding for the *Framework* will come from reallocations with CIDA budget". The expectation is that reallocations will occur as current project contract commitments are concluded. As Table One shows, the four priority areas increase dramatically from the 1999/2000 base, with the highest level of new investments and potential reallocations occur in year 3.

Table One: Annual Investment TargetsSource: CIDA's *Social Development Priorities: A Framework for Action*

Priority Millions Cdn \$	Base Year 1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	Percentage Increase Base to Y5
Health & Nutrition	\$152	\$182	\$203	\$248	\$275	\$305	100.7%
Basic Education	\$ 41	\$ 49	\$ 82	\$110	\$150	\$164	290.5%
HIV/AIDS	\$ 20	\$ 22	\$ 36	\$ 62	\$ 70	\$ 80	300.0%
Child Protection	\$ 9	\$ 10	\$ 18	\$ 27	\$ 31	\$ 36	300.0%
Integrated BHNs	\$ 94	\$ 90	\$101	\$101	\$101	\$101	7.5%
Multilaterals*	\$ 26	\$ 26	\$ 26	\$ 32	\$ 35	\$ 38	46.2%
Total	\$342	\$379	\$467	\$580	\$662	\$724	111.7%

* Includes UNICEF, UNIFEM, UNFPA, & WHO

The *Framework* says that "funding for the *Framework* will come from reallocations within CIDA's budget and allocations of resources announced in Budget 2000. With respect to the latter it is clear that few new resources from the \$100 million increase to ODA in 2000/01 can be allocated for the \$37 million increase in spending on the priorities for this year. (3) For the next two years, Budget 2000 proposes an increase of \$45 million in each year, not even half of the \$201 million in new resources required to meet the target for 2002/03. CCIC has advocated for a substantial renewal of funding for Canadian ODA, with \$300 million required each year to bring our ODA to GNP ratio to 0.35% by 2005/06. Current projections see this ratio continuing to decline.

For this year (2000/01) and next, each Branch has been given a portion of the targets for that year and will determine how best to respond to meet their specific targets. For the following three years, it is expected that an agency-wide allocation strategy will be developed by senior management at CIDA, with the Minister also playing a role in the approval of this strategy. Each year a progress report will be made public to hold the agency accountable to the *Framework*. As projects in their current phases come to conclusion, each will be reviewed on their merits and in relation to the social priorities.

Part II: CCIC Preliminary Commentary and Analysis of Outstanding Issues

1. A Substantial Shift Towards Poverty-Targeted Programming May Warrant a Wider Public Aid Review

The *Framework for Action* clearly reflects Ministerial leadership for a substantial shift for CIDA towards social programming targeting people living in poverty and vulnerable people in the poorest countries. It answers the long-held NGO call for substantially increased social spending. Primary health, basic education, nutrition and food security and protecting vulnerable children are among the most important concerns for people living in poverty. (4) These priorities are also those in which Canadian civil society, and particularly international NGOs, with their partners overseas have considerable experience over several decades. As noted earlier, the basic goals of the *Framework* and many of the programming options correspond closely with in common's call for reform in the focus and practice of Canadian aid. The *Framework* points not only to programming options and monetary targets for social development priorities, but also to some principles for renewing CIDA's approach to development cooperation.

The degree of this shift in priorities is significant, and necessarily affects and recalibrates the rest of the aid program. Given this, as well as the challenges and complexities of new approaches to Canadian aid management that this *Framework* implies, a public aid review could be warranted. Such a review, with a tight mandate and efficient process, could provide opportunity for NGOs and others in civil society to engage the Minister, parliamentarians and CIDA with their experience in poverty reduction. This review must hear directly from experienced Southern voices in development. It should address the challenges and means to ensure supportive links between the new social priorities and the remainder of the aid program as well as other important external policies that might constrain successful interventions, such as debt cancellation and structural adjustment policies. Finally it should set out the resources required for the next five years to meet the commitment of the Prime Minister to rebalance Canada's fair share of financial contributions to global international cooperation efforts to reduce poverty, after deep cuts to Canadian ODA (and our credibility as an international partner) after 1995. A modest goal of 0.35% of Canadian GNP would go a long way to restore our place among the more generous donors and provide the resources required to ensure sustainable results in the aid program.

2. Important Programming Issues to be taken into Account in Implementation of the Priorities

The *Framework's* recognition that CIDA must become increasingly a knowledge-driven organization, with a focus on lessons learned, through networks of donors, partners and practitioners, can and should provide opportunities for partners to help define the Action Plans and strategies to realize the goals for the social priorities. A coherent, transparent and timely CIDA-wide strategy for consultation with respect to the Action Plans is a vital ingredient to draw together these lessons. There are several programming issues that are NOT adequately addressed in the *Framework* that should be taken into account in designing the implementation of new initiatives in support of the priorities:

2.1 Implementing the Priorities within an Analytical Framework for Poverty Reduction:

While there is a strong and welcomed statement that reducing poverty is the primary goal of CIDA and a broad definition of programming within each priority, there is insufficient attention to an analytical framework for poverty reduction. Analysis of donor and government anti-poverty programs in the past five years in the DAC (5) and elsewhere suggest that the multidimensional roots of poverty require complex strategies and various levels of intervention to address poverty in any given sector. Lessons from NGO experience suggest that the social dimensions of poverty cannot be tackled in isolation of governance (and particularly respect for rights), income generation, and equity in the distribution of productive assets and income. Narrowing Canadian aid, for example, to focus on basic education may not produce the desired results if governments, civil society actors and donors are not addressing issues of sustainable rural livelihoods and employment - without which very poor parents may pull children from school no matter what the access.

Employing a holistic poverty framework would not diminish the importance of priorities or focus by CIDA. But it does mean that individual sector strategies and programming options, and the reallocation of resources to fund them, should not be developed in isolation of such a framework. Rather they must explicitly take account of the multi-dimensional roots of poverty, including gender inequalities (already in the *Framework*), sustainable livelihoods, environmental insecurity and political and social exclusion. These latter dimensions may take the form of programs supported by CIDA, by Canadian NGOs and their partners, or other donors and governments. These will be an essential complement to the specific social initiatives highlighted in the *Framework*. Increased attention to impact at a country level should mean that plans for particular CIDA social priorities must be country specific and in harmony with those programs that tackle other dimensions of poverty reduction in these countries.

While the broad inclusion of potential programming activities within each social priority as set out in the appendix of the *Framework* is very welcome in this regard, it remains unclear the degree to which programming options other than those highlighted in the text of the *Framework* will be emphasized. The financial targets outlined in the *Framework for Action* suggest that other poverty-related activities may in fact be relatively de-emphasized -- integrated basic human needs programming is included but is not targeted to increase over the five years, while other social priorities increase dramatically. This is a worrying indicator. Many Canadian NGOs and other institutions no longer deliver social projects directly. Rather they work with partners to strengthen southern civil society to hold their own governments accountable for attaining health and education targets. Many NGOs code this work under the CIDA purpose code for "integrated basic human needs".

2.2 Supporting Rights and Empowerment by People Living in Poverty for Social Development:

NGOs in Canada and abroad for many years have pointed to the central importance of empowerment for people living in poverty. The forthcoming World Bank Development Report on poverty eradication also recognizes empowerment and the political tensions that quickly emerge as those living in poverty assert their rights and participate in the design of programs that purportedly address their needs. With the exception of the child protection, the other identified

social priority areas, only weakly recognize the primacy of supporting rights in social development projects. As noted above, methodologies for social sector development must give a prominent role to supporting civil society's capacity for organization - from workers to women, farmers to the disabled or refugees and displaced persons. Strengthening the capacity for self-expression and advocacy by the poor of their rights is critical for holding donors and government's accountable to priorities established by the poor themselves.

2.3 Attention to Livelihoods for People Living in Poverty:

CIDA's 1998 Performance Review of Basic Human Needs programming concluded that attention to basic needs - primary health or basic education - were necessary but not sufficient to reduce poverty. One important conclusion was that achieving results in social sector programming requires attention to livelihoods and meaningful participation of the poor in development strategies intended to affect their lives. There are only passing reference to these factors in the *Framework*. The *Framework* refers to investments in "broad-based sustainable and equitable economic growth in developing countries" (11) as essential to poverty reduction. While some forms of growth are important for poverty reduction, the character of the investments needed for growth to affect positively people living in poverty is controversial. NGOs, backed by much independent research, argue that growth must be ecologically sensitive, support decent livelihoods and affect income distribution to provide sustained benefits to the poor. Strategies for implementing the social priorities should therefore not ignore important specific interventions that increase income and productive resources for people living in poverty and enhance sustainability in both urban and rural settings.

2.4 Canadian Public Engagement and Social Priorities:

This past November, Minister Minna announced a process and new resources for renewing CIDA's support for Canadian public engagement for development cooperation. In all areas of Canadian life there is a rich experience in social development issues, in engaging particular constituencies on the importance of Canadian contributions to overcome global poverty, and in supporting North/South learning and exchanges around common concerns of food security, HIV/AIDS or women's empowerment. The kind of priorities announced by the Minister are widely shared by the Canadian public as the focus for Canada's efforts in international cooperation. The *Framework* ignores the importance of linkages with CIDA's Public Engagement Strategy to sustain Canadian commitment, learning and action on global social issues as well as the international and national systemic causes of poverty that have limited progress in the past.

3. Draw Upon NGO/NGI Experience in Consultations for the Action Plans

Systematic and ongoing consultations with NGO/NGI partners, in Canada and the South, are important for understanding lessons from the experience of others in the design of Action Plans and specific areas for work within the four priorities. Such consultation should not only be after draft text of Action Plans are completed, but should also include lessons from NGOs and others in the development of the draft Plans themselves. Broadly speaking there has been a strong correlation between CIDA-supported NGO/NGI programs and projects devoted to social sectors

and poverty reduction. For Sub-Saharan Africa for example, almost half of NGO bilaterally funded projects are devoted to the social priority areas. (6) Similarly in Asia, NGOs and Institutions are implementers of 47% of Asia bilateral resources currently devoted to the social priorities.

4. Impacts on the Responsive Program and Project Supported NGOs and NGIs in Partnership Branch

While several major Canadian agencies have been successfully implementing bilateral projects in these sectors, the responsive program in Partnership Branch is an important long-term resource for the nurturing and fostering of the Canadian NGO community and their international NGO partnerships. The resulting independence of NGOs to pursue creative and innovative programming with long established partnerships overseas has often made them agents for change for programs that are now taken for granted by the wider donor community - in the areas of human rights and social development, participation and empowerment, or micro-credit for example.

If new or existing resources in Partnership Branch are channeled too narrowly into a responsive mechanism for only the four social priority areas, rather than augment resources available for program support to NGOs/NGIs generally, this could distort long-term programming goals for NGOs and those of their partners. In other words, here may be a temptation, in order to meet social priority targets in the Branch, to step back from the original rationale for program funding for Canadian NGOs, and establish responsive project oriented funding related to the social priorities in order to accelerate attention by NGOs to the priorities. Such a mechanism would run counter to the goal of managing the agency with less projects. It would make more sense to augment the program allocations to NGOs who have strong performance in addressing poverty in all its complexity. Program (or project) funded NGOs may be addressing the priorities, but in the context of other dimensions of poverty and empowerment for poor people, that in turn will reveal important lessons for social inclusion of the poor.

Partnership Branch's Annual Achievement Report, 1998/99 estimates a minimum of 28% of total disbursements to NGOs/NGIs devoted directly to the basic human needs social priorities. But a further 26% is directed to gender equality and human rights and democracy and good governance purposes. Ill-defined purpose codes (and rigid and narrow definitions of results) have made it difficult for CIDA to accurately understand the nature of current NGO programming.

5. Southern Ownership of Strategies for Achieving Social Development Goals

While stated as a principle for new approaches, there is an obvious tension in the *Framework for Action* between a Ministerial assertion of a strong social agenda and priorities for CIDA and the commitment to Southern-led programming and ownership of development strategies. No doubt there are southern governments and civil society actors who have also made these areas a priority. Nevertheless, bringing some reality to "southern ownership" will require more substantial discussion of programming methodologies, policy dialogue, transparency with developing countries (including their civil societies), a review of the role of Canadian technical assistance vs local capacity building, the untying of Canadian aid, particularly for the poorest

countries and for social sector programming. (Note: In answer to a question from a reporter, Minister Minna reaffirmed Canada's commitment to seek a reduction of tied aid for least developed countries.)

6. Social Development Priorities and Government-Wide Policy Coherence

In a recent letter to CCIC, Minister Minna highlighted steps needed on the part of CIDA to ensure government-wide policy coherence. CIDA can play an important pro-active role in government decision-making on international policies affecting its development goals to end poverty. These are not only sector specific, such as HIV/AIDS with Health Canada, but should also bring influence on Canada's positions at the World Bank and the IMF in the continuing debate on structural adjustment conditionality. For more than 15 years, the latter have dramatically affected the capacity of developing countries, their governments and civil societies, to maintain social and environmental policies, investment and trade policies, that may be required to create sustainable conditions for poverty reduction. NGOs have been in the forefront of those advocating for adjustment policies that are sensitive to the needs of the poor. But donor-driven conditionalities continue to reduce developing country ownership and often undermine the ability to achieve results in social priority areas identified in the *Framework*. Policy dialogue with other donors and with the Department of Finance on current structural adjustment policies required from many of the poorest developing countries and on the depth and speed of debt cancellation will be an essential for sustainable achievement of the social goals of the *Framework*.

7. Need for a Poverty Lens and Criteria in the Reallocation of CIDA Programming Resources

The *Framework* sets out very significant investment targets for each of the social priorities. The degree of reallocation over the five years is very significant. As noted in Table Two below, when one removes CIDA administration and allocations to the Regional Development Banks and UN institutions not likely to contribute much to the Social Priorities, the investment plan represents a reallocation of approximately 40% of available CIDA programming resources by 2005/06 (assuming no growth in the CIDA budget over the five years beyond what has been announced in Budget 2000).

According to the *Framework* of Action by 2005/06, an additional \$382 million will be spent in these areas. By 2005/06, it is expected that 40.4% of CIDA's current allocation from the International Assistance Envelope for ODA will be devoted to the social priorities (or 42.9% of all programming resources). While additions to the International Assistance Envelope in subsequent Federal budgets could be devoted to meeting the dollar targets for the priorities, unless these increases are very substantial, the targets themselves are not expected to increase. Consequently any new resources for CIDA should create greater flexibility in allocations to different dimensions of a poverty reduction strategy. CCIC will monitor this assumption.

Table Two: Estimates for CIDA Programming Resources Available for Re-allocation
(Assuming no new programming resources from future increased budgets for Canadian ODA)
Millions Cdn \$

Total ODA Allocation to CIDA (2000/01 International Assistance Envelope)	\$1,794.1
Minus CIDA ODA Administration	108.0
Minus Emergency Food Aid & Humanitarian Assistance / Kosovo	250.0
Minus Multilateral Commitments / Dues (net social priority multilaterals)	222.5
Minus <i>Framework for Action</i> Total Base Allocations to Social Priorities (1998/99) (7)	342.0
Plus net new resources available in Budget 2000 for 2001/2 & 2002/3	90.0
Equals CIDA Programming Resources Available for Reallocation:	\$ 961.6
<i>Framework's</i> Total New Allocations to Social Priorities by 2005/06 (\$724m in 2005/06 - \$342m currently disbursed)	\$ 382.0
Percentage of Available Resources to be Reallocated by 2005/06	39.7%

Source: CCIC calculations based on the *CIDA Part III Expenditures Report on Plans and Priorities*

Minister Minna's recent letter to CCIC (July 7, 2000) supported the notion that a "poverty lens" be applied to the choices to be made by CIDA as current phases of projects come to an end. In this regard, the recently completed Poverty Reduction Operational Framework in Asia Branch commits the Branch to a comprehensive poverty analysis of all impending projects. Transparency and close monitoring of allocation decisions within CIDA will be required to be sure that re-allocation decisions are taken to ensure optimal impact on poverty reduction and not, as was the case in the late 1990s, on opportunistic grounds where there is no protection for future phases of current poverty-focused activities.

While recognizing a role for the private sector in poverty focused interventions, Canadian NGOs have been pressing for many years to reduce the large number of CIDA funded commercially-oriented projects with limited benefits to people living in poverty. For example, in 1998/99 roughly \$67 million was disbursed to Canadian implementing partners for projects in the oil and gas, electrical energy and mining sectors, sectors where Canadian companies are seeking foreign investment opportunities.

In conclusion, the *Framework* represents an important opportunity for NGOs to advance a poverty focused development agenda within CIDA. While much depends on resolving important issues in its implementation (some of which we note above), it is a welcome break for an Agency that has been unable to focus. Realizing meaningful consultation between CIDA policy and program branches and civil society actors will not only improve the strategies and action plans that emerge, but also ensure synergy with these directions the resulting new programs in the wider Canadian development community and in the public.

ENDNOTES

1 The full text of *Framework for Action* is available on CIDA's web site (www.acdi-cida.gc.ca).

2 It was proposed that the remaining 40% be devoted to programs where there was a demonstrated indirect impact for poverty reduction.

3 See CCIC, "A CCIC Review of the 2000/01 Part III Estimates", April 2000, www.web.net/ccic-ccci.

4 See for example Deepa Narayan et al, *Voices of the Poor: Can Anyone Hear Us?* New York: Oxford University Press for the World Bank, 2000 and South Asia Partnership et al., *The Good, the Bad, the Well and the Ill: Popular Perspectives on Poverty from Four Asian Countries*, Ottawa: South Asia Partnership, 1999.

5 The Development Assistance Committee of the OECD, bringing together all official donors, have done extensive work in analyzing donor experience in poverty reduction. The UNDP's human development approach also emphasizes the importance of an integrated and coherent approach to poverty reduction.

6 A CCIC calculation made from purpose codes for bilateral projects implemented by Canadian NGOs in 1998/99.

7. CIDA Corporate Memory allocation of projects by purpose code often under-estimates the focus on a particular purpose. For example a project can be coded 50% basic education and 50% capacity building for a project entirely devoted to basic education. CCIC's own calculation of CIDA resources devoted to basic education in an attempt to remove this distortion suggested a figure of \$74 million for 1998/99 rather than \$40 million in the *Framework*.