

**Responding to CIDA's
"Towards a Long-Term Strategy for Canada's
International Assistance Program: A Framework for Consultation"**

Some Questions for CCIC Members

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A. Introduction

Under the directions of CIDA President Len Good and Vice-President for Policy Branch, Brian Emmett, CIDA is undertaking a comprehensive review of strategic issues facing Canadian international cooperation. An internal CIDA document, *Towards a Long Term Strategy for Canada's International Assistance Program: A Framework for Consultation* has been produced for CIDA departmental staff to contribute their views. CCIC has received a copy of an October 2000 draft of this consultation document. Since it is under review and will change according to internal CIDA input, CCIC has chosen to summarize the issues rather than circulate the October draft widely. (We understand that a new version will be prepared for January 2001.)

The analysis and questions raised for consultation at the highest level in CIDA are vitally important for everyone concerned about issues in Canada's aid program. Therefore we have summarized the issues and questions raised in the *Framework for Consultation* in order to stimulate debate within the NGO community. Please contribute your views to Brian Tomlinson with CCIC's Policy Team (btomlinson@ccic.ca). CCIC will be organizing a Roundtable discussion for our members with senior CIDA officials on many of these issues towards the end of February 2001. CCIC expects that public consultations on a draft Long Term Strategy for CIDA will take place in the Spring of 2001, leading to a final approved Strategy by the Fall of 2001.

The *Framework for Consultation* (October Draft) is a comprehensive reflection on long-term strategic issues facing CIDA and other official donor agencies. Certainly, many of the questions posed for the Long Term Strategy (LTS) have their origins in long-standing debates and earlier reviews of Canadian aid and international cooperation. But they are also well rooted in more recent (and to a degree motivated by) policy discussion underway on a focused approach to poverty reduction with donors in the Development Assistance Committee of the OECD, the UN system and the World Bank (e.g. the Bank's *World Development Report 2000* on poverty). Issues raised in the LTS will also see their practical expression in the Action Plans for the four social priorities, set out by Minister Minna earlier this Fall. From a CCIC perspective, issues and analysis that our community raised in 1999 in *A Call to End Global Poverty: Renewing Canadian Aid Policy and Practice* are also well represented in CIDA's *Framework for Consultation* document.

- In our view the *Framework* and discussion of CIDA's Long Term Strategy provides a significant opportunity over the next six months to contribute and reinforce important renewal efforts for Canadian aid practice and to address critical issues that are hidden and missing in the current iteration of the LTS.

B. What are some positive points in CIDA's draft analysis for the LTS?

The *Framework for Consultation* on CIDA's LTS raises a number of important issues that have been long part of Canadian NGO aid advocacy efforts:

- a) It situates aid within a broad foreign policy framework that includes the development implications of trade, investment and environmental policies that have major implications for developing countries and it recognizes the importance of policy coherence and a role for CIDA;
- b) It stresses the importance of ownership by developing countries of their development strategies and the impact of aid policies on local ownership;
- c) While it addresses aid in terms of human security, it recognizes the importance (and difficulties) in addressing post-conflict situations with long-term aid programming;
- d) It emphasizes that far too much time is spent by too many CIDA officials on the micro-management and processing of development projects;
- e) It recognizes the dramatic cuts to Canadian ODA and suggests (CCIC-inspired) plans for rebuilding Canadian aid resources; and
- f) It argues for significantly untying Canadian aid (while taking a careful approach).

C. How should CCIC and its members react to the issues and questions raised for discussion in CIDA's draft analysis for the LTS?

Ten Key Issues

CCIC will be approaching issues identified in the *Framework for Consultation* on the LTS from two points of departure -- questions raised by CIDA in the *Framework* itself **and** issues and questions missing from the discussion within CIDA. Under each of ten sections below questions that CIDA identified are reproduced from the document. Additional CCIC questions that are not raised, but we consider relevant, are highlighted.

1. An Evolving Rationale for Aid The LTS revisits the rationale for aid. It adds to a "traditional" values-based approach (ethics, justice, and human solidarity) with poverty at the heart of aid efforts, the framework of "enlightened self-interest" arising from globalization and

growing international interdependence, with the latter also focusing aid on addressing through the multilateral system, "global public goods". The emphasis on "enlightened self-interests" was stronger in a September Draft of the document than what now appears in the October Draft.

CIDA QUESTIONS:

a) Is this evolving rationale for development cooperation one that Canadians will find appealing, or should we stay with the more traditional rationale and strength its focus on poverty reduction messages? What would the evolving rationale mean for our focus on poverty reduction, for the kinds of programs we would support and the countries with whom we would work?

2. Whose "consensus, Whose Development Model? The LTS assumes a broad consensus in "the development community" on a comprehensive model for development – unprecedented in the history of development cooperation – on what makes development effective. This consensus is expressed in the 1996 DAC's *Shaping the 21st Century: The Contribution of Development Cooperation* and the World Bank's Comprehensive Development Model. This model implies the need for development interventions that are "more strategic and more policy-based". This assumption is accompanied by another assumption that "globalization has helped expand opportunities for millions of people around the world....At the same time, the benefits of globalization have been shared unevenly across the developing world and many substantial challenges remain." (12-13)

CCIC QUESTIONS:

a) What role did developing countries and citizens' organizations in the South have in creating this "consensus"? Who within the "development community" shares the "consensus"? How does the LTS account for growing popular opposition to Southern and Northern manifestations of globalization (economic liberalization and crisis)?

b) What are the implications of these assumptions about globalization in the LTS for CIDA's strategies for poverty reduction?

3. Changes in CIDA's Program Profile for Greater Policy Influence The LTS is seeking changes in CIDA's programming profile to permit a role where CIDA can focus greater effort on policy influence, draw more fully on its development knowledge and reduce process-oriented project management tasks. Such changes (sectoral concentration, geographic concentration, focusing on selected multilateral institutions, balance in humanitarian assistance) will impact on CIDA as an institution, on relations with other government departments, with Canadian partners, with multilateral institutions, other bilateral agencies and developing countries themselves.

CIDA QUESTIONS:

a) Is it a reasonable premise that Canada's profile and development impact will be enhanced if the sectors in which we intervene are fewer and well identified? If so, what should those sectors be beyond the Social Development Priorities?

b) Should CIDA increase its geographic concentration? By how much? What criteria would be used to select countries of concentration? Should we concentrate on countries that need our help the most, that can use it best, that are most important to us or that are our best friends? Should a more formal and rigorous graduation policy be adopted for advanced developing countries?

c) What should be the appropriate balance between investing in humanitarian response and investing in longer-term development assistance? And within humanitarian response, what should be the appropriate balance between responding to conflict, to natural disasters or to investing in disaster preparedness?

d) What measures can Canada take to bridge the gap between humanitarian assistance and longer-term assistance?

CCIC QUESTIONS:

a) What approach to geographic concentration or sectoral concentration supports a comprehensive CIDA's focus on poverty reduction and on the needs and rights of people living in poverty?

b) How might NGOs and other civil society actors be affected by changes in these dimensions of CIDA's current aid profile?

4. New Approaches, Strategic Investments, Less Emphasis on Discrete Projects In general, the LTS suggests that "new approaches" arising from the donor development model (stronger partnerships, local ownership, donor coordination etc.), will require CIDA to place stronger emphasis on policy influence, increased knowledge transfer and more strategic investments of aid resources. Conversely, this model places less emphasis on discrete projects. The LTS suggests that projects should be driven directly by the poverty reduction strategies of developing countries and that CIDA therefore may give less weight to those proposed independently by Canadian partners that are not closely linked to priorities of these countries. One such approach is coordinated donor sector-wide programming (SWAPs) with government ministries in the social sectors. (Analysis of this approach is available in a separate document on CCIC's Development Policy web site.)

CIDA QUESTIONS:

a) How involved should we be in these new programming approaches? What are their implications for untying, Canadian visibility and procedures? What are their implications for accountability and for the role of CIDA's partners in aid programming?

b) What are the implication of these new program approaches for funding arrangements with CIDA's partners – specifically, program funding and project-based funding?

c) What do we do in countries where these new program approaches are not possible – for example, those where corruption is rife, where government capacity is weak or conflict is prevalent?

CCIC QUESTIONS:

a) Is there a continuing role for projects in Canada's aid program? If so, what is their rationale in the context of aid strategies by donors and/or civil society actors that emphasize the central importance of "ownership"?

b) What is CIDA's LTS approach to conditionality in our aid relationships? Current SWAPs are rife with donor/recipient "undertakings" largely by recipients that are agreed in policy dialogue between donors and government ministries. For aid dependent low-income countries, will not such "undertakings" result in more micro-conditions and/or less bargaining room with individual donors, who under a SWAP are to program in concert with each other and the government involved?

5. Convergence of the Trade, Environment and Development Agendas Increased scrutiny of the link between trade, economic growth and poverty reduction, as well as complex links between environmental sustainability and development, have implications for the mandate of CIDA. The convergence of the environment, trade and development agendas will require much closer links between the trade, environment and development community. New forms of cooperation, both within and across multilateral institutions, are likely to arise. CIDA foresees possibly similar developments within civil society, and the development of new strategic alliances. There will be increased pressures on, and opportunities, for CIDA to support the ability of developing countries to participate in new global arrangements for trade and other global public goods. Integrated agendas will require CIDA to engage more forcefully in the development of Canadian policy positions on trade and the environment.

CIDA QUESTION:

a) To what extent is the role set out above appropriate for a development agency in the 21st century?

CCIC QUESTIONS:

b) Who should be at the table for policy discussions of trade and environment agendas? With whom does CIDA engage to formulate its policies and what roles can Canadian civil society actors play in this process and in advocacy with other policy actors in the Canadian government?

c) Should CIDA relate to the broad trade and environment agenda in the South, or focus more directly on the inter-section of the environment and trade agendas with poverty?

6. Implications of the Knowledge-Based Organizations Implementing a more comprehensive model for development requires an organization that is "knowledge-based", that uses projects as a means of making program-level interventions and not as ends in themselves. CIDA needs to reduce the transactional nature of its work, to do things differently and more efficiently, so as to free capacity for knowledge related activities.

CIDA QUESTIONS:

- a) What are the means of transforming CIDA from a project-based to a policy-based, knowledge based institution?
- b) What other measures are required to move CIDA from where it is now to one where it is able to play a more policy-influencing role?
- c) How can these pilots be designed and implemented in ways that optimize their chances of success?

CCIC QUESTIONS:

- a) Who determines "knowledge for development", in whose interests is knowledge promoted?
- b) How does "ownership" apply in the realm of knowledge and by what practical means can CIDA interact with knowledge that is rooted in the lived experience of the poor?

7. Tied Aid Tied aid has been a contentious issue for bilateral agencies and untying aid promoted as an axiom for improved development practice by Canadian NGOs for decades. The willingness to untie aid has long been identified as a measure of donor countries' commitment to aid effectiveness, value for money, and sustainable development in developing countries. Canada ranks in the DAC as the third highest tied donor. But in current negotiations on untying for the Least Developed Countries, the framework for many of the larger donors is one of liberalization of access to contracts among donors, and the benefits to the poorest countries are unclear.

CIDA QUESTIONS:

- a) From a Canadian perspective, is tied aid a significant constraint? If so, how? What should we do about it?
- b) Should we reverse current policy and treat the current limits on aid untying as minimum levels for untying?
- c) Should we continue to work for consensus within the DAC or move forward with a smaller group of like-minded donors?
- d) Can we untie aid with the proviso that untied funds would be used for procurement in developing countries rather than in industrialized countries? Or should we untie with on proviso on how developing countries choose to procure the goods and services they need?

CCIC QUESTION:

- a) How can CIDA reform its aid practice and capacity building efforts to assure pro-poor procurement options as small donors such as Canada untie aid contracts?

8. Strengthening Policy Coherence The LTS recognizes the need to strengthen relationships between CIDA and other government departments to enhance policy coherence and bring development objectives to bear more effectively on a range of issues affecting developing countries. But the *Framework* also admits that tensions have and will continue to arise. It suggests that foreign policy is essentially about the projection of a nation's interests and values. These interests will not necessarily square with the notion of local ownership and leaving developing countries in charge of the direction of their development programs, nor will they identify issues of global economic and political equity as structural issues in the current global order.

CIDA QUESTIONS:

- a) How best can the Government move to implement priority agendas – such as human security – that cut across both foreign and development policy (and increasingly, that span foreign and domestic policy)? Do we need more robust criteria to assess the comparative advantages of individual government departments, NGOs and the private sector? If so, what are they?
- b) Are there mechanisms we can use, or develop, to allow for more effective exchanges of views and coordination of activity with DFAIT and other departments that are involved in international issues?
- c) What changes might be required within CIDA to allow greater opportunities for other government departments to participate in Agency programming?

CCIC QUESTIONS:

- a) Is foreign policy coherence (Canada speaking in one voice) desirable at any cost? How might Canadian civil society actors contribute to counterbalance narrowly conceived national interests in Canadian foreign policy?
- b) How might CIDA position itself with its partners in Canada and overseas to support policy capacities to bring a wider range of development issues (particularly structural issues affecting equality in the global order) into Canadian foreign policy formulation?

9. Funding Canadian ODA The LTS clearly recognizes the large gap between stated targets and the current reality in funding Canadian ODA. One option to move towards the recognized target of 0.7% of GNP would be to set intermediate financial targets, "recognizing the limits on the extent to which CIDA could absorb large infusions of new funding and be able to spend it effectively" (35). Another concept would be to directly link growth in ODA to Canada's improved fiscal situation (linked to the decline in Canada's debt-to-GDP ratio for example).

CIDA QUESTION:

- a) Are intermediate financial targets (on the way to 0.7%), which match fiscal capacity with CIDA's capacity to use funds well, desirable?

10. A Comprehensive Approach to Engaging Civil Society

In various sections the LTS raises questions about the efficacy of partnerships with Canadian civil society development organizations and institutions. Engaging civil society is identified in a small section as one among many elements of the comprehensive development consensus model shared by donors. It mainly focuses on participation: "one of the clearest lessons of development experience is that participation must be an integral feature of the selection, design and implementation of development interventions" (18) Yet the *Framework for Consultation* raises no questions about the implications of this central lesson for CIDA's own orientation to new approaches suggested throughout for the LTS. The LTS see civil society largely in terms of their roles as implementors of projects and essential for project results, but not as dynamic actors for democratization, social and economic justice, and for accountability.

CCIC QUESTIONS:

- a) What are the elements of a strategic approach to civil society that would situate civil society organizations within all aspects of CIDA's LTS?
- b) How might CIDA work strategically with civil society organizations in developing countries and in Canada? How should NGOs and other Canadian civil society actors in development relate to a more strategically focused and policy oriented CIDA?
- c) What is the role of Canadian public engagement in development cooperation in the LTS?