



**The North-South Institute
L'Institut Nord-Sud**

DAC Informal Network on Poverty Reduction—

**The Canadian International
Development Agency (CIDA)**

Case Study

Prepared by Kerry Max

Researcher, Development Cooperation

The North-South Institute

Ottawa, Canada



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Summary

The *DAC Informal Network on Poverty Reduction—The Canadian International Development Agency (CIDA) Case Study* was commissioned to contribute to a broad investigation of donor approaches to poverty reduction. The aim was to identify challenges to effective poverty programming and paths for overcoming these challenges. The Network’s history, CIDA’s involvement, the broad findings of the CIDA case study, and the response of Network members to both the individual and the synthesis reports are described below.

The DAC Informal Network on Poverty Reduction

In June 1998, the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) established the Informal Network on Poverty Reduction. The “goal of the network is to develop, in collaboration with developing country partners, more effective approaches to poverty reduction.” To inform this undertaking, the Overseas Development Institute (ODI), UK and the Associates for International Resources and Development (AIRD), USA, were commissioned to undertake a study of members’ policies and practices and to advise on a future work program for the network. The synthesis report prepared by the consultants, *DAC scoping study of donor poverty reduction policies and practices* (forthcoming from the OECD/DAC), provides an overview of how donors conceptualize and operationalize poverty reduction programming. This overview is based on a synthesis of 25 case studies that describe the policies and practices of each DAC member, as well as the World Bank and the United Nations Development Programme (UNDP), in addition to a survey of developing-country perspectives from Bangladesh, Bolivia, Ethiopia, Mali, and Vietnam.

The Canadian International Development Agency (CIDA)

A case study of CIDA’s poverty reduction policy and programming was conducted by the North-South Institute as part of the overall scoping study prepared by ODI and AIRD. The CIDA case study was based on a review of more than 60 public and internal (CIDA) documents, as well as interviews with 32 officials from CIDA’s Policy, Partnership, Multilateral, Performance Review, Africa and the Middle East, Asia, and Americas Branches. The results of the study, which followed a standard format and questionnaire prepared by ODI, are presented herein. However, two caveats are necessary: First, the study was carried out by an outside consultant whose opinions do not necessarily reflect

those of CIDA. Second, as with all 25 case studies, tight schedules (case study research began in September 1998 and results were presented in December 1998), and resource constraints mean that the data should be considered to be a preliminary assessment only of the current state of poverty reduction programming.

Case-Study Findings

The *DAC Informal Network on Poverty Reduction—The Canadian International Development Agency (CIDA) Case Study* has four main sections in addition to an Introduction: Donor's Poverty Reduction Goals, Conceptions, and Aims; Management for "Mainstreaming" Poverty Reduction within the Agency; Poverty Reduction Operations at the Developing-Country Level; and Recommendations for the DAC Informal Network on Poverty Reduction.

Introduction

The introduction contextualizes CIDA's operating environment. While the case study finds CIDA to be substantially committed to poverty reduction, it also characterizes the Agency as having a "culture of compromise" resulting from the political and fiscal realities that inform its operational environment. Thus, although CIDA is federally mandated to pursue poverty reduction, it is also seen by some to be responsible for contributing to global prosperity. In addition to these often perceived conflicting responsibilities, CIDA has been subjected to disproportionately large budget cuts, compared to most other government departments. These realities result in the Agency having to respond, with significantly fewer resources, both to the complex and diverse requirements of increasing numbers of the world's poor and to the demands of Canadian domestic interests and other government departments that pursue objectives which may not be consistent with poverty reduction in developing countries. These external dynamics are mirrored internally, with some officials advocating poverty reduction as the main decision-making criteria, while others advocate alternative aid or non-aid objectives.

Donor's Poverty Reduction Goals, Conceptions, and Aims

Policies of both the federal government and CIDA clearly articulate poverty reduction as a core mandate for development cooperation. Within CIDA, this mandate benefits from significant senior management commitment. However, many respondents felt that not all CIDA officials perceive poverty reduction to be CIDA's sole priority, or always the dominant one. The dual responsibilities of reducing poverty and promoting global prosperity, combined with pressures from domestic constituencies and other government interests, result in ongoing conflict within CIDA between advocates of poverty reduction and those who favour more short-term, commercially oriented approaches. The debate between the two is partially fueled by the absence of a single model for development programming. While there is a great deal of expertise within CIDA relating to the

conceptualization (theories, models, indicators, etc.) of poverty, there is still considerable disagreement in the Canadian and global development communities about the best approach to poverty reduction.

CIDA is well-respected internationally for many of its development policies. Its six programming priorities and overall poverty reduction policies also provide clear directions for poverty reduction. However, these same policies are also used to justify the pursuit of “indirect” aid objectives whose impact on poverty may be questionable. Finally, while Canada is well respected for its official stance on poverty reduction, it—as most DAC countries—has drastically reduced development assistance expenditures. These reductions have disproportionately affected the poorest countries (especially in sub-Saharan Africa), and some sectors of great importance to the poor (such as agriculture, food, and nutrition). Thus, while CIDA has a solid conceptual base for pursuing poverty reduction, mixed messages regarding its priority in programming decisions and decreased resourcing of key targets for poverty reduction significantly constrain the pursuit and achievement of this objective.

Management for “Mainstreaming” Poverty Reduction within the Agency

Regardless of whether or not poverty reduction has been its overarching goal, CIDA has, since its inception, been instrumental in assisting poor people improve their lives. Whether directly or indirectly, many—and maybe even most—CIDA projects have reduced poverty. However, as resources diminish and challenges become more complex, it is increasingly important that donors become better at achieving this goal. To do so, one needs to confront the challenge of translating policy know-how into programming. This requires guidance and technical assistance, as well as incentives for operational staff. CIDA’s partial success in mainstreaming its gender equality policies has increased the developmental (and poverty reducing) effectiveness of its projects and programs in the field. However, there remain substantial barriers to gender mainstreaming that are equally reflective of the challenges in mainstreaming poverty reduction.

To increase the extent to which projects and programs effectively focus on poverty reduction, CIDA needs to:

1. clarify the importance of poverty as a cross-cutting issue so that the impact of all development activities on poverty reduction is assessed;
2. enhance senior management commitment to poverty reduction so that all CIDA employees see success in reducing poverty as important to their supervisors, and hence as relevant to the success of their own careers;
3. allocate adequate resources, in terms of incorporating poverty reduction analytical tools into existing reference materials; developing and providing training in poverty analysis; and assigning expert and financial resources for the purpose of analysis and operationalization by desk officers;

4. establish accountability and monitoring mechanisms to ensure that officers see themselves as responsible for pursuing poverty reduction objectives and can assess the degree to which these objectives are being met; and
5. measure achievement of poverty reduction targets, so that poverty reduction results can be tracked and attributed, with lessons learned feeding back into operation and policy improvements.

These recommendations are indicative of many of the difficulties faced by CIDA in mainstreaming poverty reduction into operations at the desk level. While many of these suggestions require an unambiguous commitment by government and senior management to the primacy of poverty reduction and effective incentives for officers to respond to this commitment, these are not sufficient. Training, reference materials, and operational tools are also needed to assist in the pursuit of poverty reduction results.

Poverty Reduction Operations at the Developing-Country Level

Poverty reduction ultimately takes place at the developing-country level. A political and financial commitment by the donor, the availability of strong conceptual capacities, and the translation of those capacities into operational programming are essential to ensure that the poverty reduction agenda is articulated in the field. However, achieving results also requires partnership, donor coordination, and appropriate intervention modalities.

Partnership: CIDA is firmly committed to the concept of partnership with its developing-country counterparts and provides clear directions to its desk officers with respect to consultation with, and participation of stakeholders. However, the ideal of thorough consultation with governmental and nongovernmental stakeholders in the elaboration and implementation of development programs and projects is only partially achieved. In part this is due to the difficulties of carrying out effective consultation and establishing participatory mechanisms, and in part to the pressure on desk officers to rapidly develop and approve projects. Therefore, although CIDA is moving in this direction, many partnerships remain superficial with recipient stakeholder inputs conspicuously absent in the planning and implementation processes.

Donor coordination: Coordination among donors provides a similar challenge for development effectiveness. Success in coordination appears to depend to a large extent on the characteristics of the donor community in specific recipient countries, and on whether donors are willing and able to collaborate around a shared agenda.

Intervention modalities: Finally, the distinct characteristics of each developing country often require different approaches to poverty reduction programming in the field. CIDA attempts to tailor its country or regional approaches to those areas seen to require the greatest attention and to which it can provide value-added. The greatest success in reducing poverty is achieved in country programs that incorporate adequate input from local stakeholders, ensure effective complementarities between other donor activities, and tailor approaches to areas in which Canada has significant expertise.

Recommendations for the DAC Informal Network on Poverty Reduction

Many of the solutions to more effective poverty reduction programming lie exclusively in the hands of individual donor governments and their development agencies. However, as a key coordinating body for the donor community, the DAC plays an important role in facilitating these internal changes. The most important aspect of this role is the maintenance of poverty reduction goals on the international agenda. External political pressures can offer strong incentives to the many governments that still hesitate to prioritize poverty reduction. In addition to maintaining this pressure, the DAC's ideal role lies in disseminating operationally relevant poverty reduction guidance in the areas of principles and synergies; lessons learned; training courses; and donor coordination. As an essential part of this effort, the DAC should continue to foster policy dialogue around issues of aid untying; agriculture as a key to poverty reduction, basic human needs, and poverty reduction as a cross-cutting theme.

The Path Forward

Even before case study results were presented to CIDA and the Network, a variety of efforts were underway to address some of the challenges identified. Within CIDA, an agency-wide poverty reduction working group continues to organize learning sessions for staff and advance the poverty reduction agenda across the agency. Asia Branch's poverty project also holds great promise in contributing to lessons learned and new approaches to poverty reduction. In Policy Branch, CIDA's Economic Development and Poverty Reduction Division works throughout the agency to facilitate the operationalization of poverty reduction.

In terms of the Network and the DAC, there was agreement in May 1999 to publish the synthesis report, while individual case studies would be made public at the discretion of respective donors. There were also encouraging signs that several donors were acting on some of the recommendations made in their case studies. The Network has implemented a work program based, to a large extent, on the recommendations of the synthesis report and will develop a set of DAC Poverty Guidelines by the end of 2000.

The signals from donors and the DAC are very encouraging, with both articulating a clear commitment to addressing the ongoing challenges of poverty reduction. While development assistance continues to be subject to non-aid pressures, development agencies and the vast majority of their staff are diligently working to maximize the effectiveness of development programs and the impact they have on helping people escape the cycle of poverty.

Kerry Max
August 1999

DAC Informal Network on Poverty Reduction—CIDA Case Study

Introduction

“Poverty reduction means a sustained decrease in the number of poor and the extent of their deprivation. This requires that the root causes and structural factors of poverty be addressed. Reducing poverty places a focus on people’s capabilities to avoid, or limit, their deprivation. Key aspects of this are: recognizing and developing the potential of the poor; increasing their productive capacity; and reducing barriers limiting their participation in society. Poverty reduction must focus on improving the social, economic and environmental conditions of the poor and their access to decision making”

CIDA’s Policy on Poverty Reduction, p. 3.

Poverty reduction (PR) is fundamental to the objectives of Canadian Official Development Assistance (ODA) and the Canadian International Development Agency (CIDA) mandate to promote sustainable development. The principle of poverty reduction is articulated in the Canadian government’s statement on foreign policy, *Canada in the World*, and by CIDA itself in its Policy on Poverty Reduction. Through a combination of targeted, focused, and policy interventions in each of its six program priorities (Basic human needs; Women in development and gender equity (WID & GE); Infrastructure services; Human rights, democracy, and good governance; Private sector development; and the Environment), CIDA aims to assist the poor in addressing and overcoming the root causes and structural factors of poverty and its perpetuation.

This formal commitment to PR must be viewed, however, in the context of the political reality in which CIDA operates. CIDA is an agency with multiple objectives, and while development principles are the primary justification for its interventions, they are not the only justification. CIDA is also expected to contribute to Canada’s foreign policy goals of: promoting prosperity and employment; protecting Canadian security within a stable global framework; and projecting Canadian values and culture. There is also an expectation that CIDA will be receptive to the needs and priorities of other government departments such as the Department of Foreign Affairs and International Trade (DFAIT).

This “real-politik” mandate, resulting in tensions between long-term development planning versus immediate responses to non-development priorities, sets the stage for a culture of compromise which has characterized Canadian development efforts since they began in 1959. At one end of the resulting continuum of opinions, there are poverty reduction (PR) advocates who believe that paying direct attention to poverty is central to effective development and should be the core screening criteria for all proposals. At the other end, it is felt that compromise among competing aid (and non-aid) objectives is essential and, based on the various goals delineated in *Canada in the World*, a justified consideration in orienting development assistance. Somewhere between are those who agree that PR is important, but feel that indirect approaches through other aid priorities are equally valuable.

At the same time as these conflicting pressures are being managed, Canadian ODA continues to suffer from budget cuts in excess of 30 % since the early 1990s: there is no firm indication of when this situation will be reversed. These cuts, in addition to impeding efforts to promote effective development planning, further exacerbate tensions between the different groups as CIDA strives for increased budgetary and political support.

It is in this context that CIDA introduced its policy on poverty reduction and its efforts to mainstream PR objectives throughout the Agency. And it is this policy and these efforts which are the subject of the analysis that follows.

Section 1: Poverty Reduction Goals, Conceptions, Approaches, and Channels

1.1 The Agency's Poverty Reduction Goals

1.1.1 What formal commitment does the Agency have to poverty reduction?

CIDA's formal commitment to poverty reduction is evidenced both explicitly and implicitly, as indicated by the following examples:

- The Federal Government's 1995 statement on foreign policy states: "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" (*Canada in the World*, p. 42).
- CIDA's 1996 policy on Poverty Reduction states: "Poverty reduction will be a central focus of Canada's development cooperation program" (*CIDA's Policy on Poverty Reduction*, p. 3), while CIDA's 1997 strategy document states that "Poverty reduction is the overarching objective" of sustainable development (*Our Commitment to Sustainable Development*, p. 2).
- Finally, CIDA's Women and Development and Gender Equity policy, in place in one form or another since 1984, singles out the importance of women as the poorest of the poor and as important agents of change, and situates gender analysis at the forefront of effective development planning. This policy can be seen as an implicit commitment to PR.

Does the Agency have an overarching goal of poverty reduction?

In principle, PR is viewed by CIDA as the fundamental purpose of ODA. "Within the broad purpose of supporting sustainable development, the central thrust of Canadian international cooperation is poverty reduction" (*Our Commitment to Sustainable Development*, p. ix). This sentiment is also reflected in CIDA's *Policy on Poverty Reduction*: "Programming at CIDA will be consistent with the goal of poverty reduction" (p. 4).

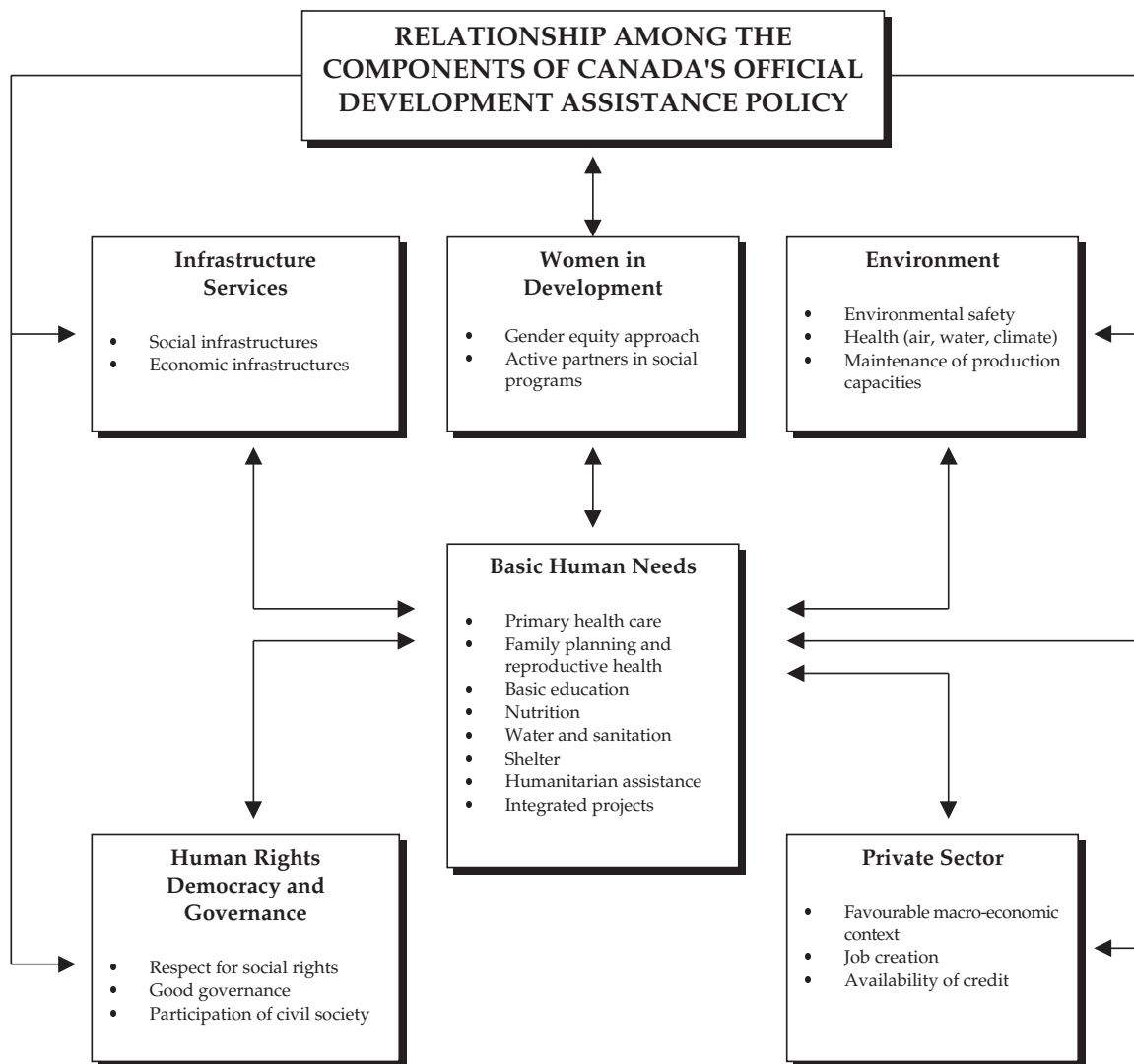
In practice, there continues to be disagreement within CIDA about whether or not PR is the overarching goal. Some see PR as the fundamental objective of the Agency, and a necessary and sufficient condition enabling CIDA to "contribute to a more secure,

equitable and prosperous world”. Others consider that PR has equal or even subordinate billing to this second objective of ODA, and thus need not be a consideration in all CIDA interventions.

1.1.2 Which of its main aims or objectives does the Agency consider contribute to poverty reduction?

CIDA’s six programming priorities are conceptually perceived as addressing many of the root causes and structural factors of poverty. Illustrated in Figure 1: Interlinkages—ODA Programming Priorities, the priorities are: Basic human needs; Women in development and gender equity; Infrastructure services; Human rights, democracy, good governance; Private sector development; and Environment. Linkages between these priority areas and poverty are elaborated in Section 1.1.3.

Figure 1: Interlinkages—ODA Programming Priorities



(From CIDA’s Policy on Meeting Basic Human Needs, p. 27)

1.1.3 Overall, what priority does the Agency accord to poverty reduction?

“There is an urban myth at CIDA, namely everyone we deal with is poor and everything we do is poverty reduction.”

CIDA Interviewee

Context

In general, public support for international development in Canada is strong. The 1997 Angus Reid poll, *Canadians’ Support for Development Assistance*, found that 65 % of Canadians “very strongly” or “strongly” supported Canada’s development aid program and close to 80 % of Canadians agreed with, or favoured an increase in, spending levels for international assistance. The majority of respondents also prioritized a focus on long-term development assistance (compared to emergency-based humanitarian assistance). In spite of this strong public support, Canada’s ODA budget has been in decline since the beginning of the 1990s. In addition, PR—which was central to the 1987 ODA mandate in *Sharing our Future*¹—now shares the stage with the requirement that ODA “contribute to a more secure, equitable and prosperous world” (*Canada in the World*, p. 42).

To be fair, the latest articulation of Canada’s ODA mandate is probably also the most honest. Canadian ODA has always been subject to competing pressures, and neither development objectives nor poverty reduction have ever been the sole defining features of Canadian aid. The political reality is that CIDA is an agency with many priorities. While PR is certainly one of these, it is by no means the only one, nor is it necessarily the most important in practice. Although the Minister for International Cooperation and the President of CIDA both support PR, some CIDA personnel believe that the messages from senior management are mixed. In some cases, management is seen as strongly supportive of PR efforts. However, PR is not perceived as a priority for some vice-presidents and director-generals, whose opinions and impacts on operations may be far more direct.

That being said, the degree to which CIDA does prioritize PR is extremely difficult to measure. The Agency is publicly committed to its PR mandate. Moreover, Policy Branch, through its poverty policy leadership, its gender equality advocacy, and its support for the Poverty Reduction Working Group, devotes considerable attention to increasing awareness and capacity in PR programming (elaborated below under Section 2.1.1). In addition, Asia Branch has recently begun the Poverty Reduction Project, a one-year internal capacity building exercise to develop a better understanding of poverty and poverty reduction, and facilitate poverty programming.

1 The recommendations from *Sharing our Future* were never implemented due to a dramatic change in the political environment where, among other things, deficit reduction took on primary importance within the government agenda.

Gender

CIDA's 1995 Women in Development and Gender Equity (WID & GE) policy is based on a rationale of equality, economic efficiency, and effective development, and perceives gender analysis and gender equality as central to the success of CIDA's overall development objectives and poverty reduction aims. Gender analysis is required for all CIDA projects and programs. However, an evaluation of the 1995 policy indicates that the quality and depth of gender analysis and its application to projects and programs vary considerably across the Agency. CIDA's forthcoming Gender Equality Policy—an updated, revised version of the 1995 policy—will further highlight the causal links between both gender equality and poverty reduction, and CIDA's programming priorities.

Equity

While equity plays a significant role in some individual branch and project efforts, CIDA's policy on poverty reduction does not address equity as such. Within the Americas Branch, equity is treated as a cross-cutting theme and is a central focus of its poverty training. In Asia Branch, the Branch chief economist presented *Growth, Equity and Poverty: Asian Experience* at a conference on Japanese and Canadian ODA in December 1995, and recently reiterated the equity linkage during a presentation at CIDA's President's Best Practice Forum on Poverty (see Section 2.4.1).

Concentration

In 1996/97, 122 countries received Canadian bilateral development assistance. Of total bilateral expenditures, 60 % were directed to all low income countries (*The North South Institute, Canadian Development Report 1999: Civil Society and Global Change*). This is a slight decline from 1995/96 when low income countries received 62 % of net disbursements (*DAC Canada Review*, p. 73). As in 1995/96, two-thirds of bilateral aid were concentrated in the top 20 recipients, 12 of which are low-income countries.

Beyond this broad geographical focus, the degree to which aid is concentrated on the poorest people within CIDA recipient countries is difficult to estimate. In a comparison of approvals of poverty-related projects (according to CIDA's poverty theme code) to overall project approvals, results indicate that fewer than 20 % of projects approved between 1995 and 1997 have been identified as poverty reduction or poverty alleviation projects.²

2 Both gaps in PR coding, and limitations on the coding choices offered development officers, mean that the actual percentage of CIDA projects contributing to PR is likely to be significantly higher than the 20% mentioned.

On an overall program allocation level, Basic Human Needs (BHN) net of food aid, and Women in Development and Gender Equity, received 28 % (24 % and 4 % respectively) of 1996/97 program expenditures, while close to 40 % of projects approved since 1995 fall into these two categories.

Conclusions 1.1

Formally, PR is considered the overarching goal of Canadian development assistance. The very structure of CIDA programming is oriented toward activities that are crucial to addressing the root causes and consequences of poverty. In fact, because of the implicit theoretical linkages between these programming priorities and PR, one could conclude that everything CIDA does potentially has some impact on reducing poverty and hence, CIDA's top priority is poverty reduction. However, those theoretical linkages, while sound, are not necessarily adequately operationalized, nor are the impacts on poverty necessarily the principal results of CIDA's interventions. The only reasonable conclusion is that, formally, poverty reduction is a key priority of CIDA and one which CIDA is striving to promote to a greater extent than in the past.

Informally, the debate between PR advocates and those who advocate a compromise position continues to rage. Since the elaboration of the Policy on Poverty Reduction, it does appear that PR is gaining political support in the Agency. However, the sustainability of this support is in question. If poverty remains high on the political agenda, it is likely to become increasingly operationalized. If, however, other priorities take precedence or gain in importance, PR advocates will face a continuing uphill battle. This being the case, the ability of the DAC and other contributors to international policy dialogue to maintain pressure on donors to respond to their PR commitments will be a significant factor in the success of PR mainstreaming efforts.

Ultimately within CIDA, as elaborated in Sections 2 and 3 below, the extent to which PR is a priority continues to depend on the commitment of individuals involved in direct project or program management and in the supervision thereof. In some branches, in some programs, and in some countries, PR is clearly the principal objective of activities, while in others, other Canadian aid (or non-aid) policy objectives are prioritized.

1.2 The Agency's Conceptualisation of the Poor

There is broad scope for conceptualizing and addressing poverty within CIDA and this is reflected in the diverse opinions and perspectives of CIDA staff.

Causes

"Poverty results from the lack of human, physical and financial capital needed to sustain livelihoods, and from inequities in access to, control of, and benefits from political, social or economic resources" (*CIDA's Policy on Poverty Reduction*, p. 2). The causes of, and

contributing factors to poverty are multiple and viewed in economic, social, historical, cultural, environmental, and political terms. This is further elaborated in Annex 1: CIDA Poverty Discussion Paper Framework. There is also an understanding that the causes of poverty are found at the local, institutional, national, and international levels, in addition to being strongly related to gender roles and discrimination against women.

Definitions

The following definition, derived from *CIDA's Policy on Poverty Reduction*, also reflects the varied perceptions of interviewees: In essence, poverty entails living in a state of deprivation that is multi-dimensional in nature and includes:

- material deprivation (income, resources, assets);
- physical weakness (malnutrition, sickness, disability, lack of strength);
- isolation (illiteracy, lack of access to education and resources, peripheral location, marginalization, discrimination);
- vulnerability (to poverty increasing contingencies such as war, climate changes, seasonal fluctuations, disability);
- powerlessness (inability to avoid poverty or change situation).

A further defining feature of poverty is the predominance of women and their dependents among the poor and the poorest of the poor.

Identification

Most of CIDA's bilateral programming is carried out through Canadian executing agencies (CEAs). These organizations, many of whom are nongovernmental organizations (NGOs), often have long histories of involvement in the countries and areas of intervention, and have well-established linkages with recipient-country NGOs and poor communities. In certain countries, development staff are affiliated with the Canadian high commission or embassy and they apply their networks to identifying the poor. Their input into identification is sometimes supplemented through the use of multilateral poverty surveys; development and deprivation indices; regional, national, and local economic, social, environmental, and cultural analyses; and direct consultation with other donors, governments, NGOs, and potential project recipients.

Prioritization

CIDA does not exclude any particular group of poor people from receiving development assistance. There is, however, emphasis on the needs of women and children. In addition, considerable attention has recently been directed toward indigenous peoples, youth, and owners of micro and small enterprises.

Poverty as absolute vs. relative

From a conceptual basis, there is an awareness within CIDA that poverty can be both relative and absolute. That being said, it is unlikely that CIDA projects will target poverty reduction interventions toward groups of people whose relative poverty is not also significant in absolute terms. Relative poverty does, however, raise certain other problems that CIDA may tackle. For example, in one interviewee's opinion, the "new" poor of Southeast Asia—many of whom are fairly well-educated and young—may pose a significant threat to local stability, and hence the sustainability of development efforts. This being the case, efforts may be made to confront this relative poverty at the same time as addressing the continuing challenges of absolute poverty.

Gender equality

"Attention to gender equality is essential to sound development practice.... If the realities and voices of fifty percent of the population are ignored, CIDA's objectives 'to reduce poverty and to contribute to a more secure, equitable and prosperous world' will not be met."

Policy Consultation on the Draft CIDA Policy on Gender Equality, 4.5 and 4.6

In 1997, CIDA submitted *Gender Analysis in Poverty Reduction: Opportunities and Obstacles* to the DAC expert group on women in development, in an effort to highlight the importance of gender analysis in ensuring effective poverty reduction efforts and the success of the goals of *Shaping the 21st Century*. This contribution illustrates CIDA's perception of the clear linkage between addressing gender inequality and effective, sustainable poverty reduction.

Chronic vs. transient

It is understood that poverty can be both chronic and transient, and efforts are made to respond to the needs of people experiencing both.

Spatial/geographic dimensions

Location is one of the many factors understood to underlie, contribute to, and exacerbate poverty. Geographic targeting and the use of locally-based executing agencies are some of the ways in which CIDA responds to this dimension. Furthermore, in addition to its rural-based programming, CIDA's *An Urbanizing World: Statement on Sustainable Cities*, highlights the increasing importance of poverty and environmental crises in urban centres.

Governance

As one of CIDA's six priority programming areas, governance, human rights, and democratic development are seen as crucial to effective development. Increased respect for the rights of the poor (and especially women), increased capacity to govern

democratically with greater input from the poor, and more efficient delivery of scarce resources to local populations are among the key impacts which governance programming is expected to have on poverty reduction.

Targeting mechanisms

There is no single policy at CIDA with respect to targeting, although the WID & GE policy clearly identifies women as essential targets for PR efforts. Different country and program desks have different experiences with the issue and many attempt to target based on local contexts. Given CIDA's operational structure, most targeting is carried out (formally or informally) by the CEA. As such, the importance of the indicators below depend on the circumstances of individual interventions.

Poverty indicators

The following indicators were provided by interviewees:

- Average per capita national, regional, and sub-regional GDP/GNP;
- Per capita national, regional, and sub-regional food availability/consumption;
- Individual income/wealth (including housing, assets);
- Individual consumption (amount and quality/type of food);
- Individual human capital (education, training);
- Location (rural vs. urban; easy vs. limited access);
- Gender criteria (sex, discrimination against women, barriers to equal access/opportunity); Socioeconomic groups (e.g. landless; smallholders, etc.);
- Ethnic, religious, class/caste groups;
- Internally displaced persons (conflict or natural disaster).

Conclusions 1.2

CIDA has a strong analytical understanding of poverty, especially when due attention is paid to gender. There is a healthy range of opinions as to what poverty is and many of its causes and consequences. In the application of this understanding, however, there are many significant gaps in the overall capacity to apply the conceptualization of poverty to the program and operational realities of all six of its programming priorities. This is the subject of sections 2 and 3, and the main impediment to CIDA's mainstreaming efforts.

1.3 Underlying Models and Approaches to Poverty Reduction

1.3.1 Models and narratives

“Growth is integral to poverty reduction, if not the critical factor. Without growth, all you have to redistribute is poverty.”

CIDA interviewee

There is no official model of development governing CIDA interventions. However, analysis of CIDA documentation and interview responses do lead to various conclusions. Beginning with an underlying acceptance of the importance of following a neo-liberal, open economy, global integration model, CIDA’s programming priorities set the stage for a combination of economic, social, political, and gender narratives. While it is generally felt that the economic model of general (and ideally pro-poor) growth is a necessary but insufficient condition for effective poverty reduction, the dominance of subsequent development models depends on the context of individual project or program interventions.

Each of CIDA’s six programming priorities emphasizes a different model or combination of models. Basic Human Needs focuses on a social narrative, for example, through an emphasis on providing for necessities of life which have been identified by the poor themselves, whereas WID & GE is based on a gender model of development. Private Sector Development encompasses aspects of economic growth (with an assumption of trickle down), with pro-poor productivity-enhancement, and addressing barriers to access to financial services and productive assets. For example, the Tanzanian programming framework’s development goal is “ to support poverty reduction by increasing income-generating capacity, primarily of the underprivileged” (*Tanzania: Programming Framework*, p. 14). Governance, Human Rights, and Democratic Development target both a range of political narratives and public sector constraints to economic growth. Finally, both Infrastructure Services and Environment mesh economic models of pro-poor growth with social models focusing on basic needs

In some cases, approaches that did not emphasize poverty directly were perceived as equally valid for PR. For example, although many interviewees believed that economic trickle-down did not work, it was clear that others felt it still had validity and was sufficient for PR. Similarly, the increasing importance of governance interventions which did not directly address the poor or PR could be explained by an implicit belief in a type of poverty-related governance trickle-down .

Overall, no conclusion can be reached as to official or hierarchical preferences between the different models. In most cases, a healthy respect for all models was apparent, as was a willingness to combine complementary aspects of a variety of these models.

1.3.2 Approaches

CIDA's Policy on Poverty Reduction is the only guidance document which focuses exclusively on poverty. Programming strategies include:

1. addressing the root causes and structural factors underlying poverty;
2. adopting a multi-level (micro, meso, macro) strategy;
3. addressing poverty through targeted, focused, and policy interventions;
4. combining economic growth with social investments;
5. addressing basic human needs;
6. achieving food security; and
7. promoting participatory approaches, building networks, and involving governments.

CIDA's gender policy also targets PR through its perspective on women as key representatives of the poor and agents of positive change, as well as the importance of gender analysis to an understanding of the determinants and characteristics, and avenues out, of poverty.

Just as the economic model is considered key to success in other areas of PR, addressing economic conditions (a money-metric approach) can be considered central to most of CIDA's PR interventions. Once again, this is not done in isolation from a participatory approach and the application of social analysis. However, these last two approaches are most likely to be associated with Basic Human Needs and Gender interventions, with occasional application to the Environment and Governance programs.

1.3.3 Definitions used by officials

See Annex 2: Definitions

Conclusions 1.3

CIDA programs and operations are not officially or explicitly model based. Different models and approaches guide interventions depending on their individual characteristics. Beyond a common focus on economic growth at individual and national levels, the application of models and approaches is varied.

1.4 The Agency's Perception of its Roles in PR

1.4.1 What are the main aid channels for achieving PR?

CIDA involves itself directly as a bilateral donor in program and project support in all areas of its six programming priorities. In addition to projects carried out by Canadian NGOs, private sector firms, and civil society organizations, these groups can also receive Partnership Branch support to engage in self-directed activities and programming that correspond to CIDA's developmental goals and are intended to establish long-lasting partnerships with like-minded organizations in developing countries.

CIDA also plays a role through policy-dialogue and financial support at the multilateral level with the International Monetary Fund, World Bank, regional development banks, Commonwealth, La Francophonie, United Nations, and other multilateral fora, where CIDA promotes increased awareness of poverty issues, encourages the adoption of a more pro-poor orientation, and supports direct PR programs and projects.

Within the range of these bilateral and multilateral activities, CIDA focuses at multiple levels, for example, so that macroeconomic improvements are fostered concurrently with political and judicial reforms. At the same time, support for local governance and institutional capacity building is combined with targeted interventions towards micro, household, and individual needs-satisfaction and human capital development.

1.4.2 What is the approach to the Agency-partner relationships for PR?

"A wide range of development partners in Canada, along with a large number of international organizations and, most importantly, the people and institutions of developing countries, play a vital role in the development of policy and in the planning and delivery of Canada's ODA. Their contribution is essential to providing the range of expertise, knowledge and resources required to meet the many diverse challenges of international development."

Canada in the World, p. 43

CIDA policies and guidelines support collaborative development planning with recipient governments, NGOs, and project beneficiaries. Programs and projects are expected to be developed in a participatory manner with partner input at all stages of the project cycle. Ongoing involvement also includes annual consultations with partners. In practice, however, the Agency has a great deal more work to do to ensure true partnership and collaboration. Many programming frameworks and projects continue to be developed with insufficient consultation, and are often presented as more or less final products to developing country partners for their approval (see Conclusions 3.1).

1.4.3 Coherence in the broader international policy environment

Non-aid policies

CIDA personnel are often directly involved in consultations with other government departments about traditional non-aid policies. In the case of debt relief, CIDA collaborates with the Department of Finance and may participate in Paris Club negotiations. CIDA also participates in interdepartmental reviews such as that of the Canadian General Preferential Tariff scheme. In the case of peacebuilding, CIDA and the Department of Foreign Affairs and International Trade (DFAIT) jointly administer a \$10 million fund. There are however, definite gaps in, and untapped opportunities for, interdepartmental cooperation and policy coordination. These are currently being investigated by a CIDA and International Development Research Centre (IDRC)-supported North-South Institute study of policy coherence in Canada's relations with developing countries.

International dimensions

CIDA recognizes that the integration of developing countries in global markets can both provide positive development opportunities and have detrimental destabilizing impacts. In its continued promotion of economic liberalization, CIDA has provided technical assistance to governments. It does not appear, however, to have acknowledged the potential validity of infant industry or other protectionist policies that are regularly employed by donors, Canada included, in their own countries.

Integration policies

CIDA supports efforts to foster regional trade and cooperation throughout the world. Specific examples include assistance to the Caribbean Common Market (Caricom), the South Asia Association for Regional Cooperation (SAARC), the Asia-Pacific Economic Cooperation (APEC) forum, and the Free Trade Area of the Americas (FTAA).

Conclusions 1.4

CIDA approaches PR through both bilateral and multilateral channels. It attempts to do so in a coherent manner in cooperation with recipient governments, other aid donors, and different departments of the Canadian government. In many parts of the Agency, however, good practice lags behind good intentions, and greater efforts are required to ensure cooperation, coherence, and partnership. It is also important to note that while CIDA (and most other donors) promotes a focus on the poorest of the poor, many interviewees clearly stated that CIDA did not generally work with the poorest of the poor, but rather with the poorest of the economically active poor. The poorest of the poor, if understood to be on the very margins of survival, require a type of welfare support that CIDA neither normally engages in (beyond its humanitarian/emergency aid efforts), nor is suited to providing.

1.5 Agency Spending and Poverty Reduction

“Thus, at the end of the 1990s, there is a paradox at the heart of Canada’s internationalism. The determination continues to be involved in a very wide range of issues and with as wide a range of partners and multilateral organizations as possible, while the aid budget has been cut by 29 percent over six years. This paradox raises concerns about Canada’s ability to meet expectations about Canada’s role in the world, both at home and internationally.”

OECD, *Development Cooperation Review Series—Canada 1998*, p. 9.

In 1991/92, Canada’s ODA stood at 0.49 % of GNP. This fell to 0.31 % in 1997/98 and is expected to fall to 0.28 % for 1998/99. Overall, since 1991/92, the real value of Canadian ODA (1998 dollars) declined by close to 32 %.

While all of CIDA’s programs have had to contend with reduced spending in response to budget cuts, studies of funding to agriculture, food, and nutrition indicate that poverty focused project funding declined by 50 % between 1992/93 and 1996/97, while food security funding fell 87 % between 1991/92 and 1996/97. In Africa, the decline in disbursements for agriculture, food, and nutrition was 80 %, while support for the poorest (food deficit) countries in Africa declined by 87 % between 1990/91 and 1994/95 (See *A Review of CIDA’s Investment in Food Security, 1986/87—1996/97*, and *Helping others feed themselves: Assessing CIDA’s level of effort in Agriculture, Food and Nutrition*).

Although, as previously noted in 1.1.3, there are serious deficiencies in CIDA’s project coding and measurement system, and hence the ability of these statistics to give an accurate reading of CIDA’s overall poverty efforts, as a proxy for CIDA’s commitment to PR, the figures for agriculture, food, and nutrition disbursements are profoundly disturbing. Unfortunately, CIDA itself is unclear as to the reasons for the disproportionate reduction in spending in these areas.

Conclusions 1.5

Funding allocations for PR efforts are an important signal, both internally to Agency personnel and externally to the international community, of a country’s prioritization of poverty reduction. In this sense, the numbers are not in CIDA’s favour. While coding limitations—and the fact that CIDA’s programming structure claims to address poverty intrinsically—make firm conclusions in this area problematic, overall ODA and poverty specific figures, in combination with the DAC’s observation about Canada, do call into question CIDA’s ability to meet its commitments to both its own internal poverty mandate and to the international obligations of the World Food Summit and *Shaping the 21st Century*.

Section 2: Management for “Mainstreaming” Poverty Reduction Within CIDA

2.1 CIDA and process in brief

CIDA’s development interventions take place at the multilateral level, through policy level dialogue and financial support for multilateral institutions and initiatives; and at the bilateral level through project-based interventions, program support to Canadian NGOs and other civil society organizations, and project support for private sector ventures in developing countries.

The guiding principles for each of these interventions are contained in a programming framework which is established for each major country, region, institution, or program in which CIDA has an ongoing commitment. These programming frameworks set the broad parameters for the choice of projects and programs and illustrate the linkages between those parameters and CIDA’s policy priorities. This is the first place where guidance on PR can be expected.

At the project level, the *Geographic Programs Roadmap* guides officers in the conceptualization, development, implementation, monitoring, evaluation, and closure of bilateral projects. This is the second place where guidance on PR can be expected.

Finally, while the frameworks and the roadmap are rough guides to project and program activities, senior management has the final word on what goes and what doesn’t. The executive hierarchy at CIDA is as follows:

- President
- Vice-President
- Director-General
- Country Program Director;
- Director of Operations;
- Regional Director;
- Chief of Operations;
- Program Manager.

This structure is the third place where guidance on PR can be expected.

2.1.1 “Mainstreaming” PR Activities: Modalities and Mechanisms for Implementation

2.1.1.1 Guidance

Except for the programming strategies outlined in CIDA’s Poverty Reduction policy, PR-related guidance for programming and projects is limited. Along with a variety of other requirements, issues of poverty and the needs of the poor are supposed to be addressed by each programming framework. However, there are no explicit requirements for the inclusion of expected poverty based results, nor are there any explicit penalties for overlooking poverty issues. That being the case, the presence of poverty reduction objectives in a programming framework depends mainly on who authors the framework, and the management structures involved in its approval.

At the project level, the *Geographic Programs Roadmap* (GPR) reminds officers that CIDA’s PR policy must be incorporated into project selection and design. In project identification, “Special efforts will be required to ensure that the poor and the disadvantaged with the target groups are included in the consultations and subsequent project cycle activities. Particular attention is required to ensure that the needs and interests of women are addressed in the consultations and that they are involved in the decision making process” (GPR 4.2.3). Under screening criteria for CIDA policy linkages, there is a question as to whether the project responds to CIDA’s mandate for poverty reduction (GPR 4.4), and within the analysis required for projects, the impact on the poor is one of the aspects that should be considered. (GPR 6.3.5). While an updated version of the GPR will further elaborate CIDA’s PR policy and describe the necessity for a clear understanding of country and localized characteristics of poverty, the document will not contain absolute requirements for addressing PR.

Beyond these two documents, indications of good practice come from messages relayed by management. These may or may not be related to PR, depending on the personal objectives of the country director, director-general, or vice-president. Indeed, for many of the interviewees, the main messages from senior management were not poverty related. This may be changing as a result, among other things, of criticism of non-poverty oriented frameworks by the policy committee that is responsible for ensuring adherence to CIDA policies. Thus, as new policy frameworks are developed, they may begin to provide clearer guidance in the area of PR

Finally, Policy Branch, which has corporate responsibility for promoting the PR policy and facilitating its operationalization, has hired a consultant to coordinate the Poverty Reduction Working Group (PRWG) that aims to revitalize PR mainstreaming within CIDA. This group is attempting to analyze PR-related corporate needs, identify strengths and weaknesses, and focus on the challenges of operationalizing PR objectives.

2.1.1.2 Procedures

Of all the cross-cutting issues considered in this study, only gender and environment are systematically mainstreamed into development programming. CIDA’s WID & GE policy

states that gender analysis is required for project and program development and appraisal, although there is no requirement for a gender specialist to sign-off on the project. By comparison, the legally binding Canadian Environmental Assessment Act requires that all projects and programs include an assessment of potential environmental impacts (see *Environmental Assessment at CIDA*), and in some branches an environmental specialist needs to personally sign-off on the project approval document. Thus, in all cases, a preliminary environmental analysis and at least a cursory treatment of gender are required for a project to be approved.

2.1.1.3 Linkages between poverty reduction and gender equality

Gender at CIDA is both mainstreamed and dealt with by a separate unit. The unit provides resources, guidance, and advocacy to facilitate the mainstreaming effort. In addition to a director of the program, gender experts are associated with each branch as technical advisors, and further gender expertise may be sent to, or hired in, the field. The mainstreaming process is supported by a gender mandate (WID & GE as a programming priority) within the Agency, and associated budgetary allocations. It should be noted, however, that the success of gender mainstreaming remains mixed. While gender awareness in CIDA has increased, the performance review of Basic Human Needs programming concludes that “the integration of gender equity concerns has not advanced very far beyond the micro level” (*Performance Review Report: Basic Human Needs*, p. 40). Furthermore, the WID & GE performance review raises its own concerns about insufficient attention to, and application of, gender analysis, a continued misunderstanding of gender issues, and insufficient resource allocations. In fact, CIDA’s own survey found that 25% of surveyed officers remained “unsympathetic” to WID & GE (*Performance Review Report: Women in Development and Gender Equity*, p. 12).

2.1.1.4 Senior management and gender equality

As previously discussed, CIDA has long been considered an advocate of gender equality. Senior management is viewed as supporting gender equality and poverty programming in principle. However, the performance review of WID & GE mentioned above also identified a need to enhance senior management commitment, and indicated that there were still “hard-core skeptics” among Agency personnel (*Performance Review Report: Women in Development and Gender Equity*, p. 7 and 12).

2.1.1.5 Incentives

General incentives (both institutional and career) for Agency staff are not geared to encouraging a focus on poverty reduction except when PR is a direct, expected result of a project or program. Professional achievement is neither linked to PR impacts *per se*, nor is one’s career at CIDA likely to be affected by the existence, or lack, of a personal commitment to PR. While developmental effectiveness is important, there are no incentives to search for programming choices that are developmentally effective and include a poverty focus. Furthermore, as previously indicated in section 2.1.1.1, there are no systematic disincentives which prevent a non-PR focus.

In some cases, country directors, director-generals and/or vice-presidents do signal that poverty reduction is an important consideration, and may in fact disallow proposals that fail to account for PR. However, this varies greatly from branch to branch and from country to country. The fact remains that while personnel are responsible for the impacts of their projects, those impacts need not be specifically poverty related. Similarly for the CEAs, poverty reduction impacts are only important insofar as they are part of the original expected results of the project or program.

Ultimately, while personnel generally feel free to take risks in project planning and design, there are no clear systematic indications that poverty reduction is an activity that is valued above others. This stems in part from a lack of procedural requirements in the project cycle, and in part from mixed messages from senior management that poverty reduction is one of many (and often the less urgent) priorities. Regardless of its cause, this is an area that must be seriously addressed if CIDA's PR mainstreaming efforts are to succeed.

2.1.2 "Mainstreaming" PR for country operations

Procedures

Country strategies and programs must conform to CIDA's overall mandate and its programming priorities. Given the implicit link between these priorities and PR, there are no explicit Agency wide mechanisms in place to ensure the inclusion of PR objectives. As explained in 2.1.1.1, programming guidelines and the project roadmap do discuss the inclusion of poverty considerations. However, even as CIDA finalizes its shift to results-based management, there are no specific requirements for including expected poverty based results. In some cases, individual country desks have included expected poverty results directly in the project approval document, thus ensuring that attention is paid to this issue. This is not the norm, however, and a project can move from a concept paper, to project appraisal, to project approval document, to signed contract, without necessarily incorporating PR aims.

Approval

For major projects to proceed, an initial concept paper must be approved by the vice-president of each branch. Once the project is proven viable and relevant, the project approval document is submitted to the vice-president for approval, and then sent on to CIDA's president. If the project costs exceed C\$100,000, ministerial approval is also required. Once again, beyond the personal commitment of the individuals involved, there is nothing in the approval process that systematizes the inclusion of PR objectives and results.

Monitoring

The implementation of country strategy plans and individual projects are monitored and assessed by means of ongoing reports and external monitoring missions to ensure that

they are meeting their expected results. As previously indicated, monitored results need not have been poverty related, and in the absence of poverty objectives, monitoring will not include a poverty focus.

Partnerships

In countries where Canada has an embassy or high commission, CIDA personnel may be affiliated with the embassy. Otherwise, another embassy employee will serve as the post liaison with CIDA headquarters. This person liaises with developing-country authorities, and is relied upon a great deal to assess project ideas, articulate local needs, and keep CIDA apprised of events.

Conclusions 2.1

In certain parts of CIDA, there are good systems in place to facilitate and ensure the inclusion of PR objectives. However, as a whole, CIDA has not established a system to ensure the mainstreaming of PR, nor are there systemic incentives for employees to pursue development planning with PR in mind. The challenges facing the Agency in mainstreaming PR are very similar to those faced by CIDA's Gender Equality team in mainstreaming gender. As such, the recommendations arising from the Performance Review Report on WID & GE also apply to CIDA's PR mainstreaming efforts, namely:

1. clarify the importance of poverty reduction as a cross-cutting issue;
2. enhance senior management commitment to PR;
3. allocate adequate resources;
4. establish accountability and monitoring mechanisms; and
5. measure achievement of PR targets.

2.2 Availability and Deployment of Appropriate Skills

2.2.1 Skills

Of CIDA's 1,321 employees, 103 are considered skilled technical advisors. A third of these are social scientists (economists, sociologists, statisticians, educational specialists, and information specialists) and 15 are in agriculture and forestry. The networks among these specialists seem to function quite effectively. However, communication across disciplines is seen as limited, as is communication from analysts and technical advisors down to development officers. That being said, it is also the case that most of CIDA's program administrators, management trainees, foreign service, and executive personnel are also skilled through formal education and/or development field experience in areas relating to social development, the social sector, economics, and other disciplines required for effective PR programming.

Interviewees at the Agency generally perceived that CIDA lacks many of the in-house skilled personnel required for effective development programming in its priority areas. They also felt that there were insufficient numbers of advisors in their own specific areas of expertise, as well as in other areas. The analysis presented in Table 1 below (Table 4 on the ODI Template) is a reflection of CIDA’s analytical capabilities as indicated by its science and professional staff category, and most interview responses.

To bridge the gap, these in-house resources are complemented by the extensive use of consultants. However, the potential loss of institutional capacity and lessons learned through the use of consulting services is a serious impediment to CIDA’s ongoing efforts to develop poverty reduction programming capacity.

Table 1: Skill Availability Among Permanent CIDA Staff

Skills related to effective poverty reduction	Availability		
	Strong	Adequate	Inadequate
Social development			X
Economics		X	
Gender			X
Governance			X
Institution building			X
Environment			X
Natural resources			X
Social sector (education, health care, etc.)			X

2.2.2 Training

Training at CIDA is not obligatory. And while no core PR training yet exists at CIDA, a course is currently being developed in the area of poverty reduction and individual seminars have been presented by both the Poverty Reduction Working Group and Asia Branch’s Poverty Project. Furthermore, among existing courses, *Development Macroeconomics Policy* includes components on both poverty and gender. There are also training sessions in WID & GE.

The availability of, and attendance at, these training sessions are very important to the success of mainstreaming efforts. For example, the Performance Review of CIDA’s WID &

GE policy discovered that most CIDA officers who were unsympathetic to gender issues had not attended gender training sessions (*Performance Review Report, WID & GE*, p. 12). In general, these sessions were highly valued by participants, although some of those with more experience in gender issues found that there was insufficient depth in the presentation of issues.

Apart from the courses noted above, and accepting that individual examples elsewhere in CIDA may exist, the only PR training course discovered during this study was a program in poverty issues in Americas Branch. The branch policy analyst produced learning resources and provided training on issues of equity and poverty reduction for both headquarters and field representatives. The typical training agenda included: 1) relationships between equity, growth, and poverty reduction; 2) equity, basic human needs, and the DAC 21st Century goals; 3) equitable economic modernization; and 4) equity planning tools (see *Equity for Sustainable Growth and Poverty Reduction By US—for US Training Session*).

2.2.3 Organizational strategy

As explained in 2.1.2, CIDA staff may serve overseas as field support units or to direct aid in-country. While field staff have access to limited funds for local projects (Canada Funds), the decisions on CIDA projects and programs are made in Canada. Field officers are considered key advisors to development officers and analysts, and their support for a project may be crucial to its success. However, they do not have veto power, nor can they initiate major projects on their own. That being said, there appears to be a great deal of cooperation and communication between field staff and those located in Canada.

2.2.4 The Agency's choice of options

As a result of historical relationships, specific technology transfer needs, and government requirements for accountability and Canadian content, almost all CIDA projects are contracted to Canadian Executing Agencies.

Within CIDA itself, as a result of both budgetary limitations relating to allocations for salaries and time constraints, much of the required expertise has been contracted instead of being hired or developed in-house. Among CIDA staff, there remains a great deal of dissatisfaction with this situation, although the degree of dissatisfaction has lessened over the past two years.

Conclusions 2.2

CIDA is very much aware of its weakness in in-house expertise and has undertaken a variety of initiatives to address it. Unfortunately, until budgetary allocations allow for increases in both personnel and time, contracting is likely to remain at high levels. That being the case, it behooves CIDA to institute some systematic way of ensuring that the lessons-learned by contracted employees and CEAs make their way into CIDA's institutional memory.

2.3 Monitoring PR Performance

CIDA has recently shifted to a results-based management framework. The annual project performance review measures outcomes against expected results. Expected results are measured against actual results during project monitoring and evaluation. Monitoring takes place through project reports and external missions. Project reviews are then synthesized into annual branch performance review reports which are submitted to the executive committee made up of the CIDA president and branch vice-presidents. However, unless results are already linked to poverty reduction indicators (or at least gender-related indicators), project performance will not necessarily assess impact on the poor. Where results are related to poverty reduction, the impact on the poor will be assessed through identified indicators such as income generation, calorie consumption, etc.

In responding to questions concerning criteria for success, there was general consensus that projects are considered to be successful if they are effectively planned, adequately assessed for risk, and if their actual results match those anticipated. Poverty reduction impacts were not deemed relevant to the success or failure of a project.

Although not systematized, in some cases, individual country desks will commission an impact or best practice study focusing on poverty related objectives, or carry out internal exercises. As discussed in Section 3.4.2, the Ghana program produced its own poverty analysis of programming, and the Bangladesh program commissioned a study looking at the effects of CIDA-supported projects on the lives of Bangladeshi children.

Conclusions 2.3

With its shift to results-based management, the only way in which PR objectives will be monitored is through their inclusion as expected project results. CIDA personnel identified a clear need for better indicators of development and poverty reduction results, so that these could be included for future measurement. Until these indicators, or a method for locally determining these indicators, are established, measuring poverty results is unlikely to occur. However, both during the time that tools for PR measurement are being developed, and after they become available, effective PR mainstreaming and monitoring will still require a clear signal from senior management that directs staff to include poverty results statements for all relevant projects.

2.4 Learning Lessons and Feedback

2.4.1 Lessons of experience in relation to poverty reduction

Formal:

CIDA has a number of formal mechanisms for synthesizing information and making it available to personnel. These include:

1. CIDA's Corporate Memory provides project summaries for all approved bilateral and partnership projects, based on coded submissions by development officers. Summaries include project titles, type, location, stage, approval and completion dates, sectoral focus, a CIDA contact name, financial information, and data on executing agencies, including local partners. Project descriptions include rationale, goal, purpose, and Canada's role. This is a first stop for many desk officers trying to determine what CIDA has done in areas relevant to their interests. Unfortunately, a combination of coding limitations, a lack of shared understanding of how coding should be done, and the scarcity of time for verification of reports by submitting officers result in much of the Corporate Memory information being of limited use.
2. Detailed databases specific to branch or program needs also exist in both Partnership Branch and in Central and Eastern Europe Branch. These are excellent resources for providing required information rapidly and easily. Unfortunately, given the specificity of information, one area's database may be of limited use and not understandable to untrained personnel in other areas.
3. The President's Best Practice Forum is a relatively new undertaking at CIDA to provide an opportunity for personnel (and the public) to learn about important development issues. The May 1998 forum on poverty reduction brought together outside experts and CIDA staff with relevant information and experience, which were then shared with others in a fairly participatory manner.
4. Opportunities for sharing information arise during regular branch, program, and project management meetings, during which time may be set aside for presentations by resource people on key issues and for sharing lessons learned. The main constraint here is time. Because meetings devote most of their attention to administrative issues, the value-added per time spent by staff not involved in these issues can be fairly low. In some cases, operations officers are also discouraged from attending branch-level meetings, although some country directors do debrief officers at a later date.
5. Program evaluations and project monitoring, evaluation, and closure reports are also sources of information. CIDA's Performance Review Branch, in addition to being involved in these evaluations, also reviews CIDA's programming priorities. These individual project and program evaluations, in addition to the policy program reviews, generate a great deal of valuable information. However, this information is often gathered by non-CIDA (contracted) personnel. Furthermore, in the absence of a systematized poverty reduction focus, the poverty specific lessons learned from these documents are

not readily available and often need to be extracted on an individual basis. In one exceptional case project evaluations were conducted by the internal branch personnel working in teams rather than by contracted evaluators. While this required a heavy time commitment by staff, it offered a unique opportunity to become intimately aware of project and program strengths and weaknesses, and to retain this information within CIDA's institutional memory.

6. Efforts are being undertaken by both the Poverty Reduction Working Group and the Asia Branch Poverty Project (see Section 3.4.2), to consolidate lessons learned, provide workshops and training opportunities, and otherwise disseminate information.

7. CIDA's library is a source of PR and other development information, with subscriptions to a variety of journals and magazines in addition to numerous series and books.

8. CIDA also has an internal website "entre-nous" which is currently being developed to provide space and opportunities for the exchange of best practice and lessons learned by personnel.

9. Internal and external lessons learned are also collected through commissioned studies. There are numerous examples of documents detailing best practices and impacts of CIDA activities. These include, among others: "The Social Dimensions of Development At CIDA: Assessment of Experience and Action Strategy;" "Participatory Development: A Brief Review of CIDA's Experience and Potential;" "Mainstreaming Participatory Development, Experiences and Lessons of the Inter-Agency Group on Participation;" "Creating a world of equality: CIDA, women and empowerment in developing countries;" and "The Voices of Bangladeshi Children." Unfortunately, it appears that many of these documents are unknown and unused outside the branch or individual division where they were produced.

10. Internationally, CIDA's active participation in multilateral organizations and donor and development forums, conferences, and negotiations allow participating personnel to gather information from other governments and development actors.

11. Finally, CIDA's corporate information management system, PHOENIX, is expected to provide much greater access and opportunities for the collection, organization and dissemination of information.

Informal:

Although formal mechanisms are numerous, most interviewees felt that the vast majority of lessons learned at CIDA are shared through informal networks, brown-bag lunches, and personal exchange. Within country or program groupings, consultation with colleagues and field personnel often provide the best exposure to relevant information. Similarly, networks of analysts and advisors are heavily relied upon. Desk-to-field communication is also cited as a key resource for information-sharing.

While the “team approach” to project development has ceased to be official CIDA policy (although some areas in CIDA maintain this approach as part of their systems), informal consultation groups or project teams continue to be formed, based on personal initiatives. It was widely noted that the team approach is crucial to the dissemination of effective information and many felt that this approach should once again be applied throughout CIDA.

Finally, regular field visits to projects are one of the key ways in which personnel stay in touch with the grassroots reality and directly relate to the effects of interventions.

2.4.2 Feedback mechanisms for evaluating gender “mainstreaming” in PR

The extent to which gender is mainstreamed into PR is not treated separately from the issue of gender mainstreaming overall. Gender impacts are assessed as part of the overall monitoring and evaluation procedures at CIDA, on a per project and per program basis as a function of the gender-related results which had been anticipated. Recently, the programming priority itself was evaluated by CIDA’s Performance Review Branch (see Sections 2.1.1.3 and 2.1.1.4).

2.4.3 Feedback into PR policy, guidance, decisionmaking, and management

As with all bureaucracies, information flows through a series of locks intended to prevent useless or damaging information from flowing up the ladder. Examples of innovative and successful projects will quickly make their way to the president. Lessons learned which are indicative of problems, however, may move more slowly. That being said, senior management does appear receptive to the lessons learned by CIDA personnel and outside development organizations. Unfortunately, significant time and organizational limitations prevent many of these lessons from being rapidly absorbed. These include the absence of a systematic and user-friendly information-sharing system with consistent formats and definitions, and, more importantly, the scarcity of time for absorbing and discussing this information.

There are also perceived “culture-gaps” in information gathering and interpretation. Policy Branch, the corporate lead for PR policy development and mainstreaming at CIDA, would like to be viewed as a collaborative policy coordinator. However, it is clear that the gulf between policy and operations is extensive: Policy Branch is seen by some as an ivory tower, out of touch with operational realities and unwilling to solicit the views of personnel who work within these operational frameworks. As a result, many of the policy, strategy, and guidance documents are viewed as excessively bureaucratic and of limited value-added. Operations, for their part, are perceived by some in Policy as paying insufficient attention to the policy foundations of development work. Policy Branch is aware of these perceptions and efforts are underway to ensure that policies and procedures are developed in a more participatory manner and are more operations/programming friendly.

Conclusions 2.4

The effective management and application of information may be the most significant challenge facing any organization. Within CIDA, and certainly within the expanded arena of CIDA and its CEA, NGO, and civil society partners, there is a vast wealth of knowledge and insight into effective practices in PR, strengths, weaknesses, and solutions to current challenges. There was almost unanimous agreement that the Agency is weakest in the area of disseminating and incorporating this knowledge.

To an extent, this reflects the absence or limitations of a system for mainstreaming PR within the Agency. Such a system, with appropriate checks and balances, should facilitate better, more consistent information gathering and dissemination, both vertically and horizontally. As part of its annual branch performance review exercise, just as there are gender-based indicators that must be addressed, CIDA should consider including poverty reduction-based indicators of impacts and results achieved.

However, even with such a system in place, a formal structure for information gathering and dissemination will be required. PHOENIX may satisfy this need. To do so, it will need to provide both an opportunity for the exchange of ideas (via workshops, forums, internal websites, etc.) and a user-friendly, centrally accessible source of reliably synthesized data stemming from these exchanges.

Section 3:

Poverty Reduction Operations at the Developing-Country Level

Although this section is primarily based on the study of programs and procedures of the Bangladesh and Mali country desks, the information below applies to many of CIDA's other programs.

3.1 Partnership: Approach and Modalities

"Neither the DAC nor the World Bank should tell any developing country how to cut bread."

CIDA Interviewee

Depending on the nature of CIDA's intervention, different partners are involved at different levels. In many countries where CIDA has a presence, senior recipient-government representatives are consulted and advised about CIDA programs and projects. Where aid field staff are stationed, these relationships will often be on-going, both formally through meetings and collaborative activities, and informally. Otherwise, recipient-government representatives meet with CIDA personnel on a regular basis (generally annually) during field visits.

Senior recipient-government ministries (finance, development, and sector-specific) are supposed to be consulted prior to the drafting of the country programming framework. The recipient government is then presented with the framework document for approval. That is not to say that its approval is required for the document to be accepted by CIDA, but rather that it is asked to approve the orientation of the framework in general. Consultation on programming frameworks may also take place with local representatives of industry, NGOs, and intended beneficiaries.

CIDA requires the explicit approval of the recipient government for a (major) bilateral project to be operationalized. Ideally, the project will have been developed with recipient input at the outset, and will reflect local needs and priorities (and ideally, this will have taken place through participatory consultations). For example, in Mali, once a project is in place, annual meetings take place with all project stakeholders, including the CEA, project beneficiaries, and government representatives. This meeting, over a one- to two-day time span, assesses the impacts and experiences of the previous year, determines the agenda

for the next year, and confronts existing challenges. Following this larger meeting, a short meeting is held with the CEA and a senior government representative, during which the government is asked to accept the plan for the next year.

In addition to government partnerships, CIDA's project and program support to Canadian NGOs, private sector firms, and civil society organizations emphasizes local ownership and participation by private sector and nongovernmental members of society. Each of the NGOs, firms, and civil society organizations (CSOs) is expected to forge long-standing relationships with local like-minded organizations, and to facilitate their capacity to deliver effective development programs. In practice, while many successful partnerships have been fostered, others remain unbalanced or insufficiently developed.

As part of this partnership approach, and within the rubric of its program in governance, CIDA often targets capacity building efforts, either within existing projects or as projects in themselves, in order to increase the institutional ability of the recipient government to effectively manage its development resources.

Conclusions 3.1

As indicated in the opening quote, many in CIDA display a very healthy attitude toward partnership, and the Agency has a good reputation for consultation and participatory approaches to project design and implementation. As all donors know, without the approval of national and local authorities, and without the participation of beneficiary populations, effective development will not occur. In many countries, CIDA takes this obligation quite seriously.

However, while instructions for participation by, and consultation with, recipients are contained in program and project guidelines, the extent of this participation varies considerably from country to country and branch to branch. In many cases, projects and programs are planned with little input by developing-country partners, and are presented to them as a *fait accompli* for their approval. Here also, a more systemic approach to consultation will be required to overcome this.

3.2 Country Coordination for PR

In some cases, there is fairly good coordination and sharing of information between bilateral country program staff, and their counterparts in Partnership and Multilateral Branches. This sharing extends to field officers at Canadian posts. Within countries, Canada participates in a variety of donor coordinating bodies, both internationally (IMF, World Bank, regional development banks, UN agencies, etc.) and at the country level. For example, in Bangladesh (which is seen as better than most countries with respect to donor coordination), there is a series of donor-led meetings, in addition to 16 different thematic groups which involve donors, government, and NGOs. There are also monthly meetings (not entirely formal) of heads of aid or their alternates. Canada has also co-financed

studies and facilitated preparation of Bangladeshi submissions to annual consultative group meetings in Paris. As a further benefit to this exercise, it is believed that this process of studies, research, and political advocacy is becoming increasingly owned and managed by the government of Bangladesh. Overall, Canada has had some success, along with like-minded donors, in promoting a more poverty oriented agenda at the World Bank and consultative groups (for example, at an international level, Canada and other donors have influenced the Consultative Group on International Agricultural Research (CGIAR) to reorient its mission toward PR).

However, while numerous opportunities for coordination exist, these do not always lead to effective cooperation nor avoid the duplication of effort. In general, the success or failure of donor coordination and coordinating bodies is very context-specific, depending on such issues as the relative power of national governments to say “no,” and the area and sector of involvement.

One interesting comment was made, suggesting that coordination need not lead to local ownership, as is the case when like-minded donors adopt a united front that promotes their priorities and conditions over local objectives.

Conclusions 3.2

Donor coordination appears to be on the rise internationally and in many countries. However, the impact of such coordination has yet to be determined. While this is an opportunity for Canada to promote a PR agenda and ensure effective development interventions based on donor comparative advantage, PR is not the only goal being pursued. One example of coordination that does not prioritize PR can be found in Canada’s attempt to gain support for its seat on the UN Security Council: some of the stronger positions in favour of PR—which had hitherto been promoted by Canada—may have been weakened to avoid upsetting potential supporters of the Canadian bid. This example is provided solely to illustrate the fact that unless all CIDA personnel perceive PR as the key policy to be prioritized, coordination, however effective, may not make poverty reduction activities more successful.

3.3 Poverty Reduction in the Agency’s Portfolio

Many project portfolios contain projects in their second or third phases (i.e. 10 to 15 years old) that were developed prior to CIDA’s poverty reduction policy. These may or may not have a poverty focus, and they are unlikely to match the newest development priorities. Furthermore, CIDA has had very little new money to allocate to projects over the past few years, which means that although new programming frameworks may set out increasingly poverty oriented criteria, project portfolios have not had an opportunity to adjust to the PR focus. Where new projects have been developed, there are examples of very good (and very bad) approaches to PR.

In the best case scenario, country level interventions are clearly oriented toward the reduction of poverty, based on the needs and priorities of local recipients. The country development framework uses national level data from the World Bank, UN, and other sources, complemented by local government information and economic, social, cultural, political, and gender analyses that situate the poor in a national, regional, and local context. Appraisal missions may be carried out to solicit further feedback from poor communities and representative organizations. Interventions are planned to address constraints at micro, meso, and macro levels, through the Agency's different programming priorities. Scarce resources will often be targeted to key needs, for example in Bangladesh where programming will focus on basic human needs and governance.

At the project level, specific attention is paid to identifying the poor and the various constraints that hinder their efforts, and developing solutions to their problems in a participatory manner that fosters a sense of relevance and local ownership.

Under less-than-best case scenarios, programs and projects are developed with some of the above attention to consultation, participation, and relevance to local priorities, but are also influenced by other Canadian government priorities, political pressure from recipient governments, and other non-poverty reduction objectives. There is also pressure for projects approaching the completion of their current phase to be renewed if the intended result has not yet been achieved. The absence of a PR focus within these projects is unlikely to result in a decision not to renew: therefore, the bilateral portfolio can remain unbalanced with respect to PR.

Conclusions 3.3

While the more poverty oriented programs and country desks at CIDA do address poverty issues in their portfolio planning and management, there is no systemic approach guaranteeing that this is the case, with the result that many portfolios are insufficiently poverty oriented. As stated earlier, there are PR-related guidelines in the guidance materials for programming and projects. However, in the absence of specific PR requirements, incentives, and senior management enforcement, the success of PR planning in bilateral portfolios remains a function of the specific orientation of the country desk, regional team, or branch.

3.4 Modes of Intervention: choice and effectiveness

3.4.1 Modes of intervention

Given the six programming priorities, 120+ countries of involvement, and the multi-level approach to PR outlined in CIDA's poverty reduction policy, there is no single mode of intervention for addressing PR. Poverty reduction is associated with efforts in all six programming areas, and at all levels of intervention. On an intellectual level, however, one should recall that many CIDA personnel continue to equate PR with attention to basic

human needs. While the Bangladesh program maintains this focus (along with governance), other programming frameworks target different areas:

The Tanzanian programming framework focuses on raising the population's education level by improving basic education, particularly for the poor, and generating employment by improving the business environment for small enterprises, with a particular emphasis on women and beneficiaries (*Tanzania: Programming Framework*, p. 15). The programming framework for Southern Africa sees investment in social infrastructure as key to promoting equitable economic growth (*Southern Africa: Programming Framework*).

Finally, the Mali program focuses on four areas: 1) economic development—with emphasis on administrative reform and private sector support in rural and urban centres; 2) social development—with emphasis on improving human resources and capacities, in part through basic education; 3) good governance—by improving state-citizen relations, political and administrative decentralization, and justice reform; and 4) women in development—with gender issues considered in all Mali interventions.

3.4.2 Recent approaches

Country poverty assessments

- There are two ways in which the practice of poverty assessment has contributed to understanding poverty and its application to programming. First, at the country analyst (technical advisor) level, assessments using external (World Bank, Development Assistance Committee, UN, etc.) resources in combination with internal investigations have focused on the magnitude and conditions of poverty, donor PR programming trends and implementation, and CIDA's country level poverty programming. Second, at the country desk level, some development officers, with the assistance of a poverty specialist, have engaged in group discussions, theoretical debate, and case-by-case project identification of poverty linkages, leading to a much greater awareness of the realities of poverty and their linkages to CIDA's development programming (see *Poverty and CIDA Programming in Ghana: An analysis of current programming*).

Internal capacity building in poverty reduction

- In the Americas Branch, training sessions on equity and poverty reduction are prepared and delivered by the branch policy analyst for both staff in Canada and in the field (see *Equity for Sustainable Growth and Poverty Reduction By US—for US Training Session*).
- The gender equality specialist in Americas Branch has initiated a coaching exercise enabling project officers working in similar areas to review basic concepts of gender and gender analysis, determine the relevance of these concepts for the projects they manage, and apply gender tools of analysis to strengthen their

projects. Staff consider this peer-based approach very useful and have even requested that similar training be provided to their CEAs.

- Asia Branch has embarked upon a one-year poverty project aimed at raising awareness, building capacity, and empowering CIDA personnel in the area of PR. Based on a poverty framework currently being developed that facilitates an understanding of how poverty processes are at work in Asia, a series of 20 dialogues will be held throughout 1999, taking a variety of participatory forms, after which the branch will hold a workshop and elaborate its poverty reduction strategy for implementation in 2000. People are being encouraged to share the resources they rely upon to understand and analyze poverty, exchange information about their PR mentors and other influences, and even to take (and display) pictures that reflect their perceptions of poverty while they are in the field.
- A consultant has been mandated to work with CIDA's Poverty Reduction Working Group to help staff continue to promote the PR agenda. The working group of more than 30 CIDA staff from throughout the agency has developed a workplan and a series of skills-building workshops.
- In *The Voices of Bangladeshi Children, Piloting an approach to understanding the effects of CIDA-supported projects on the lives of children in Bangladesh*, the Bangladesh Program and Policy Branch outline "practical tools to assess the effects of CIDA's projects on the lives of children" (p. ix) based on Bangladesh field experience. The document elaborates the Gender and Generational Analysis Matrix and applies it to measuring the effects of projects on Bangladeshi children.
- The Canadian High Commission in Bangladesh commissioned a "*Survey of Poverty Monitoring Initiatives*" to review the activities of NGOs and research institutions in Bangladesh.

3.4.3 Changes planned in the balance of the Agency's modes of intervention

Within its programming priorities, infrastructure services have been reoriented toward a poverty focus and capacity building, and away from direct support for large-scale infrastructure programming (see "Infrastructure Services Draft Policy Paper"). CIDA's private sector policy and the efforts of CIDA INC in partnering with private sector organizations will also be increasingly oriented toward poverty and development impacts. Other programs are similarly adopting a more poverty oriented approach to guide the determination of interventions. As a complement, increasing attention is being paid to governance issues as a key element for addressing challenges of effective resource management, facilitating increased input by the poor and women, and addressing issues of democracy.

Conclusions 3.4

The case studies of CIDA's top poverty oriented programs are very promising and the practices outlined in 3.4.2 hold a great deal of potential. However, the country studies are

not necessarily reflective of all CIDA activities. If PR is to remain “the” CIDA priority, then many of the mechanisms used to mainstream PR by these country desks will need to be implemented Agency-wide.

In particular, carrying out a poverty analysis of each recipient country (by staff members, not consultants) provides an excellent opportunity to better understand the nuances of poverty in the country, the lessons learned by the international community, and the experiences of the country program itself. It is not necessary to duplicate existing work, but the analysis of the specific contexts of the donor’s involvement in the country can facilitate a much better understanding of the linkages between poverty as it is lived and the impacts of donor-supported projects and programs. This should be a required activity for all country desks and, ideally, should be adapted for application to regions and programs as well.

3.5 Design of Specific PR Interventions

In the view of some desk officers (and supported by CIDA policy documentation), addressing poverty requires a thorough examination of the circumstances of poverty at a micro, meso, and macro level. This examination must reflect social, cultural, historical, political, environmental, and economic conditions from a gender-differentiated perspective, in addition to assessing direct gender roles and realities. Existing data should be supplemented by participatory consultation with government, private sector, civil society, NGOs, and beneficiary populations themselves.

In some cases, development officers have attempted to design projects based on a thorough analysis of all the above criteria, in spite of the increased time and financial resources this requires. In most cases, however, the design of PR interventions is informed by some, but not most, of the above elements so that projects can be put in place as quickly as possible.

Conclusions 3.5

It is clear that the necessary conditions for designing PR interventions are understood. However, there is a very real trade-off between the time and resources required to design these projects and the speed at which they are delivered. CIDA bilateral projects take from one to two years (sometimes more) to be developed and approved, and there is increasing pressure to streamline the process. This raises the issue of a balance between development effectiveness and program delivery. The solution to this may lie in a major up-front investment in poverty analysis and information-gathering, and ongoing systemic monitoring of regional, national, and local changes which then feed into updated assessments. While some individual projects will continue to need to include direct studies, the majority of background information, and the procedures for collecting this information, can be established through the analysis effort described above, and thus

contribute to a long-term reduction in project approval time while, most importantly, increasing the relevance of projects to PR.

Section 4: Recommendations Relating Specifically to the DAC Poverty Network

In general, recommendations for the Development Assistance Committee (DAC) fall into the categories summarized below. There was widespread concern that the DAC was insufficiently rooted in the realities of the field and lacked sufficient Southern input. However, as a policy advocacy organization, it was hoped that it would continue to promote PR in principle and assist in its practice as this provided useful ammunition for PR advocates when faced with conflicting priorities. It was also felt that the DAC should not duplicate efforts in information gathering or analysis, but rather serve as a central disseminating body for the free-flow of value-added and operationally relevant poverty reduction guidance.

- 1. Good practice guidelines for both strategic and operational work**
 - Disseminate lessons learned in poverty reduction re: targeting, poverty-impact indicator development, monitoring, and impact evaluation.
 - Develop a training course for poverty reduction specialists to ensure a common/shared approach to and understanding of PR through the DAC.
- 2. Guidelines for organizational, management, and partnership approaches to “mainstreaming” poverty reduction**
 - Develop principles of effective PR and, most importantly, mechanisms for accountability to these principles and the enforcement thereof.
 - Demonstrate synergies between policies and operations, and show operations staff how to implement.
- 3. Measures to strengthen donor coordination and partnership practices**
 - Allocate PR mandates between multilateral institutions and donors based on collective comparative advantage and, within this breakdown, allocate to each institution and donor based on their individual comparative advantage (e.g. bilaterals—public delivery of health, education, and specific basic infrastructure;

multilaterals—economic and political governance, large infrastructure provision, etc.). Perhaps even investigate the development of a new multilateral organization devoted to political governance issues.

- Engage in policy dialogue to advocate:
 - aid untying;
 - the importance of agriculture;
 - basic human needs;
 - an overall poverty focus in all development planning.

4. Information requirements

- Help distinguish differences and linkages between “state-welfare” measures (health, education, universal social services) and “needs-based” welfare.

5. Other

- Select core (two or three) PR results that all DAC members agree on and undertake a pilot study of donor experiences in these specific areas.

Annex 1:

CIDA Poverty Discussion Paper Framework

In August 1994, the Development Economics Division (YDA) of CIDA's Policy Branch, in consultation with members of the Agency-wide working group on poverty, prepared *Poverty Reduction: Policy Discussion Paper*. This paper, along with counterparts in economic reforms and private sector development, "articulate[s] the economic development aspects of the sustainable development framework" (introductory note). The paper presents the following areas which cause, impact on, and are affected by poverty:

Policies and Institutions:

- Poor economic management
- High levels of military spending
- Distorted priorities in social sector (favour better-off and men rather than the poor and women)
- Urban bias in policy (food/credit subsidization)
- Institutional barriers to access to resources (credit, training, land, water, other inputs)
- Legislative barriers re land tenure, title, ownership
- Limited and/or regressive access by poor to social services

Environment:

- The poor tend to be located in rural, or semi-urban ecologically fragile zones. The land's lack of resilience to shocks, natural or human, creates a vicious circle.
- Problems are exacerbated by natural cycles in food availability and/or rainfall, further impeding the poor's opportunities and creating greater stress on environment.
- Women bear primary productive responsibilities, such that they are most affected by the environment-poverty spiral.

Population:

- The persistence of poverty is a key factor in maintaining high birth rates (insurance against high child mortality; family/social status for women w/out alternative opportunities; insurance against vulnerability, and lack of security—contingencies, old age; additional re/productive labour; lack of access to family planning).
- Population growth then perpetuates poverty (rate of growth of labour force outstripping rate of employment generation; excess supply of labour depressing wage rates; large numbers of under/ unemployed); land/productivity (excess demand increases stress on resources, subdivision of land s.t. near/landless classes develop); per capita services (reduction in per capital resources at home and from state available for care, health, education, etc.).

Gender Inequities:

- Women have relatively less access to means of production, and receive lower wages.
- There are similar inequities in access to government services—health, education, training, etc.
- Legal, regulatory, and socio-cultural barriers facing women restrict range of risk-diversification and sustained livelihood options.
- Market barriers relegate women to lower tech., inefficient productivity, and marginal wages.
- Women bear primary reproductive responsibility (not valued as a societal good), plus maintain significant productive responsibilities, compared to single (valued) role for men.
- Overall impact on women perpetuates problem through continued high child mortality and low health, nutrition, and education outputs.
- Past (and some current) targeting of services to women neglects “gender” issues and instead provides female welfare goods.

Cultural/Ethnic Discrimination:

- Marginalization of minorities, indigenous populations, and nomadic populations.
- Social/cultural class/caste divisions perpetuate patterns of access to power, wealth, and resources.

Exploitative Intermediation:

- Lack of access to credit for poor results in dependency on high-cost intermediaries and prevents productive undertakings.

Internal Political Fragmentation and Civil Strife:

- Disruption to work and income generation; investment, savings, and receipt of ODA.
- Resulting refugee movements have exacerbating impacts—poverty creation, disruption of anti-poverty programming.

International Factors:

- Macroeconomic impact via interest rate fluctuations, commodity prices, debt burdens, protectionism, market access restrictions, and disruption of foreign remittance income.

Annex 2: Definitions

1. **CIDA's programming priorities** (from *Canada in the World*, p. 42)
See *ODA Priorities—CIDA Operational Definitions* for details.
 - **Basic human needs:** to support efforts to provide primary health care, basic education, family planning, nutrition, water and sanitation, and shelter. Canada will continue to respond to emergencies with humanitarian assistance. Canada will commit 25 % of its ODA to basic human needs as a means of enhancing its focus on addressing the security of the individual.
 - **Women in development:** to support the full participation of women as equal partners in the sustainable development of their societies.
 - **Infrastructure services:** to help developing countries deliver environmentally-sound infrastructure services, with an emphasis on poorer groups and on capacity building.
 - **Human rights, democracy, good governance:** to increase respect for human rights, including children's rights; to promote democracy and better governance; and to strengthen both civil society and the security of the individual.
 - **Private sector development:** to promote sustained and equitable economic growth by supporting private sector development in developing countries.
 - **The environment:** to help developing countries to protect their environment and to contribute to addressing global and regional environmental issues.
2. **Gender equality**
 - Gender equality means that women and men have equal conditions for realizing their full human rights and potential and to contribute to national, political, economic, social, and cultural development, and benefit equally from the results. Equality is essential for human development and peace. Attaining gender equality requires a recognition that current social, economic, cultural, and political systems are gendered; that women's unequal status is systemic; that this pattern is further affected by race, ethnicity, and disability; and that it is necessary to incorporate women's specificity, priorities, and values into all major social institutions. (*Policy Consultation on the DRAFT CIDA Policy on Gender Equality*, p. 2).

3. Poverty reduction

- “Poverty reduction means a sustained decrease in the number of poor and the extent of their deprivation. This requires that the root causes and structural factors of poverty be addressed. Reducing poverty places a focus on people’s capabilities to avoid, or limit, their deprivation. Key aspects of this are: recognizing and developing the potential of the poor; increasing their productive capacity; and reducing barriers limiting their participation in society. Poverty reduction must focus on improving the social, economic, and environmental conditions of the poor and their access to decisionmaking” (*CIDA’s Policy on Poverty Reduction*, p. 3).

4. Food security

- Food security exists when all people, at all times, have physical and economic access to sufficient, safe, and nutritious food to meet their dietary needs and food preferences for an active and healthy life.” (*World Food Summit, Rome, Nov. 1996*)

5. Human rights, democratization, civil society, and good governance (from *Government of Canada Policy for CIDA on Human Rights, Democratization and Good Governance*).

- **Human rights:** Human rights derive from the inherent dignity of the human person and are fundamental to the well-being of the individual and to the existence of freedom, justice, and peace in the world. The key international documents defining human rights are the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights.
- **Democratization:** By democratization we mean strengthening popular participation in the exercise of power, building democratic institutions and practices, and deepening democratic values in society.
- **Civil society:** The term civil society refers broadly to organizations and associations of people, formed for social or political purposes, that are not created or mandated by governments. Included are nongovernmental organizations, trade unions, cooperatives, churches, grassroots organizations, and business associations.
- **Good governance:** By governance we mean the manner in which power is exercised by governments in the management of a country’s social and economic resources. “Good” governance is the exercise of power by various levels of government that is effective, honest, equitable, transparent, and accountable.

Annex 3: Documents Reviewed

1. A Project Level Handbook: the Why and How of Gender-Sensitive Indicators
2. Advanced Course in Gender and Development—course description.
3. Agenda: Annual Meeting of CIDA and the Voluntary Sector, (Web posting)
4. An Urbanizing World: Statement on Sustainable Cities
5. Bangladesh Program Framework
6. Canada's Action Plan for Food Security
7. Canada in the World: Government Statement
8. Canadians' Support for Development Assistance
9. Canadian Cooperation in Central America, 1996-1997
10. CIDA's Policy for Environmental Sustainability
11. CIDA's Policy on Meeting Basic Human Needs
12. CIDA's Policy on Poverty Reduction
13. CIDA's Policy on Women in Development and Gender Equity
14. CIDA's Programming in Support of Children, 1995-96
15. CIDA and the Environment
16. CIDA Bilateral Program Framework and Delivery Strategy: Bolivia
17. CIDA INC Information Kit, May 1997
18. Continuous Learning Division, CIDA training course outlines

19. Creating a World of Equality: CIDA, women and empowerment in developing countries
20. Cultural Dimensions of Sustainable Development: CIDA's Orientations and Initiatives
21. Democracy and Human Rights: What are we learning?
22. Effective Programming: Technical Notes
23. Environmental Assessment at CIDA
24. Environmental Sourcebook for Micro-Finance Institutions: Executive Summary, 1997 (Web posting)
25. Equity for Sustainable Growth and Poverty Reduction By US—for US Training Session
26. Equity for Sustainable Growth: CIDA's Development Policy Framework for its Co-Operation Program in the Americas
27. Food for Thought: Agriculture and CIDA 1996-97
28. Food for Thought: CIDA's Bilateral Investment in Food Security—A review of CIDA's Bilateral Investment in Food Security, 1986/87–1996/97
29. Food for Thought: CIDA's effort in AFN; Helping Others Feed Themselves: Assessing CIDA's Level of Effort in Agriculture, Food and Nutrition.
30. Food Security and the Environment
31. Framework of Results and Key Success Factors, (Web posting)
32. Gender Analysis in Poverty Reduction: Opportunities and Obstacles
33. Government of Canada Policy for CIDA on Human Rights, Democratization and Good Governance
34. Growth, Equity and Poverty: Asian Experience
35. Guide to Gender Sensitive Indicators
36. Guidelines for Preparing a Programming Framework, (Web posting)
37. How CIDA Spends ODA Program Funds: The 1996/97 Priority Coding Report

38. Indicators for Programming in Human Rights and Democratic Development: A Preliminary Study
39. Infrastructure Services Draft Policy Paper
40. Les Principes de base d'une programmation efficace : Études de cas
41. Looking Back at Canada's Development Assistance: Trends and Explanations (David Morrison)
42. Mainstreaming Participatory Development, Experiences and Lessons of the Inter-Agency Group on Participation
43. ODA Priorities, CIDA Operational Definitions
44. Our Commitment to Sustainable Development,
45. Participatory Development: A Brief Review of CIDA's Experience and Potential
46. Partners in Communication, June 1997
47. Performance Review Report, Basic Human Needs
48. Performance Review Report, Women in Development and Gender Equity
49. Policy Consultation on The Draft CIDA Policy on Gender Equality
50. Poverty and CIDA Programming in Ghana: An analysis of current programming
51. Poverty Reduction: Policy Discussion Paper
52. Regional Framework: Canada's Cooperation Program with CEE/NIS Countries (Central and Eastern Europe Branch, April 1997)
53. Roadmap '97: Geographic Programs Roadmap
54. Sharing our Future: Canadian International Development Assistance
55. Southern Africa: Programming Framework, August 1997
56. Strategy for Health
57. Survey of Poverty Monitoring Initiatives (Canadian High Commission)
58. Sustainable Development: Discussion Paper

59. Tanzania: Programming Framework, September 1997
60. The Social Dimensions of Development At CIDA: Assessment of Experience and Action Strategy
61. The Voices of Bangladeshi Children, Piloting an approach to understanding the effects of CIDA-supported projects on the lives of children in Bangladesh
62. Towards Self-Sufficiency for the Poor: CIDA's Microfinance and Microenterprise Development Institutional Action Plan, 1998-2000

