

The Reality of Aid 2000

Canada

Brian Tomlinson,
Canadian Council for International Cooperation (CCIC)

TABLE OF CONTENTS

Government called upon to ‘end global poverty’

Plan of Action for renewing aid to reduce poverty

Focusing on those living in poverty

New ways of working

Promoting the rights of poor people

Strengthening CIDA-recipient capacities for policy dialogue

Engagement of Canadians

Rebuilding ODA resources for development cooperation

Basic Education: a case in point for aid renewal

1. Equality and Quality in Education Opportunities

2. Ownership

3. Role of technical assistance

4. Ways of working in sectoral strategies

Conclusion

Endnotes

Government called upon to ‘end global poverty’

In March 1999, CCIC and more than 30 prominent Canadians released an Open Letter to the Prime Minister and Cabinet calling for government leadership to ensure that poverty reduction is the real, as opposed to simply the rhetorical, central purpose of Canada’s aid programme.

The letter was supported by detailed recommendations in a longer, policy background paper, *A Call to End Global Poverty: Renewing Canadian Aid Policy and Practice*¹. Canadian aid budgets have dropped dramatically – by 37% – since 1991, while CIDA, along with other donors, has had to assume an ever-expanding set of objectives – constructing peace in countries emerging from civil conflict, improving systems of governance, supporting the private sector, servicing infrastructure. In comparison with 21 OECD donors, only Belgium, Italy, Finland and the United States cut deeper than Canada into their ODA commitments in the 1990s. Dramatic reductions in funding have compounded the problem of a diffuse aid programme spread over many competing objectives.

While well-articulated policies are now in place, Canada’s aid programme lacks an overarching strategic framework to implement its commitments to reduce poverty globally. In its Open Letter, CCIC argues that Canadian contributions to improving human development and human security require an unambiguous and strategic focus on poverty eradication for the aid programme. The *quality* of Canadian aid relationships, complemented by sufficient resources, is the fundamental issue for achieving a sustainable impact on poverty reduction.

The cuts in aid have been so deep and the changes in the international context so dramatic that there is an urgent need to rethink the priorities and practices of aid. The challenge is to integrate the goals of the aid programme strategically with other government initiatives in trade, finance, and environmental policy, both domestically and internationally. The CCIC policy paper suggests that the future role of aid needs to be measured as much by the standards and values it brings to the totality of policies as by volume. It says that those policies must work coherently to end global poverty.

The intent of CCIC’s policy initiative on aid has been to stimulate discussion among a wide variety of development actors, to increase our understanding of poverty-sensitive aid and to strengthen its implementation by CIDA, NGOs and all partners. In responding to the Open Letter, Jean Chretien, the Prime Minister of Canada, expressed the view that the aid programme *does* take poverty reduction as its overarching goal, but also noted that much more needs to be done².

In a major foreign policy speech at the end of March, the Prime Minister indicated an interest in rebuilding the aid budget, and working with G7 colleagues to promote fuller debt cancellation for the poorest countries. The Minister for Foreign Affairs, Lloyd Axworthy, and the Prime Minister have been promoting the foreign policy framework of ‘human security’, as Canada assumes a seat on the UN Security Council. While to date this agenda seems narrowly focused on intra-state conflict and peace-building, Diane Marleau, the Minister for International Cooperation, has suggested ‘that all development assistance is an investment in human security’.

Both the Prime Minister and Diane Marleau underlined the importance of working together with CIDA partners to draw lessons from our aid experience to help better position Canada's aid programme for the 21st century.

CCIC intends to work with senior government ministers and officials responsible for Canada's international policies, including CIDA, to explore and shape the recommendations of a *Call to End Global Poverty* to contribute to this process for renewing the role of aid within Canadian foreign policy.

Plan of Action for renewing aid to reduce poverty

The Letter and Policy Paper make specific proposals for renewing and reforming the practice of Canadian aid for poverty reduction in four major areas:

- Focus on those living in poverty;
- New ways of working to promote 'ownership' in the aid relationship;
- Educate and engage Canadians;
- Rebuild aid resources and pursue deep debt cancellation.

Focusing on those living in poverty

In order to focus on the needs and interests of those living in poverty, CCIC proposes that at least 60% of Canadian aid directly improve the conditions and rights of people living in poverty³. The remaining 40% of aid would support activities that indirectly enable poverty reduction. Among the recommendations made, this implies:

- Increased targeting of aid to low income countries and least developed countries, taking account of the importance of improved institutional capacities and positive pro-poor policies in recipient countries, to assure sustainability of efforts;
- Meeting sustainable basic human needs with at least 30% of (non-emergency) aid targeted to these purposes;
- Improved targeting of aid to the sectors and places where poor people are concentrated (including systematic gender analysis), with, for example, increased attention to poor communities in rural economies and to the needs of sub-Saharan Africa;
- Removing Canadian commercial interests in the allocation of Canadian aid, while recognising the important role of the private sector in aid through partnerships based on private sector experience with, and expected contributions to, the goal of poverty reduction. This orientation implies maximising employment and training for poor people and those vulnerable to falling into poverty, respect for workers' rights, assuring balanced, positive sustainable impacts on communities, and introducing appropriate technologies and building local private sector capacities.

New ways of working

Poverty is a complex phenomenon that requires nuanced understanding of poverty conditions in distinct local realities, including local power relations, culture, and global economic and political

inequalities. For donors, it suggests foremost that humility, long-term engagement and a learning culture are critical ingredients to effective development cooperation.

For the most part people have escaped from poverty through their own efforts. ODA in this light is most effective as a catalyst for poverty reduction. The most effective and sustained results are achieved when strategies and programmes are developed and implemented with significant citizen engagement and participation, particularly on the part of those living in poverty.

The quality of partnership in the aid relationship is, therefore, crucial. If aid is not to become marginalised in North-South relations, a great deal hinges on improving CIDA's practice of policy dialogue and programme implementation in working relationships with southern partners and other donors. Fundamental to CCIC proposals are partnerships guided by locally-generated development strategies and concomitant attention to the capacities and skills required for both recipient and donor institutions. Given an emerging donor consensus on the importance of 'ownership', Canada may need to be more available for in-country policy dialogue and CIDA may, therefore, need to address creatively the appropriate locale and authority in allocating its human resources.

Promoting local ownership for poverty reduction implies the following:

Promoting the rights of poor people within civil society as key to sustainable strategies for poverty reduction.

Pro-poor development is ultimately about politics: affecting the power relations and cultural and social interests that sustain the inequitable distribution of society's economic opportunities and social resources. This is a complex and sensitive undertaking.

Evidence suggests that most CIDA spending for human rights and good governance in the 1990s has often only indirectly strengthened peoples' rights and supported organisations that represent those who are living in poverty and/or excluded from the political process. In this regard, CCIC has proposed a Civil Society Initiative for CIDA to develop an Agency-wide strategic framework for strengthening interventions and impacts for civil society organisations in the development process. This would include, for example, a commitment to assess development interventions against core labour rights, as advocated by members of the trade union movement.

Strengthening CIDA-recipient capacities for policy dialogue.

This relates both to the enabling conditions for effective poverty-focused intervention and to coordinating and determining appropriate roles for donors. Suggestions include:

- More systematic use of CIDA's Regional and Country Policy Frameworks, with explicit accountability to the overarching poverty reduction policy;
- Reducing the relatively high proportion of Canadian aid tied to the purchase of Canadian goods and services, while practising (and promoting among other donors) pro-poor procurement strategies; and

- Exploring with Canadian and Southern organisations options for Canadian government promotion and financing of fair trade partnerships, including support for strategies to increase market access for fairly traded goods.

Engagement of Canadians

While Canadians live in a country of relative prosperity, there are no Canadian-only solutions that isolate Canadians from the turbulence of changes around the world. Core values that opinion polls demonstrate are shared by many Canadians – justice, fairness and respect for individual and collective human rights – suggest that Canadians should be open to assuming creative roles and activities as global citizens. But in recent years, this has not been evident on such specific issues of environmental degradation or global poverty.

Canadians are insufficiently challenged to understand how global issues impinge on their lives. In a world facing increasingly complex humanitarian crises, the challenge is to transform immediate charitable impulses into public understanding and action. This must focus on the urgent need to make hard choices for poverty reduction, in our own society and globally.

Global citizenship is made practical when there are opportunities for Canadians – farmers, fisherfolk, or students – to learn about and exchange with counterparts in developing countries innovative means to achieve local and global development. CCIC is proposing that government assume a leading role in stimulating public understanding and debate on global issues, and on the imperative to end poverty. NGO members of CCIC have made public engagement a high priority with the In Common campaign, whose goal is to put global poverty eradication more firmly on the Canadian public policy agenda⁴. CIDA has invested increased resources in development information and education, and in 1999 will be setting out a multi-faceted strategy for public engagement, including partnerships with schools, NGOs and community organisations, and the media. CCIC's Policy Paper sets out some elements that are critical for new initiatives in this area:

- An emphasis on making global citizenship meaningful in people's lives;
- Exchange and learning between Canadians and citizens of developing countries (particularly youth) on issues of common concern;
- Pilot opportunities and new methodologies for Canadians to participate in community 'public deliberation' work on policy choices on global issues; and
- Provide funding commensurate with these goals, building towards 2.5% of CIDA programming resources to public engagement by 2005/06.

Rebuilding ODA resources for development cooperation

After more than seven years of cuts in the 1990s, there is little scope to fund new innovative programming without the infusion of a predictable increased allocation of resources. CCIC has suggested that the government commit itself publicly to a timetable to rebuild Canadian ODA to at least 0.35% of Canadian GNP by 2005/06 – reaching half of Canada's stated target of 0.7% over the next five years.

Making one-off and retroactive infusions of funding for ODA, as has been the practice in the past two federal budgets, does not create conditions for long-term planning and renewal. Aid allocations for 1999/2000 are budgeted to be less than actual expenditures for 1998/1999⁵. Reallocations from many government departments, including CIDA, to cover the costs of Canada's participation in NATO's intervention in Kosovo and Serbia, as well as expected contributions to post-war reconstruction, may well keep Canadian aid for this year at 0.26% of GNP (compared to 0.29% for 1998/99).

Basic Education: a case in point for aid renewal

Some of the overall trends for CIDA allocations to *sustainable* Basic Human Needs (ie excluding humanitarian assistance and emergency food aid) show modest improvement in the 1990s, growing from 13% of ODA in the early 1990s to 17% in 1997/98.

While no data is available to deduce similar trends in basic education⁶, CCIC (with support from CIDA) has made some detailed calculations for 1997/98. In that year, approximately Cdn \$74 million was allocated to basic education. These disbursements represent 2.9% of ODA (excluding an unknown portion of the World Bank's IDA loans for basic education that can be attributed to Canada for that year) and 4.8% of CIDA programming resources.

OXFAM International's *Education Now* campaign has set a target of 8% of donor ODA for basic education to meet international commitments to achieve universal basic education for all by 2015. This target would have implied increased disbursements of Cdn \$193.5 million in relation to total ODA or Cdn \$123.1 million in relation to CIDA programming resources in 1997/98.

Donors and NGOs alike have stressed the fundamental importance of basic education for achieving goals for poverty eradication. In 1999 CIDA launched a long-overdue process to elaborate an agency strategy for basic education, which will be completed in 2000. Last year's *Reality of Aid* chapter drew attention to the relatively small number of bilateral projects focused on basic education from which to draw lessons to inform this strategy. Key institutional challenges remain if basic education (and poverty-focused ODA in general) is to achieve greater priority. Nevertheless, the highly inclusive and participatory process underway for the development of the strategy will certainly provide scope to increase understanding and (it is hoped) expand CIDA commitments to basic education. A review of selected CIDA's basic education programme experience suggests some important considerations and directions for the strategy⁷.

1. Equality and Quality in Education Opportunities

Throughout the world, education systems are in crisis. In many countries, the most important causes of this crisis lie outside the education system itself. They include widening social and economic inequalities, debt-induced resource constraints on the state, corruption at all levels of government, cultural barriers and systematic discrimination affecting the participation of girls and women, and the absence of democratic recourse for poor citizens to affect change.

Donors, governments and NGOs are working to expand education opportunities for poor and marginalised groups. But as societies become increasingly polarised and unequal, there may also be an emerging trend in education towards universal enrolment in low-quality, dysfunctional, basic education for the poor majority, and high quality, opportunity-creating, private education available to an élite. Donor basic education strategies must take account of the broader policies and opportunities for poor people if their interventions are not to reinforce these inequalities.

2. Ownership

Given the responsibility of government in meeting the educational needs of its citizens, CIDA achieves significant impact with limited resources where interventions are clearly coordinated by the recipient government. An illustration of this approach is current programming in the education sector in South Africa. This experience suggests the importance of several factors:

- clear vision and policies on the part of the recipient government;
- strong political leadership in the coordination process;
- strengthened technical capacity in the line ministries;
- clear divisions of labour allocated by the recipient government;
- transparency by both donors and recipient governments.

A significant goal of national governments in coordinating donor interventions should be to assure a relative balance and devolution of resources for all provinces/districts based on their level of development.

While civil society organisations were understood to play important roles in establishing local ownership in basic education, CIDA programmers involved in different projects in Africa view their contributions to broader policy and priority-setting processes with some ambiguity. Advocacy roles are clearly important, particularly for national umbrella groups such as teachers' federations. Yet the experience to date suggests that there are few civil society organisations with broad knowledge, skills and capacity to effectively participate in national institutional policy dialogue. One role for donors might be to strengthen this capacity for key organisations.

3. Role of technical assistance

External technical assistance for basic education must be carefully managed by recipient governments and institutions. In South Africa, for example, the ministry insists that all technical expertise be fully integrated into the national education programme and that they be active practitioners, not consultants, working with South African counterparts to resolve specific problems or issues. Canadian technical collaborations in the education sector in South Africa take the form of CIDA-initiated Canadian teams drawn from universities, colleges, provincial ministries of education, and NGOs, who work on short-term missions with selected South African counterpart teams. Often, however, recipient governments are guided into accepting large numbers of (inappropriate and ill-defined) technical experts as a result of Canadian and other donors' emphasis on tied aid.

CIDA's current heavy reliance on consultants in basic education programming results in the loss of CIDA's capacity to capture lessons and experience for itself. CIDA has little internal expertise in basic education, with only three to five persons who have specialised knowledge out of approximately 1100 permanent person years in staffing. With no central locus for learning (programming consultants have no formal relationship to the basic education specialist in Policy Branch), it is not surprising that basic education has been a low priority for programming and is often interpreted very differently by individual programmers.

4. Ways of working in sectoral strategies

For Africa in particular there is the perception that a sectoral approach is the only option. On the whole, stand-alone projects have had limited success and are often not sustainable. A sectoral approach for CIDA will require new ways of working that point to the need for skilled personnel to be present in ongoing policy dialogue, and to bring Canadian niche programming to the table. Some key conditions identified for successful sectoral strategies include:

- open democratic governmental processes;
- donor/recipient trust (highly dependent on individuals);
- donor trust of each other (highly dependent on individuals);
- willingness to go at the pace of recipient country capacities;
- donor willingness to untie aid to developing countries, including high-cost donor-driven technical assistance.

Sectoral strategies for education and other basic social programming make sense for efficient donor/recipient government management of the aid relationship. A recent DAC consultation, however, raised important questions about the implications of a sector approach for broader issues of legitimacy and governance. Do they bypass country-specific political processes that are more inclusive of local/regional political actors? Do they thereby displace important decisions on priorities in favour of a dialogue between government aid specialists on both sides of the table? CIDA needs to enter sectoral strategies carefully and as a staged process, with due attention to government capacities and consultative mechanisms that include civil society actors.

What are potential niche programmes for CIDA in basic education? Among others, current experience suggests:

- targeted interventions to strengthen institutional capacities of the public education system and organisations that promote good policy and practice (for example, in mainstreaming gender analysis and programming);
- flexibility to pilot particular initiatives identifying success factors and lessons in key high-risk areas (for example, basic education and child labour in India);
- increased CIDA and recipient capacity for effective policy dialogue, including engagement with civil society, support and dissemination of key policy documents to influence government priorities;
- collaboration with other donors/governments in sub-sectoral programmes (for example, building on CIDA's African girl-child programme and its support to BRAC in Bangladesh to integrate girls in formal and informal basic education).

Overall, CIDA's strategy should encourage conformity with recipient government policy frameworks. Where these do not exist or are weak, interventions should encourage 'champions' within government and/or pilot initiatives with civil society actors to create space and will to develop an official policy framework supportive of basic education priorities.

Conclusion

Over the past year, important efforts have emerged from key policy and programme quarters in CIDA, spurred on by DAC commitments and NGO activism, to translate poverty reduction and other recent related policies (such as basic human needs) into stronger programming directives. These voices in CIDA have strong, if at times, challenging allies in parliament, among NGOs and other actors. The process for a basic education strategy demonstrates an effort to achieve synergy among these allies. CCIC's *Call to End Global Poverty* is a foundation upon which CIDA and its allies might work together to clarify changes required to meet the stated poverty-focused policy goals of the agency.

But it must also be said that history demonstrates that positive trends and voices will not on their own be enough to re-orient Canadian aid to a firm commitment to end poverty in the long term. Sustained advocacy and dialogue are essential to induce shifts in understanding of aid and poverty on the part Canada's political leadership and other decision-makers inside and outside government. In the short term, strong Cabinet commitment is required to make poverty reduction a real priority – creating the scope for aid to be part of a more coherent Canadian foreign policy strategy on the eve of the 21st century.

Endnotes

1. Both the Open Letter and the Background Policy Paper are available on CCIC's web site (www.web.net/ccic-ccci). This chapter has been written with the support of Betty Plewes, Gauri Sreenivasan, Tim Drainin and Esperanza Moreno, all colleagues at CCIC. The background policy paper benefited from CCIC's ongoing collaboration with the North South Institute on Canadian aid policy. Information on CIDA's experience in basic education would not have been possible without the generous sharing of views in a number of interviews and in forums with CIDA staff working in basic education. However, CCIC is solely responsible for the analysis and conclusions reached.
2. The Open Letter received widespread media coverage in major newspapers and radio reports across the country. This coverage emphasised both the importance of aid, and how currently, conflicting aid objectives undermine aid's ostensible purpose of meeting the needs of the poorest people.
3. There is no available measure of the current amount of aid that directly improves the conditions and rights of people living in poverty. For more information, see the comparative table on Mainstreaming Poverty on pages XX of The Reality of Aid for the current status of CIDA poverty reduction commitments. CCIC's recommendation means that 60% of programmes within CIDA's six priority areas should be directed towards activities that directly touch the lives of people living in poverty as direct beneficiaries. While CIDA does not measure its programmes in these terms, CCIC's understanding of current programmes leads us to believe that implementing this proposal would require significant adjustment of programme content over the next five years.
4. Information on CCIC's **in common** campaign is available on the **in common** web site, www.incommon.web.net.
5. See CCIC, 'Canadian ODA Update: Analysis of CIDA 1999/2000 Estimates, Part III Report on Plans and Priorities' on CCIC's web page (www.web.net/ccic-ccci).
6. This disbursement of \$74 million represents a more accurate indicator of CIDA commitment to basic education than the amount reported each year to the Development Assistance Committee of the OECD. Averaged over three years (1995 to 1997) new project commitments amounted to \$32 million in Canada's report to the DAC.
7. The following section is CCIC's summary of issues and observation based on a series of CIDA Forums on basic education and personal interviews with selected CIDA staff with experience in basic education. The interviews were based on a sample of CIDA bilateral projects; time did not permit a comprehensive review of all CIDA programming. In particular, a more complete picture would have included interviews with NGO and other implementing partners. The author is grateful for the thoughtful comments of those who made time available to discuss these issues.