



## **The DAC's main findings and recommendations**

**Extract from: OECD Development Co-operation Peer Reviews  
Canada 2018**

## Gender equality and the empowerment of women and girls are at the heart of Canada's global engagement

Canada is a strong advocate of gender equality and women's empowerment on the global stage. A feminist approach shapes its foreign policy, its international assistance and its progressive trade agenda. Canada helps influence global frameworks, contributes to sustainable development, promotes global goods and responds to global risks. It is a good humanitarian donor and takes a whole-of-government approach to crises and fragility. Canada is strengthening its evaluation function and promoting organisational learning.

Following the amalgamation of the Canadian International Development Agency (CIDA) with the Department of Foreign Affairs and International Trade (DFAIT) in June 2013, Canada has taken steps to implement a number of recommendations from the last peer review, including:

- launching a new feminist international assistance policy in June 2017
- updating its Policy for Civil Society Partnerships for International Assistance in light of its feminist approach
- completing the untying of its aid
- adopting a Corporate Human Resources Plan and starting to implement a competency-based approach to build a diverse, nimble and high-performing workforce in Global Affairs Canada (the re-named department).

### *Canadian values and national interests drive its global engagement*

Canada is stepping up its global leadership and engagement to support sustainable development. Canadian values and national interests underpin its efforts to shape global processes positively, address global risks and create a rules-based international order. It does this through participation in multilateral institutions, international and regional fora, and through its membership of the G7 and the G20.

Canada has a strong commitment to promoting gender equality and the empowerment of all women and girls. Its 2017 feminist international assistance policy identifies this as the most effective way to reduce poverty and build a more inclusive, peaceful and prosperous world. Canada's partners welcome its efforts to bring much-needed visibility to gender equality.

### *Canada integrates humanitarian aid, peacebuilding and stability into its crisis responses*

Involving all relevant government bodies when a crisis strikes ensures that Canada's response is coherent. Canada also demonstrates flexibility in using appropriate instruments to respond to people's needs in crisis, and to help build peace and create stability. Canada has begun to pilot conflict mapping and use integrated conflict analysis

in its engagement in fragile states and contexts. Its Peace and Stabilisation Operations Programme is a good model for a whole-of-government approach to fragility and crisis.

Canada is a good humanitarian donor, using a range of well-established partnerships to deliver effective humanitarian assistance. It also uses a broad array of instruments other than emergency relief to find durable solutions for affected populations. These include innovative finance and support for private initiatives such as the Canadian Foodgrains Bank. It is already delivering some of the main Grand Bargain provisions, such as the use of cash transfers to affected populations and multi-year funding to multilateral partners.

### ***Canada is taking a whole-of-department approach to evaluation and institutional learning***

Global Affairs Canada is strengthening its in-house evaluation function in an effort to enhance the efficiency, quality and usefulness of evaluations. In its whole-of department approach, staff responsible for evaluating international assistance work side by side with colleagues evaluating foreign policy and international trade, and a strategy is in place to enhance learning across branches. Guidance and directives for decentralised evaluations – planned for 2018 – provide an opportunity to improve transparency, and balance the quality and timeliness of decentralised evaluations, while promoting learning across branches.

## **Canada can build on its achievements**

### ***Staff and partners need guidance to implement the new feminist international assistance policy***

The feminist international assistance policy provides a clear overall direction for Canadian development co-operation, and indicates how each of the six priority action areas – gender equality and the empowerment of women and girls; human dignity; growth that works for everyone; environment and climate action; inclusive governance; peace and security – will contribute to gender equality and women’s empowerment. By 2021-22, Canada intends to ensure that 95% of its bilateral development co-operation targets or integrates gender equality and women’s empowerment, and that no less than 50% is directed to sub-Saharan African countries.

Canada considers that the cross-cutting issues of gender equality, environmental sustainability and governance are integral for enhancing the sustainability and effectiveness of its development results and they comprise three of the six priority action areas under the new policy. However, these themes are not being addressed consistently, due in part to limited guidance.

As other DAC members have found, successful roll-out of a new policy and achievement of specific, time-bound targets depend on the swift provision of accompanying guidance and tools. Global Affairs Canada is in the process of developing policies for the six action areas, which it also intends to supplement with accompanying guidance and tools.

**Recommendation:**

**Global Affairs Canada should complete and disseminate policies for the six priority action areas in its feminist international assistance policy and provide updated guidance and tools which will enable staff and partners to implement them.**

*Canada needs to clarify how its new partnering approach ensures effective development*

The feminist international assistance policy seeks to maximise the effectiveness of Canada's international assistance by making it more integrated and responsive, improving how it reports its results, increasing the effectiveness of its partnerships, and boosting investment in innovation and research.

Under the new policy, Canada's previous "countries of focus" approach will be replaced by a more flexible and needs-based approach to partner-country selection and allocation of resources. Staff and partners need clarity about how this new approach can be nimble, while also ensuring ongoing ownership, predictability and alignment. In addition, while partner country governments continue to be its primary partners, Canada plans to continue to broaden its partnerships to include other actors – local government, civil society, multilateral institutions, philanthropic organisations, the private sector and non-traditional donors.

Canada is to be commended for its willingness to join the Steering Committee of the Global Partnership for Effective Development Co-operation and its advocacy of development effectiveness amongst other development co-operation providers. However, its performance against some of the indicators monitored by the Global Partnership has declined. In order to show leadership within the provider community, Canada needs to clarify how its new approach will enable it to implement the four development effectiveness principles: ownership; focus on results; inclusive development partnerships; and transparency and accountability to each other.

**Recommendation:**

**Canada should clearly communicate how its new approach to partnerships will enable it to implement development effectiveness principles.**

*Canada needs to be clearer about its civil society, multilateral and private sector partnerships*

Canadian civil society organisations are seen as key partners in supporting local organisations, promoting global understanding and action amongst Canadians, and implementing and supporting Canada's international assistance. However, civil society organisations are also agents of change and independent actors in their own right, and play a vital role in supporting and building capacity amongst their partners in developing countries. Given Canada's emphasis on project-based funding over programme or institutional funding, it should consider how this supports civil society organisations' ownership of their programming.

**Recommendation:**

**Global Affairs Canada should evaluate the quality, efficiency and effectiveness of its engagement with Canadian, international and local civil society organisations, and consider further strengthening predictability.**

The feminist international assistance policy seeks to develop diverse mechanisms for working with the private sector. Canada established a Development Finance Institution (FinDev Canada) in 2018, and is now clarifying how FinDev Canada will operate, ensuring a focus on development impact from the outset. While Global Affairs Canada is piloting a number of approaches, it should continue to enhance its mechanisms to facilitate engagement with the private sector. It also lacks clear guidance and tools for its staff, and could make better use of its in-house expertise to facilitate working with the private sector.

**Recommendation:**

**Global Affairs Canada should develop a strategy for private sector engagement, and accompanying guidance and tools.**

Canada is a valuable, trusted and flexible multilateral partner. Predictable core support made up 60% of its total funding to multilateral institutions in 2016, supplemented by earmarked funding. For some United Nations partners, a higher proportion of its funding is provided in mechanisms other than through core funding. Global Affairs Canada makes extensive use of multilateral organisations within its bilateral programmes, particularly in fragile contexts, and as a channel for humanitarian assistance. This results in a broad range of relationships between staff in multilateral institutions and Canadian staff at headquarters and missions. Multilateral partners would benefit from a clear strategy for Canada's multilateral engagement and continued regular, strategic dialogue with Canadian representatives.

**Recommendation(s):**

**Canada should provide a greater level of unearmarked, core support to multilateral institutions.**

**Canada should continue to engage in regular, strategic dialogue with its key multilateral partners within an overall strategic framework for its multilateral engagement.**

***Amalgamation has been positive, but challenges remain***

In amalgamating CIDA and DFAIT, Canada chose a deep integration approach in which management of international assistance was integrated into the department's existing branches. This has improved the coherence of Canada's approach to foreign policy, international trade, development, and peace and security. In addition, the department's organisational structure and integrated governance framework appear to be working well.

While amalgamation has been a structural success, challenges remain. Silos prevent the exchange of information and collaboration within Global Affairs Canada, and there remains a need for a shared culture, greater harmonisation and streamlining of processes across the department.

Global Affairs Canada has taken steps to ensure that development expertise is retained and valued in the amalgamated department, for example by appointing a Chief Development Officer to champion the international development profession. As the department implements Canada's ambitious feminist international assistance policy, staff in Ottawa and the missions are being asked to experiment, to innovate and to take responsible risks. To achieve this, they will need new skill sets, new ways of working and strong technical support from sector and cross-cutting specialists. Where this expertise is lacking, the department will need to provide it.

**Recommendation(s):**

**Global Affairs Canada should resolve the remaining amalgamation challenges by further fostering a shared culture across the department, and by continuing to harmonise and streamline departmental systems and processes.**

**As it implements the feminist international assistance policy, Global Affairs Canada should ensure that staff are able to access the technical support they need, and build their own expertise, in order to experiment, innovate and take responsible risks.**

### **Further work is needed to improve the efficiency and effectiveness of programme management**

Despite efforts over the past decade, streamlining Canada's international assistance programming processes remains a work in progress. The feminist international assistance policy recognises that Canada needs to reduce the administrative burden on recipients of its funding and calls for more effective and efficient mechanisms and approaches.

While Global Affairs Canada has reduced timeframes for project initiation and approval, further work is needed to streamline other steps in the process – such as the time taken to sign contracts with implementing partners and to communicate decisions to mission staff and to implementing partners. This is constrained by the lack of service standards for critical stages in the programming process. Managers would be in a better position to manage performance and remove inefficiencies if they had access to accurate and timely data on programming processes.

Part of the challenge for Global Affairs Canada is the need to implement Treasury Board requirements that aim to ensure taxpayer money is used and accounted for properly. The department's ability to experiment, to be responsive and innovative, and to take responsible risks can be constrained by these compliance and control mechanisms, particularly when they add more steps to existing processes.

Current rules require bilateral development projects with a budget over USD 15 million (CAD 20 million) to be approved by the Treasury Board Secretariat. This low level of financial autonomy available to the Minister and senior managers adds time to the process.

**Recommendation(s):**

**In order to make the programming process more efficient, Global Affairs Canada should expand its use of service standards and provide managers with timely data on their application.**

**Canada should consider increasing financial delegations for international assistance and agree an approach to grants and contributions which makes its international assistance efficient, effective and innovative, while also ensuring adequate controls.**

***Results need clearer links to development goals, and country-owned data and results should be supported***

Global Affairs Canada is developing an ambitious data strategy, a departmental results framework and performance information profiles for its programmes. In addition, the department will develop results frameworks and theories of change for the new feminist international assistance policy and each of its six action areas. However, this complex results landscape raises the potential for duplication and overlap.

Canada aims to align its new integrated country frameworks with performance information profiles, creating a coherent approach to results-based management within country programmes. It will be important for Canada to draw on existing indicators and data which are both outcome-focused and country-owned – such as the Sustainable Development Goal indicators – and limit duplicative and parallel results data collection at country level.

**Recommendation(s):**

**As Global Affairs Canada further strengthens its approach to results-based management it should ensure that results frameworks are simple and can demonstrate progress towards Canada’s policy goals.**

**Global Affairs Canada should strengthen efforts to support and use country-owned data and results as it monitors its international assistance programming.**

Canada’s humanitarian objectives are to provide assistance based on humanitarian principles and on needs, to save lives, alleviate suffering and support the dignity of those affected. It also seeks to increase support to women and girls in humanitarian response efforts, and to local groups providing emergency assistance, including women’s organisations. However, Canada needs to provide guidance on how to achieve these objectives, clarify its criteria for allocating funds to individual crises, and measure the results of its support, in particular the gender impact of its humanitarian assistance. These objectives are expected to be included in the humanitarian action section of Canada’s human dignity action area policy, scheduled for completion by June 2018.

## Canada still needs to address some challenges

### *Canada should scale up its official development assistance*

Canada's net official development assistance (ODA) was USD 3.93 billion in 2016. This represented 0.26% of gross national income (GNI), well below the international benchmark of 0.7% ODA to GNI. Despite robust economic growth, Canada's ODA has dropped substantially from its level of 0.31% at the time of the 2012 peer review.

While the 2018 federal budget announced a CAD 2 billion increase to Canada's international assistance envelope over the next five years, this is not enough for Canada to return to its 2012 ODA/GNI level. In preparing its implementation framework for the 2030 Agenda for Sustainable Development, Canada has an opportunity to determine the ODA/GNI percentage it is willing to commit to and a timeframe for its achievement. This approach would add weight to Canada's global advocacy on resourcing the Sustainable Development Goals.

#### **Recommendation:**

**Canada should introduce an ambitious target for increasing its share of ODA in gross national income and set out a path to meet the target, in line with the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development.**

### *Canada should take proactive action to ensure policy coherence for sustainable development*

Canada has well-established structures and mechanisms for ensuring policy coherence and collaboration across the departments and agencies. These enable Global Affairs Canada to raise concerns about the potential negative impact of policies and regulations on developing countries. However, these mechanisms could be used more proactively to identify and analyse existing Canadian policies and regulations which may impede opportunities for developing countries to pursue their development aspirations and achieve the Sustainable Development Goals.

#### **Recommendation:**

**Global Affairs Canada should work with central agencies and other departments to establish a mechanism enabling Canada to analyse areas where its domestic policy and regulatory framework has potentially negative impacts on developing countries, and identify actions to address this.**

## Summary of recommendations

### List of all recommendations featured above:

- i. Global Affairs Canada should complete and disseminate policies for the six priority action areas in its feminist international assistance policy and provide updated guidance and tools which will enable staff and partners to implement them.
- ii. Canada should clearly communicate how its new approach to partnering will enable it to implement development effectiveness principles.
- iii. Global Affairs Canada should evaluate the quality, efficiency and effectiveness of its engagement with Canadian, international and local civil society organisations, and consider further strengthening predictability.
- iv. Global Affairs Canada should develop a strategy for private sector engagement, and accompanying guidance and tools.
- v. Canada should provide a greater level of unearmarked, core support to multilateral institutions.
- vi. Canada should continue to engage in regular, strategic dialogue with its key multilateral partners within an overall strategic framework for its multilateral engagement.
- vii. Global Affairs Canada should resolve the remaining amalgamation challenges by further fostering a shared culture across the department, and by continuing to harmonise and streamline departmental systems and processes.
- viii. As it implements the feminist international assistance policy, Global Affairs Canada should ensure that staff are able to access the technical support they need, and build their own expertise, in order to experiment, innovate and take responsible risks.
- ix. In order to make the programming process more efficient, Global Affairs Canada should expand its use of service standards and provide managers with timely data on their application.
- x. Canada should consider increasing financial delegations for international assistance and agree an approach to grants and contributions which makes its international assistance efficient, effective and innovative, while also ensuring adequate controls.
- xi. As Global Affairs Canada further strengthens its approach to results-based management it should ensure that results frameworks are simple and can demonstrate progress towards Canada's policy goals.
- xii. Global Affairs Canada should strengthen efforts to support and use country-owned data and results as it monitors its international assistance programming.
- xiii. Canada should introduce an ambitious target for increasing its share of ODA in gross national income and set out a path to meet the target, in line with the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development.
- xiv. Global Affairs Canada should work with central agencies and other departments to establish a mechanism enabling Canada to analyse areas where its domestic policy and regulatory framework has potentially negative impacts on developing countries, and identify actions to address this.

Access the full report

*OECD Development Co-operation Peer Reviews: Canada 2018*

<http://www.oecd.org/dac/peer-reviews/oecd-development-co-operation-peer-reviews-canada-2018-9789264303560-en.htm>

