

## CANADA: IS ANYONE LISTENING?

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In June 2005, all parties in the House of Commons voted their concurrence with a resolution calling on the government "...to honour the Millennium Development Goals and to commit immediately, through a plan, to increase Canada's aid budget by 12 to 15% annually to achieve an aid level of 0.5% of Canada's Gross National Income by 2010 and 0.7% of Canada's GNP by 2015." Canadian civil society organizations have been wondering ever since if anyone was listening.

The resolution reflected an unprecedented public mobilization for action against global poverty. Canada's response to the Global Call to Action Against Poverty, the Make Poverty History campaign, rallied more than 700 organizations and 250,000 Canadians behind a four-part platform for debt cancellation, trade justice, more and better aid and anti-child-poverty measures in Canada. The aid campaign is focused on a timetable for committing 0.7% of Canada's GNI to Official Development Assistance (ODA) (more aid), and the introduction of legislation to establish poverty reduction as the exclusive mandate for Canadian ODA, consistent with Canada's human rights obligations (better aid).

With Prime Minister Paul Martin's record of activist foreign policy on debt and other issues, many were optimistic about the prospects for Canada's role in the world. Unfortunately, his government has been slow to respond to public and parliamentary calls for shifts in Canada's approach to North-South relations.<sup>1</sup>

- ❑ At both the July 2005 G8 Summit in Gleneagles, Scotland, and the UN Millennium Summit in September 2005, Martin refused to commit to a timetable for achieving the UN target of 0.7% of Canadian Gross National Income (GNI) for Canadian aid. The Prime Minister would only affirm Canada's long-standing commitment to gradual 8% aid increases announced at the 2002 Monterrey UN Summit by former Prime Minister Chrétien - which would bring aid to 0.32% of GNI by 2010 (not even halfway to the 0.7% target), with no firm numbers for aid increases after that date.
- ❑ The government has made one-off targeted increases – for HIV/AIDS, debt cancellation and increased aid for Afghanistan and Iraq – in its annual budgets. In April 2005 the government, in the context of a minority parliament, made a "budget deal" with the labour-oriented New Democratic Party which included an additional \$250 million a year for two years for ODA. These increases, while welcome, do not build towards a timetable for 0.7% and are dependent on the government's fiscal surplus at the end of each of the two years. Moreover, in November 2005, the government allocated a major proportion of projected budgetary surpluses for the next five years, without any reference to the promised additional \$500 million.
- ❑ Due to large debt cancellation commitments for Iraq and several African countries, CCIC estimates Canada's aid performance for 2005/06 at 0.34% of GNI, up from 0.23% in 2003/04. For 2006/07 the ratio is expected to be 0.33%. With no new commitments beyond the continued 8% aid increases, the ODA/GNI ratio will fall back to 0.32% in 2007/08. While Canada's performance has improved over the past few years, this performance has been dependent on one-off increases at the end of the fiscal year that makes long-term aid planning as well as bilateral debt cancellation.

In spite of this slow and inadequate movement on aid increases and the absence of any commitment to introduce aid legislation, the government did act to reduce the regulations governing Canadian food aid. Previously, 90% of Canadian food aid was tied to Canadian purchases. Under a policy announced in September 2005, up to 50% of Canada's food aid will now be available for purchase in developing countries, a move long sought by Canadian NGOs.

However, Canadian NGOs have also become more concerned about changing priorities for Canadian aid. Throughout this period, global security considerations have become increasingly prominent in Canadian aid rhetoric and rationales.<sup>2</sup>

- ❑ Since 2002, the phrase "to support international efforts to reduce threats to international and Canadian security" has been added to the mandate of CIDA. In addition, CIDA's 2004-2006 Sustainable Development Strategy (SDS) includes new language on peace and security in the Key Agency Results (KARs).
- ❑ In 2005, Canada joined some donors in the OECD Development Assistance Committee (DAC) to push the DAC to stretch the criteria for what can be counted as ODA, particularly for military and security aspects of peace operations.
- ❑ Canada's first National Security Policy, released in April 2004, proposed a role for development assistance in countering terrorism. Since that time, \$15 million has been set aside in the 2005/06 Budget for these purposes, to be drawn from funds largely outside the ODA budget.

Canadian aid spending has been under corresponding pressures to conform to a security logic.

- ❑ Between 2001 and 2004, about 28% of total new aid resources were targeted at Iraq and Afghanistan (from a base of support prior to 2001 of almost no disbursements for these countries). In CIDA's own words, Canada's work in Afghanistan will ensure that the country "never again becomes a haven for terrorism", while Iraq's recovery is "critical from a global security perspective".<sup>3</sup> The result has been a distortion of the government's commitment to allocate new aid resources since 2002 for CIDA's program in its nine countries of focus. Instead, Afghanistan has been the single largest recipient of Canadian bilateral aid, with the total allocation for the period 2001 to 2008 planned at \$616.5 million.
- ❑ The 2004 Federal Budget set out commitments for Afghanistan and Iraq of \$916 million between 2002 and 2008. Up to 2004, more than 50% had been disbursed, largely from supplementary estimates in addition to the 8% aid increases. But what will be the source of the remaining commitments, and any subsequent additions? Will they come from already announced aid increases (8% per year) up to 2010, or from supplementary sources?

The release of the government's long-awaited International Policy Statement (IPS) in April 2005 made these trends starker. In setting out a vision for Canada's role in the world, the IPS highlighted the threats to Canadian security and values posed by "failed and fragile" states. Up to one third of CIDA's bilateral funding is reserved for "failed and fragile states".<sup>4</sup> Canada's military is committed to stronger military roles in the world's "failed states". Foreign Affairs is focused on mitigating the dangers that "failed states" pose through refugee flows, regional instability and threats of terrorism.

According to the IPS, the protection of Canadian security requires a concerted and integrated response to state failure in various countries. Similar to several European donors, the government has created two new mechanisms: the Stability and Reconstruction Taskforce (START) and the Global Peace and Security Fund (GPSF), which was announced in the 2005/06 Federal Budget with an allocation of Cdn\$500 million over five years.

- ❑ START is designed to lead 3D (diplomacy, development, defence) integrated approaches to "failed and fragile states". It will consist of an inter-departmental advisory board and a secretariat housed in Foreign Affairs Canada. The advisory board will act as a platform for inter-

departmental coordination for Canadian action in “failed and fragile states”. It will consist minimally of officials from CIDA, Department of National Defense, Public Security and Emergency Preparedness Canada, the RCMP and the Privy Council’s Office; with other departments brought in as needed.

- ❑ The START Secretariat will manage peace and security funds, develop and deliver country-specific conflict prevention and peace-building funds, coordinate peace support operations, and coordinate humanitarian policy and crisis response. Once it is fully staffed, the START Secretariat will employ over 70 people.
- ❑ The Global Peace and Security Fund (GPSF) will allocate its \$500 million over five years principally in support of START and two smaller programs. The details of these programs, how they will relate to each other and to other aid programs are still being worked out, but it appears that most of the GPSF’s activities will not be counted at this point as Official Development Assistance (ODA). In 2005/06 the allocation for the GPSF was in addition to the 8% aid increase for that year. But officials in START and GPSF are predicting that the Fund will grow with money from the 8% increases to the IAE. Perhaps they have in mind changes to ODA criteria at the DAC which will be revisited by Ministers in 2007.
- ❑ Additional resources for START activities may be available from a Crisis Pool, also announced in the 2005/06 Budget. The Crisis Pool, to be capped at \$500 million, will be jointly controlled by Finance, Foreign Affairs and CIDA. In late 2005, \$52 million was allocated for the earthquake in Pakistan from the Crisis Pool (which will count as ODA).

Canada’s 3D approach is being piloted in a Provincial Reconstruction Team (PRT) in Kandahar, Afghanistan. The Team is a combination of Canadian forces, CIDA officials, and the Afghani local authority, with the goal to advance the Afghani central government’s presence in that region and support the reconstruction.<sup>5</sup> Canada’s PRT took over the operations of the American PRT within Operation Enduring Freedom in Kandahar in August 2005. Other 3D approaches will include border management in Palestinian territories, elections in Haiti, and support for the Africa Union troops in Darfur, Sudan.

Canadian CSOs are concerned about the new “integrated” model for international cooperation in situations of conflict. The integration of humanitarian assistance within military and foreign policy challenges fundamental humanitarian principles of neutrality and independence, and threatens the effectiveness of life-saving assistance. The focus on Canadian security in the creation of the START and GPSF could side-line the rights and needs of affected populations, neglecting peace-building and development principles.

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<sup>1</sup> For more detailed analyses of Canadian aid policies see CCIC’s aid policy section of its web site at <http://www.ccic.ca/e/002/aid.shtml>.

<sup>2</sup> See Erin Simpson, “The Post-9-11 Security Agenda and Canadian Foreign Policy: Implications for the Global South”, May 2005, accessible at [http://www.ccic.ca/e/docs/002\\_peace\\_2005-06\\_post\\_911\\_background\\_paper.pdf](http://www.ccic.ca/e/docs/002_peace_2005-06_post_911_background_paper.pdf).

<sup>3</sup> See CIDA, “Afghanistan Overview” accessible at <http://www.acdi-cida.gc.ca/afghanaid> and “Iraq Overview” accessible at <http://www.acdi-cida.gc.ca/CIDAWEB/webcountry.nsf/VLUDocEn/Iraq-Overview>.

<sup>4</sup> The use of the term “failed and fragile” is highly controversial among non-governmental organizations, particularly in the South, as it focuses all attention on internal dynamics of states and avoids responsibility of the north and the international community. The term is used here in reference to the political phenomenon of focus on “failed and fragile states”. As much as possible, the term “persistent conflict and weak governance.

<sup>5</sup> “NGO / Government Dialogue on Provincial Reconstruction Teams (PRTs) in Afghanistan and the Militarization of Humanitarian Assistance”, December 2003, Peace Operations Working Group of the Canadian Peace-building Coordinating Committee.