



APPROACHES TO STRENGTHENING CIDA: CREATING AN EFFECTIVE GOVERNMENT DEPARTMENT FOR INTERNATIONAL COOPERATION

STRATEGIC GOAL: Transform the Canadian International Development Agency (CIDA) into a government department with a legislated mandate, with the authority and the human and financial resources to be the pre-eminent government institution to manage and coordinate Canadian ODA, whose purpose is set out in the ODA Accountability Act, and within a coordinating whole-of-government approach.

1.0 BACKGROUND AND RATIONALE

1.1 The ODA Accountability Act

CIDA is an agency with decades of accumulated development knowledge. It can and should play a strategic role in government, through the Minister for International Cooperation, by establishing an overarching framework for ODA policies and directions for the government-of-the-day, consistent with the ODA Accountability Act.

The ODA Accountability Act is landmark legislation governing the purpose of Canadian ODA. It states that for each ODA disbursement the responsible Minister must be of the opinion that this disbursement meets three simultaneous tests: 1) contribute to poverty reduction; 2) takes account the perspectives of the poor; and 3) is consistent with international human rights standards. How the Minister is confirmed in her opinion that ODA priorities and disbursements meet these tests is a key question for each Minister responsible for the delivery of ODA.

The Accountability Act also requires timely and transparent reporting of Canadian ODA, along with consultations, minimally every two years, with civil society organizations, developing country governments and multilateral organizations on the implementation of the Act.

1.2 Implications of the Accountability Act and international human rights standards

Poverty is a violation of human rights on a massive scale. Under the Act, international human rights standards based on the Conventions and Covenants that Canada has signed must guide both the priorities for Canadian ODA in its contributions to reduce poverty, as well as the processes in the delivery of this ODA. It should also be noted that most of the developing countries, with which Canada has an aid relationship, are also signatories to these Conventions.

The Act suggests that Canadian ODA be guided by a human rights approach to Canadian development interventions. Such an approach implies that Canadian aid give priority to the most marginalized and vulnerable, exercising due diligence that Canadian ODA priorities and programs are contributing to and not undermining human rights standards. Canadian aid must be delivered in a manner that is transparent, participatory, strengthening accountability and is based in democratic ownership by affected populations.

Given the potential challenges in implementing the ODA Accountability Act, a well-resourced government department, working with a revitalized architecture of government for Canadian foreign policy, will be the most effective means for building the skills and approaches required.

1.3 A whole-of-government policy focusing on a new deal for developing countries

An effective whole-of-government approach is needed to strengthen Canadian leadership in critical and converging policy areas of food security, climate change adaptation, human rights, poverty reduction, investment and trade. Together they form the basis for a new coordinated Canadian initiative for developing countries. There has been some experience over the past few years with this approach in the government's responses to countries in crisis such as Afghanistan or Haiti. In these recent efforts (bringing together diplomacy, defence and development), the approach has been less one of coordinating complementary departmental initiatives, and more top-down directives, with the voice in government for long term development needs often subsumed by military and short-term diplomatic interests.

Canada, as a responsible and wealthy member of the international community, has an obligation to give urgent priority to initiatives that respond to an emerging confluence of international crises (climate, food security, financial and human rights). Over the next 20 years, these crises will have dramatic impacts in developing countries, and particularly on people living in poverty, the majority of whom are women and children. A whole-of-government approach that coordinates the government's international policy instruments, rather than seeks one integrated policy, will strengthen Canada's ability to influence international outcomes.

A coordinating approach, rather than a policy integrating approach, will be effective because it will address in a sustained way strategic contributions for development over the medium-term. Within all donor countries, there is a need to balance an understandable political imperative in Foreign Affairs Ministries or in Departments of Defence to give priority to immediate short-term initiatives, responding to the most visible crises of the day. Given this reality, in Canada, CIDA should be strengthened as the key government development actor within a reformed whole-of-government architecture that coordinates, but does not dictate, complementary Canadian responses. CIDA should be an anchor in this architecture for the purpose of Canadian ODA as a strategic and long-term Canadian foreign policy interest to address the root causes of poverty and inequality.

2.0 STRENGTHENING INTERNATIONAL DEVELOPMENT IN THE MACHINERY OF GOVERNMENT: A DEPARTMENT OF GOVERNMENT WITH AN OVERARCHING MANDATE FOR INTERNATIONAL DEVELOPMENT

2.1 Transform CIDA into legislated, single-purpose, federal department with pre-eminent development knowledge and strategic resources, focused on a long term goals for poverty eradication, guided by the ODA Accountability Act.

A whole-of-government approach to coordinate policy and programs in our relations with developing countries must explicitly take account of the goal of poverty reduction, consistent with Canada's human rights obligations. Based on evidence from other donor countries, such as DFID in the United Kingdom, a single-purpose government department is the most effective way for Canada to contribute to the Millennium Development Goals and efforts to end global poverty. Although CIDA requires substantial reforms, it is ideally suited for the job.

Currently CIDA operates as an agency under a government order-in-council, which is subsidiary to the Department of Foreign Affairs. CIDA has more than 40 years of experience in development cooperation. By improving its focus and core competencies and giving it a legislated mandate as a department within government equal to other departments, a Department for International Cooperation will bring a dedicated poverty-based knowledge and field experience to effectively inform Canadian policy choices. In doing so, it will work synergistically with IDRC and Canadian non-governmental development actors. It would bring into government policy-making, direct access to long-term partnerships with governments and non-state actors in a wide range of developing countries as well as in Canada. Similar proposals for centralizing ODA are current being debated in the United States to strengthen the coordinating development role of USAID independent of the State Department.

2.2 Make the Minister for International Cooperation a senior Cabinet position with overall political responsibility for guiding the implementation of the ODA Accountability Act.

A revitalized Canadian foreign policy that addresses Canadian interests and contributions in the converging crises affecting developing countries will only be effective if it deals with issues of poverty and global inequality as a strategic foreign policy goal. A knowledgeable Minister for International Cooperation of senior Cabinet rank is required to ensure an effective voice for poverty reduction is heard at the highest levels in the architecture of government. As a high ranking member of Cabinet, and informed by a more effective government Department responsible for Canadian aid, the Minister brings to relevant Cabinet committees an understanding of past lessons and practical approaches for achieving development results. This experience is a key element in informing Canadian strategic priorities in many complex conditions facing developing countries, particularly those in Africa where Canada has a long history of engagement.

A senior Minister will require strong development expertise in her/his office, as is the case for other portfolios. The Minister might consider the creation of an external Advisory Board of individuals (both Canadian and international) with in-depth development knowledge. This Board would offer forward-looking strategic advice on the priorities for Canadian ODA and its relevance in the context of emerging issues and approaches to effective aid as well as changing international cooperation architecture (e.g. emerging donors, reform of multilateral institutions). The Minister will also be emboldened to capitalize on the expertise gained by major Canadian institutions such as the IDRC and Canadian CSOs.

2.3 Create a parliamentary Standing Committee on International Development to monitor the implementation of the ODA Accountability Act and to engage parliamentarians and Canadians directly in dialogue on key priorities and issues in Canada's relations with developing countries.

A new parliamentary Standing Committee on International Development will complement a revitalized CIDA as a government Department. The Standing Committee will make its own assessments of issues for Canadian ODA priorities, in the context of the ODA Accountability Act. Parliamentarians will receive the annual reports on the implementation of the Act, but will also play a vital role in independent assessments based on direct access to developing country and Canadian development practitioners as well as participants and beneficiaries in Canada's aid programs. With a Committee mandate to consult Canadians, it will help build knowledge and consensus on the most effective roles for Canada in development to reduce global poverty.

2.4 Focus Canadian aid initiatives within key development challenges, working in response to needs and approaches defined by partners in the poorest developing countries, and within a holistic articulated approach to poverty reduction.

Focusing Canada's aid priorities is essential for effectiveness, but focus cannot be reduced simplistically to concentration on a few countries and sectors. External aid resources, when they are not being diverted to donor foreign policy preoccupations, are at best catalysts for often unpredictable development outcomes at country and local levels. Too often donors view aid as an instrument for social and organizational "engineering", assuming that development results will materialize from the "correct" mix of policies, resources and skills. The lessons of development practice suggest otherwise that aid is most effective when interventions are predicated on approaches that are collaborative with a range of local partners and responsive to the complexities and uncertainties of real situations facing people living in poverty. Making sustained progress in particular sectors such as basic education, health or rural development requires a holistic understanding of the conditions, vulnerabilities and challenges of poor communities and people, as well as the obstacles faced by states in meeting their obligations to the rights of their citizens. This reality requires both a holistic articulation of the challenges to poverty reduction as well as a different approach to the question of focus.

CIDA will make the most effective contribution to MDGs and poverty eradication by focusing and building its programs in key niche areas of competence whose rationale is found in a holistic and stated understanding of challenges in making progress in poverty reduction. By focusing on these niche areas it can achieve with reputation a comparable influence to what larger donors can achieve with financing alone.

CIDA programs should respond to its analysis of four key, but inter-related, development challenges:

- ❑ Democratic governance, citizen participation and human rights;
- ❑ Sustainable livelihoods, focusing on income and livelihood options for people living in poverty, particularly the rural poor;
- ❑ Gender equality and the promotion of women's and girl's full human rights at the centre of CIDA aid's mandate for poverty reduction; and
- ❑ Social inclusion of poor and marginalized people, by strengthening long term investments in health, education and local social infrastructure.

The goals and the unique niche contributions of Canadian ODA that address these four development challenges should be elaborated in sectoral policy frameworks that in turn will inform country and regional program strategies. Such policy frameworks will be explicitly informed by CIDA's understanding of the application of international human rights standards and by consultation with its different development partners, consistent with the ODA Accountability Act. They would draw out implications for implementation strategies and the choice of appropriate delivery channels (government, non-state actors, multilateral). Canadian CSOs and their development partnerships, with their forty year experience as development actors, are an essential resource for CIDA and the government in this process of determining priorities and in also sustaining a wider breadth of Canadian development knowledge across countries and sectors.

2.5 Stress a flexible list of countries for concentrating CIDA bilateral resources in the poorest countries, where Canada has a strong history of engagement, while maintaining robust support for responsive programming by CSOs in a wider range of countries.

There can be a strong development rationale for increasing our resources in a given country in which Canada has had a history of cooperation based on partnerships. In fact, there have been approximately 30 countries where Canadian aid resources have been consistently concentrated over the past 40 years. But there is little evidence that devoting more Canadian aid resources *per se* to a given country or program increases Canadian leverage or effectiveness in achieving results. In recent years many have suggested that foreign policy interests have unbalanced the impact of Canadian aid for development outcomes, particularly in Africa, by diverting new aid resources in an overwhelming way to Afghanistan and away from urgent needs in Africa.

It is widely believed that by picking a limited number of countries CIDA can become more effective. However, narrowing geographic focus is based on an assumption that more aid means more influence in a country. As a modest donor relative to DFID, USAID or the World Bank, CIDA will have much greater clout, as noted earlier, by contributions in niche areas within country-led efforts (including parliaments and CSOs, not just governments) to fight poverty. While the benefits of concentration are impossible to ignore, the unpredictability of development outcomes through aid also requires some flexibility by applying qualitative criteria (poverty reduction and human rights) and in the use of a variety of development channels.

Donors and governments have recognized the fundamental importance of enabling strong independent CSO roles in development. In this regard, CIDA has had more than 35 years of leadership in strengthening civil society as democratic development actors through responsive programmatic mechanisms for channeling aid resources through CSOs. With CIDA leadership, CSOs have been recognized by donors and developing country governments at the 2008 Accra High Level Forum as unique and diverse “development actors in their own right”. CCIC urges CIDA to elaborate a policy on Civil Society and Development, which builds on the outcomes of Accra, and takes into account the ODA Accountability Act, to identify policies, approaches and support mechanisms that strengthening the roles and voice of CSOs in democratic governance, citizen participation and human rights. Strong Canadian partnerships in a wide range of countries where development opportunities may become a Canadian bilateral priority in the future is essential.

Increasingly, donor focus has been also manifested through program-based approaches with developing country governments – coordinated government/donor support for the education or health sector, for example – in which multilateral institutions also play an important role. There has been increased acceptance of well-founded criticism that donors pay far too much attention to government accountability to the donors themselves for results, and not enough in engaging country level CSOs, parliaments and communities, in carrying out sector programs. CIDA continued participation in program-based approaches is essential to strengthening governments to meet their human rights obligations to their poorest citizens and to reducing the high transaction costs of aid for developing country partners. Similarly CIDA must work closely with DFAIT to strengthen the transparency and accountability of UN agencies to ensure that they are effective development actors and are living up to the mandates agreed by the international community. The latter should include support for the creation of a UN agency of equal status for the promotion of women’s rights.

2.6 Meet Canada's commitments to the Accra Agenda for Action on aid effectiveness with a Canadian implementation plan that has clear and transparent benchmarks for Canada's efforts in several important areas of donor reform.

In 2005 Canada joined donors and developing country governments to commit to the principles and goals of the *Paris Declaration on Aid Effectiveness*. The Paris Declaration emphasized a focus on local ownership of development outcomes, alignment of donors to country poverty priorities, increased harmonization of donor practices, managing development partnerships for results and mutual accountability. The 2008 *Accra Agenda for Action* deepened these commitments by broadening an understanding of local ownership of development outcomes beyond government-to-government relationships. A dedicated single-purpose Canadian government department for aid and development will be the most effective government body to coordinate improvements in Canadian aid practices to meet the goals of Paris and Accra. In order to realize these commitments, CIDA should develop and implement an aid effectiveness strategy paying close attention to the following:

❑ Work with program-based approaches that promote wider local ownership.

Drawing lessons from the past five years of program-based approaches in coordination with other donors and governments (in health, education, agriculture etc.), consider niche roles for CIDA within given programs that address gender equality and women's rights, democratic governance, and strengthening the voice of CSOs and beneficiary populations in determining country priorities.

❑ Articulate policy directions in Canadian development cooperation with regard to civil society as development actors in their own right.

CIDA chaired the multi-stakeholder Advisory Group on Civil Society and Aid Effectiveness in the lead-up to the September 2008 Accra High Level Forum. , CIDA must consider these recommendations in developing an overarching policy on civil society and development. The starting point for this policy would acknowledge CSOs as development actors in their own right and the responsibility of donors to maximize enabling conditions for their unique roles in development cooperation. CIDA should build upon its pre-Accra work with CSOs to provide donor leadership in promoting global CSO-led Open Forum on CSO Development Effectiveness over the next two years that aim to strengthen CSO effective development interventions and their accountability as development actors. CIDA should also build on its acknowledged leadership in gender equality to strengthen collaboration with women's rights CSOs as programmatic focal points for integrating women's rights and gender equality into all CIDA's programs and joint initiatives with other donors.

❑ Contribute resources to systematic knowledge building for development effectiveness.

CIDA's internal structures must be strengthened and resources invested for systematic knowledge-building that structurally informs future programming at all levels. As noted above, in doing so, CIDA must link with and build upon the unique research and knowledge capacities of IDRC. Building knowledge on development impact should be a central goal for systematic and ongoing consultations with its development partners, consistent with the requirements of the Accountability Act. If CIDA is aiming to be a "cutting edge" institution for development, knowledge management must contribute directly to evolving niche areas of programming (see above), to promoting innovation, to creating spaces for programmatic (shared) risk-taking with development partners.

Understanding and accountability for development results should deliberately highlight longer-term development impact, rather than the current emphasis on one-off initiatives for short-term “results”, often driven by the need for high political visibility and priorities which change with governments and ministers.

❑ **Implement sustained engagement with development partners in setting and implementing CIDA country priorities.**

CIDA must improve synergies among its development partners by organizing programmatic and policy dialogue in the development and implementation of its long-term plans for its priority country-level programs. This should be done in close consultation with beneficiaries of Canadian aid, including those reached by Canadian CSOs, who have decades of development experience in these priority countries.

❑ **Develop a policy framework for CIDA’s contributions to peacebuilding and post-conflict reconstruction, within a revised vision of “whole-of-government” approach.**

CIDA and the START program of DFAIT should build upon the DAC good donor principles and practices in working in conflict affected countries to propose Canadian niche contributions to peacebuilding and post-conflict reconstruction, within a revised whole-of-government approach. This policy framework should draw upon the considerable experience of Canadian CSOs in this area as well as ongoing work at the DAC / Working Party on Aid Effectiveness and the International Network on Conflict and Fragility. The latter will be engaging countries and CSOs with donors to determine effective aid practices in conflict affected countries in the lead-up to the 2011 High Level Forum.

❑ **Put in place the highest standards for transparency and accountability to beneficiaries, joining the International Aid Transparency Initiative.**

CIDA must strengthen its transparency and its understanding of the complexities of accountability. The government must allocate the necessary departmental resources to enable CIDA to publish timely public relevant information on its contributions to development outcomes, including critical lessons from its experience, comprehensive statistics, and indicative forward plans for predictable Canadian aid flows. CIDA should join the DFID-led International Aid Transparency Initiative (IATI) setting out donor commitments to principles and practices that meet high standards in aid transparency and accountability.

2.7 Invest at least 5% of CIDA program resources in programs for engaging Canadians as global citizens, with particular emphasis on engaging youth.

CIDA should elaborate a departmental public engagement strategy focused on a vision for Canadians as global citizens eager to learn, act and contribute skills, knowledge and resources towards solutions to crises of poverty, climate change and the challenges to human rights of poor and marginalized people. In doing so, it must not only consider promotion of CIDA’s roles in development, but also support and draw upon the decades of experience and lessons from partnerships with Canadian CSOs and their engagement of Canadians on global poverty.

2.8 Set a ten-year timetable to increase Canadian aid by up to 15% per year to ensure predictable Canadian aid to meet our fair share of the resources needed to reach the MDGs and the long-standing UN target of 0.7% of GNI for ODA.

A new commitment to increase Canadian aid, particularly in the years beyond 2010, is essential to ensure that Canada meets its international obligations to spare no effort to address conditions of extreme poverty. These conditions no doubt have already been exacerbated by the current financial crisis, and will likely affect developing countries long after the donor economies recover. When asked, Canadians see aid as Canadian tax dollars that are given and held “in trust” for people living in poverty. These resources should not serve as a “reserve fund” for other Canadian foreign policy preoccupations, however urgent or legitimate they may be to Canadian interests in developing countries, including climate change adaptation.

A strong and effective Department for International Cooperation, governed by a senior Minister with overarching responsibility for Canada’s international cooperation programs, will contribute towards this goal for aid through its focus on well coordinated programs clearly targeting poverty reduction with increasing levels of Canadian aid resources and the organizational and human capacity to manage them.

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