
MOVING OUR COMMON AGENDA FORWARD
**International development and humanitarian assistance priorities for
the new government**

January 2016

***Summary:** This brief focuses on some of the priority international development and humanitarian assistance challenges and policy areas that Canadian civil society organizations (CSOs) have been addressing over the past few years. It provides a short background on each issue, and identifies where we have made progress and where there are still gaps. Finally, it puts forward concrete proposals of what Global Affairs Canada (GAC), in collaboration with CSOs, can do to move this agenda forward – five proposals for the first hundred days and five proposals for the first year. CCIC believes these proposals will further enhance the capacity of CSOs to realize their full potential as independent development actors in their own right. Establishing a new strategic partnership between GAC and CCIC would help support the implementation of this agenda.*

**1. The International Development and Humanitarian Assistance
Civil Society Partnership Policy**

Overview

The [International Development and Humanitarian Assistance Civil Society Partnership Policy](#), launched in February 2015, marked a [significant turning point](#) in the relationship between the international development and humanitarian assistance community and the then Department of Foreign Affairs, Trade and Development (DFATD). The policy, developed in direct consultation with civil society, has established a new framework with nine clear objectives for how the government engages with civil society. It also identifies CSOs as independent development actors with their own set of values to guide their work ([the Istanbul Principles for CSO Development Effectiveness](#) and the [Humanitarian Principles](#)), and recognizes the role that governments have to play in [generating an enabling environment](#) for civil society to realize their full potential. Finally the policy commits to an annual review of its implementation in consultation with CSOs. To help inform this process, CCIC has developed a [set of milestones](#) and indicators for the coming one to five years to benchmark progress. The first report against these benchmarks will be produced just ahead of the first consultation on implementation. The release of GAC's own implementation plan would facilitate this review process.

MOVING OUR COMMON AGENDA FORWARD

In February 2015, the government also announced the establishment of an International Development Advisory Council to the Minister, a new structure to ensure a multi-sectoral vision for defining the future of Canada's engagement on sustainable development. This has yet to be convened.

Establishing a [renewed strategic partnership with CCIC](#) on these, and a range of other areas identified below, would help move this agenda forward, and strengthen the capacity and effectiveness of the international development and humanitarian community in Canada.

First 100 days: Convene the Advisory Council - with representation from CCIC, the Provincial and Regional Councils, youth, labour, cities and environmental organizations, among others.

First year: Review the implementation of the CSO Partnership Policy and work in collaboration with civil society to translate the policy into practice.

Establish a strategic partnership with CCIC.

An enabling environment for civil society

Since 2008, governments have committed to establishing an enabling environment for civil society – a [precondition for CSOs to be able to fulfill their roles as independent development actors](#). Despite this, space for CSOs has declined significantly both [internationally](#) and in [Canada](#). Domestically, Canadian CSOs have suffered from political audits, defunding, public vilification and other means of intimidation that have created a significant chill on many of their activities – something the Liberal government has resolved to address, a commitment strongly welcomed by CCIC. Internationally, Canada has played a more positive role [advocating for fundamental rights and freedoms](#) for CSOs in developing countries and through its role as Chair of the Community of Democracies' [Working Group on Enabling and Protecting Civil Society](#). It has instilled this commitment in the CSO Partnership Policy.

There are a number of [provisions](#) in existing domestic legislation and policy that limit the activities of charities operating overseas and that challenge philanthropic foundations to fund this work. A [report on the Enabling Environment](#) by the [CSO Partnership for Development Effectiveness](#) identified three core areas to an enabling environment: recognition of core rights and freedoms, and policies and legislation that support their fulfilment; space for institutionalized dialogue and policy influence, through access to information that facilitates informed participation; and funding mechanisms appropriate to a diverse set of CSOs. All three measures are critical to ensuring the long-term sustainable contribution by CSOs to realizing the Sustainable Development Goals (SDGs) – as noted in a 2015 [Centre for International Policy Studies Working Group paper](#).

First 100 days: Convene a dialogue between GAC, Finance Canada, the Canada Revenue Agency and Canadian charities operating overseas to discuss the specific nature and practical realities that organizations face working in developing countries and humanitarian emergency contexts.

MOVING OUR COMMON AGENDA FORWARD

First year: Conduct a more comprehensive review of the enabling environment for Canadian charities operating overseas, addressing regulatory policies, legal and tax measures, funding and accountability mechanisms, and program requirements, looking to update existing provisions.

A shift towards more responsive funding

The new CSO policy has committed to “Predictable, Equitable, Flexible, and Transparent Funding Mechanisms”. This marks an important development. In 2010, the government shifted to a calls-for-proposals (CfP) funding mechanism for Partnership Branch, away from a funding mechanism that had facilitated long-term programmatic, responsive and sustainable partnerships with CSOs. The new [CfP mechanism was intended to streamline the application process](#), reduce the administrative burden, and create greater funding predictability. Instead it was plagued by funding delays, an [overall decline in funding to CSOs](#), unclear decision-making, and upon initial assessment, a [strong bias towards larger and medium-sized organizations](#). Longer term, evidence suggests it has had a [profound and detrimental impact](#) on Canadian CSOs’ and their partners’ capacity to deliver programming on the ground. In the past two years, DFATD has taken some important steps towards correcting some of this – including renewing funding for the Volunteer Cooperation Agencies, the Provincial and Regional Councils, the [International Youth Internship Program](#), and approving a new responsive funding window focused on Democracy and Good Governance. The Provincial and Regional Councils for International Cooperation are in dialogue with GAC to establish a new decentralized funding window, which they would manage, and which would target small and medium sized organizations across the country. A CCIC discussion paper, developed in collaboration with its members, lays out additional options for diverse funding mechanisms that will maximize the impact of CSOs on the ground and respond to the need for greater responsiveness, transparency, predictability, equity, and flexibility.¹ Ongoing contractual arrangements and requirements – timesheets, [overhead](#) policy, cost-sharing, in-kind contributions, and other issues – are also of growing concern to CSOs and the focus of ongoing discussions with, and recommendations to, GAC officials.

First 100 days: Launch a pilot decentralized funding mechanism focusing on small and medium sized organizations.

First year: In collaboration with civil society, develop and test a diverse suite of funding mechanisms, including piloting highly responsive programmatic funding mechanisms, within Partnerships for Development Innovation branch – consistent with CCIC’s proposals on funding modalities.

Start a dialogue on addressing funding issues with multilateral and bilateral branches.

Public Engagement

Public engagement (PE) is fundamental and a key CSO contribution to Canada’s international development program– as acknowledged in the new CSO Partnership Policy and the OECD report, [Partnering with Civil Society: 12 Lessons from DAC Peer Reviews](#). In short, public engagement helps raise awareness and change

¹ Paper forthcoming early 2016.

MOVING OUR COMMON AGENDA FORWARD

attitudes, and fosters enhanced understanding, global citizenship and action among Canadians. Since 2013, CCIC has been working to better enhance the public's understanding of the international development and humanitarian assistance community, both by getting a [better sense of the size of the community in Canada](#), and by beginning to reshape our own narrative around international development. In March 2016, we will be launching a new narrative toolkit for our members and the broader CSO community.

This work aside, advancing public engagement in Canada has not been easy in recent years. The sudden elimination in 2010 of the provision to allow up to 10 percent of program budgets for PE work in Partnership with Canadians contribution agreements, and of long-standing responsive PE funding mechanisms (such as the Stand-Alone Public Engagement Fund, Mass Media Initiative and Global Classrooms Initiative), has had [significant and adverse effects](#) on the capacity of Canadian CSOs to build awareness and sustain meaningful engagement with Canadians.

While the government has reintroduced the 10 percent allowance in calls-for-proposals launched in the past year, and has a number of strategic partnerships for PE with large CSOs and the provincial and regional councils, there are still no stand-alone programs for advancing PE more broadly. In the context of the new set of universal Sustainable Development Goals (SDGs), which have the potential to transform the way we talk about development to Canadians, we find ourselves with a unique opportunity to build the next generation of active, educated and supportive Canadians. But in order to do this effectively, we need a holistic framework which builds on past lessons learned and looks to the future. A CCIC discussion paper, developed in collaboration with its members, emphasizes the importance of PE as a central element of Canada's international development program; highlights the unique and powerful role played by Canadian CSOs in engaging Canadians; and proposes a renewed partnership with Global Affairs Canada to offer diversified, predictable and long term PE funding programs.²

First 100 days: In the context of the new SDGs, launch a meaningful and informed national consultation process to define a National Public Engagement Strategy and Action Plan that reinstates public engagement as a core component of the government's international development program and provides a shared vision and clear metrics moving forward.

First year: Against the backdrop of the SDGs, and in line with the PE Strategy and Action Plan, begin to pilot diverse and predictable multi-year funding windows with a range of programs and activities that cater to the needs of diverse organizations in regions across the country.

2. Sustainable Development Goals

The Sustainable Development Goals (SDGs) have ushered in a new era of global development cooperation, putting society, environment, economy, peace and partnership at the heart of future development efforts – both at home and abroad. The SDGs take a comprehensive, integrated and holistic approach to current and emerging challenges, and our response needs to be equally unconventional – what we are calling

² Paper forthcoming early 2016.

MOVING OUR COMMON AGENDA FORWARD

“business unusual”. Moving the United Nations’ new Sustainable Development Goals (SDGs) forward [is a top priority](#) for Canada and the world, and will require an enormous commitment. To realize these global goals, Canada will need to use an integrated, multi-sectoral approach that is not just whole-of-government, but whole-of Canada. This will require situating sustainable development at the centre of everyone’s work everywhere – much as the government has already done on climate change. It will require Canada to develop a Strategy and Action Plan for how we will collectively implement the SDGs, informed by consultations with, and commitments from, a broad range of Canadian stakeholders focused on work domestically and internationally.

First 100 days: Establish an inter-departmental Task Force to implement the SDGs, co-chaired by Global Affairs Canada and Environment and Climate Change Canada.

First year: Guided by this Task Force and ahead of the next High Level Political Forum in 2016, produce a draft Strategy and Action Plan for implementing the SDGs at home and abroad. This draft should be the basis for timely and meaningful national consultations with key stakeholders and for a new Federal Sustainable Development Strategy for 2030.

3. Private Sector and Development

The private sector is a key actor in development and manifests itself in a range of ways. In the simplest terms, the private sector can be defined by both its size (from micro, small and medium-sized enterprises (MSMEs) to large multinational corporations) and geographic origin (from Canadian and developing country companies to transnationals). [Research by CCIC](#) demonstrates that Canadian international development CSOs have been engaging with these different private sector actors for decades largely through four approaches – advocating for improvements to corporate policies and practice, and for legislation to regulate the activities of largely Canadian and transnational companies; engaging in dialogue with companies to enhance standards, again mostly with Canadian and transnational companies; promoting developing country private sector development through local MSMEs and cooperatives; and more recently, partnering with some Canadian and transnational companies in areas of “shared value”. Furthermore, CCIC and NSI [research shows](#) that in recent years, donors have been promoting local private sector development and partnering with national and transnational private sector actors at three different levels: macro (international standard setting, national dialogues), meso (innovation funds, match-making, value chain development) and micro (investing in business and skills development).

To ensure positive outcomes for development, each approach, at each level, needs to be guided by a clear strategy. Currently, beyond a weak approach for the [extractives](#) and [corporate social responsibility](#), strategies which have not been made fully public, the Canadian government is lacking a clear strategy for either promoting or partnering with the private sector. The exception could be 2003’s very robust [private sector development framework](#) for how the government supports the private sector in developing countries, which has since been archived.

MOVING OUR COMMON AGENDA FORWARD

There is also a need to clearly articulate the value that GAC brings to any of these areas in fostering positive and sustainable outcomes for development and for the poor. There are no publicly disclosed means of assessing either the [developmental or financial additionality](#) of investing public funds in partnerships with the private sector. Nor is it clear that the Canadian private sector is sufficiently interested or motivated to participate constructively in development cooperation.

Another important area of private sector involvement in international development is around financing for development. As was evident in the recent Financing for Development Conference in Addis Ababa, private sector financing organizations are being touted as the solution to the dire shortfall in funding for the huge infrastructure and other needs of developing countries. They are also a prime target for financing the goals included in Agenda 2030.

Given the importance attributed to the role of the private sector in the global discourse around international development, and the government's interest in positioning Canada as a leader in this field, CCIC has convened a number of conversations around [these issues](#), submitted inputs to government on several key policies, and is currently working on a discussion paper on the question of the mining sector and development. More dialogue is urgently needed with key stakeholders on these important issues for international cooperation in this new era.

First 100 days: Convene a series of multi-stakeholder discussions to further explore the challenges and opportunities in working with different private sectors in a way that ensures that each meaningfully contributes to sustainable development. These discussions can form the basis of a new GAC strategy on the private sector and development.

First year: Initiate research and informed dialogue that brings together multiple stakeholders (academics, CSOs, private sector actors and funders, different levels of government, etc.) around the opportunities for and challenges around broad regulatory and policy issues relating to the role of the Canadian and transnational private sector in sustainable development, including in financing for development. Key issues to be discussed would include additionality, transparency and accountability.

4. Policy Coherence for Sustainable Development

The 2013 amalgamation of the Canadian International Development Agency (CIDA) with the Department of Foreign Affairs and International Trade (DFAIT), sought to “put development on equal footing with trade and diplomacy,” looking to leverage synergies between the departments. Two years later, some of these synergies – in particular where the development and humanitarian agenda overlaps with the diplomatic efforts and global standard setting of Foreign Affairs – are becoming evident. They are less evident – and on occasion contradictory – where aid is aligned with Canadian commercial priorities, and where trade and investment agreements trump the environment and human rights (for example, free trade agreements with Honduras and Colombia, and the new series of Foreign Investment Protection Agreements – on which CCIC’s regional working groups have produced a [backgrounder](#) with some recommendations).

MOVING OUR COMMON AGENDA FORWARD

At the time of the amalgamation, CCIC recognized that the process had the potential to generate greater coherence in Canada's policies for poverty reduction and humanitarian response – policy coherence for development (PCD). However, we also cautioned against the real risk of increased policy incoherence, and the further subordination of development to trade and diplomacy. At the time, [CCIC proposed seven benchmarks](#) to help ensure that the amalgamation would in fact maximize real PCD. These included the affirmation of the Official Development Assistance Accountability Act (ODAAA) as a guiding framework for the merged department, and the reaffirmation of Canada's commitment to aid and development effectiveness principles and core humanitarian principles. These elements have not become salient features of the new Department, and the evidence of greater PCD is unclear. The new SDGs represent a unique opportunity for Global Affairs Canada to ensure a more integrated approach both within the Department, and across other Departments, driven by policy coherence for sustainable development, with the SDGs, the ODAAA and core humanitarian principles at the heart of this work.

First 100 days: Reaffirm the centrality of the ODAAA, aid and development effectiveness principles, and core humanitarian principles for the work of Global Affairs Canada, and commit to integrating these principles into the work across the Department.

First year: Provide strong political commitment to and leadership for policy coherence for sustainable development, which reflects core values of human rights, environmental sustainability, and inclusive development, with clearly delineated goals, objectives, roles and responsibilities across the Department for realizing this.

5. Canada's ODA Budget – Time to Bounce Back

Canadian official development assistance (ODA) or aid has been in freefall since 2011, dropping from a high that year of \$5.5 billion to \$4.9 billion in 2013/14. On a positive note, overall Canadian aid seems to have bounced back in 2014-15, hitting an estimated \$5.7 billion. However, the increase is exaggerated by two factors: a one-off concessional loan of \$400 million to Ukraine in 2014-15 and a double payment to the World Bank's International Development Association (due to a new payment approach, Canada paid its \$441.6 million allocation twice in the same fiscal year). Consequently, if you subtract these two amounts, the real aid budget is actually closer to \$4.8 billion, lower than in 2013-14. Furthermore, despite this increase, the IAE – a better measure of our real aid commitments to reducing poverty in developing countries – remains flat-lined. One-off refugee resettlement costs in 2015-16 will also exaggerate the increase to Canadian ODA, but again without any commensurate increase to the IAE.ⁱ

Yet beyond an effort by the former government to reduce the deficit and post a surplus, there is no clear rationale for why Canadian ODA should have dropped as low as it has, nor why it should remain where it is. Between 1970 and 1994, Canadian aid remained consistently above 0.4 as a percentage of Gross National Income (GNI). Using spending on aid and national defence as a proxy for global commitment, [recent research](#) by former Managing Director of the World Economic Forum and Canadian International Development

MOVING OUR COMMON AGENDA FORWARD

Agency (CIDA) President, Robert Greenhill, suggests that Canada's global engagement has been on the decline since the 1990s. Greenhill shows that Canada is now, as a percentage of GDP, last in the G7, last among medium-sized economies and massively below our historical levels on engagement. However, recent polls and generous responses to a series of humanitarian crises demonstrate that Canadians are compassionate and generous – epitomized by the recent outcry over the Syrian Refugee Crisis – and committed to [international development](#) and [poverty reduction](#). And while there are other sources of finance for development and humanitarian assistance, ODA is the most direct source for reducing extreme poverty and addressing its root causes.

However, Canada can remedy this drop in ODA in a number of ways: setting a timetable to reach the 0.7 percent of GNI target (within ten years) by predictably growing our international assistance envelope – as the Liberal government did in 2003; dedicating 50 percent of the aid budget to low-income, least developed countries (LDCs) and fragile states (we currently hover around 45 percent) (within one year); gradually directing 0.15 percent of GNI to LDCs (by 2019/20); and becoming one of the top three donors in at least one half of Canada's countries of focus (by 2019/20).

A strong shift towards support for multilateral organizations, away from predictable, responsive and long-term funding for partner country governments and CSOs, is another recent trend that needs to be addressed. Among other steps, the government should review funding mechanisms for humanitarian and bilateral projects and increase the delegated authorities of the Minister for International Development and senior GAC civil servants in Canada and in the field.

In its first month in office, the new government has demonstrated its strong commitment to climate change – including new climate finance, which should be new and additional to the existing aid budget. In the context of the new SDGs and the 2030 vision of leaving no one behind, the government should follow suit in its laudable commitment to climate change with a commensurate commitment to sustainable development.

First 100 days: Establish a ten year timetable in Budget 2016 for predictably growing Canada's international assistance envelope and moving towards the 0.7 target, including a clear rationale for why this target remains important to both Canada's future and the world's.

First year: Dedicate 50 percent of our ODA to low income, least developed and fragile states.

¹ The cost of refugees living in Canada in their first year is included in our overall aid budget, but is not part of the IAE. Therefore, higher refugee costs increases our aid budget without seeing any increase to the resources going to fight poverty in developing countries.