

October 31, 2002

The Honourable Susan Whelan
Minister for International Cooperation
200 Promenade du Portage
Hull, Quebec, K1A 0G4

RE: Canada making a difference in the world: a policy statement on strengthening aid effectiveness.

Dear Minister Whelan:

I am writing regarding some outstanding issues with respect to the recent release of CIDA's *Canada making a difference in the world: a policy statement on strengthening aid effectiveness*. In doing so, I want to make some proposals for continued dialogue on public engagement and the role of civil society in international cooperation.

We are pleased to see the policy include several essential principles and roles for CIDA in international cooperation, for which our members have long been champions –

- ◆ focusing aid resources on strategic areas for poverty reduction, including rural development and agriculture;
- ◆ responding to development initiatives that are defined and directed by counterparts in the South;
- ◆ enhancing integrated programmatic approaches, with greater donor coordination, to reduce administrative burden on developing country partners, including further untying of Canadian aid;
- ◆ assuming a catalytic role for CIDA to put concerns for global poverty reduction in policy discussion across government departments; and
- ◆ retooling CIDA as a knowledge-based organization and streamlining current bureaucratic procedures.

As mentioned in your introduction, this policy will be a guiding framework for a more focused allocation of CIDA's geographical and sectoral programming resources in a new era of international cooperation. Canadian non-governmental organizations have been working on the basis of these principles for some time in their relationships with Southern counterparts and in our dialogue with CIDA on improving aid effectiveness.

During the consultations in September 2001, and in a CCIC letter to former Minister Maria Minna, dated September 28, 2001, CCIC members affirmed these principles but also identified some critical weaknesses in the articulation of CIDA's strategic approaches. In our view, these issues may undermine the achievement of our shared interest in effective Canadian development cooperation.

We noted at the time consistent recommendations in the consultations, almost irrespective of the sector or organization that commented, which involved the following points –

- ◆ CIDA should focus on a broader vision of building democratic processes for poverty eradication, as the agency gives increased attention to government-to-government partnerships;
- ◆ Rather than just maximizing contributions to pooled funds mainly determined by other larger donors, CIDA (as a relatively small donor) should consider a wider range of activities relating to niche expertise (gender equality / non-governmental development actors) in a given country that deepen the poverty reduction objectives of SWAs and/or funds for implementation of PRSPs;
- ◆ CIDA's country strategies and mechanisms for poverty reduction should take account of World Bank/IMF PRSPs, but should as well reflect a broader country perspective, rooted in authentic and inclusive country processes for determining priorities for poverty reduction;
- ◆ CIDA must give urgent attention to set out a comprehensive strategy and operational framework for greatly enhanced efforts in public engagement on global issues; and
- ◆ CIDA should strengthen partnerships with Canadian non-governmental organizations in ways that strengthen aid effectiveness by promoting equitable North/South partnerships, sustaining on-the-ground commitments, and creating space for innovation and capacity building in the South.

At our April 2002 CCIC/CIDA Consultations, you assured our members that you would be reviewing the contributions to consultations in the finalization of aid effectiveness strategy for Cabinet. Unfortunately, in our reading of the final policy statement, we are disappointed to see almost no reflection of these issues in the elaboration of strategic directions. By way of example, I want to briefly elaborate on three of these concerns. A more detailed commentary is attached for your information.

Guided by Locally Owned Poverty Strategies CCIC members have unequivocally proposed that Canada's efforts for aid, and other important aspects of our relationship with developing countries such as trade, must be guided by effective and broadly supported country strategies for reducing poverty. However, *Canada making a difference in the world* uncritically accepts PRSPs as the embodiment of "locally owned" poverty strategies. The policy statement fails to acknowledge the implications for aid effectiveness of "the inherent tensions in the PRSP process that challenge the pursuit of locally-owned strategies", as noted by CIDA itself in its 2002/03 Report on Plans and Priorities. UNCTAD recently reviewed 27 PRSPs in Africa and concluded that they show "no fundamental departure from the kind of policy advice espoused

under... the Washington Consensus” and noted that sub-Saharan African countries face on average 114 conditions attached to multilateral lending, almost three quarters of which are governance-related. Will the pooling and harmonization of Canadian aid in program funding mechanisms, often with World Bank and major donor participation, consign Canadian aid resources to increased conditionalities rather than greater local direction in the allocation of these aid funds?

Public Engagement of Canadians

Canada making a difference in the world

acknowledges that “a stronger public engagement program on development issues...[is] essential to buttress CIDA’s program to improve aid effectiveness and build support among Canadians for renewed funding for development cooperation”. CCIC members have repeatedly affirmed the centrality of public engagement, which you noted yourself at the April CCIC/CIDA consultation. But public engagement must not be a small domestic add-on to externally oriented strategies and funding mechanisms for development cooperation. Sustained development initiatives to end poverty unquestionably depend on an organized and active citizenry in both developing countries and northern countries such as Canada.

A comprehensive CIDA strategy for public engagement is key to improving Canadian aid effectiveness. Such a strategy would address a continuum of opportunities and means for informed Canadians to act as global citizens with counterparts in the South to strengthen democratic accountability to commitments to end poverty. While we appreciate that much work needs to be done, we had hoped that the policy statement would have given a greater sense of institutional directions and priorities for a renewal of a public engagement strategy. Sustained and systematic Canadian public engagement and effective citizen-to-citizen development cooperation needs to be given, in our view, as much priority as seems to have been given to reforming CIDA’s development cooperation efforts overseas. Our members are eager and ready to take up this challenge in dialogue with CIDA in the coming months. But where is the senior CIDA leadership on this critical long-standing gap in effective policies for global citizenship?

The place of citizens’ organizations in Canadian development cooperation

Earlier this month,

Foreign Minister Bill Graham, addressing the *Forum international de Montréal’s* Global Governance 2002 conference, eloquently elaborated on the crucial roles of NGOs in global governance and Canadian foreign policy. He went on to say, “Governments must ... be more open to the many resources available at all levels of society, locally and globally. In this regard, civil society offers a rich reservoir of experience, analysis and expertise, which are often irreplaceable.” He pointed to unique contributions of Canadian civil society to Canadian foreign policy, particularly for example, on banning landmines and small arms, and on debt cancellation.

In developing countries these roles are no less key than in Canada. CCIC members clearly support the strengthening of developing country governments to give overall direction to country-specific poverty reduction strategies and to deliver services consistent with achieving the Millennium Development Goals. *Canada making a difference in the world* rightly puts

renewed attention on the responsibility of government for improving Canadian aid effectiveness. But these new orientations for Canadian aid will not be effective if our aid strategies fail to also acknowledge the limits of government and the essential contributions of alternative voices of the poor, community-level innovation and experimentation, and support for local initiative, all of which feature strongly in partnerships of Canadian NGOs.

Even in the most aid dependent countries in Africa, where donors might be satisfied that government poverty strategies have democratic legitimacy, the allocation of development resources is highly contested and fraught with potential conflict and human rights violations. Independent roles on the part of citizens' organizations, community associations, producer groups or human rights monitors are key ingredients of the democratic process.

Avenues for accountability to poor people and marginalized communities will not effectively exist without improved capacity and active roles for citizens groups. These communities and organizations look to sustained partnerships with Northern development partners for both solidarity and sources of funds. An exclusive focus by CIDA on top-down government-directed development initiatives in the core countries, whether in health or agriculture, will ultimately undermine effective and essential roles for developing country citizens in eliminating poverty.

Canadian organizations, churches and unions have played leadership roles in moving to North/South relationships that are reciprocal and based on partner priorities. Often Canadian NGOs are responding to local needs that are below "the radar" of national strategies, but are providing support to local communities where the poor live and work. We are deeply disappointed that there is nothing in the aid effectiveness policy statement that recognizes the continued and unique CIDA partnership with Canadian non-governmental development actors as an essential ingredient of its overall effectiveness in international cooperation. Over the past 30 years, Canadian NGOs have repeatedly demonstrated innovation, whether it be in sustainable agriculture practices, in integrating human rights into the mainstream of development, in pioneering bottom-up peacebuilding, in promoting approaches that focus on gender equality as central to poverty reduction, among many others. They have done so with the sustained support of Canadian Partnership Branch and significant resources from bilateral programs.

Our membership is fully committed to work with you and with CIDA in implementing both the principles and directions set out in *Canada making a difference in the world*. But we hope and expect that the implementation of new approaches by CIDA will not jettison the significant experience and lessons that reside within many Canadian organizations that have made significant and innovative contributions to international cooperation. The commitment at the front-end of the policy statement to "address the role of civil society in Canada's aid program and in development more generally" provides an opportunity to find effective ways to sustain and increase these contributions.

In the spirit of this commitment to further consultations, CCIC and its members will be proposing a series of Roundtables with appropriate CIDA officials over the next six months that will focus on the implications of the aid effectiveness strategies for the role of Canadian development partners in Canada's official aid program. We will be seeking to clarify effective ways in which our members can continue contribute to poverty reduction in all the countries where we work. We will be contacting senior CIDA officials to arrange appropriate times and venues to pursue this dialogue.

We look forward to clarifications on your vision for Canadian international cooperation and the issues raised in this letter. As always, I would seek an opportunity to discuss these issues with you in person as I know we share a common objective – strengthening Canada's contributions to global poverty reduction -- that is so well expressed in *Canada making a difference in the world*.

Sincerely,

Gerry Barr
President-CEO

c.c. Len Good, CIDA President
Josée Touchette, V.P. Canadian Partnership Branch, CIDA