

**HIGHLIGHTS AND COMMENTARY ON CANADIAN AID PRIORITIES  
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY  
ESTIMATES 2008-09  
PART III: REPORT ON PLANS AND PRIORITIES<sup>1</sup>**

1. CIDA's 2008-09 *Report on Plans and Priorities* for the first time offers a clearer notion of the government's thinking about policy and programmatic directions for Canadian aid. At the same time, the revision from previous years to financial tables for the International Assistance Envelope in the document provides no foundation for any independent assessment of trends for CIDA's various programs.
  - ❑ Canadian aid priorities more closely aligned with short term government foreign policy in which poverty reduction and sustainable development priorities take a back seat.
  - ❑ The emerging policy on priority countries focuses on bilateral programming and distinguishes countries of concentration, countries in conflict and other country and regional programs. There is no new information on sector priorities other than the often-stated emphasis on democratic development, rule of law, and human rights. CIDA will be working with DFAIT to develop a focused policy statement on democracy support. [page 7]<sup>2</sup>
  - ❑ Without greater transparency, there is no basis for an independent verification of whether the government has in fact doubled aid to Africa. Imprecise language suggests that Canada may now be including non-ODA assistance to Africa (for example, helicopters for the African Union peace operations in Sudan) in its pledge to meet the target of doubling aid to Africa.
  - ❑ Despite a repeated commitment to improved accountability, CIDA has published no official statistical report on its aid transactions since 2004-05. This *Report on Plans and Priorities* is another backward step in transparency as it no longer provides a breakdown of the International Assistance Envelope for CIDA or other Departments. There is therefore no longer any basis for independent verification of the government's claims on achieving its commitments on aid.

<sup>1</sup> Accessible at <http://www.tbs-sct.gc.ca/rpp/2008-2009/inst/institutions-eng.asp>.

<sup>2</sup> Page numbers in square brackets are from CIDA's Part III Estimates, Plans and Priorities, 2008-09.

## OBJECTIVES AND OVERALL PRIORITIES FOR CIDA

2. The objectives for CIDA are seen to be closely aligned with Canadian foreign policy interests. CIDA therefore “aims to reduce poverty, promote human rights, and support sustainable development, **in a manner consistent with Canadian foreign policy**” (emphasis added) and “promotes the interests of Canadians: contributing to Canada’s voice on the world stage, building long-term relationships with emerging economies, and supporting global peace and security”. [3]
3. What then are the key foreign policy priorities for the government? According to DFAIT’s *Report on Plans and Priorities for 2008-09* these are: 1) “Afghanistan”; 2) “North America and the Hemisphere”; and 3) “Growing / emerging markets, with a focus on China and India”. Ongoing priorities include 1) “A safer, more and prosperous Canada within a strengthened North American partnership”; 2) “Greater economic competitiveness for Canada through enhanced commercial engagement, secure market access and targeted support for Canadian business”; 3) Greater international support for freedom and security, democracy, rule of law, human rights and environmental stewardship”; and 4) Accountable and consistent use of the multilateral system to deliver on global issues of concern to Canadians”. [DFAIT, 2008, 15]
4. Interestingly, in a search of the DFAIT publication, there is one mention of “poverty reduction” in more than 75 pages of text, and this reference is in a table specifying the government’s overall priorities. The emphasis of the Department is on “whole-of-government policy approaches for key countries and regions, including China, Brazil, India, Latin America and the Caribbean, the Middle East and the European Union”. [DFAIT, 2008, 27] Their first priority is on a coordinated “whole-of-government Canadian policy to support development of a stable, self-reliant and democratic Afghanistan”.
5. CIDA identifies “aid effectiveness” as a critical policy area for Canada at the September Accra High Level Forum and the November review of the Monterrey Consensus on Financing for Development. DFAIT says that it will “ensure that Canada’s aid effectiveness agenda reflects a whole-of-government approach” and that “Canada’s foreign policy priorities and interests are reflected in the OECD’s five-year review (sic) of the Paris Declaration on Aid”. [DFAIT, 2008, 31, 32] The meaning for these notions for Canadian policy is not developed in the text. It should be noted that the review is by the Working Party on Aid Effectiveness and that it takes place three years following the 2005 Paris Declaration on Aid Effectiveness. The purpose of the Paris Declaration to improve the effectiveness of aid for poverty reduction and reaching the Millennium Development Goals, which is acknowledged by CIDA, seems to have no profile in DFAIT’s concerns for Canada’s “foreign policy interests”.

## CIDA’S COUNTRY PRIORITIES

6. The government’s policy on country concentration remains unclear. 2007 Federal Budget announced that Canada would focus its aid programs in a number of countries of concentration where Canada would be among the five largest donors. CIDA’s 2008 *Plans and Priorities* now suggests that “Canada will focus **traditional bilateral aid** and will aim to be among the largest five donors in core countries of interest” (emphasis added). [5] Further

on, the document suggests that Canada will be among the top five “in the majority of these countries”. [13] It notes that the top 15 countries receiving bilateral assistance already accounts for 69% of bilateral spending, up from 55% in 2000-01.

7. There is no list of priority countries for the concentration of bilateral aid (these do not include multilateral or partnership civil society programming). The document says that the criteria for choosing countries will include “for example level of poverty, the alignment with the Government’s priorities and shared values, and our ability to make a difference”. [13] CIDA’s “Program Activities Architecture” goes on to distinguish five areas of programming: “countries of concentration” (such as Ghana), “fragile states and countries experiencing humanitarian crisis (such as Afghanistan), “selected countries and regions”, “institutions” (Canadian, multilateral and international institutions), and “engaging Canadians” (initiatives to inform and engage Canadians). [18-19] Examples are given of programming priorities in a number of countries in each category.
8. An unusual country classification category is “selected countries and regions”. The document suggests that

“Assistance to selected countries and regions complements the shared historical, political, business, immigration and personal linkages Canada has with a wide range of developing countries. It also supports specific Government of Canada policies, including strengthening Canada’s relations with the African Union in Africa and the Association of Southeast Asian Nations and the Asia-Pacific Economic Cooperation in Asia, and re-engaging in Latin America and the Caribbean.” [30]

The expected resource allocation to such countries is more than \$580 million in 2008-09, or 27% of CIDA resources allocated to the three categories (countries of concentration, fragile states and selected countries). In identifying regional issues that would be addressed, CIDA notes environmental concerns, armed violence, peace and security or trade agreements, among others, but makes no mention of poverty reduction or even sustainable development. The three examples given are the Caribbean, South Africa and a Pan-African Program.

9. While noted, “implementing the Americas strategy” receives only passing reference in CIDA’s Plans and Priorities. It suggests that CIDA “will move forward on new programming, with particular emphasis on the Caribbean”. [12] The \$555 million commitment to Haiti, from 2006 to 2011, is noted. Bolivia is highlighted as an example of a country of concentration in the Americas.
10. DFAIT, however, puts the development of policies and programs for Canada’s re-engagement in the Americas at priority number two. While Haiti is mentioned, the focus here is on support for free trade and other economic agreements, coordinated programs to address drugs, crime and youth gangs in the region, promote Canadian models of good governance and accountability in the region, and “implement the government’s agenda on corporate social responsibility in the extractive sector, with particular reference to countries and indigenous communities in the Americas where Canada is a major mining investor”. [DFAIT, 2008, 33]

11. Afghanistan is clearly the number one priority for both CIDA and DFAIT, in which DFAIT coordinates a whole-of-government approach with CIDA and DND that integrates the \$1.2 billion in aid funding into the goals of Canadian Mission. DND reports that the incremental costs to DND for the ISAF NATO Mission will be approximately \$1 billion for both 2007-08 and 2008-09. These costs form more than 87% of all incremental costs for Canadian Forces Operations outside of Canada. [DND, 2008, 80]
12. According to DFAIT the Afghan Mission goals are to exercise Canadian leadership in Kandahar through the Provincial Reconstruction Team and to develop policies and programs in areas of democratic governance, rule of law, security sector reform and human rights. [DFAIT, 2008, 30] Interestingly, DFAIT proposes to “ensure a strong focus on Afghanistan in the G8 and lay the groundwork for a high-profile Afghanistan focus during Canada’s G8 presidency in 2010. [DFAIT, 2008, 41]

### MEETING THE AFRICA COMMITMENT

13. At the 2007 Heiligendamm G8 Summit, the Prime Minister affirmed that “Canada’s international assistance to Africa will double from \$1.05 billion in 2003-04 to \$2.1 billion in 2008-09”.<sup>3</sup> According to the *Plans and Priorities* document, doubling aid to Africa now includes support through DFAIT for the Africa Union’s peace support operations in Sudan. The recent announcement of \$275 million for Sudan in 2008-09 included \$100 million in aid, but also \$155 million for security (for equipment and training of peacekeepers and the deployment of Canadian peacekeepers) and \$40 million for diplomacy. The latter two items should not be included in the commitment to double **aid** to Africa as they do not meet the OECD DAC criteria for ODA and were not included in the base figure (\$1.05 billion) for 2004-05. While there is no way to independently verify whether Canada will indeed double aid to Africa in 2008-09, if non-ODA support for Sudan is excluded as it should be, it seems less likely that this goal will be achieved by Canada.

### INDEPENDENT EVALUATION OF CANADA’S INTERNATIONAL ASSISTANCE

14. Since 2007 the government has been committed to ensuring **independent** substantial evaluation of Canada’s international assistance program. The 2008-09 *Plans and Priorities* says that CIDA has created an Evaluation Committee, with the President of CIDA as chairperson. The *Plans and Priorities* states that the Committee will be strengthened to include more “independent members”. Currently one representative from DFAIT and one from the private sector constitutes the “independent” membership. [15-16] The document also states that CIDA will resume publishing “an annual report”.
15. While such initiatives are welcome, since 2006, published systematic details on Canadian aid transactions are non-existent. At the time of writing (April 2008), CIDA has not published its record of official aid statistics for 2005-06 and beyond, some three years after the completion of that fiscal year. There is therefore no aid data from CIDA that are presented in

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<sup>3</sup> Prime Minister’s Office, “Canadian Commitment to Heiligendamm Outcomes” <http://pm.gc.ca/eng/media.asp?category=1&id=1688>, accessed April 22, 2008. The starting point of \$1.05 billion is clearly ODA in 2003-04 as this figure comes from Table M of the 2003-04 Statistical Report of CIDA.

the form of verifiable time-series statistics which independent analysts can use to assess the disbursements of Canadian aid in the past three years against government commitments and claims that it has achieved targets.

16. The information provided in the 2008-09 *Plans and Priorities* document itself represents a **backward step in transparency**. Up until 2007, these Part III Estimates provided a detailed breakdown of the International Assistance Envelope (IAE) which set out its distribution to various CIDA branches as well as major program areas, such as the Voluntary Sector Support or International Humanitarian Assistance, as well as details for other Departments contributing to Canadian ODA. Table 1 [47] in the current document says only that \$2,964.856 million is planned to be spent by CIDA, with an additional \$352.079 million from DFAIT, \$369.470 million from Finance, and \$150.000 million by IDRC. There is a complete lack of information which might have allowed parliament or CSOs to identify changes in priorities between different programs within CIDA, or which DFAIT programs are included within Canadian aid, or to compare with previous years' distribution of the IAE. All similar official development agencies in other donor countries (such as DFID) provide on a timely basis detailed financial reports as part of their annual reports to parliament. Hopefully the passage of Bill C-293 into law will restore transparency to Canadian aid transactions and permit independent accountability.

## OTHER HIGHLIGHTS

17. CIDA's *Plans and Priorities* for 2008-09 draws attention to the following initiatives:

- ❑ CIDA will move to significantly strengthen its field presence and to increase the authority of the field country teams, "to strengthen Canada's ability to act in concert with other donors and recipient countries". [14]
- ❑ While "sustained support and informed action by Canadians in international development is one of two strategic objectives for CIDA, a mere \$71.6 million is allocated to this objective or 2.4% of CIDA's resources for 2008-09. It proposes an initiative where CIDA will match dollar-for-dollar contributions made by Canadians to "selected campaigns" to engage Canadians in Afghanistan's development efforts. [39]
- ❑ While not committing to any target to further untie Canadian aid, the document notes that such efforts would support the objective of bringing greater effectiveness to Canadian aid.
- ❑ The *Plans and Priorities* commit to continue to take leadership on aid effectiveness in Canada and internationally in the review of the Paris Declaration. It recognizes that "civil society's contribution to development is considerable" and draws attention to the work of the Advisory Group on Civil Society and Aid Effectiveness, under Canada's chairmanship. [17] It states that CIDA "will maintain leadership in Canada and on the international scene to promote an inclusive dialogue with civil society about its role and contributions to development and the effectiveness of aid". [11]
- ❑ CIDA will renew with other departments and other stakeholders its approach to private sector development and engagement. [12]

- ❑ The *Plans and Priorities* notes the \$192 million contribution to the UN Central Emergency Response Fund (CERF) making Canada the fifth largest and multiyear donor to this Fund.
- ❑ In relation to Canadian institutions, “in 2008-09 CIDA will work to enhance its relationship with partners that share common interests in order to facilitate synergies among them in the field, avoiding duplication and helping them build on each other’s strengths to undertake larger, more collaborative initiatives to achieve greater development impact (building on the experience with the volunteer cooperation organizations).” [37]
- ❑ Finally, while the government commits to the MDGs and the Monterrey Consensus on Financing for Development to double Canadian aid by 2010 [8], the *Plans and Priorities* make no mention of any commitment to the 0.7% UN target, which was highlighted in the Monterrey Consensus, nor **any** plans for financing Canadian aid beyond 2010.

## OTHER REPORTS

- ❑ Department of Foreign Affairs and International Trade (DFAIT). 2008. *Report on Plans and Priorities, 2008-2009*. Accessible at <http://www.tbs-sct.gc.ca/rpp/2008-2009/inst/institutions-eng.asp>
- ❑ Department of National Defence (DND). 2008. *Report on Plans and Priorities, 2008-2009*. Accessible at <http://www.tbs-sct.gc.ca/rpp/2008-2009/inst/institutions-eng.asp>

Brian Tomlinson  
CCIC Policy Team

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