

**Strengthening Canada's Role in the World
Toward Greater Effectiveness of International Aid**

Dialogue with Canadian Partners

Canadian International Development Agency (CIDA)

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“Consistent with Canadians’ compassion for the less fortunate, the Government will advance Canadian values and interests on the international stage by providing much-needed assistance to the world’s poor...the Government is committed to a more effective use of Canadian aid dollars and will work to ensure greater accountability in the distribution and results of Canada’s international assistance.”¹

Government of Canada, May 2, 2006.

Introduction

The 2006 *Speech from the Throne* and *Budget Plan* stated the Government’s intention to pursue greater accountability in the distribution and results of Canada’s international assistance. The Government further affirmed that, alongside the importance of providing much-needed assistance to the world’s poor, as seen in its commitment to double international assistance from 2001-2002 levels by 2010-2011, it is also necessary that these aid resources be used effectively.

In this context, CIDA has embarked on a process to renew partnership programming, so that CIDA and its Canadian partners can jointly ensure effective and accountable aid. For more than 40 years, partnership with non-state actors from civil society and the private sector has been an important aspect of the Canadian contribution to international development. Over the years, CIDA’s Canadian partners have added considerable value to international development and humanitarian assistance efforts. Through their linkages with the citizens of developing countries they have provided a bridge to the ultimate beneficiaries of Canadian aid. Partnership programming has been a distinctive element of the Canadian approach to development cooperation.

Canada is collaborating in the international effort to achieve the Millennium Development Goals (MDGs) by 2015:

- Eradicate extreme poverty and hunger;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, malaria and other diseases;
- Ensure environmental sustainability, and,
- Develop a global partnership for development.

¹ *The Budget Plan 2006. Focus on Priorities, Canada’s New Government, Turning a New Leaf*

The international community is putting particular emphasis on making international development assistance an effective tool for reducing poverty. Canada joins the international community in this endeavour. In light of this emphasis, the renewal of partnership programming presents an opportunity for CIDA and partners to contribute to the discussion on aid effectiveness, drawing from Canadians' experience in international development.

This document is a vehicle for soliciting views from Canadian partners on the principles of effective partnership, and on Canadian and international best practices in development cooperation, with a view of initiating a process of partnership renewal in CIDA.

This initiative aims to:

- Clarify the role and contribution of Canadian partners to international development;
- Examine aid effectiveness principles;
- Strengthen accountability and results in partnership programming; and,
- Reflect Canadian values in international development cooperation.

1. CIDA'S CANADIAN PARTNERS IN DEVELOPMENT

1.1) Who are CIDA's Canadian Partners?

CIDA's Canadian partners are non-state actors from civil society and the private sector. Civil society includes a wide range of actors, such as non-governmental organizations (NGOs), volunteer cooperation agencies, educational institutions, cooperatives, unions, federations, professional associations, faith-based organizations, policy research institutes, and individuals, including youth. Private sector actors include businesses of all sizes. Almost all of CIDA's Canadian partners work in close collaboration with developing country counterparts.

1.2) Attributes of Canadian Partnerships

Partnership programming is one of three main funding channels in CIDA, alongside multilateral and bilateral programming. Partnership programming is utilized in all of CIDA's branches, not just Canadian Partnership Branch.

Partnership is a significant asset contributing to CIDA's development efforts. Partnership facilitates the:

- Implementation of effective and innovative programming;
- Promotion of Canadian values and interests;
- Leveraging of additional resources for development;
- Sharing of expertise, and creation of networks; and,
- Engagement of Canadians in support of official development assistance.

CIDA's partnership programming gives effect to initiatives proposed by Canadian partners; is based on common objectives; involves co-investment (shared costs and risks); and, is in conformity with CIDA's development priorities.

CIDA supports over 750 Canadian partners working on development initiatives in over 150 countries. This support is realized through more than 30 different CIDA funding mechanisms.

Data from Statistics Canada shows that in 2003 Canadian civil society organizations involved internationally raised more than \$700 million from non-governmental sources.

1.3) Contribution to Development

Civil society and the private sector play crucial roles in sustainable development, poverty reduction and achievement of the Millennium Development Goals (MDGs). Members of civil society are important actors in direct contact with the poorest communities. They respond to their basic needs, especially in areas where there is no government presence. The private sector is an engine of economic growth and job creation. A strong, non-partisan, and diverse civil society and a dynamic private sector are key elements for a modern democracy, and for a countries' economic and social development.

Canadian partners contribute to Canada's international assistance efforts and to the achievement of development results. They strengthen the capacities of their developing country counterparts; deliver basic services and humanitarian relief; promote innovative programming approaches; and, transfer technology and Canadian know-how. They also contribute to strengthening policy dialogue and ensuring better accountability from public institutions. They develop linkages with the citizens of developing countries and between these citizens and Canadians. Some Canadian partners maintain long-term linkages in developing countries that even outlast their agreements with CIDA. Some also collaborate with international organizations, donor country agencies, and recipient country institutions, thus making them active partners on the international scene.

Topics for Discussion:

- What are the main contributions from civil society and the private sector to international development and humanitarian assistance?
- How can Canadian partners develop the assets required for better access to the global development marketplace and be active partners on the international scene?

2. PRINCIPLES OF AID EFFECTIVENESS

2.1) Lessons Learned with respect to Aid Effectiveness

Today's move toward greater aid effectiveness draws from the experience of over four decades of development cooperation. On the whole, the international community has reached a consensus to implement the principles of international aid effectiveness, namely:

- Ownership - by partner countries of their development policies and strategies;
- Alignment - of donor country development aid with beneficiary country strategies;
- Harmonization - of donor country aid (simplification and alignment of procedures, complementarity of investments and reduction of transaction costs, harmonized evaluation and monitoring approaches);
- Managing for results, - effective management of resources linked to results; and,
- Mutual accountability - (of donors and recipient countries) for development results.²

It is noteworthy that the lessons learned and the aid effectiveness principles have often been the result of dialogue amongst governments and international institutions. It is also important to recognize that civil society and the private sector have important contributions to make in strengthening the effectiveness of aid and in achieving development results.

Topics for Discussion:

- How can civil society and the private sector contribute to the dialogue on aid effectiveness?
- How can civil society and the private sector better integrate the principles of aid effectiveness into their efforts?

2.2) Ensure Southern Leadership in Development

Developing country actors must be in the lead to ensure that partnerships are demand-driven and promote local ownership of development initiatives and processes. Canadian partners should be sensitive to the priorities of their developing country counterparts. It is necessary to measure the extent to which civil society and private sector partners take aid effectiveness principles into consideration in their work.

Under this approach, the development initiatives of CIDA's Canadian partners must be clearly in step with the priorities of their developing country counterparts. Canadian partners playing an accompanying role can assist in the development of viable, locally owned processes.

² *Rome Declaration on Harmonization*, February 2003, *Paris Declaration on Aid Effectiveness*, March 2005.

Topics for Discussion:

- What are the priority needs of civil society and the private sector in the South? How can these be better supported?
- What best practices can Canadian partners adopt in the following areas:
 - a) local ownership
 - b) coordination with other partners
 - c) leveraging resources?

2.3) More Strategic Programming at the Country Level

Beneficiary country priorities are outlined in their poverty reduction strategies. CIDA defines its country programming on the basis of these strategies. CIDA is concentrating its development assistance on a reduced number of countries, and sectors within these countries. Within CIDA's country strategies there may be room for partnerships with civil society and the private sector as a strategic choice to contribute to important development issues that are better addressed outside of the bilateral relationship between governments.

Topics for Discussion:

- How can CIDA and Canadian partners strengthen their country collaboration, particularly the collaboration among bilateral, multilateral and partnership programs?
- To what extent are Canadian partners developing more strategic and targeted programming?
- How can collaboration between CIDA and Canadian partners be improved in the field?

3. STRENGTHENING ACCOUNTABILITY AND RESULTS OF PARTNERSHIP PROGRAMMING

The operational systems through which partnership is managed need to be simple, efficient, and transparent regarding the use of public funds. They must also capture the totality of results achieved and ensure accountability in the use of aid dollars. Opportunities exist to make operational processes for partnership more efficient and to strengthen the institutional relationships between CIDA and partners. Equally, Canadians must be aware that their generosity and government-allocated aid dollars will be used appropriately.

The following elements need to be considered:

- a) A clearly defined and transparent mutual accountability framework that reflects the totality of results achieved;
- b) Simplified and harmonized operational processes (audit and evaluation, cost-sharing, accreditation) to reduce operational costs and timeframes for CIDA and its partners;
- c) Sharing of knowledge and lessons learned;
- d) Strong institutional relationships between CIDA and its Canadian partners; and,
- e) Ongoing dialogue between CIDA and Canadian partners.

Topics for Discussion:

- What are some suggestions for putting the necessary elements of a mutual accountability framework into place?
- What are some concrete recommendations for improving the accountability of partnership programs?
- How can we better communicate the results of our partnership programs to Canadians?
- How can we establish an ongoing dialogue between CIDA and partners?

4. REFLECTING CANADIAN VALUES IN DEVELOPMENT COOPERATION

“Canada’s voice in the world must be supported by action, both at home and abroad...More broadly, this Government is committed to supporting Canada’s core values of freedom, democracy, the rule of law and human rights....”³

Government of Canada, April 4, 2006.

International aid is one of the means through which fundamental Canadian values can be reflected. In addition, the involvement of Canadians from across the country enables CIDA to tap into the knowledge, experience, expertise and networks of partners.

The context of CIDA’s partnership programming makes it necessary to take the desire of Canadians to support international aid, and harness it so that it responds to the expressed needs of Southern partners in a way that ensures that poverty reduction results are sustainable.

It is important that Canadians be able to appreciate and measure the impact of Canadian international development assistance. Both CIDA and partners share a responsibility for raising awareness among Canadians regarding the challenges of global poverty reduction and the progress that has been achieved.

Topics for Discussion:

- What are some approaches for raising awareness and mobilizing Canadian involvement in international development?
- What strategies do we need to put in place to access Canadians’ contributions to international development in response to the expressed needs of Southern partners?

³ *Speech from the Throne*, Government of Canada, 2006.