

Creating the Department of Foreign Affairs, Trade and Development: Benchmarks for more effective and coherent international development and humanitarian assistance

A. Introduction and overview

In 2013, Canada has a unique opportunity to strengthen its international development and humanitarian assistance program, and to do so in a transparent and democratic fashion. In Budget 2013, the government announced plans to amalgamate the Department of Foreign Affairs and International Trade (DFAIT) with the Canadian International Development Agency (CIDA). Within the new Department of Foreign Affairs, Trade and Development (DFATD), Budget 2013 indicated that the former CIDA would continue to serve the same functions, focused on promoting poverty alleviation and the provision of humanitarian assistance. Furthermore, in a statement following the Budget release, CIDA Minister Julian Fantino said that the amalgamation would “put development on equal footing with trade and diplomacy.” In fact, Budget 2013 signaled that the government would “enshrine in law the important roles and responsibilities of the Minister for development and humanitarian assistance” and that it would “leverage the synergies resulting from the amalgamation to maximize the effectiveness of the resources available to deliver development and humanitarian assistance”.

The Canadian Council for International Co-operation (CCIC) supports the government’s goal of giving equal weight to trade, diplomacy and development policy objectives with the aim of promoting policy coherence for development. The new DFATD offers a unique opportunity to achieve greater coherence in Canada’s policies toward developing countries and to enhance the effectiveness of Canada’s contribution to poverty reduction and humanitarian response. However, we believe that the risk of increased policy in-coherence, and the further subordination of the development objective to those of trade and diplomacy, is very real in the context of this amalgamation. Therefore, CCIC, in collaboration with other international development and humanitarian actors, has developed a set of benchmarks to inform our engagement with and analysis of the legal and key structural elements that will consolidate the amalgamation. We believe that these benchmarks must be met in order to maximize the present opportunity and achieve the goals set out by the government in Budget 2013 .

The proposed benchmarks apply to legislation, the integration of the mandate for CIDA within this new Department, and a future policy framework for development and humanitarian assistance going forward. We believe that contributing to poverty reduction, while upholding human rights and taking into account the perspectives of the poor – criteria currently enshrined in the Official Development Assistance Accountability Act (ODAAA) – provides a solid and worthwhile objective for DFATD. Any new legislation and the structure of the new department should uphold the importance of this core mandate for Canadian policy.

As Nelson Mandela captured so well, “Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of fundamental human rights. Everyone everywhere has the right to live with dignity; free from fear and oppression, free from hunger and thirst, and free to express themselves and associate at will. Yet in this new century, millions of people remain imprisoned, enslaved, and in chains... While poverty persists, there is no true freedom”. Canada - as a world leader and based on its values of democracy, justice and human rights - has the moral obligation to provide leadership in the global challenge against poverty and injustice.

B. Benchmarks and specific measures to achieve them

I. Legislation and procedure

1. *Maintain the Official Development Assistance Accountability Act, which applies to official development assistance (ODA) spending by all government departments, and ensure that future legislation is consistent with the provisions of the Act*

Although historically Canada has not had overarching governing legislation that defines the role and mandate of CIDA or its Minister, the Official Development Assistance Accountability Act (ODAAA)¹ articulates key principles for the delivery of Canadian aid. The ODAAA says that Canadian aid must focus on poverty reduction, take into consideration the perspectives of the poor, and be consistent with international human rights standards. The Act requires that all departments report to Parliament on aid spending, making aid spending more accountable and transparent. This it does through the whole-of-government “Report to Parliament on the Government of Canada’s official development assistance” and the “Statistical Report on International Assistance”. It has led to standardized reporting by DFAIT, the Department of Finance Canada and other government departments, which alongside CIDA administer aid funds. In the 2011-12 report, the Minister of International Cooperation also identified a convergence within government around five thematic priorities (although technically the first three only apply to CIDA): food security, children and youth, sustainable economic growth, security and stability, and democracy. The ODAAA represents an important first step in stimulating greater coherence and coordination between government departments and is an essential building block for any future legislation.

Specific ways to implement this benchmark:

- Maintain ODAAA as the corner stone for the allocation of Canadian official development assistance (ODA);
- Refer to ODAAA in new legislation as the guiding principle for all Canadian aid, including aid delivered by DFATD, to ensure coherence around the objectives of poverty reduction;
- Articulate how the ODAAA fits within Canada’s broader foreign policy framework, including reference to clear goals for Canadian development cooperation;
- Continue to monitor and report as mandated in the ODAAA, with disaggregated data for DFATD to distinguish between Departments and ensure consistent reporting on what is ODA-able, under the leadership of the Minister for Development and Humanitarian Assistance.

2. *The mandate for the Minister for development and humanitarian assistance within the revised DFATD Act should ensure a strong voice in Cabinet for international development and humanitarian assistance, with separate and distinct powers for the new Minister, and parity with the Ministers of International Trade and Foreign Affairs*

¹ See Official Development Assistance Accountability Act, S.C. 2008, c.17 (2008).

In a study of policy coherence for development in the UK, Sweden and the Netherlands, Ashoff² found a number of key elements that contributed to the success of government efforts to ensure policy coherence for development: strong political commitment to coherence on the part of the respective Minister; cabinet ranking of development policy; detailed rationale to achieve coherence and steps to achieve this in key policy areas; pro-active work by those responsible for development policy; networking and joint analysis between departments. Others have found that beyond political commitment, coherence requires organizational structure that reflects this commitment. For example, far from merging its aid and diplomacy channels, Britain has given its aid minister a full cabinet position, treating development as a distinct and major plank in its overall foreign policy, just as it does with trade and defence.

Specific ways to implement this benchmark:

- High level of commitment to development and promoting poverty reduction enshrined within the legislation;
- High-level Cabinet ranking position for the Minister of Development and Humanitarian Assistance as well as full membership of all appropriate Cabinet and Parliamentary committees;
- Maintenance by the Minister of his current signing authorities for program and project activities, with appropriate decentralization and delegation of authority within the new Department and to the field;
- Commensurate structures within the Department to ensure the effective implementation of the Minister's mandate through the establishment, for example, of Assistant and Associate Deputy Ministers dedicated to the implementation of development and humanitarian assistance programming and policy;

3. *The roles and responsibilities of the Minister for development and humanitarian assistance should be designed to strengthen Canada's commitment to broadly accepted principles of aid and development effectiveness as well as good humanitarian donorship, and preserve CIDA's core mandate of improving the lives of people living in poverty and generating meaningful and sustainable results.*

Coherence requires a clear delineation of the respective roles and responsibilities of the Ministers within the new DFATD. To ensure strong policy coherence for development, the Minister for Development and Humanitarian Assistance should clearly be responsible for supervising policies and programmes dedicated to ODA as defined by the ODAAA within the Department. The Minister should ensure that the implementation of Canada's development programs are in keeping with Canada's commitments to key principles of aid effectiveness as agreed in the Paris Declaration, the Accra Agenda for Action, and the Busan Partnership for Effective Development Cooperation. The new Department should have transparent mechanisms and policies for the representation of Canada's commitment to poverty reduction, human rights and humanitarian principles in the determination of foreign and trade policy.

For example, one of the more important challenges in complex emergencies is isolating foreign policy objectives from the provision or non-provision of humanitarian assistance. Humanitarian

² Ashoff, Guido. 2005. *Enhancing Policy Coherence for Development: Justification, Recognition and Approaches to Achievement*. Bonn: German Development Institute

assistance must remain independent and impartial of foreign policy and be perceived as such by respecting humanitarian principles and maintaining a needs-based response. The European Union, for example, through EC Council Regulation 1257/1996, states that the sole aim of humanitarian aid “is to prevent or relieve suffering [...] without discrimination [...] and must not be guided by, or subject to, political considerations.” The new legislation can help ensure a legal commitment to these principles, provide a standard against which Canada’s humanitarian action could be held accountable, and contribute to greater public understanding that humanitarian aid exists for the relief of suffering, not to be used for political purposes.

Specific ways to implement this benchmark:

- Clearly articulate the roles and responsibilities of the Minister;
- Integrate broadly-recognized principles of aid and development effectiveness;
- Acknowledge that Canada is a party to the Geneva Convention, as well as other international legal frameworks relevant to International Humanitarian Law;
- Commit to humanitarian principles, including respect for humanity, neutrality, impartiality and operational independence;
- Assure the implementation of humanitarian assistance in ways that are independent from other national foreign policy interests, based on humanitarian principles.

4. *The process by which future legislation and a policy framework is developed should include respectful, informed and meaningful dialogue in Parliament and consultation with Canadian stakeholders.*

The same values that guide Canadian development and humanitarian assistance programming overseas - democracy, human rights, accountability and transparency – should be the principles that guide the process for developing and approving Canada’s new aid legislation. The new legislation should take the form of a stand-alone bill or amendments to an existing bill, presented before Parliament and the relevant committees so that it can gain the full support of Parliament.

Specific ways to implement this benchmark:

- Introduce stand-alone legislation;
- Hold substantive stakeholder consultations and debate in parliament.

II. Policies to guide the integration of CIDA’s mandate in the new Department

5. *Apply the better practices and lessons learned from similar mergers in other donor countries, having separate policy analysis capacity and geographic expertise for development, in a way that supports the mandate of the Minister*

In the development of the legislation, and subsequent design of the new structure, Canada should take into account the experience of other donor countries, such as Norway, Sweden, Denmark, Belgium, and the Netherlands. They integrated their ministries of foreign affairs and international development in various ways, but have done so with an approach to aid that draws on key international principles. In countries like Norway, where the aid budget is the remit of

the foreign ministry, aid spending has been clearly ring-fenced, and a focus on poverty reduction protected.

While Sweden's commitment to coherence was codified in law, the United Kingdom achieved the same result through a White Paper that announced its vision for development. Switzerland introduced a federal law in 1997 that set out clearly the country's commitment to, and principles for, providing humanitarian aid – to save lives and “meet the needs of victims of these situations”, in a manner that is “neutral, impartial and unconditional in its approach”. In each case, as noted earlier, high level of political commitment was key, with a careful delineation of goals and objectives, and corresponding roles and responsibilities.

Coherence around goals and objectives does not, however, imply that all departments must work in exactly the same ways. The government would do well to consult with stakeholders on how the new Development Department can integrate bilateral, multilateral and partnership programs for development, as well as policy analysis for development, while still maintaining the distinct development character of the programs.

Specific ways to implement this benchmark:

- Provide strong political commitment to policy coherence for development, which reflects core values of human rights, environmental sustainability, and inclusive development;
- Clearly delineate goals, objectives, roles and responsibilities within the new Department;
- Maintain identifiable core functional capacities for aid delivery and development policy analysis ;
- Establish intra-governmental mechanisms for collaboration and consultation on development cooperation;
- Explicitly recognize the potential for tensions between different objectives in Canadian foreign policy, and commit to transparent policies and practices, including consultations beyond government, that build synergies between other Canadian foreign policy interests, trade and investment priorities, based on the promotion of human rights, environmental sustainability and inclusive development .

6. *Proceed with the merger at a measured pace, in accordance with the need to maintain allocation of funding resources for development and humanitarian assistance and ongoing implementation of programs, helping to safeguard the predictability and effectiveness of Canadian aid.*

The amalgamation has the potential to exacerbate the challenge to improve the predictability of Canada's development assistance, something the OECD-DAC noted is already lagging in Canada's case. The Canadian government will need to work to ensure that the merger does not delay allocation of funding resources or the implementation of programs, including in terms of the provision of appropriate, timely, and effective humanitarian assistance key to help those in need as quickly and efficiently as possible.

Specific ways to implement this benchmark:

- Provide high-level commitment to maintaining current programming and ensuring timely release of aid allocations;

- Make provisions for continued funding allocation and disbursement during the merger process, coupled with a clear and transparent articulation of these provisions to partners;
- Publicly commit to ensuring appropriate, timely, and effective humanitarian assistance, in line with the Principles and Good Practice of Humanitarian Donorship.

III. From legislation to an informed public policy for development and humanitarian assistance

7. *Develop a policy framework for development and humanitarian assistance, in consultation with key stakeholders, that is based on the ODAAA and internationally accepted key principles, and promotes a strong and clear vision for Canada's contribution to addressing global poverty and injustice within Canadian foreign policies.*

In the past, the lack of a clear, overarching policy framework that guides Canada's development efforts has meant that policy shifts appear to be *ad hoc* and not transparent. The 2012 OECD-DAC Peer Review signaled the need for Canada to articulate an overarching vision for development situated in the context of Canada's foreign policy that would lay out, for the next five to ten years, "how its new approach to development co-operation is to be translated into objectives, strategy and programmes". This should instill key principles of aid effectiveness and effective development and "demonstrate application of humanitarian principles." For example, Europe has adopted the European Consensus on Humanitarian Aid which overtly recognizes International Humanitarian law, the humanitarian principles, and the commitments of the Good Humanitarian Donorship initiative. It was developed through a very comprehensive and consultative process.

The absence of such a framework hinders the government's abilities to effectively communicate its development vision to the public. Accordingly, the OECD-DAC also recommended that CIDA "be more open, using regular dialogue and communication to keep employees and partners informed of changes and reforms" and develop guidelines on policy consultation. The Canadian government has 45 years of experience and a broad array of experts from which it can draw lessons learned and best practices. The creation of any future policy framework would benefit substantially from consultation and dialogue with key development and humanitarian stakeholders in Canada, including Non-Governmental Organizations, UN agencies, the Red Cross Movement, human rights organizations, as well as academic and research institutions.

Ultimately, such a framework, as the OECD also notes, could improve the accountability and transparency of the decision-making processes in both development and humanitarian programming by offering a rationale for priorities and demonstrate how the government's goals, objectives, policies, programs, partnerships, monitoring, and reporting through different departments function together. This would further improve policy coherence for development on priority issues and establish clear objectives for relevant government departments.

Specific ways to implement this benchmark:

- Create a development and humanitarian policy framework that outlines:
 - Canada's vision for development cooperation and humanitarian assistance with reference to the ODAAA, international commitments and key development and humanitarian principles, within Canadian foreign policy;

- Commensurate goals, objectives, policies and programming aimed at realising this vision;
- A cross-government strategy with clear roles and responsibilities, and transparent and measurable objectives and expected results, in line with the Paris, Accra and Busan principles of aid and development effectiveness and the Good Humanitarian Donorship principles.
- Open, meaningful, timely and informed public consultation with key development and humanitarian stakeholders.