



Canadian International  
Development Agency

Agence canadienne de  
développement international

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## MEMORANDUM FOR THE MINISTER

### NEW BOOK "STRUGGLING FOR EFFECTIVENESS: CIDA AND CANADIAN FOREIGN AID"

For Information

#### PURPOSE

The purpose of this memo is to provide background information and an analysis of a new book entitled *Struggling for Effectiveness: CIDA and Canadian Foreign Aid*.

#### **SUMMARY**

- The McGill-Queen's University Press recently released a new book about CIDA and Canada's development assistance.
- Three overarching claims are made in this edited volume: a) the Government is centralising control over foreign aid and using CIDA and aid to pursue self-serving objectives, b) the politicisation of Canadian aid is a major problem, and c) as an aid donor, Canada is a poor performer compared to other donor states. The arguments put forward by the authors, however, contain a number of inaccuracies.
- Responsive media lines were prepared when the book was launched. The publication has not garnered any significant media attention. It has contributed, however, to an ongoing external narrative that is critical of the policy direction and management of the agency.

#### CONTEXT

On August 30th, 2012, the McGill-Queen's University Press released a new book about CIDA and Canadian foreign aid. In it, the authors analyse recent trends, evaluate current Canadian aid policy, and present several options for improving CIDA and Canadian international assistance. Focused on Canada's foreign aid in the 21<sup>st</sup> century, it is the first comprehensive analysis of CIDA and Canadian foreign aid in book form since the 1990s.

This book, edited by Stephen Brown (University of Ottawa), is comprised of 12 chapters written by a range of academics and development practitioners such as Ian Smillie (The McLeod Group), David Black (Dalhousie University) and Nilima Gulrajani (Oxford University). Although the book is an eclectic collection of "papers" addressing diverse viewpoints and subject matters (e.g. aid effectiveness, fragile states, gender equality, private sector investment), several general findings about, and recommendations for, Canadian aid are posited.

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Three main claims are made in this book:

- Since 2000, Canadian development assistance has been characterised by two clear trends: the Government is centralising control over foreign aid and is increasingly using aid and CIDA to achieve self-serving objectives.
- The politicisation of Canadian foreign aid, including partisan and political manipulation by successive governments, is a major source of problems for Canadian aid policy and programming.
- Canada's performance as an aid donor (e.g. on aid effectiveness) is poor compared to other donor states, mainly due to the lack of an overarching aid policy framework.

The authors argue that an overarching aid policy framework and up-to-date sector policies, like "white papers" in other countries, would set out a coherent and long-term vision for Canada's development assistance. They claim this lack of policy and vision:

- leads to "flavour of the month" priorities that prevent Canada from intervening effectively;
- results in improvised policy, guidance and decision-making as well as risk-averse actions which, in turn, cause significant delays;
- causes Canada to fall short in areas where it was once a leader (e.g. gender equality, poverty reduction, and support to civil society organisations); and
- hinders the effectiveness of Canada's aid in reducing poverty.

The authors are also critical of Canada's approach to effectiveness and accountability. According to Brown, although Canada actively participates in the international aid effectiveness dialogue, it applies the principles differently to its own work. For instance, Brown claims Canadian foreign aid:

- is skewed in favour of Canadian interests that are not always developmental;
- is unstable and unpredictable;
- has a highly centralised decision-making structure; and
- emphasises accountability to Canadian tax-payers through visible, short-term results at the expense of recipient country ownership, mutual accountability, harmonisation and long-term change.

The authors also argue that Canada does not live up to its commitments. They claim that Canada has subscribed to a range of development objectives, such as the 0.7% ODA/GNI target, the Millennium Development Goals and the Paris Declaration on Aid Effectiveness but, in practice, does not follow through on these commitments. According to the authors, this has a negative impact on Canada's reputation.

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Based on their observations, the authors advocate a number of recommendations for improving Canadian aid:

- An aid-focused white paper articulating a long-term vision for Canadian aid should be developed.
- Political and high-level changes in government operations, such as reducing political and partisan interference in aid programming, should be undertaken.
- Public pressure in the form of strategic and non-partisan advocacy should be organised to influence the Government's approach to development.
- Legal action should be considered to ensure Canada is acting in a manner consistent with the Official Development Assistance Accountability Act.

The arguments put forward represent one viewpoint within the aid community, and are selective and in some cases inaccurate. For example, contrary to the authors' claims, Canada has made considerable progress in meeting its international commitments. In recent years, CIDA has:

- doubled its overall international aid budget consistent with its G8 commitment;
- doubled aid to Africa;
- doubled its investments in sustainable agricultural development consistent with its G8 L'Aquila commitment; and
- untied all food aid (and is close to untying all aid).

As part of its Aid Effectiveness Agenda, CIDA has made significant progress in many of the areas criticized in the book. For example, the agency has identified 20 countries of focus and, for each, has released country strategy profiles and report cards for the past two years. The agency has also identified thematic priorities and published strategies for each. In addition, the agency has shortened the project approval process and is about to launch the Agency Programming Process to consolidate and streamline various programming processes into one standardized process for the whole Agency. The agency has also increased its field presence to enable it to respond to local needs more effectively.

### **CONSIDERATIONS**

This book has been widely marketed in development circles in Canada. However, it has not received significant attention in mainstream media outlets. Book launches and panel presentations took place at the University of Ottawa (October 3rd) and McGill University (October 5th).

Most of the book's recommendations fall outside of the remit of the agency itself and are aimed at the government decision making level. They echo previous criticisms of Canada's foreign assistance (e.g. the need for a clear foreign policy statement and the assertion that political interference negatively affects Canadian aid).

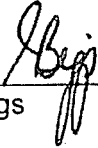
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Some chapters are well researched and present a well-balanced view, such as Smillie's chapter on civil society organizations and Baranyi and Paducel's chapter on whole-of-government engagement in fragile and conflict-affected states. However, others lack a full understanding of the issues and context, such as Côté and Caouette's paper on food security and den Heyer's paper on CIDA's effectiveness, which has led to skewed analyses or inaccurate conclusions. The chapters on aid effectiveness, moreover, focus disproportionately on Canada's shortfalls over its accomplishments.

### CONCLUSION

Overall, the book's assumptions and observations are sometimes flawed and lack nuance. For instance, while the authors recognize all foreign aid is influenced by national interests, they tend to dichotomize national interests and development objectives while expressing a preference for the latter. More constructively, the authors do tackle several enduring debates such as whether CIDA should merge with DFAIT and the pros and cons of policy coherence and whole-of-government approaches for development-oriented objectives. In this regard, the book represents a useful contribution to ongoing policy debates.

When the book was launched, SPPB worked with Communications Branch to develop media lines. Media attention to this publication, however, has been low. We will continue to keep abreast of these types of publications and provide advice and analysis as appropriate.

  
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Margaret Biggs  
President

2012-12-11  
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Date

## **Annex A: Issue Specific Claims and Recommendations**

In addition to the overarching claims and recommendations made in this book, several issue-specific claims are also worth noting:

### *ODA AA, Foreign Aid and the Mining Sector*

Blackwood and Stewart's (Simon Fraser University) chapter raises a number of critical issues that need to be considered in addressing the role of the extractive sector in sustainable development. At the same time, it generally misrepresents CIDA's current or potential role.

The authors outline the economic, social and environmental issues (including violence and social conflict, population displacement, occupational health and safety concerns) that can accompany mining operations and which are linked, in some instances, to Canadian mining companies. In this sense, the authors rightly point out a number of the challenges that national governments face in the management and development of their extractive industries. These challenges underscore the importance of helping to build government capacity in order to better manage the development of the sector. However, the authors argue that CIDA's efforts to strengthen resource governance has meant the 'creation of investment conditions highly favourable to foreign mining capital' at the cost of local interests and environmental safeguards.

The authors make numerous factual errors, the most significant being the repeated assertion that CIDA directly funds mining companies and their activities. They also fail to distinguish between the activities of CIDA and those of other government departments and agencies, frequently implicating CIDA in the activities of others. For example, they mistakenly identify CIDA as a regulatory body (for corporate social responsibility), and confuse the voluntary public relations activities of corporate social responsibility with the issues of environmental and social performance that are regulated by competent Canadian authorities. Furthermore, a number of facts and assertions made about CIDA are not attributed to any source. For example, the authors maintain that "CIDA focuses on the promotion of voluntary CSR, which it claims is a central component of its operations" but fail to source this assertion. At the same time, there are sources cited that are so dated as to be irrelevant to specific current issues. For example, the authors cite sources dating back to 1998 regarding CIDA's involvement in aeromagnetic surveys and training efforts in Zimbabwe, and to 2002 regarding CIDA's work in Tunisia related to the collection of digital geographical data.

The conflation of actors and issues, and the selective interpretation of facts, detract from the more nuanced and legitimate critique of the connections between development assistance and economic growth, including market development and the role of industry as a legitimate development actor.

### Food Security

In the chapter on CIDA's food security policies, Côté and Caouette (University of Montreal) criticize the Agency's lack of attention to land reform issues, which they argue has led to CIDA supporting unequal power structures that perpetuate poverty and injustice in developing countries. Much of the analysis in the chapter is based on a review of how CIDA's land policies contribute to the realization of the right to food. Because the authors review CIDA's programming through the lens of land reform/access to land, they fail to assess the Agency's food security work on the basis of what it is trying to achieve and do not include any analysis of CIDA's current food security programming. Furthermore, there is little acknowledgement of the evolution of CIDA's food security programming over the past decades. For instance, while the authors criticize CIDA's food aid programming as being an impediment to local food production, there is no recognition that CIDA's food assistance is now 100% untied and allows for the use of cash and vouchers.

### Whole-of-Government Approaches

The chapter by Baranyi (University of Ottawa) and Paducel (Graduate Institute of IDS, Geneva) is a welcome contribution to the current debate in policy and academic circles about the effectiveness and legitimacy of whole-of-government engagement in fragile and conflict-affected states. It examines controversial policy and operational choices through a balanced, well-researched and factually correct assessment of the development 'pillar' of Canada's whole-of-government engagement in Afghanistan, Haiti, and Sudan. The analysis is sound; it draws on published Government of Canada reports, international norms on aid effectiveness, and good practices in fragile and conflict-affected states, to show that development operations and impact in fragile and conflict-affected states are conditioned by factors well beyond the control of any single donor country. The analysis reinforces the widely held view that fragile and conflict-affected states are the most difficult and challenging settings for development, security, the rule of law, and economic growth, and that progress in any one of these areas is dependent on progress in all the others. CIDA alone does not have the capacity and skills necessary for the task, and sustained engagement over several decades is required. This conclusion is consistent with recent large sample studies such as the 2011 World Development Report on *Conflict, Security, and Development*.

The authors' nuanced assessment shows how insecurity in Afghanistan, the implementation of the Comprehensive Peace Agreement and the Darfur Crisis in Sudan, and successive waves of political uncertainty, natural disasters and low-level criminal and gang violence in Haiti have shaped development operations investments and outcomes. The authors avoid the trap of using relative budget expenditures by DND (largest in Afghanistan), CIDA (largest in Haiti), and DFAIT as conclusive evidence that CIDA has

been 'instrumentalised' by broader security objectives. They show how Canada made important contributions to human well-being in all three countries, and suggest that DND, CIDA and DFAIT might improve whole-of-government engagement through a stronger shared understanding of context, and of each other's unique capabilities. The analysis also suggests that high-level political leadership, in OECD and partner countries, is necessary throughout the 10-15 year time horizon required for sustained impact in fragile and conflicted-affected states. This conclusion is consistent with the *New Deal for Engagement in Fragile States*, negotiated at the Busan High Level Forum, which calls for the preparation of country compacts including security, development and diplomatic support, as well as mutually agreed indicators of progress reflecting each country's unique initial conditions and challenges.

### Civil Society Organizations

Chapters 10 and 11, by Smillie and Brown respectively, deal with the Canadian government's relationship with non-governmental organizations and civil society organizations more broadly.

Smillie points out that civil society organizations have historically important roles to play in public education and as advocates of change. He notes that these roles are recognized in the regulations of the Canadian Revenue Agency, but points to the chill that many non-governmental organizations have felt in recent years regarding the government's tolerance for dissenting voices. He argues that one of the fundamental roles of civil society is being undermined as a result.

Brown writes about the Modernization of Partnerships with Canadians Branch since 2010 and sets it in the longer-term context of CIDA's relationship with non-governmental organizations. This chapter echoes themes found elsewhere in the book. Brown argues that there is a trend towards seeing non-governmental organizations as service providers who are obliged to align their priorities with government priorities and interests. In this respect, the chapter reflects a view now commonly observed in non-governmental organization circles, but suffers from a lack of nuance that greater knowledge of the Branch could have provided.

In particular, the Branch has not abandoned the responsive character of partnership programming to the degree that Brown implies, and while non-governmental organizations do feel the need to align more closely with what they perceive as CIDA priorities, the range of initiatives supported remains very broad. Furthermore, there continues to be a recognition in all parts of CIDA about the complex and valuable roles that civil society organizations have to play beyond short-term service delivery or what might be described as a "charity" perspective.

*Merging CIDA into DFAIT vs. Increased Autonomy*

Through a comparative analysis of the UK, Norway and Canada's development institutions' place within their governments' structure, Gulrajani argues that Canadian assistance would not be optimized by either folding it into DFAIT (which would be similar to Norway's governance model) or giving it more autonomy (as in the UK). As such, she cautions against hasty measures to reform Canada's aid governance model. Instead, Gulrajani recommends focusing on strengthening Canada's political leadership in development, including the commitment from the top levels of government to development goals; articulating a coherent vision for Canada's international development; and garnering cross-party political support for development.