

THE ISSUE

For more than a decade, observers both inside and outside the Government of Canada have called for a legislated mandate for Canada's official development assistance (ODA), or foreign aid. Enshrining ODA in legislation would focus aid on poverty reduction (rather than Canadian security interests, for example), protect ODA from ever-changing "flavour of the week" policies, and heighten accountability to Parliament and all Canadians. Moreover, it would address concerns about the Canadian International Development Agency (CIDA) raised by previous Canadian parliamentary reviews, the Office of the Auditor General (OAG) and the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

A legislated mandate for Canadian ODA would set up three tests for disbursement of Canadian development assistance. A minister distributing overseas aid would need to be confident that development assistance: (a) will contribute to poverty reduction; (b) takes into account the perspectives of the poor; and (c) is consistent with Canada's international human rights obligations.

The government is committed to assuring accountability and transparency in the spending of existing and new aid investments. This commitment will be especially important as Canada moves towards a whole-of-government approach that will increase pressure to divert ODA from poverty reduction and towards other foreign policy priorities. A legislated mandate for ODA can achieve this transparency and accountability, as well as build public confidence in aid spending by requiring greater parliamentary oversight and establishing a clear purpose for aid spending.

In the United Kingdom, a legislative mandate ties British ODA to the single purpose of poverty reduction. It has been well documented that this legislation was an important factor in protecting the allocation of aid resources from disbursements whose primary objective was to tackle threats to global security. In responding to the global security agenda in developing countries, British ODA is applicable only where there is "a prior and compelling poverty reduction case". The UK Act played a role in limiting the diversion of UK ODA to Iraq, a middle income country, in the aftermath of the war.

Recent Concerns

The Conservative Party, in its 2006 platform, is committed to "make Parliament responsible for exercising oversight over the conduct of Canadian foreign policy". That purpose is advanced with aid legislation which would provide important mechanism for monitoring, accountability and reporting to Parliament on aid spending.

Greater accountability in aid spending also means more effective aid spending, helping to ensure that the \$4.4 billion committed by Canada to ODA (in 2005/06) contributes to achieving the Millennium Development Goals to reduce global poverty.

RECOMMENDATIONS

Based on an analysis of previous reports from Parliament as well as best practices from a range of respected donor countries, such as the United Kingdom and Sweden, CCIC recommends a legislative mandate for ODA in Canada.

- The mandate should establish a clear purpose and accountability for ODA:
 - The Minister of International Cooperation should have overall responsibility for ensuring and reporting to Parliament that disbursements for ODA contribute to poverty reduction, consider the perspectives of the poor, and are consistent with Canada's international human rights obligations, irrespective of the federal Department responsible for a particular aid allocation;
 - Aid disbursements should be consistent with the principle of local ownership of development strategies, and further sustainable development;
 - CIDA and other Ministries involved in aid allocations should take account of Canada's international human rights obligations in setting Canadian aid priorities, disbursements, and delivery;
 - The government should promote awareness, within Canada, of global poverty within a whole-of-government approach;
 - The legislated mandate should guide all of Canada's discussions within the DAC, and Canada should reserve the right to discount certain ODA disbursements that are inconsistent with its mandate—even if they are allowable under DAC guidelines.
- The legislation governing Canadian ODA should ensure public confidence and Parliamentary oversight:
 - The Minister of International Cooperation should submit an annual report to Parliament on all ODA disbursements within six months of fiscal year end, which would be debated in a Standing Committee or in the House of Commons;
 - An Advisory Committee appointed by the Minister would advise on issues arising in the implementation of the mandate; provide an avenue for independent and constructive performance assessment of CIDA and other ministries involved in aid disbursement; receive petitions from those affected by Canadian aid programs or projects; and, produce an independent annual report to which the Minister would be obliged to respond in his/her annual report to Parliament.