

Box 11 – CANADA AT A GLANCE

How much aid does CANADA give?

In 2002, CANADA gave US \$2,006 million or CDN \$3,150 million

This means that, in 2002, each person in CANADA gave US \$64 or CDN \$100

In 2002, aid from CANADA rose by US \$474 million in cash terms. Because of inflation and exchange rate changes, the value of aid rose by 31.2% in real terms.

How generous is CANADA?

CANADA gave 0.28% of its national wealth in 2002.¹ This compares with the average country effort of 0.41% and CANADA's previous own highpoint is 0.54% in 1975.

CANADA was less generous than 11 other donors but more generous than in 2001 when aid was 0.22% of GNI (gross national index).

How much of CANADA's aid goes to the poorest countries and people?

35.5% of bilateral aid (US \$533.9 million) went to Least Developed and Low Income Countries where 3.5 billion people (60% of the global population) live and where average incomes are less than two dollars a day.

How much of CANADA's aid was spent on basic health, basic education, water supply and sanitation?

CANADA spent

3.99% of its bilateral aid (US \$68.77 million) on basic education.

3.08% of its bilateral aid (US \$52.98 million) on basic health.

1.67% of its bilateral aid (US \$28.73 million) on water and sanitation.

¹ DAC (Development Assistance Committee of the OECD [(Organisation of Economic Cooperation and Development)]) aid performance statistics for Canada for 2001 and 2002 are different than CIDA's (Canadian International Development Agency) and CCIC's (Canadian Council for International Co-operation) calculation of Canada's performance for those years because the DAC figures are based on a calendar year and not CIDA's fiscal year. In 2001, CIDA multilateral contributions were minimal in the DAC statistics because two payments were made in 2002, but in two different fiscal years for CIDA. CIDA reports its fiscal year performance for 2001/02 at 0.27% of GNI (compared to 0.22% in the DAC report) and CCIC has estimated 2002/03 at 0.27% (compared to the DAC's 0.28%).

Doubling the budget is just one of the challenges

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On the night in November 2003 when Canada's new Prime Minister, Paul Martin, was elected leader of the Liberal Party, his guest, Bono, challenged him to assume aggressive leadership for global justice — on cancelling debt, promoting fair trade, eradicating poverty and HIV/AIDS in Africa. As Prime Minister, Martin set out the new vision for Canadian foreign policy, through which he intends to assume greater international leadership 'in developing new thinking about how the international community governs itself'.¹

Whether the Prime Minister lives up to the challenges posed by Bono remains to be seen. In his early initiatives, Martin sought to 'improve' Canada's relations with the United States (participation in continental missile defence), but also to create a forum for North/South dialogue, to bridge and change relationships with developing countries. While the directions for Canadian international cooperation policy are not yet clear (February 2004), it seems likely that they will be distinguished by both significant change, as well as continuity with the previous Chrétien government. These directions are to be elaborated in an International Policy Review during the later half of 2004.

Chrétien's 2003 Federal Budget fulfilled his aid commitment made at the 2002 UN FfD (Financing for Development) Conference. This Budget increased Canadian aid by 8% for 2002/03 and for each of the next two years up to 2004/05. The Budget renewed the pledge to double assistance by 2010, with a focus on nine priority countries and half of the increase going to Sub-Saharan Africa.²

As expected, the new Prime Minister honoured the commitment of 8% increases in his March 2004 budget. Canada's aid performance is expected to be 0.28% of GNI (gross national index) in this year.

Table 6
Canadian Aid Performance
(including 8% annual increase)

2000/01	0.25% of GNI
2001/02	0.27% of GNI
2002/03	0.27% of GNI
2003/04	0.26% of GNI
2004/05	0.28% of GNI
2005/06	0.28% of GNI
2009/10	0.32% of GNI

Note: CCIC Estimates 2003/03 to 2009/10.

If the government were to achieve a doubling of aid by 2009/10, Canadian aid might reach 0.32% of GNI in that year. CCIC is challenging the new government to adopt a plan to reach the UN goal of 0.7% by 2015, and at the same time to contribute Canada's fair share of new aid resources needed globally to achieve the UN Millennium Development Goals³ (MDGs).

During the International Policy Review, Canadian civil society organisations (CSOs) will continue to press the government to match its international ambitions for leadership in North/South relations with the resources that developing countries expect Canada to commit to meet its stated obligations to the MDGs and to poverty eradication.

During the past three years, there have been significant changes in Canadian international development cooperation policy. These will continue to inform changes to both the delivery and content of Canadian Overseas Development Assistance (ODA) under the new government.⁴

- In September 2002, CIDA adopted a new overarching policy, 'Canada making a difference in the world: Strengthening aid effectiveness', which outlines new approaches to aid. These include 1) increased participation in donor coordinated engagement with government through sector-wide approaches (SWAps) and Budget Support for poverty reduction strategy papers (PRSPs); 2) increased sector and country focus for Canadian aid; 3) programmatic approaches and a move away from project orientation; and 4) reduction in the tying of Canadian aid. Canadian CSOs welcomed the policy's principles of local ownership, a focus on poverty and greater coherence in Canadian aid efforts. They have, however, been frustrated by the absence of any strategic reflection on roles for civil society in these new approaches.⁵
 - CCIC has noted a sharp decline in the involvement of CSOs in implementing CIDA programming between 1999/00 and 2002/03 (from 28.7% of ODA to 16.6%), even prior to the new aid directions. For CIDA's nine priority countries, the role of the Canadian and beneficiary governments in the direct implementation of bilateral programmes has increased over this period from 39% to 52%, while CSO and private sector implementation decreased accordingly.⁶ Given the emphasis in the September 2002 policy on SWAps and Budget Support, the marginalisation of partnerships with CSOs will probably only be attenuated in the coming years. CCIC continues to seek a CIDA overarching policy framework that clarifies the important role for CSOs in the development process.⁷
 - In his first international policy pronouncements, Prime Minister Martin, has underlined the importance of the 'Montreal Consensus', adopted by G-20 finance ministers in 2001, whereby conditions favourable to sustainable growth in developing countries must 'ensure that the appropriate social policies are in place – so that the benefits of that growth will reach all citizens in an equitable way'. Martin adds, 'we must do all these things in an inclusive way so that these policies respond to the needs citizens themselves express'.⁸ CIDA has expanded its support for social development priorities – basic education, primary health, child protection and HIV/AIDS – since 2000. Issues of governance will also play a significant role in future Canadian aid and foreign policy relationships with developing countries.
- Overall support for improved governance in developing countries has increased, rising from 10.5% of total CIDA programming in 1995 to 16.4% in 2002/03.⁹ Governance initiatives include both strengthening the public sector as well as civil society/human rights. CIDA's governance programme funding in 2002/03 was split almost equally between civil society/human rights and strengthening the government sector. The latter will rise substantially as disbursements for SWAps and Budget Support increase. In the past, CSOs have been major partners in CIDA's governance programme, implementing fully 3.8% in 2002/03.¹⁰
- In 2003, CIDA adopted a policy framework on private sector development (PSD) in Canadian development cooperation. Positively, it promotes a broad definition of the private sector, including the informal economy, and subjects all PSD initiatives to three analytical lenses – a pro-poor lens (livelihood strategies for the poor), a business lens and a governance lens.¹¹ In 2003, Prime Minister Martin was co-chair for the UNDP Commission on the Private Sector and Development. He has intimated that its recommendations (expected in early 2004) will inform future programming priorities for CIDA. At Davos, in 2004, PM Martin indicated that building a strong indigenous private sector in the developing world is essential for reducing poverty and that this 'will become a focus of [Canadian] foreign policy'. It is hoped that such a focus will retain CIDA's poverty lens for determining appropriate Canadian initiatives.
 - In 2003/04, the government's commitment to poverty reduction in Africa and to nine priority countries may have been undermined by very large CIDA aid commitments in Afghanistan and post-war Iraq. Between 2002 and 2004, C\$350 million was committed for humanitarian and reconstruction programmes in Afghanistan, the largest single country pledge ever made by Canada.¹² A 2,000-strong military force, and leadership of NATO's international Security Assistance Force add to this commitment. Afghanistan policy is being

closely coordinated between Defence, Foreign Affairs and CIDA. Canadian CSOs are concerned that Canada may be contemplating support for joint military/aid Provincial Reconstruction Teams (PRTs). According to CSOs, PRTs will increase insecurity for the population, CSOs and government personnel, in part because the lines between military and humanitarian mandates are blurred. For Iraq, in October 2003, Canada announced commitments of C\$300 million in reconstruction aid. Most of this is being disbursed through UN and multilateral facilities.¹³ In January 2004, Canada agreed to cancel C\$750 million in Iraq debt as part of a multilateral agreement. CCIC will be closely monitoring CIDA's 2003/04 aid statistics, to ensure that these reconstruction funds do not compromise the government's 2003 Budget commitments for additional aid to Sub-Saharan Africa and for long-term development.¹⁴

- New Canadian international initiatives will be accompanied by increased inter-departmental coordination, or the whole-of-government approach, which is being piloted for Canadian management of its Afghan policy. Such an approach may affect the ways in which Canada delivers its ODA, including the possibility of greater integration of CIDA resources within the Department of Foreign Affairs. CCIC and its members are deeply concerned that such restructuring may affect the content of Canadian aid efforts, greatly diminishing resources devoted to long-term poverty reduction in the poorest countries, in favour of other more immediate Canadian foreign policy interests. An important indicator of these tensions is Canadian interest in a broader definition of ODA at the OECD DAC, to include resources devoted to security and the 'war on terrorism', further undermining the poverty focus of international assistance.¹⁵

CCIC is challenging the new government to adopt a plan to reach the UN goal of 0.7% by 2015, and at the same time to contribute Canada's fair share of new aid resources needed globally to achieve the UN Millennium Development Goals.

Notes

- ¹ Honourable Paul Martin, "Reply to the Speech from the Throne", House of Commons, February 3, 2004.
- ² In December 2002, the government announced that future increases in Canadian aid would be concentrated in nine countries of priorities — Bangladesh, Honduras, Bolivia, Ethiopia, Tanzania, Mozambique, Senegal, Mali, Ghana. CIDA is implementing its strategies for improved aid effectiveness in these nine countries with these enhanced resources. At least half of the aid increases is to be devoted to Africa's development needs.
- ³ An elaboration of CCIC's budget plan to achieve the 0.7% target for aid and other proposals for revitalizing Canada's leadership in relations with development countries, see "Recommitting to the Millennium Development Goals" (http://www.ccic.ca/e/docs/002_aid_2003-10-21_call_on_gouvernement_to_meet_its_un_commitments.pdf) and "Towards a Canadian Foreign Policy for Global Justice and Equity" (http://www.ccic.ca/e/docs/002_aid_2003-12-19_global_justice_policy_brief.pdf) on CCIC's web site, www.ccic.ca.
- ⁴ Many of these changes will not be known in their specifics until after a federal election expected for April/May 2004. See the CCIC web site, www.ccic.ca for further developments in Canadian aid policy in the post election period.
- ⁵ For CCIC's critique of the new aid directions for CIDA, see "CIDA's Canada making a difference in the world: A policy statement on strengthening aid effectiveness — CCIC's summary highlights and implications" at http://www.ccic.ca/e/002/aid_cidas_canada_making_a_difference_in_the_world.shtml and "Report on the CCIC/CIDA Dialogue: Local Ownership — Roles for Southern and Canadian Civil Society Organizations, March 20/21, 2003" at http://www.ccic.ca/e/docs/002_aid_2002_ccic-cida_dialogue.pdf.
- ⁶ These statistics have been calculated by CCIC based on a review of the implementing agent for all bilateral projects and Canadian Partnership branch projects in these two years, based on project statistics provided by CIDA. Included are those agencies implementing humanitarian assistance projects in Multilateral Branch. The information available for other programs in Multilateral Branch or Policy Branch was not complete.
- ⁷ As noted below, such a policy framework for the private sector has been developed and published in 2003 on the initiative of the past Minister for International Cooperation.

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- ⁸ Prime Minister Paul Martin, "Inauguration ceremony of the Special Summit of the Americas, Statement by the Prime Minister", January 11, 2004, Monterrey, Mexico.
- ⁹ Treasury Board, "Canadian International Development Agency: Performance Report", various years.
- ¹⁰ CCIC calculations based on CIDA project statistics for 2002/03 for the Geographic Branches and Canadian Partnership Branch. The coding of Government and Civil Society includes the following sub-codes – strengthening civil society, human rights, landmines clearance, demobilisation, post-conflict peace-building (UN), free flow of information, legal and judicial development, public sector financial management, and economic development policy/planning. These statistics include the first two as civil society strengthening and the last four as strengthening government and the public sector. Support for "elections" amounted to 1.2% of total governance disbursements in 2002/03.
- ¹¹ The CIDA strategy for the private sector is found at http://www.acdi-cida.gc.ca/cida_ind.nsf/AllDocIds/C21E4EA87075A4CE05256CC2006FE2F3?OpenDocument#51.
- ¹² So far, CIDA current bilateral commitments to Afghanistan are C\$73.8 million through the World Bank, C\$45.4 million through UN organizations, and C\$15.1 million through Canadian partners.
- ¹³ These commitments for Iraq include C\$100 million for pre-war humanitarian assistance in early 2003 (of which C\$55 million went to UN organizations), and C\$200 million for post-war reconstruction, of which C\$40 million was directed to UNICEF, C\$100 million for the Fund Facility for Iraq, C\$5 million to CARE and C\$10 million to help train Iraq police officers. The cancellation of Iraq debt will not affect budgetary allocations, but will be included in Canadian ODA in the year that the debt is cancelled.
- ¹⁴ The 8% increase to Canadian aid for 2003/04 was approximately C\$230 million, with an additional C\$423 million added in supplementary budget estimates during the fiscal year.
- ¹⁵ See "CCIC Commentary on a Development Cooperation Lens on Terrorism Prevention: Key Entry Points for Action, A Policy Statement by the Development Assistance Committee, OECD, April 2003, produced by CCIC in November 2003, located at http://www.ccic.ca/e/docs/002_aid_2003-11_ccic_commentary_dac_terror_prevention.pdf.